

Micro Farm Pilot Provisions 24-MF-WFRP



MF=Micro Farm

WFRP=Whole Farm Revenue Protection

**Risk
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rma.usda.gov

The Micro Farm program provides a risk management safety net for all farm commodities on your farm under one insurance policy, targeted to local farm producers.

Sales Closing Date depends on:

- Calendar Year and Early Fiscal Filer 4/15/2024
- Late Fiscal Filer 11/20/2024

Sales Closing Deadline for WFRP 3/15/2024

Sold and Service by local approved independent insurance agents. See <https://www.rma.usda.gov/Information-Tools/Agent-Locato>

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Eligibility for Micro Farm

You must:

- 1. Be a US citizen and eligible to receive Federal Benefits.**
- 2. File a Schedule F or other Tax Form for at least 3 consecutive years.**
- 3. Have no more than \$350,000 in farm revenue (or \$400,000 for carryover insureds).**
- 4. Have no more than 50% of total revenue from commodities purchased for resale.**
- 5. Whole Farm insures up to \$17 Million.**

Causes of Loss

Loss of insured REVENUE due to unavoidable natural causes that occur during the insurance period.

Insurance Period is:

The 12-month period corresponding to your tax year filing.

Insured Revenue

The Average Insured Revenue is based upon information you provide on:

1. Whole Farm History Report: Calculates your average revenue for 3-5 years of farm sales based on consolidated records.
2. Farm Operation Report: Calculates your “Expected Value Per Acre” and approved revenue based on 3-Years of sales records.
3. Level of coverage: 50% to 85% of your approved revenue.

- **Year-End Records**
 - Includes a total value for the commodities.

- **Contemporaneous records**
 - Include daily receipts (e.g., weekly, monthly, quarterly) used to substantiate reported revenue

- **Records used to determine taxes paid**
 - Schedule F farm tax form

Market readiness and post-production operations can be included in your average allowable revenue

- **Canning, freezing, and processing activities that add value to your product**
- **Revenue from sources other than agricultural commodities must be removed (bottled water, souvenir sales, etc...)**
- **Exclusions include Timber, forest, and forest products, Animals for sport, show, or pets.**

- **Notify agent of possible loss within 72 hours of loss or within 60 days after taxes submitted.**
- **Claims occur when the “revenue to count” falls below the insured revenue.**
- **You must file your taxes for the policy year before any claim can be made.**
- **Claims are paid within 30 days after the determination that a payment is due.**

Thank You

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USDA Farm Service Agency:

Non-Insured Disaster Assistance Program (NAP)

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NAP

Noninsured Crop Disaster Assistance Program



Provides financial assistance to producers of non-insurable crops to protect against natural disasters that result in:

Lower yields,
Total crop losses,
Prevented from crop planting



NAP design is a safety net, not a profit replacer.



Mitigation and adaptation can serve your operation better in the long run



Have a Disaster Plan in place.

Can you weather the weather without a risk management plan?



NAP Policy

NAP CCC-471BP (Basic Provisions)

<https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/noninsured-crop-disaster-assistance/index>

Noninsured Crop Disaster Assistance Program (NAP)

Section Topics

Disaster Assistance Programs Home

Disaster Designation Information

Emergency Assistance for Livestock, Honey Bees, and Farm-raised

NAP provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters.



Related Information

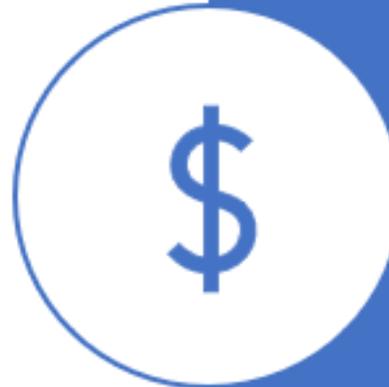
- [Access the NAP Buy-Up Estimated Premium Calculator \(FSA\)](#) - Requires eAuth Access
- View the [CCC-471 BP NAP, 2020 and Subsequent Year Basic Provisions in:](#)
 - English

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NAP Fees

- **Insurance-Based program**
 - Service fee to obtain coverage.
 - \$325 per crop, up to \$825.
 - Service fee waived for beginning, limited resource, socially disadvantaged, and veteran farmers.*
 - Various coverage levels
 - **Basic** coverage/catastrophic level coverage: 50/55.
 - **Buy-up** coverage options: 50/100; 55/100; 60/100; 65/100.
 - Premium required for buy-up. Historically Underserved Producers pay 50% of calculated premium.



NAP Fees

- **Historically Underserved- Self-Identify Certification**
 - Beginning farmer (10 years or less),
 - Limited resource (household income below county average)
 - Socially disadvantaged group,
 - gender, ethnicity, race
 - Beginning veteran farmers (1st 10 years out of the military)
- ✓ Service fee to obtain coverage- **WAIVED**
- ✓ **FREE Basic** coverage/catastrophic level: 50/55.
- ✓ **50% cost of Buy-up Premiums** 50/100; 55/100; 60/100; 65/100.

NAP Fees

- Historically Underserved: Self Certification

USDA Form Number/Expiration date: 0990-0291 and 09-0001-04
OMB Control Number/Expiration date: 0560-0309 and 12/31/2025
OMB Control Number/Expiration date: 0560-0311 and 12/31/2024

<p>CCC-860 (01-11-23)</p> <p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p>SOCIALLY DISADVANTAGED, LIMITED RESOURCE, BEGINNING AND VETERAN FARMER OR RANCHER CERTIFICATION</p>	<p>1A. County FSA Office Name and Address (Including Zip Code)</p> <p>1B. Telephone Number (Area Code)</p> <p>1C. Program Year</p>
<p>2. Applicant's Name and Address</p>	<p>INSTRUCTIONS:</p> <p>Complete Parts A, B, C, D, and/or E as applicable. Read the information relating to false certification in Part F. Return this form to the address in Item 1 above.</p>
<p>INFORMATION: If a legal entity requests to be considered a "socially disadvantaged," "limited resource," "beginning" or "veteran" farmer or rancher, the entity must meet the definition of the entity. The definition of the entity includes: "owners", "operators" and "other producers".</p>	
<p>PART A – CERTIFICATION OF SOCIALLY DISADVANTAGED FARMER OR RANCHER</p>	
<p>3. I certify that I am a member of a group listed below, whose members have been prejudiced because of their identity as members of a group without regard to race, color, sex, or national origin. (Check all that apply.)</p> <p><input type="checkbox"/> Women.</p> <p><input type="checkbox"/> American Indians or Alaskan Natives, Asians or Asian Americans, Black Pacific Islanders, Hispanics.</p>	
<p>PART B – CERTIFICATION OF LIMITED RESOURCE FARMER OR RANCHER</p>	
<p>Limited resource farmer or rancher status can be determined by using a web and Rancher Online Self-Determination Tool through Natural Resources Conservation Service.</p>	
<p><input type="checkbox"/> 4. I certify that the following statements are true by checking the box:</p>	
<p>My/our direct or indirect gross farm sales (as individuals, if applicable for those identified in the Limited Resource Farmer/Rancher Self-Determination Tool taxable year before the relevant program year (see Table 1 on Page 2 of this form) referenced above.</p>	
<p>My/our total household income (as individuals, if applicable for the entity or joint operation) was at or below the national poverty level for a family of four in each of the same 2 previous years (see Table 1 on Page 2 of this form) referenced above.</p>	
<p>PART C – CERTIFICATION OF BEGINNING FARMER OR RANCHER</p>	
<p><input type="checkbox"/> 5. I certify that the following statements are true by checking the box and providing the date I began farming:</p> <p>I (or if applicable, the entity or joint operation) have not operated a farm or ranch for more than 10 years.</p> <p>I (or if applicable, the entity or joint operation) substantially participate in the operation.</p> <p style="text-align: right;">Date (Month/Year began farming) _____</p>	
<p>PART D – CERTIFICATION OF VETERAN FARMER OR RANCHER</p>	
<p>6. I certify that I am a farmer or rancher who has served in the Armed Forces as defined in 38 U.S.C. 101(10) and I meet the requirements of at least one of the boxes below: (Check all that apply)</p> <p><input type="checkbox"/> A. I (or if applicable, the entity or joint operation) have not operated a farm or ranch for more than 10 years and began farming in _____ Date (Month/Year)</p> <p><input type="checkbox"/> B. I (or if applicable, the entity or joint operation) am a veteran (as defined in 38 U.S.C. 101(2)) who first obtained status as a veteran during the most recent 10-year period _____ Date (Month/Year)</p>	

CCC-860 (01-11-23)

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PART E – NAP COVERAGE OPTION

By submitting a certification under Parts A, B, C, and/or D, you are also certifying that you are eligible for a service fee waiver for catastrophic coverage on eligible crops under the Noninsured Crop Disaster Assistance Program (NAP) for each program year for which your certification is applicable. Additionally, higher levels of NAP coverage can be purchased with reduced premiums through your local FSA County Office. NAP is subject to 7 CFR Part 1437 and the NAP Basic Provisions, available at: <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/noninsured-crop-disaster-assistance/index>

Your signature on this certification is your application for NAP catastrophic coverage, and acknowledgement and receipt of the NAP Basic Provisions, on eligible crops for each program year for which your certification is applicable, unless you opt out of NAP catastrophic coverage for eligible crops in Item 7 below. For more information about NAP, visit your local FSA County office.

7. If you do not want to participate in NAP, enter a check mark in the box provided. I elect to opt out of NAP coverage

PART F – PENALTY FOR FALSE CERTIFICATION



Assess Coverage

NAP Coverage Levels

50/ 55 Basic (Catastrophic) Coverage

50/ 100 Buy-UP Coverage

55/ 100

60/ 100

65/ 100



NAP Coverage Information

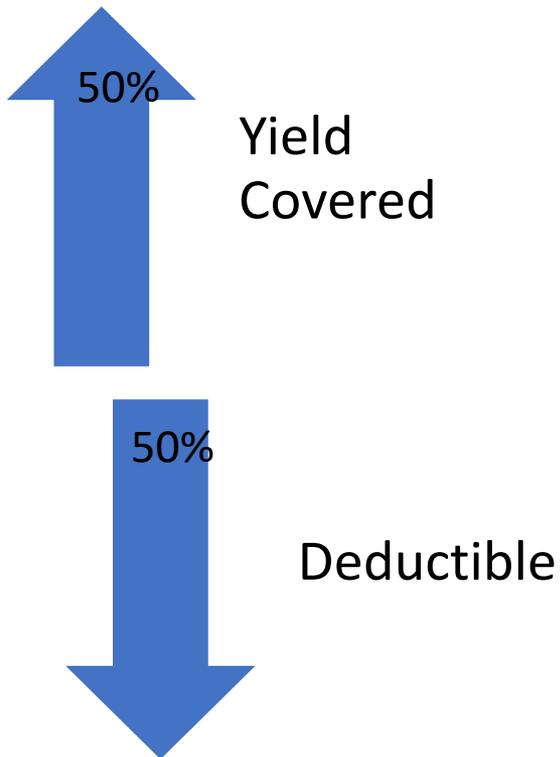
State	County	Crop	Type	Use	Pract.	Plant. Period	Grad. Price	Crush. District	Yield	Price
VT (50)	Addison (001)	BRCLI (0110)		FH	I	01			3267.00	1.8333
VT (50)	Addison (001)	BRCLI (0110)		FH	I	02			3267.00	1.8333
VT (50)	Addison (001)	BRCLI (0110)		FH	N	01			3267.00	1.8333
VT (50)	Addison (001)	BRCLI (0110)		FH	N	02			3267.00	1.8333

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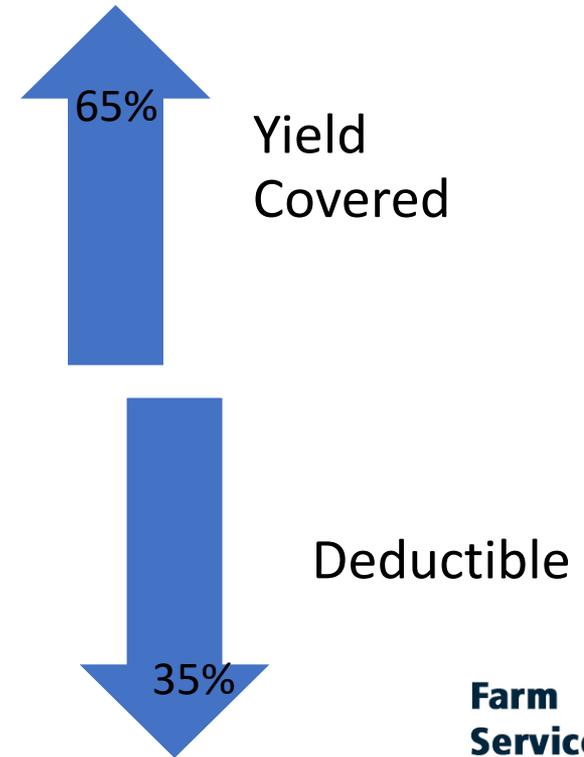
fsa.usda.gov

NAP Coverage Level

CAT (Basic)



Buy Up



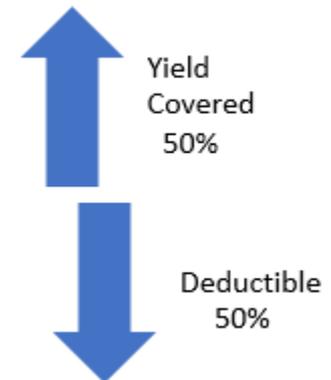
NAP Coverage Levels Explained

Coverage Ratio: 50/55

- % of crop yield covered by NAP/ % of average market price used to pay for the crop loss.
- In plain English: **Deductible / Price**
- Basic Coverage (50/55) means 50% of a producer's crop is covered by NAP.
- In other words, a producer must lose **greater than 50%** of their crop for NAP payment to kick in.
- The percentage of loss *greater than 50%* will be paid at 55% of the average market price for the crop.

Example: A producer with basic coverage loses 75% of their crop. The producer is paid at 55% of the average market price on 25% of the crop.

Price is set at \$1.50/pound, payment calculation would use \$0.825/pound



NAP Coverage Levels Explained

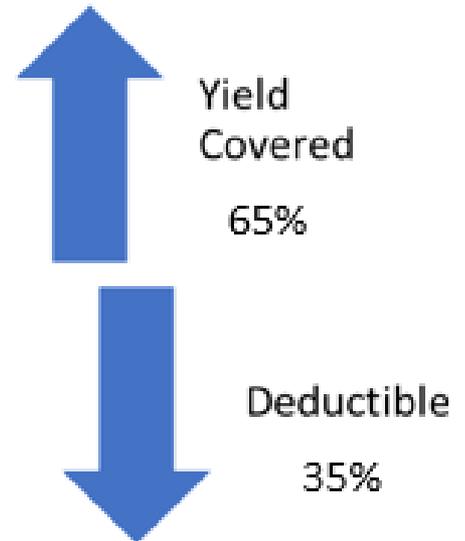
Coverage Ratio: % of total crop covered by NAP / % of the average market price for the crop.

In plain English: Deductible/Price

- **Buy-up coverage (65/100)**, 65% of a producer's crop is covered by NAP. Grower must lose more than the deductible (35%) of their crop for NAP to kick in. The percentage of loss greater than 35% will be paid at **100%** of the average market price for the crop.

Example: A producer with buy-up 65/100 coverage loses 75% of their crop. The producer is paid at 100% of the state-set average market price on 40% of the crop loss.

Price is set at \$1.50/pound, payment calculation would use \$1.50/pound



Yield & Price- Where does info come from?

Average Production History

- Your production information averaged for your approved yield

Average County Expected Yield

- Set by FSA State Committee annually
- using VT/New England NASS, regional marketing and other reliable source averages

Average market price

- Set by FSA State Committee annually
- using VT/New England NASS, RMA, county committee knowledge, producer pricing averaged
 - Organic Pricing Option 145% of average market price
 - Direct Market Pricing Option 130% of average market price

NAP – Causes of Loss

Only natural disaster/weather related events are eligible causes of loss.

- Directly from regulation, examples of eligible causes of loss are:
 - *damaging weather, including but **not** limited to drought, hail, excessive moisture, freeze, tornado, hurricane, excessive wind, lightning, insufficient chill hours, or any combination thereof*
 - *adverse natural occurrences, such as earthquake, flood, volcanic eruption, or any combination thereof*
 - *related conditions, including but **not** limited to heat, insect infestation, disease, insufficient chill hours approved by DAFP, or wildfire that occur because of an adverse natural occurrence or damaging weather.*

Notes: Damaging weather or adverse natural occurrence **must** have occurred for a related condition to be an eligible cause of loss.

Notable ineligible causes of loss:

-Market disruptions; failure to employ good management for the crop

Weather Reports

2023 Reported weather events in VT:

Flooding, flash flooding, Excessive Rain (Moisture), hail, frost, freeze, straightline winds

2022- Drought, excessive heat, cold wet weather, freeze, excessive moisture

2021- Drought, excessive heat, excessive rain, freeze, plant disease



NAP – Loss Calculations



Losses for NAP purposes are calculated based on:

- acreage of the crop planted
- producer's approved yield
- net production of the crop for that year
- coverage level elected
- average market price for the crop elected



A Loss Adjuster will be sent out:

- to evaluate the crop after the loss event
- to verify growing season is complete

NAP – Approved Yield



The approved yield is the average of APH for 4-10 years of production.



Actual Production History (APH)



Producers are required to provide production records for every crop with NAP coverage by July 15th of the following year in which they were grown.

Ex. For tomatoes grown in 2023, producers must report total production to the County Office by July 15, 2024.



July 15 deadline to report planted acreage

NAP – The Process



**The Crop Year for annual crops
NAP is March 15 – Normal
Harvest Date of the crop.**



**Coverage for the Crop Year must
be obtained by March 15th of
the same calendar year.**

Ex. NAP coverage for 2024 must be
secured by March 15, 2024.



**Annual acreage reports are due
by July 15th of Crop Year.**

Acreage reports for the 2024 crop year
are due by July 15, 2024.



Crop Reports

What is a crop report? Certification of planted crop acreage and location on an aerial photo

Why are they important? Planted acreage is important to calculate your yield per acre

How are they filed? As you plant your crops throughout the growing season, you file the plantings with FSA on the aerial photo and form FSA-578.

Your planting plan or sketch can help!

What is the deadline? Deadlines vary are listed on your summary of coverage or publicized by the FSA office.

Crop Reports

Farming Operation Totals

Planting Period	Crop/Commodity	Var/Type	Int Use	Irr Prac	Rpt Unit	Rpt Qty
01	ASPRG		FH	N	A	0.16
01	BEANS	GRN	FH	N	A	0.03
01	BEANS	PLE	FH	N	A	0.03
01	BEETS	HYB	FH	N	A	0.033
01	BLUBR	HBS	FH	N	A	0.50
02	BRCLI		FH	N	A	0.01
01	BRCLI		FH	N	A	0.03
01	BRUSL		FH	N	A	0.09
02	CARRT	HYB	FH	N	A	0.11
01	CARRT	HYB	FH	N	A	0.242
01	CLFLW		FH	N	A	0.03
01	CORN	SBI	FH	N	A	4.00
01	COVRC	BOB	CO	N	A	0.30
01	COVRC	CEG	CO	N	A	0.35
01	FLOWR	GLA	FH	N	A	0.03
01	FLOWR	SUN	FH	N	A	4.07
01	GARLC	COM	FH	N	A	0.50
01	GORDS	ORN	FH	N	A	0.50
01	GREEN	ARU	FH	N	A	0.01
01	GREEN	COM	FH	N	A	0.02
02	GREEN	COM	FH	N	A	0.01
04	GREEN	LEF	FH	N	A	0.04
01	GREEN	LEF	FH	N	A	0.062
01	GREEN	RED	FH	N	A	0.003
01	GREEN	RED	FH	N	A	0.003



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NAP – The Process



Losses are required to be reported to the County Office within 72 hours after they become apparent.



The County Office will prepare a Notice of Loss document for the producer to sign.

Due within 15 days of the loss becoming apparent date.



The County Office will reach out to the Loss Adjuster in order to arrange a time for them to visit the producer's farm.

NAP – The Process

Once the Loss Adjuster's report is provided to the County Office, payment will be calculated.



The County Office will provide the producer with an Application for Payment form to sign.

This form must be signed with 60 days of the Normal Harvest Date for the crop.

NAP – The Process



Producers may be required to provide harvest/sales records to the County Office to verify information regarding loss.



Records can include:

- Sales receipts/invoices
- Field notes
- Picking logs
- Copies of leases
- Etc.



Record-Keeping

- **Imperative for best outcome when participating with USDA FSA programs.**
- **APH records reflect a producer's operation most accurately.**
- **Without satisfactory, reliable or verifiable records of production, producers may face reduced NAP payments or be completely ineligible for payment altogether.**



Production Records

Why do I need to provide my production records?

Coverage is farmer-specific, based on your management. Yields vary by farm

Reviewing yield information each can help you make next years' decision

What is considered ok for a record?

Verifiable, Reliable, Contemporaneous

What if I don't have records?

Initially you may not have records, Records are required. Find/develop a system to keep track.



Production Records

Quickbooks Reports of Sales

Maple sap boilings recorded on calendar with grade of syrup made that day

Copies of invoices and receipts

Spreadsheet

Picking log

U-pick sales – listing units sold and price/unit

Farm stand note book

Pocket notepad

Pictures

Airtable or softwares

Major Take-Aways



NAP is designed as a safety net, not as a profit replacer.



Record-keeping is imperative for success in the program.



All Historically Underserved Producers should be encouraged to connect with the County Office and benefit from free & automatic coverage.

thank you!

- **Comments/Questions**
- **Farmers.gov**
- <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/noninsured-crop-disaster-assistance/index>
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