

2019 Crop Insurance Information for Vegetable and Berry Growers

Managing risks to your agricultural enterprise requires you to assess the potential hazards that can threaten your farm's viability. USDA offers a number of risk management options for farmers, including **crop insurance**, **revenue insurance** and **disaster assistance programs**.

Crop insurance is designed to moderate production or marketing losses that result from unexpected events. Crop and revenue insurance programs are administered through the USDA Risk Management Agency (RMA), and then sold and serviced through private-sector insurance companies licensed through USDA. Disaster assistance programs are administered through the USDA Farm Service Agency (FSA).



Whole Farm Revenue Insurance (WFRP)

The Whole-Farm Revenue Protection program provides a risk management safety net for all commodities on the farm under one insurance policy. Farms can get WFRP with only one commodity or with multiple commodities. This insurance plan is tailored for any farm with up to \$8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets, wholesale or retail. This program also allows certified organic producers to use organic prices.

You can go to the UVM Ag Risk website to access the fact sheet "**Preparing a Diversified Veggie & Fruit Farm for Whole Farm Revenue Protection Crop Insurance**".

Multi Peril Crop Insurance (MPCI)

Multi Peril Crop Insurance protects the insured crop against production losses due to insurable perils such as excess precipitation, hail, drought and disease. It must be purchased prior to planting. In Vermont, MPCI policies are available for corn, forage seeding, soybeans, fresh market sweet corn, spring barley, wheat, apples and peaches. In some cases, coverage for other individual crops can be extended to additional counties by written agreement.

Noninsured Crop Disaster Assistance Program (NAP)

This program can provide some assistance following a catastrophic event resulting in significant crop loss. Administered by the Farm Service Agency (FSA), NAP provides financial assistance to producers of non-insurable crops if natural disasters result in lower yields or crop losses. NAP provides catastrophic loss (CAT) coverage based on the amount of loss that exceeds 50 percent of expected production.

Provisions for beginning farmers, traditionally underserved farmers and farmers with limited resources

Eligible beginning farmers, traditionally underserved and those with limited resources can now receive increased assistance when they participate in USDA crop insurance programs. These provisions exempt qualified farmers from paying the administrative fee for crop insurance policies. In certain instances, it provides them the ability to use the production history of farming operations in which they were previously involved with the decision making or physical activities. It also increases the premium subsidy rates for beginning farmers by 10 percentage points during their first 5 years of farming. If beginning farmers experience a poor yield due to an insurable cause of loss, they may replace the poor yield in their production history with 80 percent of the county T-Yield, which is 20 percentage points higher than non-beginning farmers receive. Eligible farmers are also eligible for a waiver of the service fee and reduced premium for NAP coverage through FSA.

Organic Provisions

The **Contract Price Addendum (CPA)** allows you, as a certified organic or transitioning producer, who has a written contract from a buyer by the acreage reporting date, the ability to insure your crop at the contract price. You can buy a Federal crop insurance guarantee that is more reflective of the actual value of your certified organic crop, or crop which is transitioning to organic.

Conservation Compliance

To receive premium assistance for crop insurance from the Federal Government, producers must comply with highly erodible land and wetland conservation requirements. These are the same as those required for participation in FSA and NRCS programs. Producers who do not comply can still purchase crop insurance, but will no longer be eligible to receive the government-paid premium subsidy.

Where to get more information

USDA Risk Management Agency: <http://www.rma.usda.gov/>

Crop Insurance Agents must be licensed by the USDA to sell crop insurance in any state. Below is the link to find one in Vermont. There are no specific geographic territories within the state, which means you do not have to select an agent based on where they are located. Find someone you will be comfortable dealing with. Link for the RMA agent locator:

<http://www.rma.usda.gov/tools/agent.html>

USDA Farm Service Agency: <http://www.fsa.usda.gov/>

For information on resources and connections in Vermont:

UVM Ag Risk Program website: <http://go.uvm.edu/ag-risk>



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