



## Risk Management Agency

# Micro Farm Program

**FACT SHEET**  
November 2021

### Micro Farm Program

The Micro Farm program provides a risk management safety net for all commodities on your farm under one insurance policy. This insurance plan is tailored for any farm with up to \$100,000 in approved 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.

### Availability

Micro Farm is available in all counties in all 50 states.

### Causes of Loss

Micro Farm provides protection against the loss of insured revenue due to unavoidable natural causes which occur during the insurance period. Micro Farm will also provide carryover loss coverage if you are insured the following year. See the policy for a list of covered causes of loss.

### Important Dates

#### Sales Closing, Cancellation, & Termination Dates

January 31, February 28, or March 15 (by county)

#### Revised Farm Operation Report Dates

All Counties..... July 15

Contract Change Date..... August 31

Talk to your crop insurance agent about the dates that apply for your county.

### Insurance Period

Coverage is provided for the duration of your tax year (the insurance period). The insurance period is a calendar year if your taxes are filed by calendar year, or a fiscal year if your taxes are filed by fiscal year.

### Eligibility

Eligibility for Micro Farm coverage requires you to:

- Be eligible to receive Federal benefits;
- Be a U.S. citizen or resident;

- File either a Schedule F tax form or other farm tax form that can be converted to a Substitute Schedule F for a specified number of years (see “Information You Provide” below);
- Have no more than \$100,000 of approved revenue (or \$125,000 if you had Micro Farm the previous year); and
- Have no more than 50 percent of total revenue from commodities purchased for resale.

If you are a vertically integrated entity or have other Federal crop insurance policies, you do not qualify for Micro Farm but may be eligible for coverage under the Whole Farm Revenue Protection policy.

### Coverage

Micro Farm protects your farm against the loss of farm revenue that you earn or expect to earn from:

- All commodities on your farm except timber, forest, and forest products; and animals for sport, show, or pets.
- Commodities you produce during the insurance period, whether they are sold or not.
- Commodities you buy for resale during the insurance period.

Micro Farm “insured revenue” is the total amount of insurance coverage provided by this policy. Your crop insurance agent and Approved Insurance Provider determine the farm’s “approved revenue” using the following information:

- Whole-Farm History Report;
- Farm Operation Report; and
- The coverage level you choose (50-85 percent) multiplied by the approved revenue is the insured revenue amount.

The approved revenue amount is determined on your Farm Operation Report and is the lower of the expected revenue or your whole-farm historic average revenue. Coverage levels range from 50 percent to 85 percent. Catastrophic Risk Protection (CAT) coverage is not available.

### Information You Provide

There are certain documents you must provide to your crop insurance agent to get Whole-Farm Revenue Protection insurance:



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- A Whole-Farm History Report with a minimum of 3 consecutive years of Schedule F or other farm tax forms (it must be possible to complete a Substitute Schedule F form if you filed farm tax forms other than Schedule F). For the 2022 policy year, tax forms from 2019-2021 are required.
  - ◇ If you have not yet filed taxes for the most recent tax year, a Substitute Schedule F must be submitted for that year.
  - ◇ If you are a tax-exempt entity (such as a Tribal entity) and have acceptable third-party records available, those can be used to complete Substitute Schedule F tax forms.
- A Farm Operation Report containing information on your farm operation for the current insurance period.
- Any supporting information required, including other signed tax forms, to show the farm tax forms are accurate and were filed with the IRS.

### Growing Farm Operations

If your farm operation has been expanding over time you may be allowed to increase your approved revenue amount based on an indexing procedure. The indexing procedure requires 5 consecutive years of revenue history and measures growth of the farm operation over this period.

### Prices and Yields

Commodities are not assigned individual prices under Micro Farm. Instead, one value for all commodities on your farm operation is established based on the average allowable revenue of the previous three years.

### Market Readiness and Post-Production Operations

Market readiness and post-production operations, such as canning, freezing, and processing activities, can be included in your allowable revenue and will be used when calculating your farm's insurance guarantee under Micro Farm. Revenue from sources other than agricultural commodities, such as bottled water or souvenir sales, must be removed from allowable revenue.

### Loss Reporting Requirements

You must submit a notice of loss within 72 hours after discovery that revenue for the policy year could be below the insured revenue. Inspections may be required for losses.

### Claim Settlement

You must have filed farm taxes for the policy year before any claim can be made and you must make claims no later than 60 days after the date you submit farm tax forms to the Internal Revenue Service (IRS). Claim payments for a revenue loss under Micro Farm are paid within 30 days after the determination of a payment due as long as you are in compliance with the policy.

Claims are settled after taxes are filed for the policy year. A loss under the Micro Farm policy occurs when the revenue-to-count for the insured tax year falls below the insured revenue. Revenue-to-count for the insured tax year is:

- Revenue from the tax form that is "approved revenue" according to the policy;
- Adjusted by excluding inventory from commodities sold that were produced in previous years;
- Adjusted by including the value of commodities produced during the tax year that have not yet been harvested or sold; and
- Any other adjustments required by the policy such as those from uninsured causes of loss.

### Premium Subsidy

Your premium subsidy will be based on the coverage level you elect. Additionally, all farms insured under Micro Farm receive a whole-farm premium subsidy.

### Buying Micro Farm

You can buy Micro Farm from a crop insurance agent by the sales closing date shown for each county in the actuarial documents at: [webapp.rma.usda.gov/apps/actuarialinformationbrowser/](http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/). A list of crop insurance agents is available at all USDA service centers and on the RMA website at: [www.rma.usda.gov/en/Information-Tools/Agent-Locator-Page](http://www.rma.usda.gov/en/Information-Tools/Agent-Locator-Page). If you have difficulty finding an agent, contact your [RMA Regional Office](#).

### Contact Us

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This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of our risk management needs, contact a crop insurance agent.