

FINANCIAL ASSURANCE FOR CONNECTICUT FARMERS



USING USDA RISK MANAGEMENT PROGRAMS



These institutions are affirmative action/equal employment opportunity employers and program providers.

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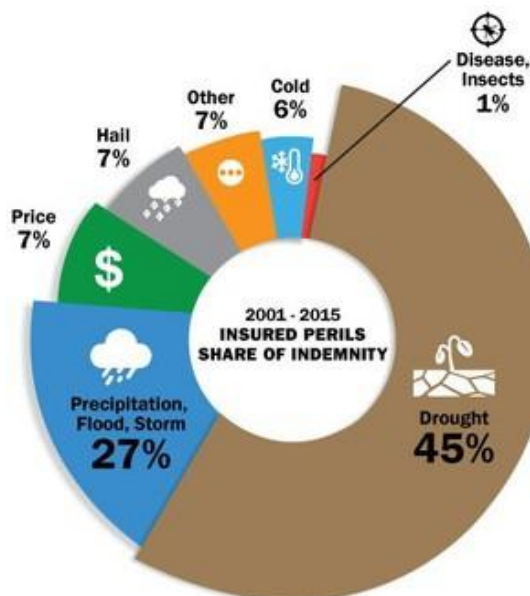
Why Insure Your Crop(s)?

Farming is a Risky Business

Crops can fail for a variety of reasons. As climate change increases the likelihood of extreme weather events, it is more important than ever to have a plan in place to protect your crops and income each growing season.

Buying Financial Disaster Protection Can:

- ✓ Help to prevent a major business financial interruption
- ✓ Generate funds to purchase replacement production to maintain customers
- ✓ Pay off your operating loan



Is Enrolling Worth It?



Good for Your Future

Taking responsibility for developing a risk management plan is a critical step for any serious farmer. In the event of a natural disaster, your best protection might be enrollment in NAP, MPCI, WFRP, or MFP. Hoping for compensation for losses through a federal declaration of emergency or disaster is very unlikely.

Good for Your Business

Keeping records of your production history is good business practice. Having these records on hand is also essential for future years as you begin to explore federal and state programs for agriculture such as loans, grants, and insurance.

Basic Farm Record includes

- ✓ Name of crop
- ✓ Crop Type/Variety
- ✓ Location on farm
- ✓ Acreage/Row feet
- ✓ Growing Practice
- ✓ Planting Date
- ✓ Intended Use
- ✓ Expected Yield/Price
- ✓ Input Costs
- ✓ Expected Profit
- ✓ Actual Yield/Price
- ✓ Profit

Good for Future Farmers

Participating with USDA Farm Service Agency (FSA) programs helps shape agricultural policies and programs. You are helping to ensure that farmers like you are considered, and services for beginning and diversified growers are improved.

Resources and Tools for Those Just Starting Out

<https://www.rma.usda.gov/en/Topics/Beginning-or-Veteran-Farmers-and-Ranchers>



Multi-peril Crop Insurance (MPCI)

MPCI is a USDA insurance product offered through private insurers. This program covers specific commodities. MPCI offers coverage for your crop production from adverse weather, insects, plant diseases, wildfire, fire, and other natural perils. In Connecticut, this plan is available for:

Apples, Peaches, Grapes, Potatoes, Sweet Corn, Fresh Market Tomatoes, Corn, Nursery and Tobacco



Other crops may be covered under a written agreement in Connecticut. Consult with a Crop Insurance Agent to see if you can insure a particular crop using a written agreement. There is also protection for Dairy, Livestock, Pasture and Hay land available through your crop insurance agent.

When MPCI is available, NAP is not available for the crop. This crop insurance policy generally provides more coverage choices than NAP. Protection from 50% to 85% of the expected crop yield (revenue for some crops) and up to 100% of the projected price for the crop is typical. Organic and contract prices are available for some crops.

The enrollment deadline for most spring planted crops is March 15 before the crop is planted. The enrollment deadline for Nursery is May 1. The enrollment deadline for Pasture, Rangeland, Forage and Apiculture is December 1. The enrollment deadline for most fall crops and fruit is November 20.

To find a Crop Insurance Agent:
<https://www.rma.usda.gov/en/Information-Tools/Agent-Locator>



Whole Farm Revenue Protection (WFRP)

WFRP is a USDA insurance product offered through private insurers. Diversified growers can insure expected revenue from products sold from the farm based on the producer's revenue history. Organic pricing for revenue estimates is allowed for certified and non-certified. Five consecutive years of filed income tax forms are required to be eligible for this program. Beginning farmers may qualify with 3 historic years of filed income tax forms if they have been also farming the previous year. Application deadline for WFRP is March 15.

Items Covered: Expected revenue earned from market ready crops (includes washing, trimming, packing). Livestock and animal products and/or purchased for resale. Annuals lost early enough for replanting.

Eligible Events: A natural cause of loss and decline in market price during insurance year.

Coverage Levels: 50% to 85% of approved expected revenue. Maximum protection \$17 million. Individual limits not to exceed \$2 million of expected revenue each for animals and animal products, or nursery and greenhouse commodities.

Cost: Please contact a private crop insurance carrier for pricing.

More information:

<https://www.rma.usda.gov/en/Policy-and-Procedure/Insurance-Plans/Whole-Farm-Revenue-Protection>



Micro Farm Policy (MFP)

Micro Farm features:

- ✓ Available coverage levels from 50% to 85%
- ✓ All revenue from crops and livestock insured under one insurance policy
- ✓ Covers up to \$350,000 in approved revenue or up to \$400,000 in approved revenue if you had a Micro Farm policy the previous year
- ✓ Cost of the policy is reduced by an additional subsidy of the insurance premium
- ✓ 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; and
 - Commodities you buy for resale during the insurance period.

Information Need to Apply:

To obtain coverage under the Micro Farm program, you must work with your crop insurance agent to provide a Whole-Farm history report with a minimum of 3 consecutive years of Schedule F or other farm tax form.

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 the Substitute Schedule F.

For additional information:

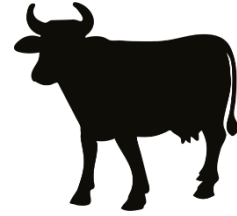
<https://www.rma.usda.gov/en/Fact-Sheets/National-Fact-Sheets/Micro-Farm-Program>



USDA RMA Regional offices

<https://www.rma.usda.gov/en/RMALocal/Field-Offices/Regional-Offices>

Livestock Insurance Programs



USDA RMA offers the following programs:

- ✓ **Dairy Revenue Protection (DRP)** designed to protect against unexpected declines in quarterly revenue from milk sales relative to a guaranteed coverage level. Producers may cover 80% to 95% of their expected quarterly revenue in 5% increments and may purchase coverage up to five nearby quarters and have multiple endorsements for the same quarterly insurance period.
- ✓ **Livestock Gross Margin (LGM)** provides protection against loss of gross margin, or the market value of livestock minus the feed costs. The policy covers the difference between the gross margin guarantee and the actual gross margin at the end of the insurance period. Futures prices are used to determine the expected gross margin and the actual gross margin. LGM does not insure against death or other loss or destruction of livestock.
- ✓ **Livestock Risk Protection (LRP)** provides protection against livestock price declines. Insurance may be purchased throughout the year with coverage prices ranging from 70% to 100% of the expected ending value of their animals. At the end of the insurance period, if the actual ending value is below the coverage price, producers will be paid an indemnity for the difference. Premium rates, coverage prices, and actual ending values are posted online daily.
- ✓ **Weaned Calf Risk Protection (WCRP)** offers beef cow-calf producers revenue coverage for their calves from birth through weaning. This program provides both yield and price protection. Coverage is based on the average weaning weight per calf with T-Yields available. Program projected and harvest prices are based on the CME Feeder Cattle Futures Contract and adjusted according to weight utilizing a price slide.



For information on Livestock Insurance Plans:

<https://www.rma.usda.gov/Topics/Livestock-Insurance-Plans>

Hurricane Insurance Protection (Wind Index)

Agricultural producers who farm in coastal states are recommended to consider Hurricane Insurance Protection-Wind Index (HIP-WI), which covers a portion of the deductible of the underlying crop insurance policy when a county, or county adjacent, is within the area of sustained hurricane force winds. HIP-WI also includes a tropical storm option.

For additional information: <https://www.rma.usda.gov/en/Topics/Hurricane-Insurance-Protection-Wind-Index>

Controlled Environment Policy (CE)

The Controlled Environment (CE) crop insurance program offers insurance for destruction orders for plant diseases and contamination introduced from the environment even though all biosecurity protocols were followed. In general, the CE crop insurance pilot program provides the following benefits to CE producers:

- ✓ Offers crop insurance coverage through a simple application and policy renewal process similar to the Nursery Value Select (NVS) program;
- ✓ Offers new crop insurance coverage specific to the disease and contamination risk in CE operations;
- ✓ Offers insurance for CE producer-selected plant categories that are specific to CE and that are not in other nursery insurance programs; and
- ✓ Allows CE operations to have single peril CE insurance to be purchased as a standalone policy or in conjunction with other nursery insurance.

For additional information: <https://www.rma.usda.gov/en/Topics/Controlled-Environment>

For more information:

Factsheets are available at: <https://www.rma.usda.gov/en/Topics/National-Fact-Sheets>

Noninsured Crop Disaster Assistance Program (NAP)

NAP is offered through the USDA Farm Service Agency (FSA) and provides financial protection for crops affected by natural disaster that do not already have an individual MPCID crop insurance policy available (see page 5, MPCID). Protection is based on a producer's actual production history and the average market price as determined by the FSA State Committee. Most crops new farmers grow are eligible.

Application Closing Dates and Items Covered:

- ✓ **September 30** – Garlic and Value loss crops for the following year – aquaculture commodities, Christmas trees, flowers for fresh cut, nursery crops, ornamentals, turfgrass sod
- ✓ **November 20** – Asparagus, blueberries, cherries, grapes, grazing/forage crops, nectarines, peaches, pears, plums, strawberries
- ✓ **December 3** – Honey and maple sap for the following year
- ✓ **March 15th** – Small fruits, spring seeded crops, hops

Eligible Events: Natural disasters including, but not limited to, damaging weather events, drought, flood, earthquake, and uncontrollable pests or plant diseases caused by a natural disaster.

Coverage Levels: Basic coverage is available at 55% of the average market price for crop losses that exceed 50% of expected production.

Cost: Service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1950 for a producer with farming interests in multiple counties. Beginning, limited resource, qualified veteran, and underserved farmers are eligible for waiver of service fee and premium reduction.

More info: For more information on NAP and other FSA Programs, visit your local FSA office.

<https://www.fsa.usda.gov/state-offices/Connecticut/index>
or by calling (860) 871-4090

Connecticut's GROWING a FARM BUSINESS

Find key resources for prospective, new and beginning farmers including:

- ✓ Finding farmland
- ✓ Crop insurance
- ✓ Registration and Taxes
- ✓ Selling your products
- ✓ Financing
- ✓ Connecting with new farmers
- ✓ Service provider e-news

Developed in collaboration with:

- ✓ UConn Extension
- ✓ CT Department of Agriculture
- ✓ CT Farm Bureau Association
- ✓ CT NOFA
- ✓ New CT Farmer Alliance
- ✓ USDA-FSA
- ✓ USDA-NRCS

Available at <https://portal.ct.gov/DOAG/ADaRC/ADaRC/Growing-a-Farm-Business-in-Connecticut>



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