

Specialty Crop Insurance Options – Overview and Resources

Key provisions of the 2018 Farm Bill provide avenues to expand farm safety net options for specialty crop producers. The USDA Risk Management Agency (RMA) has broadened communications with producers and ag professionals to identify areas needing increased development of risk management products to producers. Expansion of crop insurance products is generally made to growing areas where RMA is aware the crop exists, where there is history or experience of the crop's performance, and there is substantial grower interest in crop insurance products.

This fact sheet provides an overview of two key crop insurance options for specialty crop producers – individual specialty crop insurance programs and whole farm revenue protection programs.

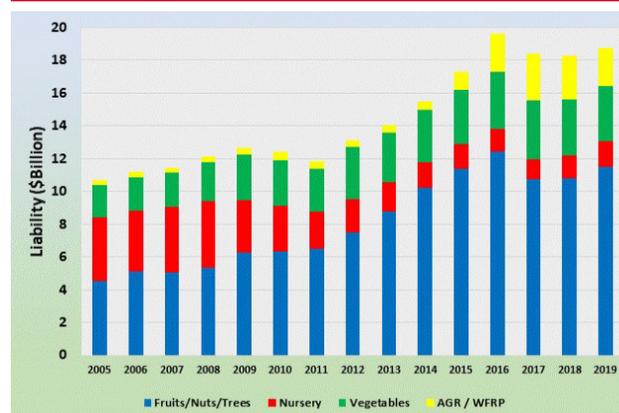
Definition and Significance of Specialty Crops in US Agriculture

Specialty crops are defined in federal law as “fruits and vegetables, tree nuts, dried fruits and horticulture and nursery crops, including floriculture.” This definition leaves some latitude in interpretation. At this time, individual crop insurance programs are currently available for at least 72 different specialty crops. In the Midwest, some of the most common specialty crops include apples, blueberries, cantaloupe, grapes, pumpkins, onions, pears, potatoes, strawberries, sweet corn, tomatoes, walnuts and a variety of mixed vegetables. A complete list can be found on the specialty crops section of the [USDA Risk Management Agency website](http://www.rma.usda.gov/en/Topics/Specialty-Crops): www.rma.usda.gov/en/Topics/Specialty-Crops

The most recent US Census of Agriculture shows that specialty crops are grown on over 243,000 farms covering over 15.6 million acres with a market value of nearly \$80 billion dollars. Over 99,000 farms reported using hired farm labor for a total of nearly 1.2 million workers. Interestingly, the average age of specialty crop producers was mostly in the mid-50s, with producers of some crops (such as vegetables, maple syrup, herbs, hops and sweet corn for seed) skewing slightly younger. Of the over 435,000 producer reporters identifying themselves as specialty crop producers, nearly 38% of those farmers are women [Source: 2017 US Census of Agriculture].

Specialty crops are a priority within the USDA Risk Management Agency (RMA). Federal crop insurance coverage for specialty crops has grown steadily over the past 15 years. From just over \$10 billion in 2005, the amount of insurance for specialty crops totaled more than \$18 billion in 2019 (Figure 1).

Figure 1. Federal Crop Insurance Corporation (FCIC) Program Growth for Specialty Crops



Source: RMA Fact Sheet – Specialty Crops (Feb 2020)

LEARN MORE on Specialty Crop Insurance Options in the [accompanying video](https://vimeo.com/558269485), <https://vimeo.com/558269485>

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Specialty Crop Insurance for Individual Crops

RMA offers producers of specialty crops the opportunity to purchase individual crop insurance policies on certain crops. This coverage may include yield and revenue losses due to natural causes such as drought, excessive moisture, hail, wind, frost, insects and disease. Such policies are not available for every crop and every county, but lists of such available policies are maintained and kept current on [the agency's website](https://rma.usda.gov/en/Topics/Specialty-Crops): <https://rma.usda.gov/en/Topics/Specialty-Crops>.

The Agriculture Improvement Act of 2018 (the “2018 Farm Bill”) contained provisions that have caused RMA to seek new ways to provide tools for specialty crop producers to manage their risk. One significant avenue is the opportunity for producers to submit requests for expansion of coverage to include a specialty crop for which policies may not be available in the producer’s county, but may be insurable in another county. This is referred to as a Request for Actuarial Change. Producers can work with private crop insurance agents to supply information so that coverage expansion can be considered. The [RMA provides a tool](#) to locate private crop insurance agents who can assist with this request: www.rma.usda.gov/Information-Tools/Agent-Locator-Page.

Whole-Farm Revenue Protection (WFRP) for Specialty Crops

Whole-Farm Revenue Protection provides a risk management safety net to protect producers against the loss of revenue that the farmer expects to earn from almost all commodities under one insurance policy, including specialty crops. This type of federal crop insurance program is available in every state and county in the US. Farms may be producing specialty or organic commodities (both crops and livestock); and, they may be marketing those commodities to local, regional, specialty or direct markets, including direct-to-consumer markets.

Whole-Farm Revenue Protection can be used on any farm with up to \$8.5 million in insured revenue. This coverage provides protection against the loss of insured revenue due to an unavoidable natural cause of loss. The value of crop diversity is recognized by the WFRP program, as it directly supports the production of a wider variety of food by providing a discounted premium rate based on the number of commodities on the farm.

The approved revenue amount insured is determined based on the producer’s farm plan for the policy year. The farm plan shows the producer’s expected revenue and yields for each commodity to be raised and the historical revenue produced in the previous five years, as shown on the farm’s Schedule F farm tax records. However, Beginning or Veteran Farmers may qualify with three or four years of records.

The following table shows participation in the WFRP program through the 2018 crop year.

	2015	2016	2017	2018
Policies	1,122	2,203	2,731	2,477
Liability	\$1.146 B	\$2.330 B	\$2.842 B	\$2,664 B
Average crops per policy	3.34	3.71	4.01	4.04
Different crops insured	213	258	289	300

Source: Specialty Crops – Report to Congress (June 2020)

Beginning in 2020, some positive changes were made to the WFRP program. Producers who participate in the Noninsured Crop Disaster Assistance Program (NAP) along with WFRP coverage may receive indemnity payments under both policies, rather than being required to choose which indemnity to elect as was the previous policy. Similarly, state and federal disaster program payments will be excluded from revenue-to-count and allowable revenue determinations. Additionally, there are increases in livestock and nursery limits allowed in the WFRP program.

More information on these changes is available at the [USDA RMA website](http://www.rma.usda.gov/News-Room/Press/National-News-Archive/2019-News/2019-News/Whole-Farm-Revenue-Protection-Policy-for-2020): www.rma.usda.gov/News-Room/Press/National-News-Archive/2019-News/2019-News/Whole-Farm-Revenue-Protection-Policy-for-2020

Resources

[Specialty Crops website](#) – USDA Risk Management Agency (RMA): www.rma.usda.gov/Topics/Specialty-Crops

[Specialty Crops Fact Sheet](#) – USDA Risk Management Agency (RMA) (March 2020). www.rma.usda.gov/en/Fact-Sheets/National-Fact-Sheets/Specialty-Crops

[Specialty Crops in 2020: COVID-19 and Other Challenges](#). Daniel Tregagle, PhD, Assistant Professor, Department of Agricultural and Resource Economics. NC STATE ECONOMIST, Winter 2020. <https://cals.ncsu.edu/agricultural-and-resource-economics/wp-content/uploads/sites/12/2021/01/Specialty-Crops-in-2020-COVID-19-and-Other-Challenges.pdf>

[Specialty Crops – Report to Congress](#) (June 2020) submitted by the Risk Management Agency (RMA) on behalf of the Federal Crop Insurance Corporation (FCIC). www.rma.usda.gov/-/media/RMA/Specialty-Crops/2020-Specialty-Crop-Report.ashx

[Whole Farm Revenue Protection \(WFRP\) website](#) – USDA Risk Management Agency (RMA): www.rma.usda.gov/en/Policy-and-Procedure/Insurance-Plans/Whole-Farm-Revenue-Protection

[Whole Farm Revenue Protection Fact Sheet](#) – USDA Risk Management Agency (RMA) (August 2019) www.rma.usda.gov/en/Fact-Sheets/National-Fact-Sheets/Whole-Farm-Revenue-Protection-2020

[US Census of Agriculture – Specialty Crops](#), www.nass.usda.gov/Publications/AgCensus/2017/Online_Resources/Specialty_Crops/SCROPS.pdf

[Specialty Crop Insurance Options video](#), <https://vimeo.com/558269485>



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