

# Whole Farm Revenue Protection

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## SPEAKERS

Craig Christianson, Christa Hartsook, Speaker 3, Olivia Hanlon

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### Christa Hartsook 00:15

Hello, and welcome to the Small Farms Podcast, a production of the Small Farms Program at Iowa State University Extension and Outreach. Our podcast covers the opportunities and challenges associated with rural life.

### Olivia Hanlon 00:29

In this episode, I visit with Craig Christianson, Risk Management Specialist with the USDA Risk Management Agency, and talk about Whole Farm Revenue Protection. I'm Olivia Hanlon, Farm Food and Enterprise Development Education Extension Specialist and we hope you enjoy the show. Craig, welcome to the show. We're glad to have you joining us today.

### Craig Christianson 00:45

Thank you. Thank you for having me. I appreciate the opportunity.

### Olivia Hanlon 00:48

Absolutely. So I think this is your first time on our show. Could you start by giving us a general overview of the risk management agency and what your role is there?

### Craig Christianson 00:58

Yeah, absolutely. So as you mentioned, my name is Craig Christianson, I work with the Risk Management Agency in St. Paul's regional office as a Risk Management Specialist. So RMA is part of the US Department of Agriculture, and our role is to manage the federal crop insurance program, which provides risk management tools to America's farmers and ranchers. So before I

go on a little more what we do, I kind of thought I'd give a little background on the federal crop insurance program in general. So really, it's made up of, you know, three main entities or players in the program. The first is our Federal Crop Insurance Corporation known as FDIC, and this is a wholly owned government corporation, and their job really is to administer the federal crop insurance program. They're made up of a board of directors with with nine members, and what they mainly do is they're the ones that are going to approve any new policies or plans of insurance, or any major modifications to our existing plans.

**O** Olivia Hanlon 02:01  
Okay.

**C** Craig Christianson 02:01  
And then we have the Risk Management Agency or RMA as we're known. So I mentioned who I work for. And, as I said, we manage the federal crop insurance program. So RMA is made up of six compliance offices across the nation. And their role is to provide oversight for the program, make sure producers are getting paid when they should be and not getting paid when they shouldn't be basically. And then we also have RMA headquarter staff in Kansas City, and there's some RMA folks who work in our national headquarters in Washington DC as well. In addition to that, we have our 10 regional offices across the country, which is where I work again in St. Paul, and our office covers the states of Iowa, Minnesota, and Wisconsin. And our role is to kind of act as RMA's eyes in the field, we try to make sure we keep contact with local producers, grower groups, universities, and other government agencies. And then we also, you know, serve as a resource for crop insurance companies and agents, they can reach out to us to help provide them information. Finally, our third group, that's part of the program is our Approved Insurance Providers, known as AIPs. These are private insurance companies that have an agreement with RMA to write policy. So they're the ones who actually sell in service of policies, and they work with over 15,000 individual agents across the country, and they're the ones who producers go to to actually purchase the policies. So it's a public private partnership, which is kind of unique. You know, some of the advantages that provides public private partnership is that, you know, producers know that they're going to be covered, even in times of severe disasters, because the program is backed by the federal government. But then we also have, you know, private insurers who are able to deliver efficient service. And then also, you know, we have agents located in the communities that they serve. So producers can, you know, go to somebody who knows their area, knows their community and work with them when they purchase these products. So that's kind of just the general background of, you know, the program and what we do.

**O** Olivia Hanlon 04:26  
Yeah, thanks for that, Greg. So today we are talking Whole Farm Revenue Protection. So let's start with a bit of history about that program itself.

**C** Craig Christianson 04:35  
Sure. So the Whole Farm Revenue Protection Program or Whole Farm, it's a little shorter say

Sure. So the Whole Farm Revenue Protection Program or Whole Farm, it's a little shorter say, was established in 2015. It came as a result of the 2014 Farm Bill, which directed RMA to develop a Whole Farm diversified risk management plan of insurance. One of the unique things about this program is that it was the first crop insurance product available nationwide in every county in the United States. And so, you know, in 2015, we had \$1.14 billion in Whole Farm liabilities with 1,128 policies sold nationwide. And then fast forward to 2020, we had \$2.26 billion in Whole Farm liabilities with 2067 policy sold. So it has grown over its kind of relatively short life, and we hope it keeps growing and becomes a valuable tool for producers.

O Olivia Hanlon 05:33

For sure. I did not realize that this was the first program to reach that far, Greg. So that's really interesting.

C Craig Christianson 05:40

Yeah.

O Olivia Hanlon 05:42

What kinds of things can or does Whole Farm cover?

C Craig Christianson 05:46

So Whole Farm covers your loss of farm revenue that you earn or expect to earn due to unavoidable natural causes of loss. So you know, acts of God, things of nature, cause damage, don't get the crop and it's based on your revenue. So it would be that revenue loss that you have. It's going to cover all the commodities that are produced on the farm, and it also can cover commodities that you buy for resale. So with this product, you don't get to pick and choose, you know, and ensure these five crops, but not these three, it's gonna kind of be like an umbrella cover everything that you produce. There are some exceptions, very few, it would be for timber forests and forest products are not covered, as well as animals for sports, show, or pets. But other than that, it's gonna cover everything. It can also provide some replant coverage for your annual crops. There are some exceptions with that, and that would be approved by the company, but that replant coverage is part of the policy.

O Olivia Hanlon 06:45

Okay, so with that being said, Craig, what kinds of producers can really benefit from having this policy versus a different policy?

C Craig Christianson 06:53

Sure. So there are some eligibility requirements. But essentially, this plan is available to any farm with up to eight and a half million dollars in insured revenue. And when it was developed,

though, it was developed to be tailored for farms with specialty or organic commodities, both crops and livestock, and for those marketing to local, regional, farm identity preserved, specialty, or direct markets.

**O** Olivia Hanlon 07:18

Okay, so this is really a good option for those who may not fall into your standard insurance plan, right?

**C** Craig Christianson 07:25

Correct. Yep, it's open to everyone. But I guess it's kind of tailored to the back group. Okay, those that maybe didn't have options with the type of farm they have, some of that may work for them, hopefully.


**O** Olivia Hanlon 07:36

Okay, so some of our listeners have probably heard of this Whole Farm plan before, but there were recently some changes made to it. Could you tell us a little bit about what those were and explain what that means for the producers that may utilize this program?

**C** Craig Christianson 07:51

Sure. Well, each year of the program, it's looked at evaluated and tried to make improvements that will make it more useful for producers. So one of the bigger changes that we made for this year in 2021, was allowing direct market producers to report two or more direct marketed commodities using a new combined direct marketing code. This allows producers to report a combined expected revenue for a group of commodities, rather than having to break them out individually, which we know sometimes can be difficult for these types of producers to do. So we tried to make it more usable doing that, because again, you do need to report, we get to your revenue by going through what's called a farm operation report, and you need to kind of break out what you're selling, how much of it, and for what price. So this, you know, gave them a little flexibility. Looking ahead to 2022, some of the changes that are going to be included would be our expanding operations limits are now going to be the higher of \$500,000, or 35%. So what that means is we do have methods in place, because the amount of revenue you're insuring is going to be based on a comparison of what you produced in the past. So an average of that, versus what you're expected to produce this year. So for operations that have expanded their acreage, added extra capacity, or are switching from convention to organic, so, you know, expecting higher premium prices for their commodities, we have a calculation, that's called the expanded operations, that takes us into account. And so previously, that was capped at 35%. And now you know, if it's a smaller operation 35% may not be that much of an increase, so now we've set the limits to be the higher of that \$500,000 or 35%, it gives a little more flexibility, represents the true expansion of that operation. Some of the other things we've increased the limit of insurance for aquaculture producers, it will be allowing producers to report acreage as certified organic when the producers have requested in organic certification by the reporting deadline. So it doesn't necessarily have to be approved and in-


hand, they just have to prove that they've made that request. And then finally, it's going to provide a little more flexibility to report a partial yield history. So if producers are lacking records for a certain year, certain crop, instead of not being able to count that at all, they would insert a zero yield for the missing years, but it would still be able to count towards the total revenue.

 Olivia Hanlon 10:28

Okay, and those last couple are ones coming for 2022? Is that what I heard?

 Craig Christianson 10:33


Yep, correct.

 Olivia Hanlon 10:34

Okay, so you mentioned AIPs earlier, but let's dive into that a little bit. How can producers partake in this Whole Farm Revenue Protection plan?

 Craig Christianson 10:42

Sure. So yeah, like I said, these are sold in service through private insurance companies, and they can be purchased through a crop insurance agent. So really, if a producer is interested in it, would need to find an agent can reach out to them and work with them to obtain it, I guess.

 Olivia Hanlon 10:59

Okay, so when people are looking for AIPs near them, is there a good list of those somewhere that they could access?

 Craig Christianson 11:06

Yeah, on our website, we have something called an agent locator tool. And so if you go on to [rma.usda.gov](https://rma.usda.gov), go under Tools and look for the agent locator tool, and you put in your area, and it will provide a list of agents. These agents aren't endorsed by RMA, we just simply create the list. So we don't provide recommendations for or against anyone, but it is a tool for those that are needing to find agents in their area.

 Olivia Hanlon 11:34

Okay, wonderful. So along with that, if people are looking for any more information, where should they look? Or who should they talk to?

**C** Craig Christianson 11:42

Yep. So I would say, honestly, our website is a great place to start, we have a Whole Farm page, it's dedicated just to the Whole Farm program, so it has all the different information in there. You can also reach out and contact our office either through email or phone, our contact information is on our website. But the email for our office is [rsmn@usda.gov](mailto:rsmn@usda.gov), and that'll take you to our office mailbox. That would get routed most likely to me since I am our Whole Farm specialist in the office. But in case I was out, somebody would at least see that. And then again if you're learning more, or want to see if it's right for you, or want to talk to someone about what it may cost, get some estimates, contact an agent, and they can work with you on that.

**O** Olivia Hanlon 12:28

Okay, awesome. Craig, I have one final question for you. If you could give producers one tip on either how to best utilize this plan or how to know if it's a right fit for their operation, what would your tip be?

**C** Craig Christianson 12:41

Well, I would say you know, utilize all the information that we have, and kind of do your research and learn about the program, so you can find out information about the policy and the policy terms on that Whole Farm page on our site. We also provide frequently asked questions and fact sheets. And so if you can get a background on it, and you want to get more numbers, and you don't really want to talk to an agent, we do have tools on there something called a premium calculator, which again, is under Tools on there. And what you can do with that is put in your information, estimate, you know, your revenue and things like that, what you're growing, and it will give you an estimate of what a premium would come out to be for your operation. If it looks like something that you may be interested in, then maybe you want to take the next step and contact that agent. But there's so much information on our site that you can research. And again, if you have questions on the program, feel free to reach out to our office, I can give you information on the program. I can't consult with you on whether it's right or not for your farm, that's something you would have to decide but I can give you information. But if it's not on the site, or you don't quite understand it reach out, let us know.

**O** Olivia Hanlon 13:54

Okay. Yeah, that's very good to know that that tool is on there. Craig, is there anything that we did not cover today that you'd like to add?

**C** Craig Christianson 14:02

Just one last thing I thought I'd add RMA announced a new insurance policy called Micro Farm, I thought I'd save it for the end, because we don't have a lot of details about it yet. But what we do know is that it's going to be offered through Whole Farm, it's going to have distinct provisions that can provide more access to the program, things like producers are not going to

need to report their expenses or their individual commodity, do that type of reporting. So it's going to simplify the record keeping requirements for producers who do the direct marketing and then also this will include revenue from post production costs and from value added products. These are going to be considered allowable revenue which is different than the current Whole Farm policy for this. So it's going to be available the farm operations with average allowable revenues of \$100,000 or less, or \$125,000 or less for carry over insurance meaning they already have a policy in place the year before. As I mentioned, that's pretty much all I know about it for now, but we will have additional details forthcoming later this fall. So if this sounds like something that you'd be interested would work for your operation keep up with RMA, and we should be releasing more information soon.

**O** Olivia Hanlon 15:13

Okay, Craig, that was my cliff notes for later was that hopefully I could score you to come back and talk about that once you get some more information. So hopefully listeners can look forward to that at some point.

**C** Craig Christianson 15:24

I'd be happy to, sure.

**O** Olivia Hanlon 15:26

All right. Well, thanks for joining us today, Craig. Like I said, we hope to have you back in the future to talk about some more things.

**C** Craig Christianson 15:31

Yeah. My pleasure and thank you for having me on. I'm always happy to get the information out there and hopefully it's helpful.

**O** Olivia Hanlon 15:38

Absolutely.

**S** Speaker 3 15:39

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