

Crop Insurance Options

For Small Vegetable Farmers

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Contact Info

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Crop Insurance Basics

- Annual Expense to purchase a farm bottom line in terms of yield or revenue
- Only covers specific causes of loss
- Choice of coverage levels
- Guarantees in \$
(usually based upon Expected Yield x Expected Price)



Crop Insurance Sources

1. Crop Insurance Agent

- USDA Multi-Peril Crop Insurance (MPCI)
- Private Insurance Company Products

2. USDA Farm Service Agency (FSA)

- Additional programs for non-insurable crops



USDA Multi-Peril Crop Insurance (MPCI)

- Regulated & Subsidized by USDA's RMA (Risk Management Agency)
- Administered by private insurance company
- Purchased from crop insurance agent
- Annual deadlines to sign up (vary by crop)



USDA Multi-Peril Crop Insurance (MPCI)

Examples:

- Whole Farm Revenue Plan - best for diversified growers (3 or more crops)
- Crop-Specific Plans (In some counties of Ga): Onions, Bell Peppers, Cabbage, Fresh Market Tomatoes, Fresh Market Sweet Corn)
- Written Agreements



Whole Farm Revenue Plan

- Covers almost all crops and animals
- Guarantees total farm revenue
 - Based upon last 5 years revenue reported to IRS (5 year weighted avg)
 - Allow annual 20% expansion in expected revenue beyond 5 yr avg
- Well subsidized with guarantees of 50 - 85% avg farm revenue



Whole Farm Revenue Plan

- Covers crop value, not added value
- Expected / Guaranteed crop value based upon:
 - Futures market
 - Avg annual local market price
 - Contract price
 - Average of past direct sales receipts



Whole Farm Revenue Plan

2022 WFR Fact Sheet (USDA)



Georgia Farmers
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Misc Annual Sales Closing Dates

- Fresh Market Tomatoes and Pecans: Jan 31
- Whole Farm Revenue Plan: Feb 28
- Nursery: May 1
- Cabbage: July 1
- Bell Peppers & Fresh Market Sweet Corn: July 31
- Onions: Aug 31
- Apples, Peaches, Blueberries: Nov 20



Private Insurance Company Products

- NOT subsidized by USDA
- Administered by private insurance companies
- Purchased from crop insurance agent
- Annual deadlines to sign up (vary by crop but most June 1)
- Example:
 - Crop Hail Plans - coverage for hail and fire plus other options



USDA Farm Service Agency Products

- Purchased or free from FSA county office
- Administered by FSA
- Annual deadlines to sign up (vary by crop)
- Example: NAP (Noninsured Crop Disaster Assistance Program)



NAP (Noninsured Crop Disaster Assistance Program)

- Available for most crops if no MPCl plan exists for that crop
- Purchased from FSA



Overall Crop Insurance Strategy for Veg Farmers

- Choice 1: MPCl Plan combined with Crop Hail Plan
- Choice 2: MPCl Plan via Written Agreement combined with Crop Hail Plan
- Choice 3: Crop Hail Plan and NAP (Noninsured Crop Disaster Assistance Program)



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