

2022 Risk Management Programs for Vegetable and Berry Growers

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USDA offers a number of risk management options for farmers, including **crop insurance, revenue insurance and disaster assistance programs.**

Crop insurance is designed to moderate production or marketing losses that result from unexpected events. Crop and revenue insurance programs are administered through the USDA Risk Management Agency (RMA), and then sold and serviced through private-sector insurance companies licensed through USDA. Disaster assistance programs assist producers following extreme loss events and are administered through the USDA Farm Service Agency (FSA).

Whole Farm Revenue Insurance (WFRP)

The Whole-Farm Revenue Protection program provides a risk management safety net for all commodities on the farm under one insurance policy. Farms can get WFRP with only one commodity or with multiple commodities. This insurance plan is tailored for any farm with up to \$8.5 million in insured 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, wholesale or retail. This program also allows certified organic producers to use organic prices.

Local marketing. Now WFRP offers an option specifically designed for diversified producers marketing through farm stands, local Farmers Markets, CSAs and other direct retail sales.

New for 2022: Micro Farm Policy. This new option is available for local food producers whose total farm income is less than \$100,000 per year (or carryover producer with less than \$125,000). This program simplifies required record keeping and covers some post-production costs not covered by other crop insurance policies.

Multi Peril Crop Insurance (MPCI)

Multi Peril Crop Insurance protects a single insured crop against production losses due to insurable perils such as excess precipitation, hail, drought and disease. MPCI options may vary by state. In Vermont, MPCI policies are available for corn, forage seeding, soybeans, fresh market sweet corn, spring barley, wheat, apples and peaches. In some cases, coverage for other individual crops can be extended to additional counties by written agreement.

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides some financial assistance when eligible crops are affected by natural weather events resulting in lower yield or complete crop loss. NAP is a yield-base protection program offering catastrophic (CAT) and Buy-Up level yield and price coverage options. Organic market price elections are available on some crops. NAP also includes prevented planting provisions. NAP can be purchased through your local FSA office.

Organic Provisions

The **Contract Price Addendum (CPA)** allows certified organic or transitioning producers who have written contracts from buyers by the acreage reporting date, the ability to insure their crops at the contract price. You can buy a Federal crop insurance guarantee that is more reflective of the actual value of your certified organic crop, or crop which is transitioning to organic.

Conservation Compliance

To receive premium assistance for crop insurance from the Federal Government, producers must comply with highly erodible land and wetland conservation requirements. These are the same as those required for participation in FSA and NRCS programs. Producers who do not comply can still purchase crop insurance, but will no longer be eligible to receive the government-paid premium subsidy.

Provisions for beginning/early stage farmers, traditionally underserved farmers and farmers with limited resources

Eligible beginning/early stage farmers, traditionally underserved and those with limited resources can receive increased assistance when they participate in USDA crop insurance programs. These provisions exempt qualified farmers from paying the administrative fee for crop insurance policies. In certain instances, it provides them the ability to use the production history of farming operations in which they were previously involved with decision-making or physical activities. It also increases the premium subsidy rates for beginning farmers. Your crop insurance agent can explain these and other special provisions for which you may qualify. Eligible farmers may also have the service fee waived and get a reduced premium for NAP coverage through FSA.

Where to get more information

- UVM Ag Risk Program website: <http://go.uvm.edu/ag-risk>
- USDA Risk Management Agency: <http://www.rma.usda.gov/>

Crop Insurance Agents licensed by the USDA enroll and service crop insurance policies. Select an agent you are comfortable dealing with and who provides you with the advice and service you need. Link for the RMA agent locator:

<http://www.rma.usda.gov/tools/agent.html>

- USDA Farm Service Agency: <http://www.fsa.usda.gov/>

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The University of Vermont works in partnership with the USDA National Institute of Food and Agriculture, the University of Minnesota Digital Center for Risk Management Education and the Northeast Extension Risk Management Education Center to educate Vermont and New England producers about agricultural risk management, Federal Crop Insurance and USDA Disaster Assistance Programs. For more information, contact UVM Agricultural Risk Management Education Coordinator Jake Jacobs at jake.jacobs@uvm.edu.



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