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CROP INSURANCE 2: INTRODUCTION TO WHOLE FARM REVENUE PROTECTION

GLOBAL GARDEN REFUGEE TRAINING FARM

What is this user's guide?

Participants will review costs and benefits of WFRP crop insurance and learn about eligibility, the application process, required farming practices and record keeping. They will be advised on where to find assistance with accessing information about WFRP, decision making, program application, compliance, and, when appropriate, collecting payments.

Trainers may need to begin by reviewing what was learned about Whole Farm Revenue Protection (WFRP), from Module 1: Introduction to Crop Insurance

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Who made this guide?

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WHY IS THIS TRAINING NEEDED?

Farmers everywhere have developed strategies for surviving catastrophic crop failure, but New Americans are likely to be unfamiliar with the practice of purchasing insurance policies. They will also likely to be unfamiliar with programs and assistance available to them via USDA, including application assistance and subsidies provided via USDA's Whole Farm Revenue Protection program.

VARIATION:

Throughout this guide, boxes (like this one) contain variations and adaptations that serve varying programs and farmers. They are suggestions and reflections from other programs based on how they made this workshop work for them.

TEACHING TIP:

Throughout this guide, boxes (like this one) contain teaching tips to help you better facilitate farmer learning. Most come from other programs who have tested and reflected on using this lesson.

DEVELOPER'S NOTE:

Throughout this guide, boxes (like this one) contain notes from this guide's developer that provide insight into how a lesson is typically taught at the developer's program.

Objectives and Skills

NEW VOCABULARY:

- Premium
- Insurance
- Policy
- Approved Insurance Provider (AIP)

OBJECTIVES: **By the end of this session, farmers will be able to:**

- Understand that WFRP is crop insurance for small scale farmers, especially organic farmers and those growing a mix of crops and/or livestock.
- Understand that WFRP protects farmers from income loss due to crop failure and/or price drops.
- Be aware that USDA provides farmers with help in finding, applying for, and paying for crop insurance
- Understand that the Whole Farm Revenue Protection (WFRP) program is crop insurance for small scale farmers with mixed and/or organic crops
- Know where to get assistance with applying for and using crop insurance through the Whole Farm Revenue Protection program.

PROOF OF LEARNING: **I will know that farmers have achieved learning objectives when they:**

- Seek assistance with applying for WFRP
- Can explain why or why not they would consider applying for WFRP.

DEVELOPER'S NOTE:

This User's Guide provides lessons for vegetable growers with low literacy and or low English proficiency. Trainers who want more background information about crop insurance and the Whole Farm Revenue Protection program can consult these resources:

- 'Primer on Whole-Farm Revenue Protection Crop Insurance: Updates for 2018' which available for free download at <https://attra.ncat.org/attra-pub/summaries/summary.php?pub=595>
- USDA publications including a summary Fact Sheet available at <https://www.rma.usda.gov/policies/wfrp.html>
- 'What You Need to Know About Whole Farm Revenue Protection at <https://www.cfra.org/whole-farm-revenue-protection>
- 'Revenue Protection Crop Insurance' at <https://www.extension.iastate.edu/agdm/crops/html/a1-54.html>

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7 HOW TO ACCESS WHOLE FARM REVENUE PROTECTION / ACTIVITY 1 / 45 MINUTES

- Using a slide show to lead discussion and answer questions, participants learn more details about what WFRP does and does not cover, who is eligible to apply, the type and extent of records needed to apply and comply, and where to learn more about WFRP.

Audience

WHO: Refugee farmers and growers

LANGUAGE / LITERACY: Basic literacy and English proficiency will be important for farmers who intend to apply for and participate in USDA crop insurance programs. Farmers who do not have these skills must have a reliable advocate who does – a family member or program staff- to assist them with navigating program applications, requirements, and benefits.

FARMING EXPERIENCE: Advanced

This module is intended for advanced farmer participants who are considering or preparing for operating their own farm.

PREREQUISITES: Skills, experience and knowledge

General financial literacy, financial planning, and record keeping skills are recommended and required for farmers who want to utilize crop insurance. Farmers without this prior knowledge will still gain an understanding of the basic concept of crop insurance and learn that assistance with applying and paying for crop insurance is available.

REGION / CLIMATE: This module is intended for use across the United States.

PROGRAM STRUCTURE: This guide is appropriate for small farmers using any marketing practices.

SEASON: This topic is best delivered during the off season when farmers are planning for the next growing season.

Resources needed

TIME: One 45-minute session. Could be longer if participants have many questions.

STAFF / INTERPRETERS: Two staff: Instructor and language interpreter(s)

LOCATION: Classroom

This training is best delivered in the classroom.

RESOURCES AND MATERIALS NEEDED TO CONDUCT THE SESSIONS:

- Slide Show: 'How to Access WFRP Crop Insurance'

NOTES: A visiting expert can enhance this activity. Approved Insurance Provider (AIP) agents can be found at the USDA's Risk Management website: www.rma.usda.gov/tools/agent

How to Access Whole Farm Revenue Protection Crop Insurance

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TIME: 45 minutes, more if participants ask lots of questions

OVERVIEW:

Using a slide show to lead discussion and answer questions, participants learn more details about what WFRP does and does not cover, who is eligible to apply, the type and extent of records needed to apply and comply, and where to learn more about WFRP.

OBJECTIVES:

By the end of this activity, participants can:

- Know if they are eligible for WFRP
- Understand the relative costs, both financial and record keeping, associated with WFRP vs. the benefits.
- Understand that good farm business records are needed to apply for WFRP
- Understand that bilingual assistance from someone they trust is recommended for participation in WFRP
- Know someone who can advise them on where to apply for WFRP.

NEW/REVIEW VOCABULARY

- Insurance
- Premium
- Policy
- Approved Insurance Provider (AIP)

MATERIALS NEEDED

- Slide show 'How to Access WFRP Crop Insurance'
- If possible, invite an expert such as an AIP agent to lead participants through the slide show and answer their questions.
- Approved Insurance Provider (AIP) agents can be found at the USDA's Risk Management website:
www.rma.usda.gov/tools/agent

DEVELOPER'S NOTE:

This can be an opportunity to introduce an outside speaker with expert knowledge about WFRP, such as a local Approved Insurance Provider or an FSA or Extension Associate, to the participants. The slide show provided could guide an expert towards the appropriate level of detail and complexity for refugee farmers and others with limited English or literacy.

TEACHING TIP:

Some farmers might be circumspect regarding government programs, so it is important to emphasize that this is the government trying to help.

LESSON STEPS:

Review: Begin by reviewing what was learned about Whole Farm Revenue Protection (WFRP), from Module 1: Introduction to Crop Insurance:

Crop Insurance will protect your farm income by re-paying you for income you lose because of

1. Crop failure or
2. Unexpected changes in market prices

Benefits

- How much will WFRP pay?
 - o It will pay 50% to 85% of lost farm Income, depending on how much insurance you buy.
 - o Each farmer decides how much insurance they want to buy
- WFRP insures a wide range of crops and livestock under one policy
 - o For small farms with mixed crops or livestock, vegetable or fruit farmers, and organic farmers
 - o If you grow just one crop -Example: 100 acres of field corn- USDA offers a different type of crop insurance for you.
- The cost of the policy is subsidized by USDA, so the farmer pays less than the actual cost of the insurance policy
- Reduces the risk of trying new crops or of expanding farm operations

Costs

- WFRP is a complicated program. If you are not able to read and understand program materials by yourself, you must have someone you trust to guide you and explain all the details and requirements so that you fully understand what is required.
 - o If a farmer does not follow all the rules, they may be denied insurance payments when crops fail.
- Requires farmer to use good farming practices AND to keep records that prove you have used good farming practices
- Requires lots of record keeping
- Requires 5 years of previous income tax records (or 3 years for Beginning Farmers)

LESSON STEPS, CONT.:

Eligibility & Application

After announcing each of the requirements below, pause to ask participants if they meet that requirement. It is expected that most will answer 'yes' to the first three. Most will likely not be able to answer 'yes' to #4.

To apply for WFRP, you must:

1. Be a US citizen or legal resident (All refugees are eligible),
2. Be a farmer who raises 2 or more types of crop or animals,
3. Sell less than \$1 million/year of farm products
4. File federal income tax form for your farm (with Schedule F) for previous 3-5 years

Application Process

To apply for WFRP, you need all of these forms:

- Crop Insurance Application form
- Whole Farm History Report
 - Shows your farm income and expenses from past years
- Farm Operation Report
- Farm tax records from previous 5 years
 - Beginning farmers only need 3 years of tax records

You can get these forms from an **Approved Insurance Provider (AIP)** ...

LESSON STEPS, CONT.:

Where to find assistance with Application, Compliance, and Payment Collection

- Approved Insurance Provider (AIP) agents can be found at the USDA's Risk Management website: www.rma.usda.gov/tools/agent
- An AIP agent will
 - Visit your farm to understand what you need
 - Help you collect records
 - Help you decide how much insurance to buy
 - Assist you with the WFRP application
 - Figure how much your premium will cost
- If you and your insurance agent do not speak the same language, then you must have someone who can do a good job of interpreting both languages so that you and your agent understand each other completely.
- A misunderstanding could become very expensive for you, the farmer
- If you cannot read English fluently, then you must have someone you trust who will read all of the papers and explain them to you.
- If you do not follow all of the policy rules and instructions, you will not be able to collect insurance payments when you have losses.