

WHOLE FARM REVENUE PROTECTION PROGRAM IMPROVEMENT ACT OF 2023 118th Congress

Reforms to Expand Insurance Access to Small and Mid-sized, Beginning, Specialty Crop, and Diversified Producers.

Few small to mid-sized, beginning, specialty crop, and diversified producers are able to enroll in the federal crop insurance program. A survey conducted by the National Young Farmers Coalition found that just 3.5% of young farmers have an insurance plan. This leaves the next generation of farmers and those who feed their local communities without a safety net to protect against the many risks of farming, including worsening floods, droughts, frosts, and hurricanes.

Whole-Farm Revenue Protection (WFRP) is a novel crop insurance product authorized in the 2014 Farm Bill that can bridge this coverage gap. WFRP offers farmers and ranchers nationwide the option to insure the revenue of their entire operation, including crop, livestock, and nursery production, under a single policy. It also includes a built-in premium discount for crop and enterprise diversification, in recognition of its risk management benefits.

However, WFRP enrollment has steadily declined almost 45% from its peak in 2017. Just roughly 1,800 producers enrolled nationwide in 2022. The most common barriers that producers face when trying to access the program include burdensome paperwork requirements and difficulty locating insurance agents who are willing to sell it, given its complexity relative to other products. The Risk Management Agency (RMA) has taken some steps to improve WFRP in recent years, and the 2023 Farm Bill presents an opportunity to build on that progress.

The Whole Farm Revenue Protection Program Improvement Act will direct the Federal Crop Insurance Corporation (FCIC) to take specific, targeted actions that will streamline access to WFRP and close the coverage gap for our country's small to mid-sized, beginning, specialty crop, and diversified producers.

Specifically, the Act will:

Authorize the FCIC to carry out research and development to increase crop insurance participation by farmers marketing to local and regional markets.

Clarify that producers are permitted to enroll in a WFRP plan in addition to other insurance plans.

Authorize the FCIC to consider expanding the diversification premium discount to farmers that utilize a resource-conserving crop rotation.

Direct the FCIC to implement several targeted modifications to WFRP design and delivery to improve effectiveness for specialty crops and diversified farms:

- Reduce paperwork burdens by clarifying that Schedule F tax forms are sufficient to establish historic revenue and that agents only may request additional paperwork if tax records are incomplete.
- Prohibit the adjustment of price and production expectations at the time of submission of a loss claim.
- Apply the streamlined application process introduced in the Micro Farm pilot to producers with at least \$1 million in gross revenue, to include all small and mid-sized farms as defined by USDA.
- Raise the annual 35% limit to historic gross revenue expansion to the lower of 100% or \$500,000, to allow beginning and scaling farmers to be insured at a level that keeps pace with rapid operational growth.
- Expand the diversification premium discount to apply to producers with at least 10 commodities, encouraging more diverse farmers to enroll in the program.
- Moderate the impact of disaster years by including Noninsured Crop Disaster Assistance Program payouts as historic gross revenue or establishing a floor to how much historic gross revenue may fall annually.
- Compensate crop insurance agents appropriately for Whole-Farm Revenue Protection sales in a manner determined by the Secretary, overcoming a key barrier for agents who are reluctant or refuse to sell WFRP policies.
- Provide additional educational and training opportunities regarding Whole-Farm Revenue Protection to insurance companies and agents.