

# Risk Management Agency: Overview of Programs



- Angie Staiert
- USDA, Risk Management Agency

Colorado USDA Beginning Farmer and Rancher  
June 26, 2024

**Risk  
Management  
Agency**

[rma.usda.gov](https://rma.usda.gov)

**\*\*\*DISCLAIMER\*\*\***

This presentation highlights features of the Risk Management Agency Programs and is not intended to be comprehensive. The information presented neither modifies nor replaces terms and conditions of RMA policies or county actuarial documents.

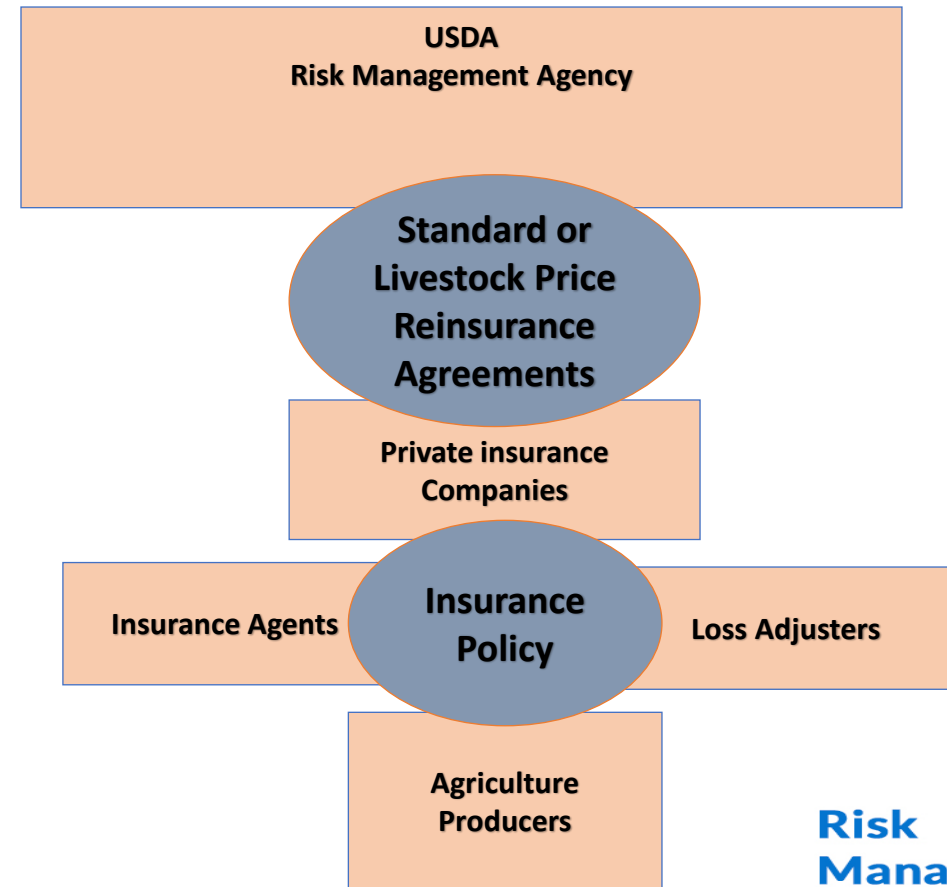
**\*\*\*DISCLAIMER\*\*\***

# Agenda

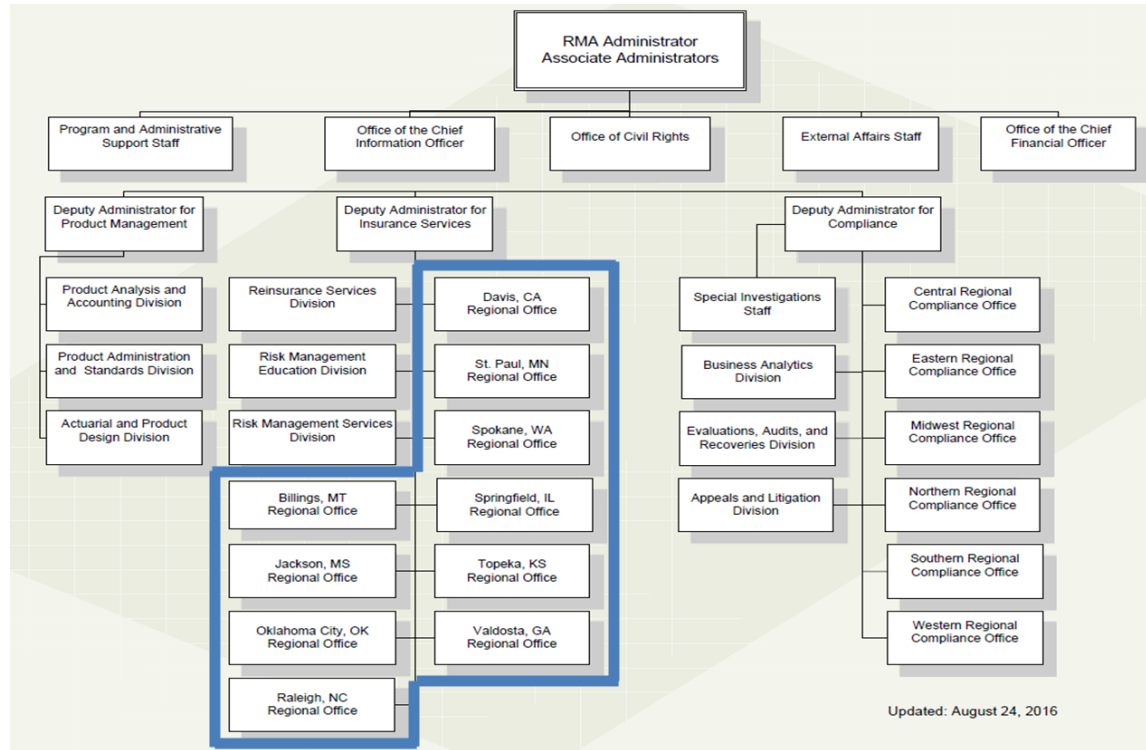
- **RMA and Topeka Regional Office**
- **Crop Insurance 101**
- **Beginning Farmer and Rancher**
- **Insurance Plans**
  - Revenue vs. Yield
- **Subsidies**
- **Whole Farm Revenue Protection and Micro Farm**
- **Crops Covered in Colorado**
- **Crop Insurance Tools**
  - Actuarial Information Browser
  - Agent Locator
  - Cost Estimator

# Risk Management Agency

- RMA is the USDA agency that provides crop insurance, via the Federal Crop Insurance Corporation, to American producers.
- We work with 13 companies that have agents that sell insurance, manage loss adjusters, and pay all claims.



# Topeka Regional Office



Topeka Regional Office team

Name	Primary	Title
Collin Olsen	All	Director
Jeff Darrow	All	Deputy Director
Akilah Johnson	All	Sr. Risk Management Specialist
Amanda Whitehurst	All	Sr. Risk Management Specialist
Tyler Tenbrink	CO, NE	Risk Management Specialist
David Schepp	CO, KS	Risk Management Specialist
Mitchell Stringer	MO	Risk Management Specialist
Angie Staiert	NE	Risk Management Specialist
Sarah Falk	KS	Risk Management Specialist
Patrick Laird	MO	Risk Management Specialist
Vacant		Risk Management Specialist

# 10 RMA Regional Offices

Topeka RO = CO, KS, MO, NE



## Regional Office Functions

### Customer Service

- ✓ Communication – AIPs, Commodity Groups, Agents, Producers, Universities
- ✓ Meet with local farmers and ranchers
- ✓ Respond to inquiries
- ✓ Address regional issues
- ✓ Regional contact point

### Program Analysis & Support

- ✓ Expansions & Deletions
- ✓ Policy Recommendations
- ✓ Special Provisions
- ✓ Mapping
- ✓ Rates and Actuarial Filing
- ✓ FSA Consultations

### Underwriting

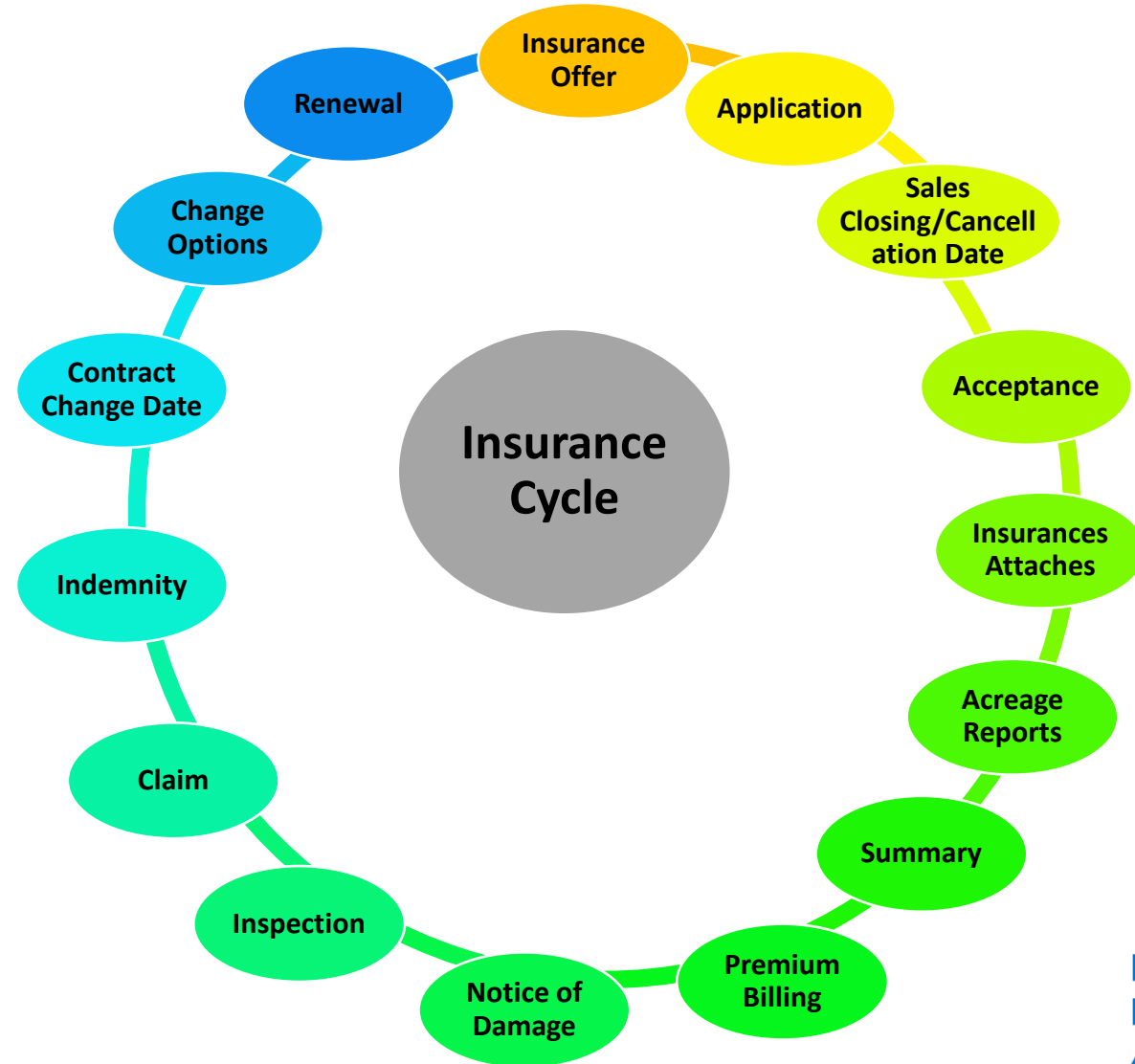
- ✓ Written Agreements
- ✓ Determined Yields

### Policy Participation

- ✓ Good Farming Practice Determinations
- ✓ Program Reviews



# Crop Insurance Cycle



# Generally Covered Losses/Risks

- ✓ Adverse Weather: frost, heat, drought, hail, excess water, wind
- ✓ Fire
- ✓ Insects and Disease
- ✓ Wildlife
- ✓ Earthquake/Volcanic Eruption
- ✓ Failure of Irrigation Water Supply



# Losses/Risks NOT Covered

- ⊘ Negligence, wrongdoing
- ⊘ Poor management and farming practices
- ⊘ Failure or breakdown of irrigation equipment or facilities
- ⊘ Chemical drift

# Importance of Keeping Records

Type of records an **insured** needs to keep can vary depending on the type of crop and the reason records are needed (e.g. for APH purposes vs loss)

## Basics:

- Keep production separated by field or block
- Keep hard copy records – scale tickets, receipts, etc...
- Use correct unit of measure required by the crop policy – bu, lbs, tons, etc...

# What is a Beginning Farmer and Rancher (BFR)?

*“To be a BFR for crop insurance purposes, an individual must have not have actively operated and managed a farm or ranch in any county, in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years (10 for WFRP), excluding any crop year the BFR was under the age of 18, in post-secondary studies, or on active duty in the U.S. military, as provided in subparagraph C.”*

-Part 3, paragraph 301 of the General Standards Handbook



# BFR Must be an Individual

**Only an individual person (i.e., a single human being) can be a BFR.**

- Exception: An entity that is not an individual may be eligible for BFR benefits when all SBI holders in the entity qualify as a BFR.





# Insurable Interest

## Insurable Interest

- Insurable Annual Crops – same crop year as policy
- Insurable Perennial Crops – when the crop has reached production minimums or insurable age
- Insurable Livestock – same crop year as policy

## Exclusions from Insurable Interest

- Under the age of 18
- Full-time duty in the active military service of the United States
- Post-secondary education



# BFR

## Nationwide Basis

BFR applies to individuals on a nationwide basis and not for each state, county, and crop. This means that if the crop or livestock is produced anywhere in the country and the individual has an insurable interest it counts toward BFR status.

## New Producer Not Excluded

BFR does not prevent an insured from also qualifying as a new producer on a crop/county basis.



# BFR

## Limitation of BFR Benefit

Once an individual has five (5) crop years of an insurable interest in any crop or livestock, including being an SBI in another person who has an insurable interest in any crop or livestock, the producer is no longer entitled to BFR benefits.

## BFR Status is Continuous Until

- Actively operated and managed a farm or ranch for more than five (5) years
- Exhausted all five (5) crop years of BFR benefits
- Canceled the BFR application

# Insurance Plans

Several insurance plans available – 2 popular ones:

- **Yield Protection**

- Insures against yield losses due to natural causes such as drought, excessive moisture, etc.
- Uses APH Yield and a **projected price** (i.e @ planting)

- **Revenue Protection**

- Insures against yield losses due to natural causes such as drought, excessive moisture, etc. **and** revenue losses caused by a change in the harvest price from the projected price.
- Uses APH yield, **projected and harvest price**





# Insurance Plans

## Yield Protection vs Revenue Protection

Example: Yield Protection	
Indemnity Payment for Corn Per Acre	
143	APH Yield
70%	Coverage level
100	Bushel Guarantee
\$4.15	Projected price
\$415.00	Insurance Guarantee
25	Bushels Produced
\$4.15	<b>Projected Price</b>
\$103.75	Value of Production
\$415.00	Insurance Guarantee
\$103.75	Less Value of Production
\$311.25	<b>Indemnity Payment</b>

Example: Revenue Protection	
Indemnity Payment for Corn Per Acre	
143	APH Yield
70%	Coverage level
100	Bushel Guarantee
\$4.15	Projected price
\$415.00	Insurance Guarantee
25	Bushels Produced
\$4.00	<b>Harvest Price</b>
\$100.00	Value of Production
\$415.00	Insurance Guarantee
\$100.00	Less Value of Production
\$315.00	<b>Indemnity Payment</b>

# Insurance Plans

## Yield Protection vs Revenue Protection

### Projected price

- Corn – Average of December CME Group futures contract price during February.
- Soybeans – Average of November CME Group futures contract price during February.

### Harvest price

- Corn – Average of December CME Group futures contract price during October.
- Soybeans – Average of November CME Group futures contract price during October.

### Revenue guarantee

- Higher of projected price or harvest price x APH yield x chosen coverage level.

### Actual revenue

- Actual harvested yield x harvest price

### Indemnity payment

- Amount by which the revenue guarantee exceeds the actual revenue, if any.

# Insurance Coverage Options

- **Actual Production History (APH)**
  - Insures producers against yield losses due to natural causes.
- **Revenue Protection**
  - Insures producers against yield losses due to natural causes and revenue losses caused by a change in the harvest price from the projected price.
- **Yield Protection**
  - Insures producers in the same manner as APH policies, except a projected price is used to determine insurance coverage.

# Insurance Coverage Options

- **Area Risk Protection Insurance (ARPI)**
  - Offers three insurance plans based on experience from an area, generally a county, rather than your actual yield.
    - Area Yield Protection
    - Area Revenue Protection
    - Area Revenue Protection with Harvest Price Exclusion
- **Catastrophic Coverage (CAT)**
  - Minimum coverage at minimal cost
  - Pays 50 percent of your average yield and 55 percent of the projected price.



# Subsidies

The government provides agricultural subsidies – monetary payments and other types of support – to farmers or agribusinesses. While some subsidies are given to promote specific farming practices, others focus on research and development, conservation practices, disaster aid, marketing, nutrition assistance, risk mitigation, and more.

<https://www.nal.usda.gov/economics-business-and-trade/agricultural-subsidies>



# Coverage and Subsidy Levels

Coverage Level	Cat	50	55	60	65	70	75	80*	85*
Premium Subsidy	1.00	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38

\*Limited to specific crops and counties

## Crop-by-crop coverage

- Check with your insurance agent as to which crops have subsidies.

# Example of Applying a Premium Subsidy

Producer Brown has a wheat policy in Colorado. His base premium is \$100.00 with a 75% coverage level. The premium subsidy for a 75% coverage level is 0.55.

**\$100.00 base premium x 0.55 subsidy rate = \$55.00 premium subsidy**

The premium subsidy of \$55.00 is applied toward his base premium of \$100.00

**\$100.00 base premium - \$55.00 subsidy = \$45.00 producer premium**

# Whole Farm Revenue Protection and Micro Farm

## Providing Coverage for Diversified Producers

- **WFRP** - first offered in 2015 to provide coverage for all crops under one crop insurance policy for diversified producers including specialty and organic crops.
- **Micro Farm** - first offered in 2022 as a streamlined approach to WFRP - specifically for small producers.

### WFRP

- Covers up to \$17 million of revenue
- Post-production costs are not included
- Expected value are primarily based on third-party sources
- Expected yields are based on underlying policies or insured's four-year average
- May purchase additional individual crop policies
  - Must be at buy-up coverage levels
  - Any indemnities from these policies will count as revenue earned under WFRP

### Micro Farm

- Less paperwork requirements
- Insures farm operations with approved revenue up to \$350,000 for the initial year of insurance & \$400,000 for carry-over policies
- Post-production and value-added costs may be included in approved revenue
- Expected value are based on the insured's past three-year average of total revenue and acres
- No individual crop policies allowed



# WFRP and Micro Farm

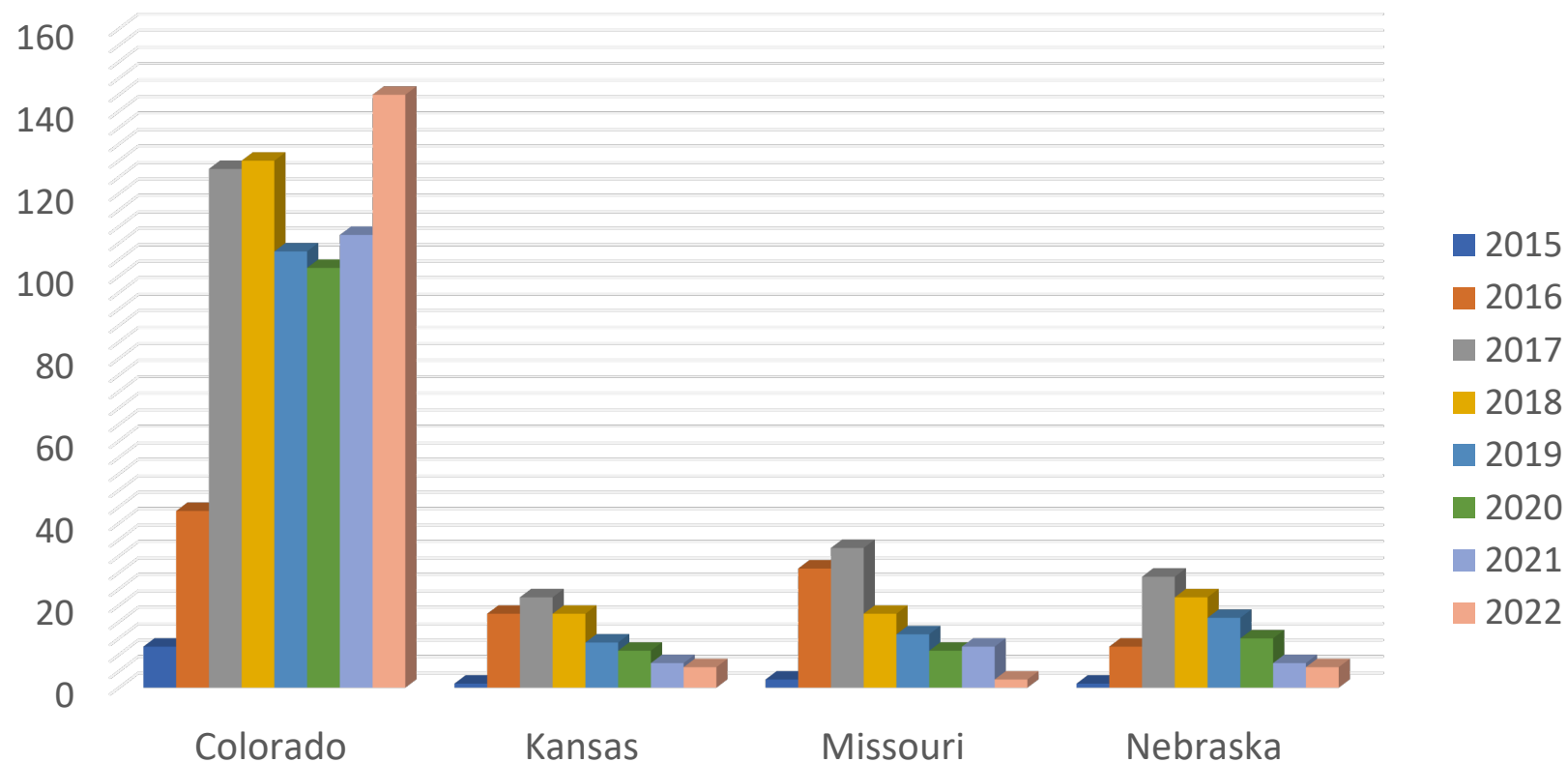
## What Information is Required?

- WFRP
  - Five years of farm tax forms
    - For 2024, requires tax forms from 2018-2022 (calendar & early fiscal year filers) 2017-2021 (late fiscal year filers)
      - Exceptions: Veteran/Beginning Farmers or Ranchers (VFR/BFR) or applicants that qualified as a VFR/BFR in the previous year, qualifying persons not required to file a US Tax Return (i.e., Tribal Entities), and producers that were physically unable to farm one year
- Micro Farm
  - At least three years of farm tax forms
    - For 2024, requires tax forms from 2020-2022 (calendar & early fiscal filers) 2020-2022 (late fiscal filers)





# WFRP Policies in the Topeka Regional Office





# Crops Covered in Colorado

Actual Production History (APH)	Revenue Protection (RP)	Yield Protection (YP)	Dollar Plan	Yield Based Dollar
Apples	Dry Beans*	Dry Beans*	Fresh Market Sweet Corn	Hybrid Sweet Corn Seed
Grapes	Corn	Corn	Forage Seeding	
Peaches	Barley	Barley		
Millet	Wheat	Wheat		
Onions	Soybeans	Soybeans		
Hemp	Sunflowers	Sunflowers		
Potatoes	Grain Sorghum	Grain Sorghum		
Dry Peas	Oats	Oats		
Sugar Beets	Popcorn	Popcorn		
Silage Sorghum				
Forage Production				
Triticale				

Not every crop is available in every county, please check the Actuarial Information Browser (AIB) to see if the crop is available in your county.

\* Dry Beans say that they have Revenue Protection and Yield Protection when you are on the AIB. Only Pintos and Great Northerns have the Revenue Protection plan.

# Actuarial Information Browser

USDA United States Department of Agriculture Risk Management Agency Actuarial Information Browser Welcome!

Home

Browse by Application

- ▶ AIB Landing Page
- ▶ AIB 2011
- ▶ AIB 2012
- ▶ AIB 2013
- ▶ AIB 2014
- ▶ AIB 2015
- ▶ AIB 2016
- ▶ AIB 2017
- ▶ AIB 2018
- ▶ AIB 2019
- ▶ AIB 2020
- ▶ AIB 2021
- ▶ AIB 2022
- ▶ AIB
  - Crop
  - Dairy Revenue Protection
  - Livestock Gross Margin
  - Livestock Risk Protection
  - Rainfall Index
  - Vegetation Index
- ▶ Agent Locator
- ▶ Cost Estimator
- ▶ Price Discovery
- ▶ Livestock Reports
- ▶ RIRS System

Information Tools > AIB > Crop

Crop

1 Reinsurance Year: 2024

2 State: Colorado (08)  
County: Kit Carson (063)

3 Commodity Year: 2024

4 Commodity: Corn (0041)

5 Insurance Plan: Select a Commodity  
Annual Forage (0332)  
Apiculture (1191)  
Barley (0091)  
Corn (0041)  
Dry Beans (0047)  
Grain Sorghum (0051)  
Hemp (1218)  
Micro Farm (9110)  
Millet (0017)  
Oats (0016)  
Pasture, Rangeland, Forage (0088)  
Popcorn (0043)  
Soybeans (0081)  
Sunflowers (0078)  
Triticale (0158)  
Weaned Calves (0805)  
Wheat (0011)  
Whole Farm Revenue Protection (0076)

Clear View Report

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<https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/CropCriteria.aspx>

# Agent Locator

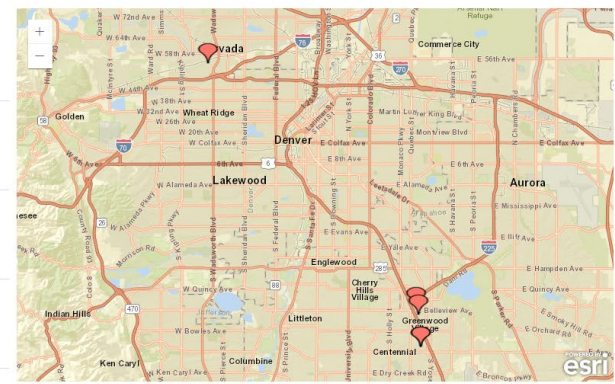
Enter a location

Hide Filters

<p><b>Sort By</b></p> <ul style="list-style-type: none"> <li>Distance</li> <li>Agent Name</li> <li>Agency Name</li> <li>City</li> </ul>	<p><b>Specialty</b></p> <p><b>Crop</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Livestock</li> <li><input type="checkbox"/> Crop and Livestock</li> <li><input type="checkbox"/> All</li> </ul>	<p><b>Also Speaks</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Spanish</li> <li><input type="checkbox"/> Portuguese</li> <li><input type="checkbox"/> English, Middle (1100-1500)</li> <li><input type="checkbox"/> Punjabi</li> <li><input type="checkbox"/> Afar</li> <li><a href="#">More Languages</a></li> </ul>	<p><b>Distance</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> No limit</li> <li><input type="checkbox"/> 250 miles</li> <li><input type="checkbox"/> 100 miles</li> <li><input checked="" type="checkbox"/> 50 miles</li> <li><input type="checkbox"/> 10 miles</li> </ul>	<p><b>Agent Name</b></p> <input type="text" value="Name"/>	<p><b>Licensed In</b></p> <p>Colorado</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> All Counties</li> <li><input type="checkbox"/> Adams</li> <li><input type="checkbox"/> Alamosa</li> <li><input type="checkbox"/> Arapahoe</li> </ul>	<p><b>Agency Name</b></p> <input type="text" value="Agency Name"/>
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Search

1	<div style="background-color: black; width: 100px; height: 15px;"></div> 7910 Ralston Rd Ste 7 Arvada, CO 80002 (719) 348-8775	Distance: 6.90 miles <a href="#">Get Directions</a> <a href="#">More Details</a>
2	<div style="background-color: black; width: 100px; height: 15px;"></div> 4582 S Ulster St Ste 600 Denver, CO 80237 (303) 228-2207	Distance: 8.65 miles <a href="#">Get Directions</a> <a href="#">More Details</a>
3	<div style="background-color: black; width: 100px; height: 15px;"></div> 7900 E Union Ave Ste 200 Denver, CO 80237 (303) 752-5806	Distance: 9.03 miles <a href="#">Get Directions</a> <a href="#">More Details</a>
4	<div style="background-color: black; width: 100px; height: 15px;"></div> 6130 Greenwood Plaza Blvd Unit 110 Greenwood Village, CO 80111 (303) 539-9300	Distance: 10.41 miles <a href="#">Get Directions</a> <a href="#">More Details</a>
5	<div style="background-color: black; width: 100px; height: 15px;"></div> 6130 Greenwood Plaza Blvd Unit 110 Greenwood Village, CO 80111 .....	Distance: 10.41 miles <a href="#">Get Directions</a> <a href="#">More Details</a>



Agent Locator Tool Link:

<https://public-rma.fpac.usda.gov/apps/AgentLocator/#/!/#%2F>

New searchable directory for WFRP & Micro Farm Agents:

<https://www.rma.usda.gov/-/media/RMA/Agent-Locator/Whole-Farm-Micro-Farm-Agent-List-PDF.ashx?la=en>

# Cost Estimator

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## Cost Estimator

Welcome Guest!

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You are: [Home](#) > [Information Browser](#) > [Cost Estimator](#) > [Main Menu](#) [Log In](#)

**Popular Topics**

- ▶ Appendix III/M-13
- ▶ Bulletins and Memos
- ▶ Crop Policies and Pilots
- ▶ Federal Crop Insurance Corp
- ▶ Field Offices: ROs | COs
- ▶ Frequently Asked Questions
- ▶ Information Browser
  - ▶ Cost Estimator
    - ▶ Main Menu
    - ▶ Plan Comparison
    - ▶ Personalized Estimate
    - ▶ Saved Estimates
  - ▶ Laws and Regulations
  - ▶ Livestock Policies
  - ▶ Reinsurance Agreements

**Cost Estimator**

Use this tool to estimate your Federal crop insurance premium costs. Please contact your crop insurance agent for an actual crop insurance quote and to obtain coverage.

Please disable your **pop-up blocker** before using this application or add this application to your list of safe sites.

**Main Menu**

- [Plan Comparison](#) >
- [Personalized Estimate](#) >
- [Continue with an Existing Estimate](#) >
- [Preferences](#) >
- [View Frequently Asked Questions \(FAQ\)](#) >

CE0101

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## Personalized Estimate

[Back](#) [Save](#)

### Selected Initial Criteria

\* Commodity Year : 2024 \* Insurance Plan : Revenue Protection 02 \* State : Soybeans 0081 [Add Item](#) [Refresh](#)

		Whole Farm <input type="checkbox"/>	
		Enterprise <input type="checkbox"/>	Enterprise <input type="checkbox"/>
		Item 1 <span style="float: right;">Delete</span>	Item 2 <span style="float: right;">Delete</span>
* Commodity	:	Corn 0041	Soybeans 0081
* Type	:	Grain 016	No Type Specified 997
* Practice	:	Irrigated 002	Irrigated 002
* Unit of Measure	:	BU	BU
* Reported Acreage	:	0	0
Was acreage prevented from planting?	:	<input checked="" type="radio"/> No <input type="radio"/> Yes	<input checked="" type="radio"/> No <input type="radio"/> Yes
Are acres under multiple cropping?:	:	<input checked="" type="radio"/> No <input type="radio"/> Yes	<input checked="" type="radio"/> No <input type="radio"/> Yes
Qualify for Beginning or Veteran Farmer Rancher?	:	<input checked="" type="radio"/> No <input type="radio"/> BFR <input type="radio"/> VFR	<input checked="" type="radio"/> No <input type="radio"/> BFR <input type="radio"/> VFR
* Does Conservation Compliance (CC) apply?	:	<input checked="" type="radio"/> No <input type="radio"/> Yes	<input checked="" type="radio"/> No <input type="radio"/> Yes
* Insured Share Percent	:	0.000	0.000
* Projected Price	:	100 % \$4.66	100 % \$11.55
* Price Volatility Factor	:	0.19	0.15
* Approved Yield	:	0	0
* Rate Yield	:	0	0
Sub County Code	:	--Select A Map Area--	--Select A Map Area--
* Unit Structure	:	<input type="radio"/> Basic <input checked="" type="radio"/> Optional	<input type="radio"/> Basic <input checked="" type="radio"/> Optional
* Basic Unit Number	:	Not Applicable	Not Applicable
* Optional Unit Number	:	1	1
Options By Unit	:	QL Quality Loss 1.000 TA Trend Adjustment 1.000 YA Yield Adjustment 60% 1.000 YC Yield Cup 1.000	QL Quality Loss 1.000 YA Yield Adjustment 60% 1.000 YC Yield Cup 1.000
Options By Commodity	:	HF Hail & Fire Exclusion 0.6 PF Prevented Planting +5% 1.02	HF Hail & Fire Exclusion 0.6 PF Prevented Planting +5% 1.02

[Get Estimates](#)

The Cost Estimator only provides a general premium estimate. Refer to your crop insurance agent and policy for specific information regarding insurance coverage, actuarial information

# Cost Estimator

## Personalized Estimate

**Personalized Estimate 886022**

[Back](#) [Save](#) [Print/ Export](#)

**Selected Initial Criteria**

\* Commodity Year : 2024 \* Insurance Plan : Revenue Protection 02 \* State : Colorado 08  
 \* County : Bent 011

**Show Inputs In Grid**

[<< Show Available Inputs >>](#)

**Show Results In Grid**

Liability Amount
  Total Premium Amount
  **Producer Premium Amount**
 Subsidy Amount
  Loss Trigger Point

**Producer Premium Amount**

Corn 0041	PE %	85 %	80 %	75 %	70 %	65 %	60 %	55 %	50 %	View
Item 1	100 %	\$8,622.00	\$6,226.00	\$4,617.00	\$3,651.00	\$3,235.00	\$2,497.00	\$2,185.00	\$1,737.00	<a href="#">Worksheets</a> <input type="checkbox"/> CEPP <input type="checkbox"/> SPOI <input type="checkbox"/> AIB <input type="checkbox"/> Include for SCO <input type="checkbox"/> Include for ECO
Soybeans 0081	PE %	85 %	80 %	75 %	70 %	65 %	60 %	55 %	50 %	View
Item 2	100 %	\$19,808.00	\$14,785.00	\$11,248.00	\$8,205.00	\$6,637.00	\$4,871.00	\$4,057.00	\$3,059.00	<a href="#">Worksheets</a> <input type="checkbox"/> CEPP <input type="checkbox"/> SPOI <input type="checkbox"/> AIB <input type="checkbox"/> Include for SCO <input type="checkbox"/> Include for ECO

The Cost Estimator only provides a general premium estimate. Refer to your crop insurance agent and policy for specific information regarding insurance coverage, actuarial information, conditions and exclusions.

<https://ewebapp.rma.usda.gov/apps/costestimator/>

# Questions????

**Web:** <http://www.rma.usda.gov/>

**E-Mail:** [rsoks@rma.usda.gov](mailto:rsoks@rma.usda.gov)

**USDA, Risk Management Agency**

**2200 NW Lyman Rd.**

**P.O. Box 8729**

**Topeka, Kansas 66608**

**785-228-5512**