

# CROP INSURANCE FOR KANSAS FRUIT & VEGETABLE FARMERS

A SHORT GUIDE TO UNDERSTANDING DIFFERENT CROP  
INSURANCE OPTIONS FOR FRUIT AND VEGETABLE GROWERS



**K-STATE**  
Research and Extension

Douglas County



# IS CROP INSURANCE A GOOD OPTION FOR YOU?

- ▶ **Do you need to repay an operating loan on your farm business?**
- ▶ **Is your farm a primary or main source of income for you and/or your family?**
- ▶ **Does your lender or your buyer require you to have crop insurance?**
- ▶ **Do you have significant debt related to your farm?**

Crop insurance may be necessary or beneficial to you if you answered “yes” to one or more of these questions. Regardless, you still want to consider the level of risk you are comfortable with on your farm. Most crop insurance plans can protect between 50-80% of income losses due to unpredictable events such as weather, volatile markets, yield losses due to disease or pests, and etc.

## HOW DOES IT WORK AND IS IT WORTH THE COST?

**How does it work?** Crop insurance has significantly improved over the past five years. Today’s crop insurance options include Whole Farm Revenue Protection (WFRP), Multi-Peril Crop Insurance (MPCI), Crop Hail Insurance, and Non-Insured Crop Disaster Insurance Program (NAP). You pay a premium for these plans just like you would for homeowners or health insurance. In some cases, subsidies are available to help lower the cost. The final cost will depend on your specific farm and can be personalized based on your coverage needs (for example, do you want to cover catastrophic events only, or do you want a greater breathe of coverage?).

**Is it worth the cost?** Crop insurance is designed to help you mitigate risk, so to answer this question you must understand your risk and threshold for crop and income losses. One example of risk for Kansas farmers is extreme weather. For example, Kansas ranked 2<sup>nd</sup> in the U.S. for the number of hail events in 2017 and consistently ranks among top states where large hail is observed. If you have a high likelihood for crop loss or a small margin for loss of income on your investment, then you should consider purchasing crop insurance.

# INSURANCE OPTIONS

## WHOLE FARM REVENUE PROTECTION (WFRP)

**Administered by?** Written for you individually by a local crop insurance agent that can be found on RMA's website.

**What does it do?** WFRP is designed for diversified farms that grow multiple crops. It covers up to \$8.5 million of your overall farm for losses due to unavoidable natural causes (excluding pesticide drift). Coverage amounts are based on an IRS schedule F tax form (if you don't file a schedule F, other tax forms are required).

**What else?** It is important to know sign-up dates, reporting requirements, how to file a claim, eligibility and coverage levels. For more information visit [www.rma.usda.gov](http://www.rma.usda.gov) and type "whole farm revenue protection" in the search bar.

## MULTI-PERIL CROP INSURANCE (MPCI)

**Administered by?** Written for you individually by a local crop insurance agent that can be found on RMA's website.

**What does it do?** An MPCI policy is written to cover a single crop. Multiple crops can be covered, but each crop would have a separate policy. As such, it is best for farmer's with one or a few crops. It can cover losses due to natural perils, such as adverse weather, drought, wind damage, cold/frost, insects, disease, wildlife, and etc. (Yield Protection). It can also cover loss of revenue due to price changes (Revenue Protection). Coverage is based on average yield and price for the insured crop.

**What else?** If you purchase MCPI, yield will be determined by your farm's historical yields, or the county's average Actual Production History for yields; price is set by RMA. For Organic Certified or transitioning farms, visit [ofr.org](http://ofr.org) and type "introduction to crop insurance" in the search box for a helpful guidebook with information about MCPI for organic farmers.

## CROP HAIL INSURANCE

**Administered by?** This is written by private crop insurance providers and is **not** part of the Federal Crop Insurance Program.

**What does it do?** It covers hail, but can be expanded to cover other adverse weather events and vandalism.

**What else?** Unlike MFRP and MPCI, a policy can be purchased at any time during the growing season. Subsidies are not available to help lower the cost because it is not part of the Federal Crop Insurance Program.

# NON-INSURED CROP DISASTER INSURANCE PROGRAM (NAP)

**Administered by?** Your local FSA Office. Although NAP is **not** part of the RMA's Federal Crop Insurance Program, it is part of the Farm Bill and is administered through the USDA to provide a safety net to producers.

**What does it do?** The program is available for all specialty crop farmers, however fees are waived for beginning farmers (less than 10 years farming), socially disadvantaged farmers, and/or minority farmers. It covers specialty crops including a majority of the vegetables grown in Kansas. While it covers "non-insurable crops", you can have coverage through the WFRP and still utilize NAP (you cannot collect from both). NAP covers losses due to extreme weather and disaster (e.g., drought, freeze, hail, heat excessive wind, plant disease, insect infestation, and etc.).

**What Else?** Subsidies are available to help lower cost. Records are needed in order to obtain coverage. For details about records needed, coverage levels, premiums, subsidies, and enrollment dates, contact your county's Farm Service Agency.

## NEXT STEPS:

**TO FIND AN RMA CROP INSURANCE AGENT FOR WFRP OR MPCl, VISIT:**

<https://prodwebnlb.rma.usda.gov/apps/AgentLocator/#/>

**TO FIND YOUR COUNTY'S FARM SERVICE AGENCY FOR NAP, VISIT:**

<https://offices.sc.egov.usda.gov/locator/app?state=ks&agency=fsa>

## KEEP IN MIND THE SIGN UP DATES:

The sign up dates for MPCl and WFRP are important, because you cannot enroll in these programs after the enrollment dates.

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