

BARNYARDS & BACKYARDS

Overview of whole farm revenue protection insurance

The popularity and use of insurance programs offered under Federal Crop Insurance has steadily grown the previous 15 years.

Policies protecting against loss of yield, revenue, or both are available for most major crops and forages.

There are several scenarios in Wyoming where coverage may not be feasible or available; this includes smaller-scale and specialty-type operations such as farm-to-table, unprocessed or unaltered products, or any niche production business that would be considered underserved or without access to conventional crop insurance.

These operations are similar to commercial farms and ranches where they could benefit from enhanced risk management and more stable revenue streams using crop insurance programs.

Whole Farm Revenue Protection Basic Policy Provisions

The Whole Farm Revenue Protection (or WFRP) insurance program provides gross revenue insurance coverage for all commodities produced on a farm or ranch under one insurance policy. This coverage could especially benefit specialty crop and livestock producers.

WFRP provides coverage for all (insurable) commodities except timber and forage products, livestock for show or sport, and pets. WFRP policies can be used alone or in conjunction with other federal insurance policies; premiums and coverage are adjusted, depending on the level of coverage provided by other policies.

Replant coverage is available for annual crops, except those covered by another crop insurance policy. This coverage is equal to the cost of replanting up to a maximum of 20 percent of the expected revenue multiplied by the coverage level, or when 20 percent of the crop must be replanted.

Coverage is provided for the fiscal year after sign-up, and losses are determined after the close of the fiscal year and a farm's Internal Revenue Service (IRS) Schedule F forms are submitted.

A farm's approved revenue is determined by its whole farm history report, farm operation report, and growth information. A farm may insure revenue up to a total of \$8,500,000 at a 50 to 85 percent coverage level. In other words, a farm with \$10,000,000 in income may insure up to a maximum of 85 percent (with restrictions) coverage. Losses, calculated after taxes are filed for the policy year, occur when the revenue-to-count is lower than the insured revenue.

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Financial and Eligibility Provisions/Limitations

WFRP policies do come with a few financial requirements. Producers must meet federal eligibility requirements and file a Schedule F tax form. Five consecutive years of tax returns are required (unless exempt) to establish coverage.

Participating farms can insure revenue of up to \$10,000,000 at 85 percent coverage. Percent coverage decreases as the level of gross revenue increases over this point. For example, a producer with \$13,067,923 of revenue could insure at the 65 percent coverage level.

Producers who wish to insure at the 80 or 85 percent coverage level must meet the diversity requirement of at least three different commodities grown or raised. Commodity revenue must be at least 8.3 percent of the total revenue insured to be a counted commodity. If commodities do not meet that revenue requirement, they may be lumped together to meet coverage requirements.

Eligible producers may have no more than \$1,000,000 in expected revenue from greenhouse and nursery operations or from the sale of animals and/or animal products. No more than 50 percent of total revenue can be from commodities purchased for resale (such as grain or livestock).

Any federal crop insurance policy carried in addition to WFRP must include buy-up coverage levels. If potatoes are raised or there are commodities insured under Actual Production History (APH) plans, there must be two or more commodities contributing to farm gross revenue.

In the event of a loss, a producer who does not have expenses during the policy period of at least 70 percent of approved expenses (determined in the policy) will have the insured revenue amount reduced by 1 percent for each 1 percent actual expenses are below 70 percent of approved expenses. For example, if an organic lamb producer purchased coverage for \$100,000 in revenue and had actual expenses that were 65 percent of the approved expenses, the revenue guarantee would be reduced by \$5,000 because expenses were five percentage points lower than the approved expenses.

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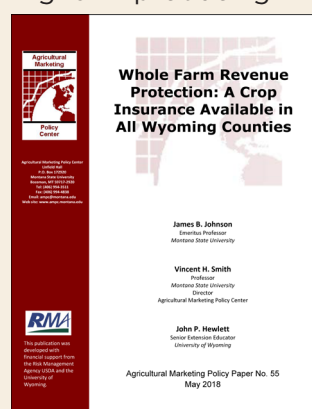
Risk Management Tools

- 1. RightRisk ANALYTICS**
- RightRisk Analytics is a toolbox of over 30 individual risk analysis tools developed by RightRisk.
- 2. Risk Scenario Planning (RSP)**
- Use this tool to evaluate the risk or uncertainty in your partial budget projections.
- 3. Enterprise Risk Analyzer (ERA)**
- Use this tool to evaluate larger changes or changes in enterprise mix for the operation.
- 4. Forage Risk Analyzer (FRA)**
- Use this tool to estimate the cost of providing forage from various sources - lease, harvested feeds, or owned pasture.
- 5. Machine Risk Calculator (MRC)**
- Use this tool to estimate the cost of individual machinery services, the cost of a field operation (power unit + implement), or to estimate the cost of performing a custom operation.
- 6. Multi-Temporal Risk Analyzer (MTRA)**
- Use this tool to evaluate the risk or uncertainty in your budget projections for changes that take place over a period of time, up to 20 years.
- 7. RD Financial (Whole Farm Budget)**
- Use the RD Financial tool to evaluate more substantial changes, adding ranches/farms, whole enterprises, etc. to the operation.
- 8. Risk Navigator Toolbox**
- Access the extensive risk management library (20+ tools) designed to implement a strategic risk management strategy

FOR MORE INFORMATION

For a detailed explanation of Whole Farm Revenue Protection (WFRP), including an example Wyoming farm producing several crops,

view *Whole Farm Revenue Protection: A Crop Insurance Available in All Wyoming Counties*, at the Western Risk Management Library bit.ly/2WhXreO. Visit RightRisk.org for more information about how crop insurance policies may fit your risk management planning.



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Contemporary research shedding new light on how age of cattle, herd densities can control larkspur effects



Livestock are poisoned by larkspur every year. Knowing the biology, physiology, and geographical distribution of larkspur in Wyoming and new research related to cattle interaction with larkspur might help decrease the impacts.

Larkspur is a member of the Ranunculaceae Family, also known as the buttercup family.

Wyoming is host to nine separate Delphinium species that are widely distributed and can be found from high to low elevations. At least one species of larkspur is found in every county, with most hosting more than one species.

Larkspur can be confused with lupine or other plants with bright-blue and purple flowers. Unfortunately, color is not always the best method for identification. Two key traits help identify larkspur – the “spurred” flower and the palmately divided leaves. These traits are identifiable in mature plants or in young plants early in the spring when plants have not developed flowers.

Delphinium species have a window when the plant is most toxic and palatable to cattle. The best time for grazing near or around larkspur is before or after the toxic window. Grazing in pastures with larkspur should be after the toxic window when plants have stopped growing and are dormant for the year.

Knowing what species are in a grazing area is important. The accompanying table lists geographical distribution, timing of plant flowering and maturing (phenology), desired habitats, and species in Wyoming.

Is it all doom and gloom?

Complete avoidance or herbicide control for eradication are traditional management strategies. While effective, poisoning still occurs. Avoiding larkspur is not always feasible, and complete eradication can be difficult or not allowed in certain areas.

Contemporary research is testing the effects of larkspur toxicity on varying ages and sexes in cattle herds. Preliminary results suggest angus steers are more tolerant of larkspur toxins than angus heifers. A separate study suggests yearling angus steers are more susceptible to poisoning than 2-year-old steers. Incorporating the age and sex of animals in an operation's management decisions is key for potentially reducing the risk of larkspur poisoning.

Livestock herd computer modeling is another area of new research. Computer models give clues and ideas to livestock managers to eliminate the risk of killing healthy animals. Different plant densities, pasture environments, and animal behaviors are used to compute management decisions and poisoning. Differences in herd densities and cohesion patterns provide new and unconventional herd management strategies for cattle managers.

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Species	Desired habitats	Geographical location	Phenology
Subalpine larkspur <i>Delphinium barbeyi</i>	Mountain habitats from subalpine to alpine sites	Mountains of Carbon and Albany counties	Blooms from July through August. Plants can be up to 60" tall.
Sierra or mountain larkspur <i>Delphinium glaucum</i>	Mountain and high elevation slopes	Meadow and forest habitats of mountains. Very low densities in the southwest Bighorn Mountains, not found in the Black Hills.	Blooms from July through August. Plants can be up to 60" tall.
Tall larkspur <i>Delphinium occidentale</i>	Mountain habitats, that includes up to subalpine areas	High elevations of mountains in Wyoming. Not found in northeast Wyoming.	Blooms from July through August. Plants can be up to 60" tall.
Low larkspur <i>Delphinium bicolor</i> and <i>Delphinium bicolor</i> spp. bicolor	Dry plains, foothills, and mountains	Found throughout the state except for Platte, Laramie and Albany counties.	Blooms from early May through June. Plants are 12-15" tall.
Geyer's larkspur <i>Delphinium geyeri</i>	Plains and foothills	Found throughout Wyoming except for Crook, Weston, Campbell, Johnson, and Sheridan counties.	Blooms May through June. Plants are 12-24" tall.
Mountain larkspur <i>Delphinium ramosum</i>	Moist meadows	Laramie County	Plants bloom from June to July. Plants are 24-40" tall.
Tall meadow larkspur <i>Delphinium burkei</i>	Moist meadows of mountain habitats	Yellowstone National Park and Teton County	Plants are 12-24" tall. Blooms late June through July.
Nuttall's larkspur <i>Delphinium nuttallianum</i>	Plains, rock outcrops, foothills, and mountains	All areas of the state except for extreme northeast Wyoming	Blooms May through July depending on location and habitat. Plants are 6-16" tall.

This table was developed from *Vascular Plants of Wyoming* third edition by Robert Dorn, 2001 and the USDA Plants Database.