

Insurance options for specialty and organic crop producers in Wyoming

RISK MANAGEMENT FOR ALTERNATIVE PRODUCTION

Wyoming production of specialty and organic crops has grown steadily over the past decade, often as a way to increase profitability.

Nationally, sales of organic products have nearly tripled since 2008, when production data first become available, to over \$9 billion. These types of operations have risk management needs just like producers of conventional crops, particularly crop insurance policies.

Crop insurance liability last year for specialty crops totaled over \$20 billion and \$1.7 billion for organic production. Total acres nationally have increased from 2008 for both organic and specialty crops. Wyoming total organic and specialty crop acres increased from 86,141 to 148,496 from 2008 to 2019.

The popularity and participation by farmers and ranchers in insurance programs offered under the Federal Crop Insurance guarantee has steadily grown over the previous 15 years, with policies protecting against risk of yield loss, revenue loss, or both are available for most major crops and forages. These policies include Yield Protection (YP), Revenue Protection (RP), and Actual Production History-based (APH) policies. Most program crops produced as organic (such as wheat, corn, or dry beans) have an insurance option under these programs. Specialty crop and livestock producers have crop insurance options; a request can be made for coverage through RMA via a local insurance agent if it is not available in their county. For a list of insurable crops see www.rma.usda.gov/Topics/Specialty-Crops.

WHOLE FARM REVENUE INSURANCE

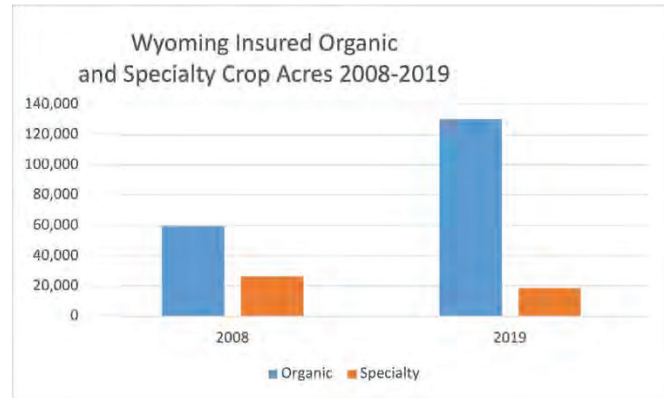
The Whole Farm Revenue Protection (WFRP) insurance program provides gross revenue insurance for all commodities produced on a farm or ranch under a single insurance policy. This coverage can especially benefit specialty crops and livestock producers who may not have adequate coverage available for their situations; this can also include smaller-scale and specialty production-type operations such as farm

to table, unprocessed or unaltered products, or any niche-type production business.

WFRP provides coverage for all insurable commodities except timber and forage products, livestock for show or sport, and pets. WFRP policies can be used for standalone coverage or in conjunction with other crop insurance policies;

FOR MORE INFORMATION

Wyoming specialty and organic crop producers have options to manage production risks via the broad range of policies offered under the federal crop insurance program. Visit the Risk Management Agency (RMA) website at www.rma.usda.gov for links to programs and information, including the specialty crop and organic crop pages, or visit with a local crop insurance agent.



premiums and coverage are reduced depending upon levels of coverage by any additional policies.

Coverage is provided for the fiscal year following sign up, and losses are determined after the close of the fiscal year and a farm's Internal Revenue Service 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 total revenue up to \$8,500,000 with coverage ranging from 50 to 85 percent. In other words, a farm with \$10,000,000 in income may insure up to a maximum of 85 percent coverage (\$8.5 million).

Losses are calculated after taxes are filed for the policy year and occur if revenue-to-count is lower than the insured revenue.

Recent changes to WFRP coverage have been made for 2022 to benefit organic and specialty crop production, including allowing greater flexibility in converting to organic production, in reporting acreage, and increasing the expansion of coverage limits for one year to \$500,000 or 35 percent of total coverage, whichever is higher.

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Growing beginning farmers and ranchers in Wyoming

The U.S. Department of Agriculture's National Institute of Food and Agriculture (NIFA) recently announced an investment of over \$50 million to 140 organizations and institutions that teach and train beginning farmers and ranchers.

"Strengthening and growing the pipeline of the next generation of farmers and ranchers is vital to the continued success of American agriculture," said NIFA Director Carrie Castille. "We recognize that beginning farmers and ranchers have unique needs for education, training, and technical assistance.

"Their success, especially in the first 10 years, often hinges on access to reliable, science-based information and the latest educational resources so they can improve their operations' profitability and sustainability long-term.

"This investment supports curriculum creation, as well as informational materials and professional development on a wide range of important topics for new farmers and ranchers, such as managing capital, acquiring and managing land, and effective business and farming practices. These projects will benefit a rising generation of beginning farmers and ranchers regardless of their age or production choice," Castille said.

The Department of Agricultural and Applied Economics in the College of Agriculture and Natural Resources at the University of Wyoming was awarded funding for a Beginning Farmer and Rancher Development Program (BFRDP) project for 2021-2024. The goal of Growing Beginning Farmers and Ranchers in Wyoming is to provide education, mentoring, and technical assistance to offer beginning farmers and ranchers the knowledge, skills, and tools needed to make informed decisions for their operations and enhance their sustainability. The project looks to ensure Wyoming beginning producers are well-informed of risk management alternatives. This allows them to take full advantage of existing insurance products and other risk controls by offering training and resources covering various financial management, risk management, enterprise assessment, and risk analysis topics.

The project's multidimensional approach will make available training and resources under four broad objectives.

- The project will provide educational opportunities directly to beginning farmers and ranchers through regionally offered on-site programming and online resources;



Beginning Farmer and Rancher Development projects benefit a rising generation of beginning farmers and ranchers regardless of their age or production choice.

- Provide on-site and online educational programs to Wyoming's new, beginning, and limited resource farmers and ranchers via FFA classrooms and other venues;
- Coordinate and provide hands-on internships on working farms and ranches to Wyoming's beginning farmers and ranchers each summer in cooperation with state producer organizations and educational institutions; and
- Develop and circulate media-based education on various financial management, risk management, enterprise assessment, and risk analysis topics statewide via articles in agriculture-focused newspapers and producer-organization newsletters.

"We are excited by this opportunity to work with new and beginning operators across the state," noted John Hewlett, project coordinator and UW Extension ranch/farm management specialist. "There are numerous resources available to help

both get things off on the right foot, as well as keep them running smoothly once up and rolling. We look forward to making those resources better known, as well as putting individuals in touch with needed support via extension and the broader university."

More information about the project may be found at GrowinG-WY.org or by emailing information@GrowinG-WY.org.

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The Wyoming Beginning Farmer and Rancher Development project will benefit interns with first-hand experience on farms and ranches across the state.

