



**HUDSON**  
INSURANCE GROUP®

# MICRO FARM

## OVERVIEW

The Micro Farm policy is offered through Whole-Farm Revenue Protection (WFRP) to provide additional insurance options for small-scale producers. As such, it is imperative that both the agent and insured work with the Approved Insurance Provider (AIP) throughout the WFRP insurance cycle to ensure timely and accurate processing.

### Policy Provisions

The new policy has distinct provisions that can provide more access to the federal crop program, including:

- No expense or individual commodity reporting needed, simplifying the recordkeeping requirements for producers.
- Revenue from post-production costs, such as washing and packaging commodities and value-added products, are considered allowable revenue.

### Qualifications

- The entity must have gross farming income for all agricultural commodities of \$100,000 or less during the initial year of coverage.
- The entity must have at least three years of tax records, but may use up to five years of tax records to determine their approved revenue and dollar guarantee based upon their selected coverage level.
  - If grower only has three years (including lag year), the lowest revenue year will be duplicated as three entries within the five year database.

### THE MICRO FARM POLICY:

- Available to producers who have a farm operation that earns an average allowable gross revenue of \$100,000 or less for the first year of coverage.
- The lag year is included in the history period, unlike coverage under WFRP provisions.

### Availability

- Program is available in all counties in all 50 states.

### Coverage

- The policy offers revenue coverage for the entire farming operation, not commodity-specific coverage.
  - Coverage is based on an average of historic revenue as filed on the grower's Federal Schedule F considering gross dollars.
- Subsidies will match the current, significant WFRP subsidies with the entity qualifying for coverage levels from 50% - 85% in 5% increments.
- The diversification factor for all crops will default to three crops for rating purposes.
- Only Calendar Year and Early Fiscal Year tax filers will be considered for this coverage.

### Guarantee

- The entity's guarantee is determined by multiplying the coverage level by the expected value of all commodities determined by previous three-year average of allowable income from all such commodities.
- Growers MUST have sales records to support their Micro Farm's policy guarantee.

## Limitations for Insurance

- The entity must NOT be vertically integrated.
- The entity may NOT have other MPCI crop coverage if they elect Micro Farm coverage.
- The entity will NOT be responsible for reporting expenses.
- This policy offers NO replant coverage.
- The grower will not be considered for an indemnity unless all timely Notices of Loss are in place, and the grower has filed their Federal Tax Return for the year of coverage during the following year.

## Loss Information

- Perils for the Micro Farm Policy match the perils for WFRP. A timely Notice of Loss must be submitted within the notice deadlines to be certain that we can properly identify a covered cause of loss when revenue dollars are deficient at year end.
- Premium for this policy will be due prior to potential indemnities being paid to the grower.

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