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Crops:

Barley, Buckwheat, Hemp, Millet, Nursery, Oats, and Rye

**Risk
Management
Agency**

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Disclaimer

This presentation highlights specific features of USDA - Risk Management Agency Programs and is not intended to be comprehensive.

The information presented neither modifies nor replaces terms and conditions of the Basic Provisions, the crop provisions, or the county actuarial documents.

Insurance Programs for Hemp

- Whole Farm Revenue Protection (WFRP)
- Nursery Crop Insurance Plan
- Multi-Peril Crop Insurance (MPCI) – APH Plan

WFRP Pilot Plan of Insurance - Hemp

- Must comply with applicable state, tribal, and/or federal regulations
- Must be grown under a marketing contract with a processor
- No replant coverage at this time
- Industrial hemp that is unsalable or destroyed due to a delta-9 tetrahydrocannabinol (THC) level that exceeds 0.3 percent will be considered damaged due to uninsurable causes

Nursery 2021 Crop Year

- In accordance with federal regulations, any applicable state or tribal laws, and terms of the crop insurance policy. Hemp will be insurable if grown in containers and sold with the root system attached and are not stock plants or plants being grown solely for harvest of buds, flowers, or greenery.

MPCI – Hemp

- Coverage announced December 23, 2019
- MPCI coverage for hemp for crop year 2020 if they are part of a Section 7606 state or university research pilot, as authorized by the 2014 Farm Bill, or if they are licensed under a state, tribal or federal program approved under the Agricultural Marketing Service (AMS) interim final rule issued in October 2019.
- Available for the 2020 crop year in 21 States
 - Alabama, California, Colorado, Illinois, Indiana, Kansas, Kentucky, Maine, Michigan, **Minnesota**, **Montana**, New Mexico, New York, North Carolina, **North Dakota**, Oklahoma, Oregon, Pennsylvania, Tennessee, Virginia, and Wisconsin.

Insured Crop

- Types insurable: CBD, Seed, and Fiber
- Official Certification or License
- Processor Contract
- Planted and harvested IAW processor contract and management practices of the processor
- Approved variety as listed by the governing authority
- Require production history of at least 1 year, in any amount of acreage, which is certified to FSA for any location for insurability

Hemp Producer who is also a Processor

- The processor company has an insurable interest in the hemp crop
- Prior to the sales closing date, the Board of Directors or officers of the processor has executed and adopted a corporate resolution that contains the same terms as a processor contract. This corporate resolution will be considered a contract under this policy
- Our inspection reveals that the processing facilities comply with the definition of a processor

Non-Insurable Acreage

- Planted for any purpose other than hemp
- Interplanted with another crop (excluding a cover crop)
- Planted into an established grass or legume
- Planted in a confined space such as a greenhouse or other physical structure
- Planted to a variety not contained in the list of varieties issued by the applicable governing authority in the State, or a proxy State as contained in Special Provisions

Non-Insurable Acreage

- That does not meet the minimum acreage requirements contained in the Special Provisions.
 - Grain 20 acres
 - Fiber 20 acres
 - CBD 5 acres
- Acreage on which seed is first broadcast onto the surface of the soil using any implement or aircraft, and on which the seed subsequently is incorporated into the soil.

Non-Insurable Acreage

- Not in Compliance with Rotation Requirements:
Insurance will not attach to any acreage on which *Cannabis*, canola, dry beans, dry peas, mustard, rapeseed, soybeans, or sunflowers were grown the preceding crop year.
- License is terminated or suspended at any time during the crop year
- Contracted acreage exceeded

Excluded Causes of Loss

- In addition to the causes of loss excluded in section 12 of the Basic Provisions
- Levels of THC in excess of 0.3 percent on a dry weight basis except as otherwise specified on the Special Provisions;
- Your failure to follow the requirements contained in the processor contract;
- Any harvested production infected by mold, yeast, fungus, or other microbial organisms after harvest except as specified in section 12(c)(4) of these Crop Provisions; or
- Any damage or loss of production due to the inability to market the hemp for any reason other than actual physical damage to the hemp from an insurable cause of loss specified

Not Applicable

- Late planting
- Prevented planting
- Written Agreements

Asked and Answered

WFRP – Hot Hemp Not Destroyed

Question:

In certain states, hemp that exceeds 0.3% THC content does not have to be destroyed and would still be salable by being blended at the processor to get the THC content to 0.3%. What effect would that have if the grower were to be over the 0.3% limit but still able to sale?

WFRP

Answer:

Hemp sold that is considered a controlled substance under Federal rules would void the policy.

This note was added in paragraph 126 of the WFRP handbook:

Example: Insured produces industrial hemp. Upon sampling and testing, the THC level is 0.301 percent. The state in which the insured produced the hemp allows the sale of hemp up to THC levels of 0.399 percent. For the purposes of WFRP, the sale of hemp with a THC level greater than 0.3 percent, as determined by a USDA approved laboratory, will be considered a controlled substance and will result in voidance of the WFRP policy.

WFRP – Timing of Hemp Contract

Question:

- If hemp is insured on WFRP, when does the contract need to be in place in order for the hemp to be insurable?

Answer:

- A marketing contract for any commodity must be “in place” by July 15 (RFOR) and the expected values and yields for that commodity will be determined as of the date the marketing contract becomes effective per Section 17(c)(4)(iv) WFRP Provisions.
 - *(iv) The date the marketing contract becomes effective for commodities produced under a marketing contract for the portion of expected production under contract (subject to the limitation in section 17(c)(3)).*

Questions?

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