

# CROP INSURANCE FOR SMALL GRAINS: WHEAT COVERAGE OPTIONS

Some farmers in the Midwest and Great Plains opt to grow wheat as part of their operations. Their reasons range from conservation benefits to the requirements of organic certification to local or specialty markets they have identified. The most recent Census of Agriculture indicates more than a million acres of wheat are grown for grain in Nebraska, and more than seven million acres in Kansas.

“One reason I raise wheat is for soil health. Part of my risk management strategy is building up soil health to preserve moisture,” a Kansas farmer said in a Center for Rural Affairs listening session.

Federal crop insurance availability for wheat depends on the producer’s county. See below for the various options available. In some cases, the process will require information about another county’s available coverage, essentially requesting that coverage be extended to the producer.

## MULTI-PERIL CROP INSURANCE

Arguably, the most straightforward way to insure wheat with federal crop insurance is with a multi-peril crop insurance (MPCI) policy. Farmers who use crop insurance are likely familiar with MPCI for other crops, such as corn and soybeans.

Multi-peril coverage will protect in the event of a number of natural perils, including adverse weather conditions (freeze, wind, drought, excess precipitation, etc.), failure of the irrigation water supply, fire, and insects or plant disease.

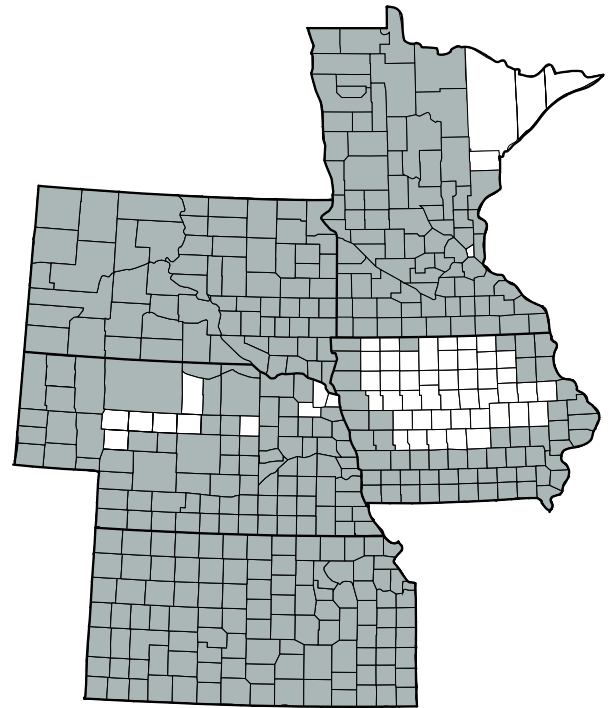
### **Where available, insurance plans offered for wheat include:**

- Catastrophic Risk Protection
- Revenue Protection (Harvest Price Exclusion available)
- Yield Protection
- Area Revenue Protection (Harvest Price Exclusion available)
- Area Yield Protection
- Margin Protection (Harvest Price Option available)

Policy availability is dependent on a producer’s county. See Figure 1 for the availability of wheat policies in select states in 2022.

In addition, depending on the policy type, a producer may elect an additional option, or endorsement, for their coverage. There are a range of endorsements, but one especially for wheat is the Winter Wheat Coverage Endorsement. Available only in select counties, this option provides coverage for fall seeded wheat between the time coverage starts in the fall and the spring wheat final planting date.

FIGURE 1. INDIVIDUAL CROP INSURANCE PLANS AVAILABLE BY COUNTY FOR WHEAT, 2022





## WRITTEN AGREEMENTS

If an MPCCI program is not available for wheat in a farmer's county, they may be able to secure individual coverage by applying for a written agreement through an insurance agent. In essence, this process is requesting a special case agreement with the USDA Risk Management Agency (RMA) for coverage.

When applying, producers will need to provide information, such as estimated planting dates, harvest dates, and three years of production history. If yield history is not available, producers may be able to submit production history for a similar crop. In some cases, the process will require information about another county's available coverage, essentially asking that coverage be extended to the producer.

The timeline for coverage by written agreement is unique. If accepted, coverage begins at the later of the two dates—when the producer's application is accepted by RMA, or when the crop is planted.

## Relay cropping

In early 2022, RMA announced that relay cropping would be insurable by written agreement. Relay cropping is a system in which multiple crops are managed with overlapping growing seasons; the crops are planted and harvested at different times.

The option is available for soybeans relay cropped with winter wheat, as well as other small grains. To insure by this method, a producer must work with a crop insurance agent to submit a request for written agreement. Specific requirements will be determined by the producer's location in relation to NRCS cover crop termination deadlines. The second crop planted in a given year will require a written agreement. For example, if a wheat crop is followed by a soybean crop, the soybean crop will need a written agreement to be insured.



Relay cropping, an insurable option via written agreement, pictured in Iowa. | Photo by Drew Dietz



## WHOLE FARM REVENUE PROTECTION

In every county, wheat is eligible to be insured by RMA's Whole Farm Revenue Protection (WFRP) coverage. WFRP takes a different approach by covering all crops produced on the operation under one policy, and is based on revenue rather than only yields and production. Coverage is calculated using revenue reported on tax documents—five years of the Schedule F form. Some exceptions exist, including for beginning and veteran farmers, who may qualify with three consecutive years or other documentation.

Whole Farm coverage is available between 50% and 85%, in 5% intervals. The highest coverage levels are only available for diverse operations insuring at least three crops.



Gary and Teresa Meemken typically insure at a 70% to 75% coverage level. | Photo courtesy of West Otter Tail Soil and Water Conservation District



### FARMER FEATURE: GARY MEEMKEN

Gary Meemken grows corn, soybeans, and wheat in Clitherall, Minnesota. Typically, 20% to 30% of his acres are planted to wheat each year, which he insures with MPCI.

The primary peril of concern in his area is drought, and, to a lesser extent, hail. He typically insures at a 70% to 75% coverage level.

“ I purchase crop insurance as a tool for protecting my finances. You have so much invested in your seed inputs, fertilizer inputs, land rent, and more. ”  
—Gary Meemken

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