



R I G H T R I S K N E W S

Micro Farm Insurance: The Ins and Outs

Farming is unpredictable. Weather, market fluctuations, and unexpected losses can threaten a farm's financial stability. Micro Farm Insurance provides an essential safety net for small and diversified farms, offering producers a streamlined, comprehensive way to manage risk. This program is particularly useful for farmers who operate on a smaller scale and need protection for a variety of crops and livestock under one simple insurance policy.

What is Micro Farm Insurance?

Micro Farm Insurance is a federally-backed risk management tool designed for small farms with up to \$350,000 in approved revenue (\$400,000 for returning policyholders). Unlike traditional crop insurance, which insures individual crops, Micro Farm covers all farm revenue under a single policy. This program may be a good fit for small, organic, and specialty farms that market directly to consumers, restaurants, or local food networks.

Key Benefits

- **Comprehensive Coverage** – Protects revenue from all eligible commodities on the farm, including crops and livestock, reducing the need for multiple policies (unharvested or unsold commodities may also be included in revenue calculations).
- **Simplified Paperwork** – Farmers avoid the complexity of reporting yield for individual crops, making insurance easier to manage.
- **Flexible Coverage Levels** – Farmers can select coverage ranging from 50 to 85 percent of their approved revenue, ensuring they can tailor protection to their specific needs.
- **Subsidized Premiums** – The federal government covers up to 80 percent of insurance costs, making coverage significantly more affordable for small-scale farmers.
- **Growth Adjustments** – If a farm has been expanding, revenue history can be indexed to reflect that growth, ensuring fair coverage.
- **Nationwide Availability** – The program is available in all 50 states and covers a wide range of farm types and markets.
- **Protection Against Revenue Losses** – Covers financial losses due to unavoidable natural causes such as extreme weather, drought, flooding, or other unexpected conditions. Micro Farm will also provide carryover loss coverage if you are insured the following year.

Who Qualifies?

To be eligible, farmers must:

- Have three years of farm tax records (or a substitute record for newer farms).
- Not exceed \$350,000 in approved revenue (\$400,000 for returning policyholders).
- Derive no more than 50 percent from commodities purchased for resale (post-production and value-added costs

How Much Risk is Right for You?

USDA Risk Management Agency
U.S. DEPARTMENT OF AGRICULTURE

Micro Farm Program

Fact Sheet

Micro Farm Program
The Micro Farm program provides a risk management safety net for all commodities on your farm under one insurance policy. This insurance plan is tailored for any farm with up to \$350,000 in approved revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Availability
Micro Farm is available in all counties in all 50 states.

Causes of Loss
Micro Farm provides protection against the loss of insured revenue due to unavoidable natural causes which occur during the insurance period. Micro Farm will also provide carryover loss coverage if you are insured the following year. See the policy for a list of covered causes of loss.

Important Dates
Sales Closing, Cancellation, & Termination Dates
Calendar Year and Early Fiscal Year Filers February 28, March 31, or April 15 (by county).
Late Fiscal Year Filers.....November 20
Revised Farm Operation Report Dates
All Counties.....July 15
Contract Change Date.....August 31
Talk to your crop insurance agent about the dates that apply for your county.

Insurance Period
Coverage is provided for the duration of your tax year (the insurance period). The insurance period is a calendar year if your taxes are filed by calendar year, or a fiscal year if your taxes are filed by fiscal year.

Eligibility
Eligibility for Micro Farm coverage requires you to:

- Be eligible to receive Federal benefits;
- Be a U.S. citizen or resident;
- File either a Schedule F tax form or other farm tax form that can be converted to a Substitute Schedule F for a specified number of years (see "Information You Provide" below);
- Have no more than \$350,000 of approved revenue (or \$400,000 if you had Micro Farm the previous year); and
- Have no more than 50 percent of total revenue from commodities purchased for resale.

Coverage
Micro Farm protects your farm against the loss of farm revenue that you earn or expect to earn from:

- All commodities on your farm except timber, forest, and forest products; and animals for sport, show, or pets;
- Commodities you produce during the insurance period, whether they are sold or not; and
- Commodities you buy for resale during the insurance period.

Buying Micro Farm
You can buy Micro Farm from a crop insurance agent by the sales closing date shown for each county in the actuarial documents at: [AIB Landing Page.usda.gov](http://AIB.LandingPage.usda.gov). A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/locus-report/agent-locator. If you have difficulty finding an agent, contact your RMA Regional Office.

Contact Us
USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW
Washington, DC 20250
Phone: (202) 690-2825
Fax: (202) 690-2818
Website: www.rma.usda.gov
E-mail: rma.cco@rma.usda.gov

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rma.usda.gov

may be included in approved revenue).

- Work with a licensed crop insurance agent to obtain a policy before the sales closing deadline.

Special Benefits for Beginning Farmers, Veterans, and Underserved Producers

Certain groups receive additional benefits to encourage participation:

- Beginning Farmers & Ranchers (fewer than 10 years of experience) and Veterans (within 5 years of military service) receive an extra 10 percent premium subsidy to reduce costs.
- Socially Disadvantaged and Underserved Producers (including racial minorities and women) qualify for fee waivers, eliminating administrative costs.
- Production History Assistance – Beginning farmers can use prior farm records if they participated in farm decision-making, allowing them to establish an insurable history.
- Easier Access to Risk Management – These groups often lack access to traditional risk management tools, making Micro Farm an option for protecting their farm's future.



How to Apply & Deadlines

Farmers must purchase coverage through an approved crop insurance agent before the sales closing date:

- February, March, or April for most calendar-year filers.
- November 20 for late fiscal-year filers.

Farm tax records (Schedule F or equivalent) are required to determine the coverage level and a farm operation report must be completed at the time of application. Farmers should consult an insurance agent early to ensure they have the necessary documentation.

How Micro Farm Compares to Other Insurance Options

- Micro Farm vs. Whole-Farm Revenue Protection (WFRP) – While both programs insure whole-farm revenue, Micro Farm is simpler, has lower revenue limits, and requires less reporting.
- Micro Farm vs. Individual Crop Insurance – Micro Farm bundles multiple crop and livestock coverage under a single policy, making it ideal for diversified farms that would otherwise need separate policies.
- Best Fit – Micro Farm works best for small, direct-market farms that need broad, low-hassle coverage with affordable premium options.



- More Cost-Effective for Small Farms – Unlike larger insurance programs designed for big commodity farms, Micro Farm is targeted at smaller operations that need affordable, streamlined coverage.
- May be combined with individual insurance policies for increased coverage (indemnities that exceed Micro Farm deductible will be included as revenue).

How Micro Farm Helps: Real-World Examples

Example 1: A small organic vegetable farm selling at farmers' markets secures Micro Farm coverage to protect against revenue losses from unexpected drought. With Micro Farm, they receive compensation for lost revenue, keeping their farm financially stable. This allows them to reinvest in seeds, irrigation, and infrastructure without facing a complete financial loss.

Example 2: A diversified livestock and crop farm uses Micro Farm to insure revenue from multiple sources—meat, eggs, and vegetables—without juggling multiple policies. A late-season storm reduces their livestock sales, but their Micro Farm policy helps cover the loss. Instead of struggling to recover from an unexpected disaster, they receive financial support to continue operations smoothly.

Example 3: A beginning farmer raising specialty crops qualifies for an additional premium subsidy and fee waiver. With Micro Farm coverage, she confidently expands her farm, knowing she has financial protection against unforeseen risks. By securing this policy early, she can focus on building a strong, sustainable business rather than worrying about financial uncertainty.

Final Thoughts & Next Steps

Micro Farm Insurance simplifies risk management for small farms, offering affordable protection without the complexity of traditional crop insurance. This program is particularly valuable for small, organic, and specialty farms, providing a streamlined, cost-effective solution to protect revenue against market and environmental risks.

Farmers should reach out to a licensed crop insurance agent to explore their options and apply before the sales closing deadline. Acting early ensures access to premium subsidies and full coverage options tailored to their farm’s needs. Micro Farm may be a good choice for smaller operators looking for a practical and accessible insurance option that helps them build resilience and secure their livelihoods.

For more details, visit the Risk Management Agency (RMA) website or contact a local USDA Service Center for personalized assistance. Insurance agents can provide tailored recommendations and ensure that farmers select the best policy for their operation.

By taking advantage of Micro Farm, farmers can focus on what they do best—growing food, raising livestock, and supporting their communities—without the constant worry of financial loss due to unexpected events.



**HIGHLIGHTED MATERIALS:
NEGOTIATION IN AGRICULTURE**

Resources are available to improve communication, as well as learning better negotiation skills. Negotiation skills aren’t just for the used car lot. They can also be helpful in working together when contentious topics arise in the family. View the entire series or access one of the online modules for help navigating your next challenging conversation.

For More Information on Negotiation in Agriculture, see:
Negotiation.FarmManagement.org





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Contributing authors:

- Elliott Dennis, Livestock Marketing Specialist - University of Nebraska-Lincoln, elliott.dennis@unl.edu
- John Hewlett, Ranch/Farm Management Specialist - University of Wyoming, hewlett@uwyo.edu
- Jay Parsons, Risk Management Specialist - University of Nebraska-Lincoln, jparsons4@unl.edu
- Jeff Tranel, Ag and Business Management Specialist - Colorado State University, Jeffrey.Tranel@ColoState.edu

Editing and Layout: John Hewlett, hewlett@uwyo.edu

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*How much risk is right
for you and your operation?*



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