

# Crop Insurance Options for Texas Hemp Production

## Part 1: Overview

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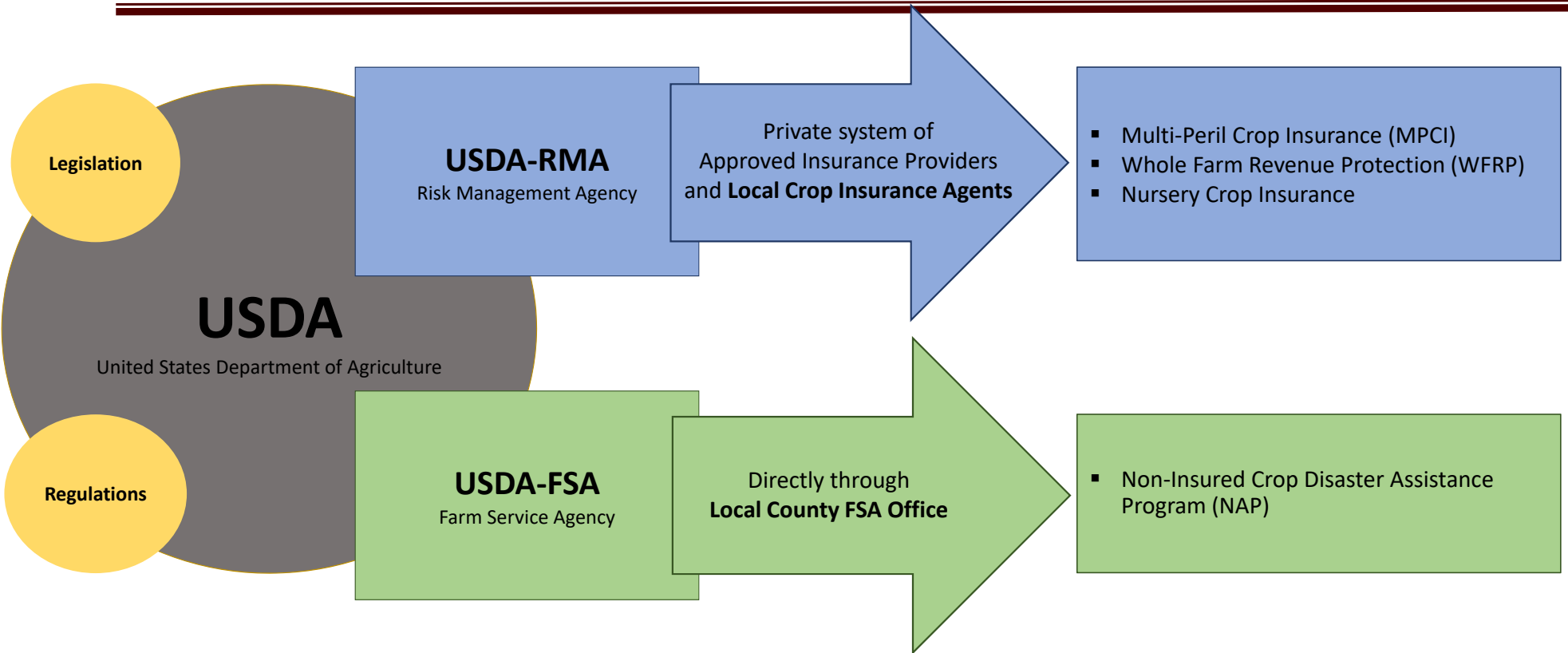
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# USDA Programs for Hemp Insurance



# General USDA Insurance Programs

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- Requirements
  - Must have official certification/license to producer  
(under applicable state, tribe, or federal program approval)
  - Grown under processor contract
  - Planted/Harvested as hemp in accordance with requirements and management practices of processor
  - Must plant/produce appropriate variety
- THC > 0.3 percent is not insurable loss
- Premiums are typically offered at subsidized rates



# MPCI Hemp Pilot Program

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- MPCI Hemp Eligibility
  - Must have minimum one year history producing the crop
  - Minimum 5 acres for CBD, or 20 acres of grain or fiber
- Limited Availability
- Simple yield policy
  - Insure 50% - 75% of your approved historical yield
  - Premium subsidies 55%-67%
  - Yield losses paid at USDA-RMA announced prices



# Whole Farm Revenue Protection

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- Whole Farm Revenue Protection:
  - Hemp is eligible
  - Available nationwide
  - Generally suited to diversified farms with specialty crops
  - Insurable revenue coverage based on proven farm history
  - No revenue from timber, forest products, animals for show/pets, or controlled substances)
  - Premium subsidies up to 80% if you have 3 or more crops



# Nursery Growers

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- Nursery Crop Insurance:
  - Asset-based form of insurance (rather than yield guarantee)
  - Coverage levels from 50% - 75% of Inventory value
  - Premium Subsidies range from 55% - 67%
- Must be container grown & sold with root system attached
- Must qualify as a wholesale nursery
- Other strict compliance requirements



# Non-Insurable Crop Disaster Assistance Program (NAP)

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- Least Restrictive Eligibility
  - Available nationwide
  - Delivered through County USDA Farm Service Agency (FSA)
  - Designed for commodities for which crop insurance is not available
  - Proven history of production important



# Other Considerations

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- Coverage levels will be low relative to your yield expectations
  - Lack of history/experience
  - Don't plan to insure a profit (rather mitigate a disaster)
- Understand the type of losses covered (not covered)
- There are specific deadlines (sales closing date, final planting date, acreage reporting dates, etc.)





# Other Considerations

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- Ask about beginning (< 5 years) farmer provisions
  - Improve Approved Yields
  - Reduced fees
  - Lower premiums
- In case of loss
  - File notice of loss with **72 hours**
  - **Do not** destroy the crop and/or replant until you talk to your agent and discuss options
  - **DOCUMENT**, You must have verifiable documentation that you have planted a crop (seed tickets, expense receipts, farm records)



# Resources

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- USDA Risk Management Agency: [www.rma.usda.gov](http://www.rma.usda.gov)
- Menu Bar → Tools:
  - Agent Locator
  - Cost Estimator
  - Price Discovery
  - Actuarial Information Browser (AIB)  
eligible counties, t-yields, dates, etc
- Menu Bar → Topics:
  - Hemp (press releases, fact sheets, FAQs)
- USDA Farm Service Agency: <https://www.fsa.usda.gov/nap>



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