

USDA Begins Offering Hemp Insurance Coverage for 2020

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Certain industrial hemp farmers can sign up for crop insurance offered by USDA for the 2020 crop year.

Coverage will be available under the Whole-Farm Revenue Protection program, or WFRP, which is typically offered to diversified farms that grow specialty or organic crops, USDA announced today. The program allows eligible farmers to insure up to \$8.5 million of their revenue.

Producers that grow hemp for fiber, flower or seeds as part of state or university research pilot programs can enroll. Eventually, growers in states with USDA-approved hemp programs will qualify as well. USDA has yet to approve any state hemp plans.

USDA is developing rules for the regulation of hemp, which was legalized under the 2018 farm bill, H.R. 2 (115). Producers must comply with state, tribal and federal regulations and have a contract for the purchase of their crop to be eligible, the department said.

Hemp that has THC levels higher than the threshold set by the farm bill of 0.3 percent — which would legally classify the crop as marijuana — will not count as an insurable loss, the department said. Hemp will also not qualify for replant payments.

"Numerous producers are anxious for a way to protect their hemp crops from natural disasters," Martin Barbre, administrator of USDA's Risk Management Agency, said in a statement. "The WFRP policy will provide a safety net for them. We expect to be able to offer additional hemp coverage options as USDA continues implementing the 2018 farm bill."