

# Hemp and Farm Programs



Hemp producers growing in accordance with USDA guidelines are eligible for certain USDA programs in 2020. USDA's Farm Agency (FSA), Natural Resources Conservation Service (NRCS), and Risk Management Agency (RMA) are updating guidelines on several programs to support growers of hemp, which was reclassified by the 2018 Farm Bill.

Once production plans are approved and licenses are issued, hemp producers may be eligible for many USDA programs for the 2020 and 2021 crop years.

## What could hemp producers be eligible for?

### **Crop Insurance**

Hemp that has tetrahydrocannabinol (THC) above the 0.3 compliance level will not be covered by crop insurance. Additionally, hemp will not qualify for replant or prevented plant payments.

### ***Whole-Farm Revenue Protection***

The Whole-Farm Revenue Protection (WFRP) will be available for hemp grown for fiber, flower, or seeds. WFRP allows coverage of all revenue for commodities produced on a farm up to a total insured revenue of \$8.5 million. Producers can purchase WFRP coverage if they have a contract for the purchase of the insured hemp and meet all applicable state, tribal, and federal regulations.

### ***MPCI Pilot Insurance Program***

Provides Actual Production History (APH) coverage for eligible producers in certain counties in 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. The MPCI coverage is for hemp grown for fiber, grain or CBD oil for the 2020 crop year.

### ***Nursery Crop Insurance***

Beginning with the 2021 crop year, hemp will be insurable under the Nursery crop insurance program and the Nursery Value Select pilot crop insurance program. Under both programs, hemp will be insurable if grown in containers and in accordance with federal regulations, any applicable state or tribal laws, and terms of the crop insurance policy.

### **Farm Loans**

Hemp producers may be eligible for FSA farm loans, such as operating, ownership, beginning farmer, and farm storage facility loans.

### **Noninsured Crop Disaster Assistance Program**

The Noninsured Crop Disaster Assistance Program (NAP) will be available for eligible hemp producers to provide insurance-type coverage due to adverse weather conditions.



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## NRCS Conservation Programs

Multiple USDA conservation programs will be offered for eligible producers, including the Environmental Quality Incentives Program, Conservation Stewardship Program, Regional Conservation Partnership Program, and Agricultural Conservation Easement Program.

## How do hemp producers report acres to USDA?

### Acreage Reports

Hemp producers are required to file an acreage report with FSA. This is a requirement for growing under USDA-approved hemp plans as well as prerequisite for many USDA programs.

To file an acreage report, producers should:

- Obtain a hemp production license or authorization number issued by USDA, state, or tribe.
- File an acreage report with FSA, identifying each field or subfield on which hemp is planted, including the license or authorization number. The field or subfield could be referred to as a “lot” and does include greenhouses.
- Identify the intended use of the hemp being reported:
  - Fiber – used for cloth, pressed plastics, ropes, animal bedding, paper, biofuel, packaging, concrete additives, spill cleanup.
  - Processing – grown for extraction of plant resin, which includes cannabidiol (CBD) and other phytocannabinoids to be extracted from the flower. Resin is used in oils, lotions, cleansers, bath or other pharmaceutical or topical products.
  - Grain – used for hemp hearts, crushed seed oil (not CBD), protein supplements (human or animal consumption).
  - Seed – used for propagation stock, hybrids (non-human consumption).

## Next Steps

USDA is working to make available program options for hemp producers. As information is available, USDA will post on [farmers.gov/hemp](https://farmers.gov/hemp). If you have additional questions, contact your local USDA service center, which you can find at [farmers.gov/service-locator](https://farmers.gov/service-locator).

