

Veteran Farmer and Rancher Benefits for Federal Crop Insurance

Overview - Veteran Farmer and Rancher Benefits



Veteran Farmers and Ranchers are eligible for certain benefits designed to help you as you start your operation. These benefits include:

- Exemption from paying the administrative fee for catastrophic and additional coverage policies;
- Additional 10 percentage points of premium subsidy for additional coverage policies that have premium subsidy;
- Use of another person's production history for the specific acreage transferred to you that you were previously involved in the decision making or physical activities to produce the crop; and
- An increase in the substitute Yield Adjustment, which allows you to replace a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield).

Benefit Availability

Veteran Farmer and Rancher benefits will be available beginning with crops having a December 20, 2018 sales closing date or later. It is important that you fill out the application provided by your crop insurance agent to be eligible for benefits. For the 2019 crop year, applications must be completed by June 1 or the acreage reporting date, whichever is later. Veteran Farmer and Rancher benefits for all other policies will be available beginning the 2020 crop year.

Who is Eligible? Qualification to be a Veteran Farmer or Rancher

To qualify for veteran farmer or rancher status you must be a military veteran and:

- You must be an individual. Business entities may receive benefits only if all of the substantial beneficial interest holders, who hold 10 percent or more of the business entity qualify as veteran farmers or ranchers. For example, a veteran moves home to take over the family farm and incorporates with his/her spouse and neither have previous farming experience. Their corporation would qualify as a veteran farmer or rancher for 5 crop years.

However, if a veteran moves home and forms a corporation with a parent, who has had an insurable interest in crops or livestock for more than 5 crop years, at 10 percent or greater, the corporation cannot receive Veteran Farmer and Rancher benefits. Although the veteran qualifies as a veteran farmer or rancher, the parent does not so the corporation cannot receive benefits; and

- You must not have actively operated and managed a farm or ranch anywhere, for more than 5 crop years; or
- You must have first obtained veteran status in the past 5 years.

How it Works - How to Apply for Benefits

For the 2019 crop year Federal crop insurance policy, you must apply for Veteran Farmer and Rancher benefits by June 1 or your Federal crop insurance policy's acreage reporting date, whichever is later. For the 2020 crop year crop and livestock insurance policies, you must apply for Veteran Farmer and Rancher benefits by your Federal crop or livestock insurance policy's sales closing date. You are required to identify any previous farming or ranching experience and your date of discharge or release from active military, naval, or air service in the Armed Forces. Talk to your crop insurance agent for more information.

Frequently Asked Questions

Question: How long can I be a Veteran Farmer or Rancher and keep my benefits?

Answer: Once you choose and qualify for Veteran Farmer and Rancher status, it is continuous until the earlier of:

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- You have operated a farm or ranch for more than 5 crop years;
- You have been discharged from active military, naval or air service in the Armed Forces for more than 5 years;
- You exhaust 5 crop years of Veteran Farmer and Rancher benefits; or
- You cancel the Veteran Farmer and Rancher Application.

Question: What if my spouse is not a veteran? Does that affect whether I qualify as a Veteran Farmer or Rancher?

Answer: No, whether your spouse is a veteran does not impact whether you are considered a Veteran Farmer or Rancher.

Question: Does forming a business entity impact whether I qualify for Veteran Farmer or Rancher benefits? For example, if I am a Veteran Farmer or Rancher and I form a corporation with my brothers, who are not veterans, can the corporation receive Veteran Farmer or Rancher benefits?

Answer: Just forming an entity does not impact whether you are eligible to Veteran Farmer or Rancher benefits. However, for a business entity to be eligible for VFR benefits, all substantial beneficial interest (SBI) holders must meet VFR qualifications. In this example, the corporation would not qualify for these benefits.

Question: Can I receive both Veteran Farmer and Rancher benefits and Beginning Farmer and Rancher benefits?

Answer: No, you must choose to receive one or the other.

Question: What is the difference between Veteran Farmer and Rancher benefits and Beginning Farmer and Rancher benefits?

Answer: Although the criteria for qualifying as a Veteran Farmer and Rancher and a Beginning Farmer and Rancher are different, the benefits are the same.

Question: If I change my agent or insurance provider, can I keep my benefits? Do I have to complete a new application?

Answer: Yes, you can keep your benefits as long as you remain eligible. Changing an agent or insurance provider does not impact your eligibility. When you change agents or insurance providers you do not have to complete a new application. However, you must provide your new agent or insurance provider a copy of your previously completed Veteran Farmer and Rancher Application.

Question: Why did my yield substitution go to 60 percent of the T-Yield when it was 80 percent of the T-Yield before?

Answer: When you no longer qualify for Veteran Farmer and Rancher benefits, you will receive the same yield substitution as all other policyholders who are not Veteran Farmers or Ranchers. You will also no longer be exempted from paying the administrative fees for your policies and you will no longer receive an additional 10 percentage points of premium subsidy.



All Federal reinsured crop insurance policies are available from authorized crop insurance agents. A list of crop insurance agents is available at all USDA service centers and the RMA website on the Agent Locator Page: www.rma.usda.gov/Information-Tools/Agent-Locator-Page.

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