

Risk Management Agency

Veteran Farmer and Rancher Benefits for Federal Crop Insurance

FACT SHEET
June 2021

Overview

As a veteran farmer or rancher, you 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 the previous producer's production history, with permission, for the specific acreage transferred to you if you were previously involved in the decision making or physical activities on any farm that produced the crop or livestock; 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

To be eligible for benefits, it is important that you fill out the application provided by your crop insurance agent. The application must be completed prior to the sales closing date for the benefit to be available for that crop year.

Who is Eligible?

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 if all of the substantial beneficial interest holders, who hold 10 percent or more of the business entity qualify individually as veteran farmers or ranchers. A spouse's veteran status does not impact whether a business entity (comprised only of the veteran and their spouse) is considered a farmer or rancher. For example, a veteran moves home to take over the family farm and incorporates with his/her spouse. Their corporation would qualify as a veteran farmer or rancher for up to 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.

VETERAN FARMER AND RANCHER BENEFITS FOR CROP INSURANCE - JUNE 2021

How it Works

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 considered a Veteran Farmer or Rancher?

Answer: Veteran Farmer and Rancher status is dependent on how you qualified for Veteran Farmer and Rancher status. Once you elect and qualify for Veteran Farmer and Rancher status, it is continuous unless you cancel your application or either of the following conditions exist:

- If you qualified for Veteran Farmer and Rancher status based on having operated a farm or ranch for not more than 5 years, then once you have operated a farm or ranch for 5 years, you are no longer entitled to Veteran Farmer and Rancher status;
- If you qualified for Veteran Farmer and Rancher status based on first obtaining status as a veteran during the most recent 5-year period, then once 5 years has elapsed from first obtaining status as a veteran, you are no longer entitled to Veteran Farmer and Rancher status.

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.



Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from crop insurance agents. A list of crop insurance agents is available online using the RMA Agent Locator: rma.usda.gov/Information-Tools/Agent-Locator-Page.

To download copies of this fact sheet and others, visit our fact sheets page: rma.usda.gov/Topics/National-Fact-Sheets.

Frequently Asked Questions (FAQs) are available online: rma.usda.gov/News-Room/Frequently-Asked-Questions.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.