

Acceptable Records for Whole Farm Revenue Protection Policies

Verifiable Records are defined as contemporaneous records provided from a disinterested third party, such as records from a warehouse, processor, packer, broker, input vendor, etc., or by measurement of farm-stored commodities.

Except for commodities sold through direct marketing, if you process or pack your insured commodities, you must provide final settlement sheets showing disposition of the insured commodities and marketing records reconcilable with revenue reported for tax purposes for your farm operation (Page 96 of the 2017 Whole Farm Revenue Handbook).

Verifiable records and/or direct marketing sales records are used to verify the allowable revenue and allowable expenses on the Whole-Farm History Report.

Verifiable records include:

- (1) Third party verifiable documentation, which may include, but is not limited to, accounting records, farm management records, warehouse receipts, ledger sheets, sales receipts/records, settlement sheets, accounts paid, payroll receipts, copies of payments made to the Social Security Administration for tax payments, canceled checks showing the banking institution's stamp of payment, and feeding records.

Verifiable records regarding the buying or selling of a commodity, except those that are considered direct marketed, must include the:

- (a) Name of the commodity;**
- (b) Name of buyer, seller, store house, or marketing outlet, as applicable; and**
- (c) Date and year of transaction.**

- (2) Direct marketing sales records may include contemporaneous records developed at the same time of the sale of a commodity (e.g., farmers market, roadside stand, etc.). Such contemporaneous records may include daily receipts, etc. If the insured sells commodities through direct marketing, the contemporaneous records used to determine taxes paid on the Schedule F farm tax form must be provided to the AIP.

Direct marketing sales records regarding the selling of commodities sold directly to the consumer must include:

- (a) Insured's name;**
- (b) Date;**
- (c) Name of the market;**
- (e) Total cash receipts; and**
- (f) Listed names of the commodities sold;**

For final production reporting, direct marketing sales records must include at a minimum:

- (a) Estimated percent of total cash receipts for each commodity sold; and**
- (b) Revenue per commodity received; or**

For use of establishing a three year average to use for expected values:

- (a) Amount of each commodity taken to market;**
- (b) Amount of each commodity returned from the market;**
- (c) Amount of each commodity sold;**
- (d) Prices per commodity sold on the date of market; and**
- (e) Revenue received for each commodity.**

Paragraph 51B Page 38 WFRH

Records that may be accessed include, but are not limited to, records pertaining to the:

- (1) Planting, replanting, inputs, production, harvest, storage, sale, shipment, and disposition of the insured commodities;
- (2) Insurable, insured, and uninsured acres;
- (3) Facilities;
- (4) Allowable revenue and allowable expenses stated on farm tax forms and supporting documents;
- (5) Value of any post-production operations for insured commodities;
- (6) Documentation supporting beginning and ending inventories, and accounts payable and accounts receivable;
- (7) Ownership, share, lease, contract agreement, or other agreements that are applicable to the insured commodities; and
- (8) Mediation, arbitration, and litigation records related to the insured and insured commodities.

Failure to provide access to the insured commodities on the farm, maintain or provide any required records, authorize access to the records maintained by third parties, or assist in obtaining all such records will result in a determination that no indemnity is due for the insurance year for which the failure occurred.

Paragraph 3 Page 6 WFRH

For claims purposes, beginning and ending inventories will be valued at the:

- (a) Actual price received if the commodity is sold prior to the time the claim is finalized; or
- (2) Local market value on the first day of the month in which the claim is finalized, if the commodity is not sold prior to the time the claim is finalized. See Exhibit 17 in the WFRH

Published August 28, 2017