



Organic Farming Practices

Revised November 2016

Crop Insurance for Organic Farming Practices

Organic farming has become one of the fastest growing segments of U.S. agriculture. United States Department of Agriculture's (USDA) Risk Management Agency (RMA) recognizes organic farming practices as good farming practices and continues to move forward in improving crop insurance coverage for organic producers and producers transitioning to organic production to make viable and effective risk management options available.

In general, regulations governing the insurability of organic and transitional practices are the same as for conventional practices.

Coverage Availability

RMA provides coverage for:

- Certified organic acreage; and
- Transitional acreage (acreage transitioning to certified organic acreage in accordance with an organic plan).

Insurance can only be provided for any crop grown using organic farming practices when a premium rate for an organic practice is specified in the actuarial documents or there is an approved written agreement.

Insurable Causes of Loss

All production loss or insurance amount loss due to an insured cause of loss listed in the crop provisions apply to the organic and transitional to organic practices, unless otherwise specified in the special provisions. The following losses are not covered:

- Failure to follow good organic farming practices;
- Failure to comply with the USDA National Organic Program standards; or
- Crop contamination by drift of prohibited substances.

Reporting Acreage

On the date acreage is reported, you must have the following:

For Certified Organic Acreage:

A current organic plan and organic certificate (written certificate) are required; or written documentation may be provided from a certifying agent indicating that an organic plan is in effect.

For Transitional Acreage:

An organic plan is required or written documentation from a certifying agent that indicates an organic plan is in effect. The organic plan must:

- Identify the acreage that is in transition for organic certification;
- List crops grown on the acreage during the 36 month transitioning period; and
- Include all other acreage (conventional acreage in the farming operation).

Insurance Guarantees, Coverage Levels, and Premium Determination

The production guarantee or insurance amount, coverage levels, and prices are available in the actuarial documents, found on the Actuarial Information Browser at webapp.rma.usda.gov/apps/actuarialinformationbrowser/.

Crops grown in the buffer zone are insured using the applicable price elections, projected prices, harvest prices, insurance plan, and coverage level shown in the actuarial documents for the acreage it buffers.

Premium Organic Price Elections

RMA continues to expand premium organic price elections to extend the safety net provided by crop insurance and to provide fair and flexible solutions to organic producers. Premium organic price elections now exist for the majority of crops insured by RMA. RMA continues to evaluate all crops to establish organic price elections in future crop years.

A list of crops that have a premium organic price elections can be found at www.rma.usda.gov/news/currentissues/organics/organicroplist.html.

In some cases, premium organic price elections are only available in certain locations and for certain types. For crops that do not yet have a premium organic price election, the price elections, insurance amounts, projected prices, and harvest prices, for both certified organic and transitional to organic crops are the same as those RMA publishes for non-organic practices for the current crop year.

Price Discovery Tool

All approved organic price elections, projected prices, and harvest prices (by crop) are available on the Actuarial Information Browser at webapp.rma.usda.gov/apps/actuarialinformationbrowser/ under the 'Prices' tab. To see estimated prices based on current market information for revenue policies, see the Price Discovery Reporting Application at prodwebnlb.rma.usda.gov/apps/PriceDiscovery.

Whole-Farm Revenue Protection Pilot Program

The Whole-Farm Revenue Protection pilot program provides a risk management safety net for all commodities on the farm under one insurance policy. This insurance plan is tailored for any farm with up to \$8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets. This product also allows certified organic producers to use organic prices. The Whole-Farm Revenue Pilot Program fact sheet can be found at www.rma.usda.gov/policies/wfrp.html.

Contract Price Addendum (CPA)

The CPA allows a producer to use the contract price from a written contract with a buyer instead of the price election established by RMA, up to a maximum contract price. For those who have a contract, the CPA allows organic producers and producers who are transitioning to organic to buy a crop insurance guarantee that is more reflective of the actual value of their crop.

A list of crops covered by the CPA is available at www.rma.usda.gov/news/currentissues/organics/cpa_eligibility.html.

For more information about the CPA, please see the CPA fact sheet at www.rma.usda.gov/news/currentissues/organics/.

Important Dates

Be aware of the sales closing date to apply for crop insurance. The sales closing date is the last day to buy a new policy or change an existing policy's coverage level. If you are a policyholder you also have until the sales closing date to make any changes to your existing contracts. For crops in your state, you can find sales closing dates at your regional office or on the regional office website at www.rma.usda.gov/aboutrma/fields/rsos.html.

For More Information

You can find definitions related to organic practices in the most current Common Crop Insurance Policy, Basic Provisions, at www.rma.usda.gov/policies/2017policy.html. You can find crop insurance policies, crop provisions and handbooks on the RMA Organic Crops Page at www.rma.usda.gov/news/currentissues/organics/.

Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection (CAT) policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and online at the RMA agent locator at www.rma.usda.gov/tools/agent.html. A list of insurable crops is available on the policies website at www.rma.usda.gov/policies/2017policy.html.

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