



SPECIALTY CROPS REPORT 2022

Report to Congress as required by section 508(a)(6)(A)&(B) of the Federal Crop Insurance Act

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Executive Summary

The 2022 Specialty Crops Report is submitted by the Risk Management Agency (RMA) on behalf of the Federal Crop Insurance Corporation (FCIC) in response to Section 508(a)(6)(A) & (B) of the Federal Crop Insurance Act (Act), as amended. The statute requires that the Federal Crop Insurance Corporation report to Congress on the progress and expected timetable for expanding crop insurance coverage to specialty crops:

“508 (6) ADDITION OF NEW AND SPECIALTY CROPS (INCLUDING VALUE-ADDED CROPS). —

(A) ANNUAL REVIEW.— Not later than 1 year after the date of enactment of the Agriculture Improvement Act of 2018, and annually thereafter, the manager of the Corporation shall prepare, to the maximum extent practicable, based on data shared from the noninsured crop disaster assistance program established by section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), written agreements, or other data, and present to the Board not less than 1 of each of the following:

- (i) Research and development for a policy or plan of insurance for a commodity for which there is no existing policy or plan of insurance.*
- (ii) Expansion of an existing policy or plan of insurance to additional counties or States, including malting barley endorsements or contract options.*
- (iii) Research and development for a new policy or plan of insurance, or endorsement, for commodities with existing policies or plans of insurance, such as dollar plans.*

(B) REPORT. — Not later than 1 year after the date of enactment of this paragraph, and annually thereafter, the Corporation shall report to Congress on the progress and expected timetable for expanding crop insurance coverage under this subtitle to new and specialty crops.”

This report fulfills subsection (B) above and will capture how RMA’s ongoing efforts also meet the requirements for specialty crops, as specified in the Agriculture Improvement Act of 2018 (Farm Bill).

RMA classifies specialty crops as fruits and vegetables, tree nuts, dried fruits, and horticulture nursery crops (including floriculture). This classification is consistent with the definition of specialty crops as specified in the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note), as modified by the Agricultural Act of 2014.

Federal crop insurance is a vital link to the soundness and prosperity of specialty crop producers who play a pivotal role in providing fresh, local, and healthful food to the nation. Crop insurance products for specialty crops have been a strong priority since the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104 – 127). In 2021, crop insurance protected more

than \$22 billion in insurance liability for specialty crops. Additionally, market penetration for fruit and nut crops encompassed 65 percent of their market potential in 2021. Market penetration for vegetable crops encompassed 81 percent of their market potential in 2021.

The pandemic continues to create challenges for producers to meet with their crop insurance agent to report mandatory records, submit applications, collect signatures and more. In response, RMA extended program flexibilities to producers and approved insurance providers (AIP) to support the health and safety of all parties while ensuring the Federal crop insurance program continues to serve as a vital risk management tool. This includes extending program deadlines and waiving certain requirements to ensure continuity of crop insurance services. For example, AIPs can request a 30-day extension to submit determined yield requests for perennial crops.

Additionally, RMA re-established its support of risk management education and invested up to \$2 million in 2022 to support risk management education projects and training programs that support historically underserved producers and small-scale farmers. Such educational tools are vital to help producers learn how to effectively manage long-term risks and challenges.

2021 showed the importance of crop insurance as a risk management tool for producers facing drought, wildfire, hurricanes, winter storms, and more. RMA developed the Hurricane Insurance Protection – Wind Index (HIP-WI) program to protect against crop losses from hurricanes. The coverage is available in 23 states for 70 crops, including 49 specialty crops, in the vicinity of the Gulf of Mexico and the Atlantic Ocean, as well as Hawaii. For 2021, sales for HIP-WI were around 23,000 policies earning premium representing over \$1 billion in liability. Sales for HIP-WI for specialty crops were around 1,300 policies earning premium representing over \$170 million in liability for 2021. Over \$84 million was paid in indemnities for the 2021 crop year. 2022 has seen continued growth with about 15% more policies sold. Combined with high prices and potential changes in the coverage level of underlying plans, HIP-WI is likely to see a very large increase in liability for 2022 once all acreage is reported in the summer. Additionally, RMA is working on researching the viability of adding tropical storm coverage, a key request from stakeholders.

This year's report provides an update on the key accomplishments and projects initiated and offers a look at what is on the horizon for specialty crop producers, including:

- 2018 Farm Bill Requirements
- Research, Contracts, Studies, Initiatives
- Industry Outreach
- Specialty Crop Program Improvements

2018 Farm Bill

New Policy or Plan of Insurance – No Existing Policy

This category describes research and development of a policy or plan of insurance for a commodity for which no policy or plan of insurance exists

Micro Farm Insurance Policy

RMA implemented a new Micro Farm insurance policy specifically for agricultural producers with small farms who sell locally. This policy became available beginning with the 2022 crop year. The policy is based on research directed by the 2018 Farm Bill to study the feasibility of offering insurance targeted toward local foods producers. The program is also based on feedback from producers who grow for their local communities. The Micro Farm policy is offered through the Whole Farm Revenue Protection (WFRP) program, with WFRP serving as the underlying Basic Provisions.

The feasibility study reported that 85 percent of local food producers make less than \$75,000 in gross cash farm sales. Therefore, the Micro Farm program is targeted to producers that fall within a certain threshold of revenue. To be eligible for insurance under the Micro Farm Policy, the producer must have a farm operation that earns an average allowable revenue (revenue from the sale of commodities produced on their farm operation) of \$100,000 or less. By establishing an eligibility threshold of \$100,000 in average allowable revenue, the expectation was that most local food producers would be able to obtain coverage under the policy. In the initial year, RMA received feedback that the coverage was not high enough to reach producers who played a significant role in local food sales. For the 2023 crop year, RMA increased the size of farm operations eligible for Micro Farm coverage to \$350,000.

The feasibility study also reported that post-production costs such as packaging commodities and value-added products (e.g., jam) for local foods producers far exceed those of conventional farmers as a percentage of farm income. Therefore, the Micro Farm policy includes revenue generated from post-production in determining the allowable revenue used in calculating the insurance guarantee. Under WFRP, revenue from post-production operations including those that add value to the commodity must be adjusted out of farm revenue to determine the insurance guarantee. Insuring post-production costs will improve the viability and quality of coverage for local food producers.

Additional provisions that can provide producers more access to the program include minimized underwriting requirements, such as not reporting expenses and therefore

recordkeeping requirements. It also features coverage levels up to 85 percent. As of July 2022, the amount of insurance for the Micro Farm policy has totaled over \$670,000.

New Policy or Plan of Insurance – Existing Policy

This category describes research and development for a policy, plan of insurance, or endorsement for commodities with an existing policy or plan of insurance.

Production and Revenue History

RMA contracted the development of the Production and Revenue History (PRH) plan of insurance for Fresh Market Peppers, Fresh Market Sweet Corn, and Fresh Market Tomatoes in the areas where the crops are currently insured under the Dollar Plan of insurance. RMA developed the PRH insurance plan to target specialty crops that lack viable public price information. A key feature of the plan is that the coverage is based on the producer's personal yield and revenue history, which makes for a much more accurate and tailored insurance guarantee for the producer. The plan was first implemented for strawberries in select Florida counties for the 2021 crop year and then expanded to strawberries in select California counties for the 2022 crop year.

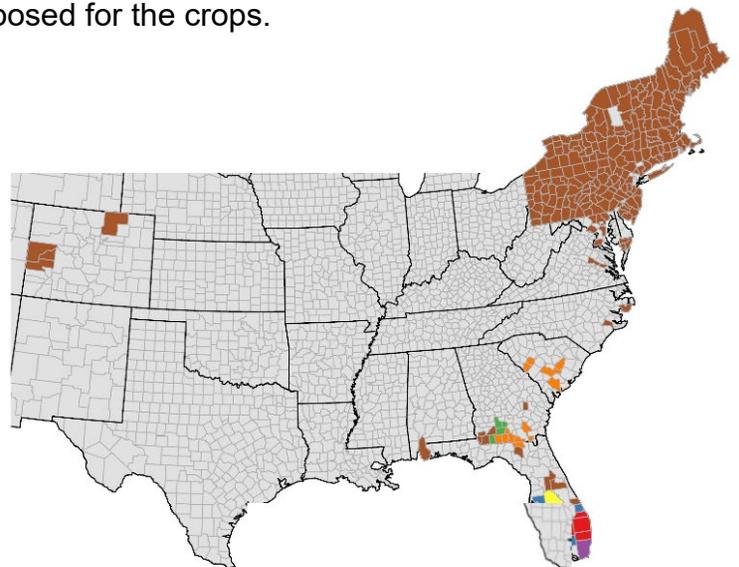
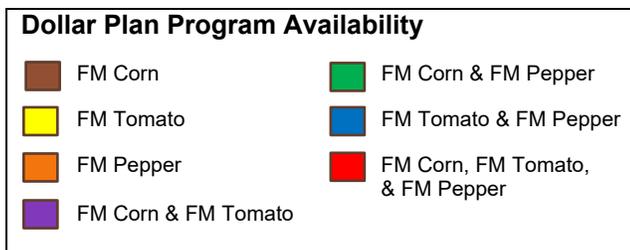
A contracted evaluation of the Dollar Plan of insurance was completed in 2017 with an objective of determining if the program should be continued with modifications, or if it should be replaced with an existing or new program. The evaluation found the plan's design was flawed, it had poor industry acceptance, and the appropriate data to operate the program was not available.

RMA identified the PRH insurance plan as a better alternative to address the problem of limited data available to operate the Dollar Plan programs. PRH creates insurance offers with specific tailoring to the individual producer by using their own histories. This requires producers to report their yield and revenue history. While researching PRH for the crops, RMA reached out to fresh market sweet corn, pepper, and tomato industries in the Florida region in 2019, hosting five in-person listening sessions. RMA also conducted listening sessions and stakeholder interviews in 2021. Two in-person sessions were held in Florida, along with individual phone interviews. Two in-person sessions and one virtual session were held for peppers, along with 15 individual phone interviews. For sweet corn, six in-person sessions were held across the country—two in Florida and two in Georgia. There was also a virtual session, along with 39 individual phone interviews. Input gathered from these sessions verified input obtained from the 2017 evaluation.

PRH should address many of the issues identified with the Dollar Plan and accounts for the many unique aspects of specialty crops, including:

- different cost and revenue structures across farms of different sizes,
- different prices received for different types, seasons, and practices, and from selling through different market channels,
- adequate data needed for specific insurance coverage does not exist,
- an allowance for increasing harvest and post-harvest costs, and
- an upfront in-field valuation of insurance to account for high harvest and post-harvest costs.

RMA plans to present the PRH Insurance Plan for Peppers, Fresh Market Sweet Corn and Fresh Market Tomatoes to the FCIC Board of Directors for consideration to send for expert review. Below is a map of the states where the Dollar Plan programs are available for Fresh Market Sweet Corn, Fresh Market Tomatoes, and Fresh Market Peppers and where the PRH plan will be proposed for the crops.



Expansions of Policies or Insurance Plans

This category describes expansions of existing policies or plans of insurance to additional counties or states.

RMA continually communicates with producers and other interested parties to identify where there is a need to expand the availability of risk management products to producers. Expansion of products is generally made to areas where RMA is aware the crop is grown, there is some history or experience of the crops' performance, and there is significant grower interest in the product. Program expansion requests are often initiated by producers at the local level and channeled through RMA's Regional Offices for approval. The following chart lists expansions of specialty crop programs for the 2022 crop year.

2022 CROP YEAR EXPANSIONS FOR SPECIALTY CROPS

<u>Crop</u>	<u>State</u>	<u>Counties</u>
Almonds	California	Placer, Sacramento
Blueberries	Oregon	Douglas
Dry Beans	Missouri	Dunklin
	Nebraska	Banner, Box Butte, Chase, Cherry, Cheyenne, Custer, Dawes, Deuel, Dundy, Frontier, Garden, Hayes, Hitchcock, Holt, Keith, Kimball, Lincoln, Morrill, Perkins, Red Willow, Rock, Scotts Bluff, Sheridan, Sioux, Big Horn, Fremont, Goshen, Laramie, Park, Platte, Washakie
	North Dakota	Logan, McIntosh
	Colorado	Adams, Boulder, Cheyenne, Crowley, Delta, Dolores, El Paso, Kit Carson, La Plata, Larimer, Lincoln, Logan, Mesa, Montezuma, Montrose, Morgan, Otero, Phillips, Pueblo, San Miguel, Sedgwick, Washington, Weld, Yuma
Dry Peas	Idaho	Canyon
	Oregon	Wallowa
Fresh Market Sweet Corn	North Carolina	Hyde, Jones
Fresh Market Tomatoes	North Carolina	Haywood, Madison, Polk, Rutherford
Grapes	Washington	Adams
Hybrid Sweet Corn Seed	Oregon	Umatilla
	Washington	Yakima
Mandarins/Tangerines	California	Kings

Lemons	Florida	Charlotte, Highlands
Nursery Value Select	Florida	Calhoun, Citrus, Columbia, De Soto, Hardee, Highlands, Lafayette, Okeechobee, Pasco, St. Lucie
Pistachios	California	Sacramento
Walnuts	California	Sacramento

Whole Farm Revenue Protection Program Modifications

The 2018 Farm Bill required RMA to research ways to reduce paperwork and recordkeeping requirements for direct marketed commodities under the Whole Farm Revenue Protection (WFRP) plan of insurance. RMA previously implemented provisions to meet these Farm Bill requirements as discussed in the previous annual report. In addition, RMA worked with stakeholders to identify other improvements to WFRP. On August 25, 2021, the FCIC Board approved the following changes for the 2022 crop year to WFRP that benefit organic and aquaculture producers:

- Increased the expansion limits for organic producers to the higher of \$500,000 or 35 percent from the previous limit of 35 percent for all operations.
 - This modification is based on feedback from stakeholders in the organic industry indicating the previous limits to expanding operations was too constrained for the needs of small- and mid-size operations converting acreage to an organic practice.
- Increased the limit of insurance for aquaculture producers from \$2 million to \$8.5 million, allowing more aquaculture producers to participate in the program.
 - This modification is based on outreach to stakeholders which revealed many aquaculture industries have average sizes above \$2 million. Although some aquaculture producers are interested in WFRP, the previous livestock limit excluded those producers from participating in the program.
- Allowed producers to report acreage as certified organic when the producers have requested an organic certification by the date the Revised Farm Operation Report is due.

- This modification incorporates flexibility allowances made during the COVID-19 pandemic and makes WFRP consistent with other FCIC policies.
- Provided producers flexibility to report a partial yield history when they lack records by inserting a zero yield for missing years.
 - Previously, a missing year of records resulted in the expected value of a commodity to be zero.

On August 18, 2022, the FCIC Board approved additional modifications for the 2023 and succeeding crop years which directly address stakeholder concerns regarding coverage and record requirements:

- Increased the maximum insurable revenue to \$17 million from \$8.5 million, allowing more producers to participate in the program.
- Reduced yield reporting requirements at the beginning of the year, significantly reducing the paperwork required to apply for WFRP.
- Replaced existing expense reporting procedures with a 40% reduction in expected revenue from commodities which cannot be planted due to insurable causes. This reduction results in a similar value to prevented planting payments for other programs.

WFRP is an important product for producers of any crop. The following table highlights participation in the program over time. RMA will continue to work with growers to determine ways to improve the program to meet their needs.

WFRP Participation						
	2016	2017	2018	2019	2020	2021
Policies	2,203	2,731	2,477	2,160	2,023	1,915
Liability	\$2.330 B	\$2.842 B	\$2.664 B	\$2.338 B	\$2.251 B	\$2.173 B
Avg Crops per Policy	3.71	4.01	4.04	3.86	3.73	3.62
Different Crops Insured	258	289	300	278	284	273

Research, Contracts, Studies, Workgroups

Apples

RMA issued a proposed rule to amend the Apple Crop Provisions. The proposed changes are based on stakeholder feedback and recommended changes from a contracted study on the apple crop insurance program. Following feedback from the proposed rule, RMA will publish a final rule that is targeted to be effective for the 2024 crop year. The objective of the rule is to provide policy changes to better meet the needs of the apple producers, to address program vulnerabilities that have caused increased loss ratios and rising premium costs, and to provide safeguards against fraud, waste, and abuse.

Specifically, RMA proposed to make changes to the apple crop insurance program to:

- Enable producers to elect different coverage levels and percent of price elections by type, which allows producers to manage individual coverage and price risk more effectively.
- Allow producers' premiums to be reduced in response to orchard management practices, such as removing or grafting trees, that typically occur after the acreage reporting date and decrease an orchard's productivity.
- Allow producers to insure at a higher price for apples sold predominantly to direct markets or premium processing markets.
- Exclude apples sold for the slicer market from being considered "fresh apple production."
- Introduce a fresh fruit factor to account for the reduced market value of production insured under the Quality Option sold for a grade other than U.S. Fancy.

RMA solicited comments on these proposed changes. The initial comment period closed on February 14, 2022, and was extended to April 15, 2022, given the large interest. RMA received nearly 1,200 comments from 200 commenters. Currently, RMA is assessing comments to the proposed rule in an effort to finalize changes to the apple policy. As RMA believes information from apple producers and other stakeholders will aid in creating a more effective and beneficial service to the agriculture community, it plans to continue engagement efforts in the spring of 2023 towards finalizing the final rule. RMA anticipates publishing final changes in 2023 to implement for the 2024 crop year.

Aquaculture

A contract for the development of an aquaculture/shellfish program is underway. Although challenging to insure, industry demand for risk management options has prompted RMA to explore feasibility of new policy designs. An initial concept of a new insurance product for oysters was presented to the FCIC Board in May 2022. A full product proposal is expected to be presented to the FCIC Board in November 2022, for consideration of sending to expert review. RMA hopes a new policy can be ready as early as the 2024 crop year.

Controlled Environment Agriculture

A contract is currently underway for research and development of a policy specifically designed for production in a controlled environment, such as a greenhouse. This work is in follow-up to the feasibility study of such a product, pursuant to the 2018 Farm Bill. The product is using the Nursery Value Select design as a model. However, significant modifications will need to be made because nursery products are designed to insure the plant, whereas greenhouse production also concerns the output of the plant (fruit, cut flower, etc.). RMA is working collaboratively with the contractor in developing a new inventory-based crop insurance product which establishes the guarantee based on inventory values in the operation. Additionally, the product is intended to cover a single peril—disease—which the contractor determined to be the primary risk for controlled environment producers. RMA is targeting to make a policy available for purchase in 2023.

Perennial/Specialty Crop Workgroup

RMA formed an internal and external Perennial and Specialty Crop Workgroup consisting of RMA staff from multiple offices and industry personnel. The workgroup members share knowledge from their respective areas and work together to generate consistency in program delivery, as appropriate. The workgroups meet regularly to discuss issues pertinent to perennial and specialty crops in an effort to collectively collaborate and identify needed program changes. Recently, the workgroup met over several months to formulate recommended changes concerning direct market and vertically integrated producers. The proposed changes were shared with external stakeholders for review. The changes were incorporated into policy for the 2023 and succeeding crop years.

The changes benefit specialty crop producers who now have greater flexibility to use their own records to meet crop insurance reporting requirements. The revisions make it easier for specialty crop producers and others who sell through direct marketing

channels to obtain insurance, report their annual production, and file a claim. Optimizing reporting requirements for direct marketers and vertically integrated operations help make insurance easier and more accessible for countless producers, including those who grow specialty crops and are an important part of our local and regional food systems.

Specifically, the changes include:

- A new marketing certification that allows producers to self-identify if they will not have disinterested third-party records, when required, and enables them to use their own supporting production records. This benefits direct marketers and vertically integrated producers because they often do not have disinterested third-party records.
- Allowing producers to use their own records, thereby limiting the need for AIP preharvest appraisals as a supporting record.

Before these changes, RMA generally required disinterested third-party records, which were hard for some producers to obtain, and AIPs may have conducted preharvest appraisals as a supporting production record. These updates also improve transparency in the producer's policy by adding production reporting definitions, listing the 30-day appeal deadline for good farming practice determinations, clarifying where a producer can find information in the policy, and updating terminology to be consistent across the policy.

The changes are specified in a final rule that was published in the Federal Register on June 30, 2022. The changes impacted 20 Crop Provisions, listed below:

- Arizona/California Citrus
- Blueberries
- Cabbage
- California Avocado
- Cranberry
- Florida Avocado
- Forage Production
- Fresh Market Peppers
- Fresh Market Sweet Corn
- Fresh Market Tomato Dollar Plan
- Fresh Market Tomato GPP
- Macadamia Nuts
- Onions
- Peaches
- Pears
- Pecan Revenue
- Prunes
- Stonefruit
- Table Grapes
- Texas Citrus Fruit

Transitional and Organic Grower Assistance

RMA is offering premium assistance to producers with crop insurance for crops in transition to organic or a certified organic grain or feed crop for the 2023 reinsurance year. The Transitional and Organic Grower Assistance (TOGA) Program reduces a producer's overall crop insurance premium bills and helps the producer continue to use organic agricultural systems. A nationwide program, TOGA is part of USDA's Organic Transition Initiative, a group of programs that build more and better markets for American producers and consumers, improve the resilience of the food supply chain, and address the economic challenges from the COVID-19 pandemic. All transitional to organic policies will receive 10 percentage points of premium subsidy; certified organic grain and feed crops will receive \$5 per acre premium subsidy; and WFRP policies with either organic or transitional crops reported will receive 10 percentage points of premium subsidy until funds are exhausted. Eligible organic specialty crops include dry beans, dry peas, and fresh market sweet corn.

Industry Outreach

RMA regularly consults and engages with a wide range of diverse stakeholders, including producers, universities and trade schools, AIPs, industry partners, and producer groups regarding its programs' effectiveness. Amid the pandemic, RMA has had the flexibility to conduct much of its outreach virtually. Such efforts afford the opportunity to directly hear from growers of their unique risk management needs and challenges they face.

RMA also discusses satisfaction and concerns with crop insurance policies with stakeholders through Program Performance Assessments (PPA). PPAs are performed to evaluate the overall performance of specific crop policies or procedure that is cross cutting and ensures policy language, AIP performance, and loss adjustment activities are effective, adaptive, and sound.

Effective outreach is necessary to accomplish the following:

- Educate and inform specialty crop producers with the information they need to effectively manage their risk and remain productive.
- Provide producers with the latest news and updates regarding crop insurance programs.
- Identify attributes of the program that are working well and the aspects that need to be changed to improve efficiency and effectiveness.

The following chart highlights outreach conducted since the 2021 report to Congress was submitted.

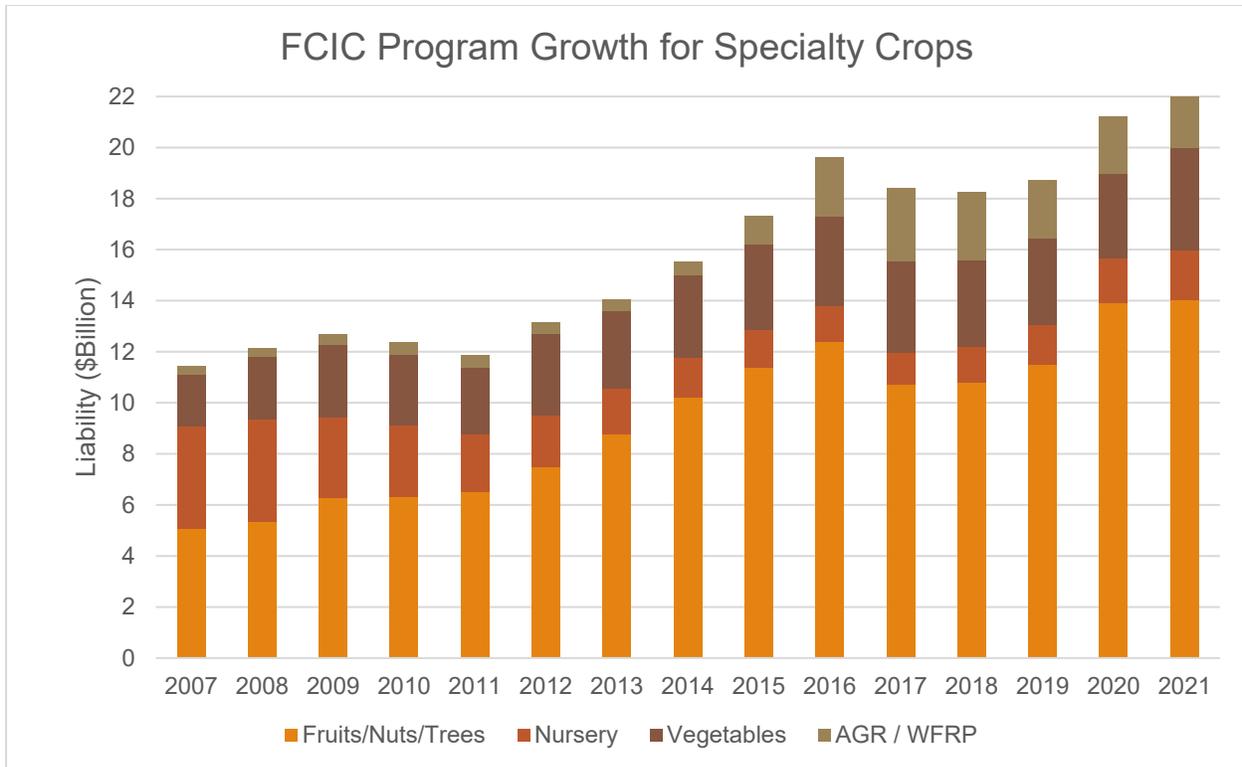
Date	Event	Participating RMA Office(s)	Purpose	Audience	Location
10/4/21	Building a Relationship Between USDA and Haudenosaunee	Raleigh RO	Presented overview of crop insurance program	Haudenosaunee Confederacy of New York	Virtual
10/7/21	Farm to Institution New England	Raleigh RO	Data gathering for specialty crop program expansion	Urban and local market producers	Virtual
10/12/21	Crop Insurance Q&A hosted by the University of Hawaii	Davis RO	Q&A on crop insurance	Producers	Virtual
10/14/21	North Carolina USDA Beginning Farmer and Rancher Series	Raleigh RO	Presentation on benefits and eligibility rules for beginning farmers and ranchers	USDA agencies	Virtual
10/26/21	Micro Farm Policy Presentation for USDA Local Regional Food Systems Working Group	Product Management and Risk Management Education	Presentation on feasibility of insuring local food production	Grower group	Virtual
11/8/21	Kentucky Horticulture Council Webinar	Jackson RO	Presenting an overview of specialty crop programs and WFRP	New farmers and ranchers	Webinar
12/7/21	UW-River Falls Crop Insurance Presentation	St. Paul RO	Presentation on overview of crop insurance	University students	Virtual
12/2/21	Q&A with Hawaii coffee producers	Davis RO	Answer producer questions regarding Hawaii Tropical Fruit and Tree program	Specialty crop producers	Virtual
7/8/21	National Sustainable Agriculture Coalition	Product Management	Discuss improvements to WFRP	Coalition members	Virtual
8, 10, 11, 12/2021	Listening Sessions on PRH for peppers, FM sweet corn,	Product Management	Obtain feedback on PRH as potential plan for producers	Producers and industry members	Florida, Georgia, Virtual

Date	Event	Participating RMA Office(s)	Purpose	Audience	Location
	and FM tomatoes				
1/6/22	USDA Oregon BFR “In the Know”	Spokane RO	Presentation on beginning farmer and rancher programs	Beginning farmers and ranchers	Virtual
1/7/22	Virginia Aquaculture Conference	Raleigh RO	Presentation on WFRP	Specialty crop producers	Conference
1/11/22	Insurance and Disaster Assistance Programs for Specialty Crop Growers	St. Paul RO	Presentation on WFRP and Micro Farm Policy	Specialty crop producers	Virtual
1/12/22	Vermont Hemp Conference	Raleigh RO	Presentation on crop insurance options	Specialty crop producers	Conference
1/25/22	Georgia’s Farmers Conference	Valdosta RO	Presentation on Micro Farm policy	African American producers	Virtual
2/8/22	University of Connecticut Micro Farm Presentation	Raleigh RO	Presentation on Micro Farm policy	Specialty crop producers	Virtual
2/16/22	MOSES Organic Conference	Risk Management Education	Host informational booth	Organic producers	Conference
2/22/22	Minnesota Grape Growers 2022 Cold Climate Conference	St. Paul RO	Presentation on grape insurance program	Specialty crop producers	Virtual
3/4/22	Michigan Family Farms Conference	Springfield RO	Presentation on Micro Farm policy and beginning farmer/rancher benefits	Hispanic producers	Virtual
3/8/22	Fresh Market Tomato PPA Outreach	Valdosta RO	Obtain feedback on tomato program	Grower groups, extension personnel	E-mail
3/14/22	Michigan Blueberry PPA Outreach	Springfield RO	Obtain recommendations for blueberry program	Grower organizations	E-mail
3/16/22	Michigan Food & Farming Systems	Springfield RO	Present on Micro Farm policy	Producers	Conference
3/16/22	Vermont Industrial Hemp Conference	Raleigh RO	Presentation on Hemp and Micro Farm policies	Specialty crop producers	Virtual

Date	Event	Participating RMA Office(s)	Purpose	Audience	Location
3/18/22	National Sustainable Agriculture Coalition	Product Management	Discuss recommendations to WFRP	NSAC representatives	Virtual
3/25/22	Processing Bean PPA Outreach	St. Paul RO	Obtain input for processing bean program	Regional producer groups, government offices, universities	E-mail
4/1/22	Florida Avocado Committee meeting	Valdosta RO	Obtain feedback on avocado program	Producer organizations	Virtual
4/5/22	Pecan PPA Outreach	Valdosta RO	Obtain recommendations for pecan program	University of Georgia extension representative	Virtual
5/16/22	Michigan Blueberry Kick-off	Springfield RO	Discuss ways to improve blueberry program	Michigan State University Extension	Virtual
7/12/22	Creamer Potato Program Improvement	Davis RO	Discuss ways to improve the potato program	Producer organizations	Virtual
7/12/22	PRH Discussion	Valdosta RO, Product Management	Discuss overview of PRH insurance plan	Producer, crop insurance agent	Virtual
7/25-7/28	New England Outreach	Raleigh RO, Product Management	Farm visits	Producers	New England states

Specialty Crop Program Improvements

RMA continually refines existing specialty crop programs to improve coverage and increase participation. Coverage for specialty crops overall has grown steadily over the past 15 years. In 2021, the amount of insurance for specialty crops totaled around \$22 billion, as shown in the chart below. The following are recently implemented improvements to programs.



- 2022 Crop Year Changes
 - Fresh Market Beans
 - This pilot program was converted to a permanent one based on its actuarial soundness and the overall acceptability of the program to producers, AIPs, and other interested parties.
 - Modified the policy by applying an overplanting factor to production counted during claim settlement to improve accuracy.
 - Grapes
 - Allowed producers with both contracted and non-contracted production the ability to use a weighted average price for their production.
 - Extended the acreage reporting date from January 15 to May 15 to allow producers additional time to finalize their contracts in Idaho, Oregon, and Washington.
 - Clarified how to convert a contract price expressed in dollars per acre to dollars per ton.
 - Hemp
 - Added flexibility to insurability requirements for hemp under contract.

- Clarified how the amount of insurable acreage is determined if the processor contract specifies both an acreage and a production amount.
 - Added insurability requirement for producers who grow direct-seeded hemp to have acreage inspected and have met minimum plant requirements.
 - Pistachios
 - Revised the calculation for the Variability Adjustment Factor (VAF) to utilize the producer's actual yield data instead of using a fixed formula to calculate the VAF. The revision is supported by growers and will improve the accuracy of the insurance guarantee. The VAF is a ratio that adjusts the guarantee to account for the alternative bearing nature of the pistachio crop.
 - Added VAF maximums and minimums to be used when the calculated VAF is outside an established range to promote program soundness.
 - Sweet and Tart Cherries
 - Extended the end of insurance for revenue losses from January 15 to March 1 to accommodate producers in Michigan, New York, and Wisconsin who may not have sold their production by the previous end of insurance date to ensure producers can use their actual price when determining claims.
 - Recognize sweet cherries in Michigan as a distinct processing type that often receives a higher price than briner and other processing types.
 - Expanded coverage by allowing written agreement requests for sweet and tart cherries in all counties and states.
- 2023 Crop Year Changes
 - APH Caneberries
 - Simplified the program by removing the cut back, grow through, mow down, and new planting growing practices, alleviating the need for producers to maintain production records at the growing practice level. The change was made in response to feedback concerning the complexity of maintaining production records for locations containing multiple growing practices within the same field or unit.
 - Added insurance coverage for direct marketed caneberries.
 - Florida Avocado
 - Added a new mid-variety type, in response to producer requests and the Florida Avocado Administrative Committee. This mid-

variety type will better align insurance coverage with industry designations for early, mid, and late variety type growing practices and harvest periods.

- Florida Citrus APH
 - Expanded coverage for lemons to the counties of Broward, Charlotte, DeSoto, Highlands, Hillsborough, Lee, Manatee, Okeechobee, Osceola, Palm Beach, and Sarasota in Florida.
 - Moved the deadline for a revised acreage report and the date insurance attaches following a revised acreage report from March 1 to May 15 to allow additional time for ownership and lease changes.
 - Removed the acreage limitation for producers insuring a contract price. Producers with both contracted and non-contracted production can use a weighted average price to value their production.
 - Allowed state required, detailed trip tickets to be considered as acceptable production records for APH purposes when multiple units are commingled in a single conveyance (truck, fruit trailer, etc.).
 - Provided quality adjustment for low juice content due to an insurable cause of loss to fruit production insured as fresh but later sold as juice. This makes the policy more consistent with the Florida Citrus Fruit Dollar Plan, which will provide for an easier transition from the Dollar Plan to the APH plan.
- Hurricane Insurance Protection – Wind Index (HIP-WI)
 - Clarified policy provisions and terms to indicate that coverage provided by this endorsement may be combined with other endorsements that do not duplicate the coverage of HIP-WI and is not limited to the Supplement Coverage Option Endorsement and the Stacked Income Protection Plan.
- Hybrid Vegetable Seed
 - Revised the policy to determine the amount of insurance in terms of gross acres instead of female acres. This alleviates the need for calculations to convert to gross and female acres.
- Pecan Trees
 - Several program modifications were implemented to simplify the program to increase producer participation.
 - Reduced the number of pecan tree improved variety group types from 3 to 2. This simplification should help adjusters administer loss adjustment in the field.





- Reduced the number of growth stages available from 5 to 3. This simplification should reduce the administrative burden for the producer and AIPs to report and track tree stages for underwriting and loss adjustment purposes.
- Eliminated “native” type of trees in states where pecan trees do not grow naturally. All other states in which native pecans represent most or a large proportion of the pecan acreage will continue to offer insurability for native trees meeting the commercial orchard definition.
- Removed organic practices and the restoration method choices used to calculate liability and premium. This is intended to simplify the actuarial documents, recognizing that these organic practices do not apply to the replacement and rehabilitation coverage provided for insurable pecan trees.
- Improved pricing accuracy by offering separate tree reference prices for irrigated and non-irrigated practices.
- Removed drought as a cause of loss for Alabama, Florida, Georgia, Louisiana, Mississippi, and South Carolina due to the lower probability of extended drought damage in these areas.

See the Appendix for the information below concerning specialty crop insurance programs.

- Individual Specialty Crops Insured Under 2021 Crop Insurance Programs
- Market penetration by categories of fruits/nuts and vegetables
- RMA/NASS specialty crop comparison tables
- Top specialty crops in liabilities

RMA is committed to continue its focus on expanding crop insurance options for specialty crop producers.