



News Release

USDA Hears from Producers and Uses Feedback to Improve Pecan Tree Crop Insurance Policy

Jackson, Miss., Feb. 1, 2022 — The U.S. Department of Agriculture's Risk Management Agency (RMA) has announced improvements to its Pecan Tree crop insurance policy to simplify the program and increase participation for the 2023 and succeeding crop years. These improvements were prompted by feedback from producers that the complexity of the program could be limiting participation. Policies must be purchased by May 15, 2022, for the 2023 crop year beginning on July 1, 2022.

"It is vitally important that we listen to our customers and learn from their experiences and adjust to their needs," said RMA Regional Office Director Roddrick Bell. "The improvements we've made to the Pecan Tree program will make it easier and more straight forward for producers and we hope it will encourage an increase in participation."

The Pecan Tree crop insurance policy is a tree-based dollar plan of insurance that provides coverage for naturally occurring damage to pecan trees. The program includes an Occurrence Loss Option (OLO) and Comprehensive Tree Value Endorsement (CTVE) — both of which are available for an additional premium. The OLO moves the deductible — the amount the producer pays — from a unit basis to a per tree basis once the loss trigger is achieved, allowing payments to be made on smaller losses. The CTVE provides a dollar amount of coverage that represents the difference between the value of the production of a tree that is fully damaged and the value of production of a replacement tree for the period of time it takes the replacement tree to produce a similar amount of production to the tree that was damaged.

In order to improve the Pecan Tree crop insurance policy and to encourage an increase in participation, RMA has modified the policy as follows:

- removed drought as a cause of loss for Alabama, Florida, Georgia, Louisiana, Mississippi, and South Carolina;
- removed "native" for the type of trees in states where pecan trees do not grow naturally;
- reduced the number of pecan tree improved variety group types from 3 to 2 and the number of growth stages available that are used for pricing from 5 to 3;
- removed organic practices and the restoration method choices used to calculate liability and premium in order to simplify the actuarial documents, because the replacement and rehabilitation coverage does not require trees to be organic; and
- modified pricing to offer separate tree reference prices for irrigated and non-irrigated practices.

Growers are encouraged to visit their crop insurance agent soon to learn specific details for the 2023 crop year.

RMA is authorizing additional flexibilities due to the coronavirus while continuing to support producers, working through Approved Insurance Providers (AIPs) to deliver services, including processing policies, claims, and agreements. RMA staff are working with AIPs and other customers by phone, mail and electronically to continue supporting crop insurance coverage for producers. Farmers with crop insurance questions or needs should continue to contact their insurance agents about conducting business remotely (by telephone or email). More information can be found at farmers.gov/coronavirus.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the [RMA Agent Locator](https://www.rma.usda.gov). Learn more about crop insurance and the modern farm safety net at www.rma.usda.gov.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

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