

PM-24-039: Expanding Options for Specialty and Organic Growers Final Rule Effective for the 2025 and Succeeding Crop Years

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Date

June 27, 2024

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy

Subject

Expanding Options for Specialty and Organic Growers (EOSOG) Final Rule Effective for the 2025 and Succeeding Crop Years

Background

Today, June 27, 2024, the Federal Crop Insurance Corporation (FCIC) published a final rule in the [Federal Register](#) that amended Subpart J (Appeal Procedure), Common Crop Insurance Policy (CCIP), Basic Provisions and Area Risk Protection Insurance (ARPI), Basic Provisions, and various Crop Provisions. The changes apply for the 2025 and succeeding crop years for the June 30, 2024, contract change date and for the 2026 crop year for crops with a contract change date prior to June 30, 2024.

FCIC invites you to submit comments on this rule through the close of business on August 26, 2024, at [regulations.gov](https://www.regulations.gov). The rule includes the following changes:

Enterprise and Optional Units:

- Authorizes enterprise units (EU) for several specialty and perennial crops, as provided in the actuarial documents.
- Authorizes optional units (OU) by non-contiguous parcels of land to qualify for EU.
- Allows EUs by organic farming practice.

Double Cropping and Annual Forage:

- Clarifies a producer must prove insurance history for the annual forage crop and meet the current double cropping requirements to receive a full prevented planting payment.

New Breaking Acreage:

- Reduces administrative burdens on growers and the delivery system by removing written agreement requirements on new breaking acreage.
- Reduces coverage penalties on perennial specialty crop producers and producers of intensively managed crops, such as alfalfa, when they move to row crop production. This allows for a seamless transition without losing crop insurance coverage.
- Modifies the number of years a crop must be planted and harvested to determine insurable acreage to “one of the four” previous crop years to provide consistency among the new breaking and prevented planting acreage language.

Assignment of Indemnity:

- Provides flexibility for an indemnity payment to be issued via automated clearing house or other electronic means when these methods do not allow for multiple payees.
- Clarifies when an assignee may assume the dispute resolution rights and obligations of the policyholder.

Good Farming Practices:

- Streamlines and shortens the FCIC good farming practice (GFP) reconsideration process by closing the administrative file following FCIC’s initial GFP determination.

Timing and Method of Reduction to Insured Acreage, Amount of Insurance, or Yields:

- Clarifies the timing and method of reductions to insured acreage, amount of insurance, or yields for several perennial crops.

Minimum Acreage, Stand, or Production Requirement:

- Clarifies that the minimum acreage, stand, or production requirement is not waived by a written agreement or in writing, but rather, if “otherwise allowed by the Special Provisions.”

Walnut Quality Adjustment:

- Allows sunburned damaged walnuts to be eligible for indemnity payments through quality adjustment.

Almond Leaf Year:

- Reduces the insurable age requirements for almond trees from the sixth leaf year after being set out to the fifth leaf year after being set out.

Processing Bean End of Insurance Period:

- Removes the end of insurance dates from the Crop Provisions and refer to the actuarial documents or written agreements to set the date.

Canola/Rapeseed Cancellation and Termination Dates:

- Adds a cancellation and termination date of March 15 for South Dakota and August 31 to Michigan.

Action

The following documents will be available by June 30, 2024, on the Risk Management Agency (RMA) website at www.rma.usda.gov:

Basic Provisions

- Area Risk Protection Insurance (25-ARPI)
- Common Crop Insurance Policy Basic Provisions (25-BR)

Crop Provisions

- Canola (25-0015)
- Central and Southern Potato (25-0284)
- Dry Pea (25-0067)
- Grass Seed (25-0102)
- Northern Potato (25-0184)
- Small Grains (25-0011)
- Sugarcane (25-0038)

ALPs must notify producers of these changes at least 30 days prior to the cancellation date, as required by the policy. Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/Information-Tools/Agent-Locator.

The remaining regulatory Crop Provisions included in the EOSOG Final Rule and conforming changes in the non-regulatory Crop Provisions are planned for public release by their respective contract change dates (CCD):

August 31, 2024:

- Almond (25-028)
- Avocado (California) (25-0019)
- Blueberry (25-012)
- Citrus (Arizona California APH plan) (25-0126)
- Macadamia Nut (25-0023)

October 31, 2024:

- Fig (25-060)
- Pecan Revenue (25-0020)
- Prune (25-0036)
- Walnut (25-029)

November 30, 2024:

- Coarse Grains (25-0041)
- Dry Bean (25-0047)
- Processing Bean (25-046)
- Sunflower Seed (25-0078)

DISPOSAL DATE:

December 31, 2025