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USDA Expands Revenue Protection to Flax Producers, Expands Options for Specialty and Organic Growers

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WASHINGTON, Nov. 27, 2024 – Flax producers can now benefit from revenue protection, a crop insurance option available through the U.S. Department of Agriculture (USDA). USDA's Risk Management Agency (RMA) has expanded Small Grains Crop Provisions to now offer revenue protection for flax for the 2025 crop year, which is already offered for barley, rye, wheat and oats.

"Expanding revenue protection for flax producers represents a critical step in strengthening the agricultural safety net," said RMA Administrator Marcia Bunger. "By ensuring that flax farmers have access to revenue-based insurance, we provide them with a more reliable tool to manage both market fluctuations and unexpected challenges."

Revenue protection policies insure producers against yield losses due to natural causes such as drought, excessive moisture, hail, wind, frost, insects, disease and revenue losses caused by harvest price changes from the projected price.

For a revenue protection policy, a producer selects the coverage level – between 50% and 85% –and has the option to select revenue protection that has a harvest price option or one with a harvest price exclusion. If the harvest price option is chosen, RMA will calculate guaranteed revenue for insurance purposes using the

higher of either the harvest price or the initial guaranteed projected price.

The current yield-based plan of insurance, Actual Production History (APH), available to flax will be automatically converted to the yield protection plan of insurance. For producers who wish to maintain yield coverage without electing one of the new revenue coverage options, the only difference in coverage is that the price guarantee will be the projected price offered for revenue protection, instead of a price election established by RMA. The replanting payment for flax will be determined by using the projected price, instead of a price election.

Specialty and Organic Growers

RMA is continuing efforts to expand crop insurance options for specialty and organic growers by allowing enterprise units by organic farming practice, adding enterprise unit eligibility for several crops and making additional policy updates.

The following changes will be made beginning with the 2025 crop year:

- Expand the availability of enterprise units as well as units by organic farming practice to green peas and processing sweet corn.
- Combine written agreement deadlines in the Dry Bean crop insurance
 provisions to match other insurance policies. For the first year of coverage, the
 deadline is the acreage reporting date; for subsequent years of coverage, the
 deadline is the sales closing date. This change will reduce the likelihood of a
 producer losing coverage because of confusion over which deadline applies.

Most of these changes take effect with a <u>November 30 Final Rule</u> in the Federal Register. Public comments will be accepted on the rule through January 27, 2025.

Additionally, RMA also expanded the availability of enterprise units as well as enterprise units by organic farming practice to sugar beets, onions, popcorn and processing beans.

More Information

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 <u>RMA Agent Locator</u>. Producers can learn more about crop insurance and the modern farm safety net at rma.usda.gov or by contacting their RMA Regional Office.

RMA secures the future of agriculture by providing world class risk management tools to rural America through Federal crop insurance and risk management education programs. RMA provides policies for more than 130 crops and is constantly working to adjust and create new policies based on producer needs and feedback.

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 safe, 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 usda.gov.

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