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## **USDA Proposes Changes to Expand Crop Insurance for Underserved Crops**

News Release |

Washington DC

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### **Proposed Rule will Improve and Prioritize Submission Process**

WASHINGTON, Feb. 25, 2015 – The U.S. Department of Agriculture (USDA) is proposing changes to existing regulations in order to expand crop insurance to farmers who currently don't have coverage available for their crops, including many fruit and vegetable growers. The proposed rule will improve the submission process for insurance policies to the Federal Crop Insurance Corporation (FCIC). The changes will ease the burden on private submitters, while making crop insurance policies for underserved and specialty commodities a priority.

The proposed rule was announced in the Federal Register today. Many of the recommended changes address provisions of the 2014 Farm Bill that were meant to expand the farm safety net options for modern agricultural practices.

The Federal Crop Insurance Act allows private individuals and groups with crops or livestock to develop insurance products for consideration and approval by the FCIC Board of Directors. The proposed rule requires the board to first consider underserved and uninsured commodities. The second consideration must be policies for commodities that have inadequate coverage or low levels of participation under existing insurance products. Policies that do not fit into the first two categories may then be considered. The board also has the ability to reject unmarketable policies, policies that are not in the best interest of producers, or those that may have an adverse impact on the crop insurance delivery system.

“These improvements will help expand and improve crop insurance to underserved crops,” said Risk Management Agency (RMA) Administrator Brandon Willis. “We are continuing our work to ensure that a wider variety of producers have access to sound risk management tools to keep themselves protected from disaster.”

Private submitters for specialty crop policies must consult with commodity producer groups that will be potentially impacted and present their findings to the board. The FCIC Board of Directors will then determine if producers’ interests are adequately protected. The board also has the authority to approve an advance payment of an additional 25 percent, above the current 50 percent, of estimated research and development costs of products that the board determines provide coverage for underserved regions or crops, including specialty crops.

The proposed rule also provides flexibility for the FCIC Board of Directors to establish procedures to guide the submission and approval process for index-based weather insurance pilot programs. These programs base payments on certain defined weather parameters for specific time periods. For example, a payment may be triggered if it does not rain a certain amount in a defined area for a month. The board can approve two or more of these pilot programs for premium subsidy within certain funding limitations.

Federal crop insurance is sold and delivered solely through private insurance agents. Contact a local insurance agent for more information. A list of insurance agents is available at all RMA regional offices and on the RMA [agent locator](#) page. Learn more about crop insurance and the modern farm safety net at [www.rma.usda.gov](http://www.rma.usda.gov).

The proposed rule is available at the Federal Register. The public comment period is open until April 27, 2015. More information on FCIC and the 508(h) process is available on the [RMA website](#).

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[Back to News Releases](#)

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