

Organic Farming Practices

Program Aid
1912

Revised April 2014

USDA Guidelines Provide Crop Insurance for Organic Farming Practices

Organic farming has become one of the fastest growing segments of U.S. agriculture. USDA's Risk Management Agency (RMA) recognizes organic farming practices as good farming practices and continues to move forward in improving crop insurance coverage for organic producers and producers transitioning to organic production, so you will have viable and effective risk management options available to them.

Coverage Availability

RMA currently provides coverage for:

- Certified organic acreage;
- Transitional acreage (acreage on which organic farming practices are being followed that does not yet qualify to be designated as certified organic acreage); and
- Buffer zone acreage.

Insurance can only be provided for any crop grown using organic farming practices when a premium rate for the organic practice is contained within the actuarial documents or there is an approved written agreement.

Insurable Causes of Loss

Covered perils under most crop insurance policies include losses due to certain causes if the damage is significant enough to lower a yield below the deductible for the entire insured unit. These causes are drought, excess moisture, freeze, hail, prevented planting (for crops eligible for prevented planting, see Basic Provisions, 2011-BR), insect damage, disease, and weeds, if recognized organic farming practices fail to provide an effective control method that may result in losses.

Contamination by application or drift of prohibited substances onto organic, transitional, or buffer zone acreage is not an insured peril. Policies may also have other specific exclusions.

If any acreage qualified as certified organic acreage or transitional acreage on the date you report such acreage (even if such certification is subsequently

revoked by the certifying agent or the certifying agent no longer considers the acreage as transitional acreage for the remainder of the crop year) that acreage will remain insured under the reported practice for which it qualified at the time the acreage was reported. Any loss due to failure to comply with the organic standards is considered an uninsured cause of loss.

Reporting Acreage

On the date you report acreage you must have:

- A current organic plan for certified organic acreage and a recent written certification (certificate) in effect from a certifying agent; or
- A certificate or written documentation for transitional acreage, from a certifying agent indicating that an organic plan is in effect.

For both certified and transitional acreage, records from the certifying agent showing the specific location of each field of certified organic, transitional, buffer zone, and acreage maintained and not maintained under organic farming practices.

You are required to maintain separate actual production history (APH) databases for conventional, transitional, and certified organic acreage. Also, all buffer zone acreage production has to be added to the acreage it buffers.

Acreage transitioning to a certified organic farming practice without an organic certificate or written documentation from a certifying agency must be insured under the conventional farming practice.

Greater Access to Crop Insurance Options for Organic Producers

In response to USDA's Office of Inspector General (OIG) Audit of the RMA program for organic farming practices [OIG Audit 05601-0006-KC](#).

New coverage options are available for organic producers in 2014 and succeeding crop years that extend the safety net provided by crop insurance and provide fair and flexible solutions to organic producers.

Price Elections, Insurance Dollar Amounts, and Premiums

Separate organic price elections, projected prices, and harvest prices are currently available for 16 crops: almonds (California), apricots (fresh - Washington), apples (fresh and processing - Washington), avocados (California), blueberries (California, Oregon, and Washington), corn, cotton, fresh stonefruit: freestone peaches, nectarines, and plums (California), grapes for juice (Washington), mint (peppermint), oats, pears (Oregon and Washington), processing tomatoes (California) and soybeans.

In some cases, premium organic price elections will only be available in certain locations and for certain types, depending on data availability.

For all other crops, the price elections, insurance amounts, projected prices, and harvest prices that apply to both certified organic and transitional crops are the price elections, insurance amounts, projected prices, and harvest prices, RMA publishes for the crop grown using conventional means, for the current crop year.

All approved organic price elections, projected prices, and harvest prices will be available on the Actuarial Information Browser under the 'Prices' tab. To see estimated prices based on current market information check out the "Price Discovery Reporting Application." Both the Actuarial Information Browser and the Price Discovery Tool are available under the RMA "Information Browser" at www.rma.usda.gov/tools/.

New Contract Price Option

Beginning with the 2014 crop year, new contract price options will be available to organic producers who grow crops under guaranteed contracts. You can choose to use the prices established in those contracts as your "price election" in place of the RMA-issued prices when buying crop insurance.

This contract price option allows organic producers who receive a contract price for your crop to get a crop insurance guarantee that is more reflective of the actual value of your crop. You will also have the ability to use your personal contract price as your price election or to choose existing crop insurance

price elections where this option is available.

This contract price option is available for between 60 and 70 crops which covers the majority of insured organic crops. For a list of crops see the Contract Price Addendum Fact Sheet: www.rma.usda.gov/pubs/rme/addendum.pdf.

Existing programs that use contract pricing will see no impact in the 2014 crop year.

New Premium Organic Price Elections

See the list of 16 crops available for 2014 crop year above under "Price Elections, Insurance Dollar Amounts and Premiums". Continued expansion of premium organic price elections is planned; however, the limiting factor is data availability. All crops are being evaluated for establishing organic prices in future crop years.

Removal of the Five Percent Surcharge

Beginning in the 2014 crop year, the five percent organic rate surcharge will be removed on all future crop insurance policies.

Adjustment of Organic Transitional Yields (T-Yields)

Beginning with 2014 crop year, organic T-yields are being changed to be more reflective of actual organic farming experience. T-yields are substitute yields you can or must use for a variety of circumstances in your yield history and is a necessary component for most crop insurance products.

Historical values before 2014 will not be changed; therefore, you may continue to use those in your established yield histories. All T-yields will be updated periodically (generally every 3 years) to account for changes that occur over time and increasing amounts of available data over time.

Definitions related to Organic Farming Practices can be found in the Common Crop Insurance Policy Provisions

www.rma.usda.gov/policies/2011/11-br.pdf

Where to Buy Crop Insurance

You should contact your crop insurance agent to get specific information and sales closing date

deadlines.

A list of crop insurance agents is available at all USDA service centers and on the RMA website at: www3.rma.usda.gov/apps/agent and for a list of insurable crops: www.rma.usda.gov/policies/.

More information on RMA's Organic Crop Insurance Program can be found on RMA's web site at: www.rma.usda.gov/news/currentissues/organics/.

Contact Us

Regional Offices at:

www.rma.usda.gov/aboutrma/fields/rsos.html.

National Organic Contact
USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW
Washington, DC 20250-0801
Phone: (202) 690-2803
Fax: (202) 690-2818
E-mail: RMA.CCO@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at: www.rma.usda.gov/pubs/rme/fctsht.html

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, complete, sign and mail a program discrimination complaint form, (available at any USDA office location or online at www.ascr.usda.gov), to: United States Department of Agriculture; Office of the Assistant Secretary for Civil Rights; 1400 Independence Ave., SW; Washington, DC 20250-9410. Or call toll free at (866) 632-9992 (voice) to obtain additional information, the appropriate office or to request documents. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay service at (800) 877-8339 or (800) 845-6136.