



Organic Farming Practices

Program Aid
1912

Revised May 2013

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.

Coverage Availability

RMA currently provides coverage for:

- (1) Certified organic acreage;
- (2) Transitional acreage (acreage on which organic farming practices are being followed that does not yet qualify to be designated as certified organic acreage); and
- (3) 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.

Note: 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:

- (1) For certified organic acreage, a current organic plan and recent written certification (certificate) in effect from a certifying agent.
- (2) For transitional acreage, a certificate or written documentation from a certifying agent indicating that an organic plan is in effect.*
- (3) 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.

***Note:** 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.

Current Updates - Price Elections, Insurance Dollar Amounts, and Premiums

Separate organic price elections, projected prices, and harvest prices are currently available for **8 crops: cotton, corn, soybeans, processing tomatoes, avocados, and stonefruit crops; and fresh freestone peaches, fresh nectarines, and plums in California.** 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.

Note: 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 for organic corn, cotton, and soybeans, 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/.

Office of Inspector General Audit of Organic Crop Insurance

In response to USDA’s Office of Inspector General (OIG) Audit of the USDA Risk Management Agency Federal crop insurance program for organic farming practices [OIG Audit 05601-0006-KC](#), RMA announced it has new coverage options available for organic producers in 2014 that extend the safety net provided by crop insurance and provide fair and flexible solutions to organic producers.

Greater Access to Crop Insurance Options for Organic Producers

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** in the 2014 crop year, and it is also available to the majority of insured organic crops.

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

New Premium Organic Price Elections

All crops are being evaluated for establishing organic prices for the 2014 crop year. However, 6 to

10 crops have emerged as the most promising for new organic price elections. These are apricots, apples, blueberries, oats, mint, millet, and others.

Note: In some cases, premium organic price elections will only be available in certain locations and for certain types, depending on data availability. Continued expansion of premium organic price elections is planned; however, the limiting factor is data availability.

Removal of the 5-Percent Surcharge

Beginning in the 2014 crop year, the 5-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 are 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.

Contact Crop Insurance Agents

You should contact your crop insurance agent for more information about this new option.

Definitions can be found in the Common Crop Insurance Policy Provisions

Where To Buy Crop Insurance

You should talk to your crop insurance agent to get specific information and deadlines. To find a **list of crop insurance agents**, see: www.rma.usda.gov/tools/agent.html. For a **list of insurable crops**, see: 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

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

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