



RISK MANAGEMENT AGENCY (RMA)
RALEIGH REGIONAL OFFICE
“Serving the Mid-Atlantic and Northeastern States”

INSURANCE COVERAGE FOR ORGANIC CROPS

October 9, 2003

USDA SETS GUIDELINES TO PROVIDE CROP INSURANCE FOR ORGANIC FARMING PRACTICES

The Agricultural Risk Protection Act of 2000 (ARPA) provides that organic farming practices be recognized as good farming practices. Prior to this ruling, crop insurance policies may not have covered production losses when organic insect, disease, and/or weed control measures were used and such measures were not effective.

WRITTEN AGREEMENTS

The Federal Crop Insurance Corporation (FCIC) has revised the Basic Provisions (04-BR) for 2004 to reflect the modifications made by ARPA. Crop Insurance **will not** be provided for any crop grown using an organic farming practice—unless the crop has a published rate on the county actuarial table, or a Written Agreement is requested. The organic farming practice may be insured through a **Written Agreement** if a rate for the organic farming practice is not specifically listed in the county actuarial rate table, according to 04-BR section 37(a). For the 2004 Crop Year a Written Agreement must be requested for the following crops: **Apples, Cranberries, Forage Production, Forage Seeding, Grapes, Peaches, Small Grains, and Southern Potatoes**. Written Agreements are not available for Catastrophic Risk (CAT), Income Protection (IP), Revenue Assurance (RA) plans of coverage or for pilot program crops, unless permitted by the crop provision.

COVERAGE AVAILABILITY

Organic crop coverage for crop year 2004 will be available for both transitional and certified organic acreage in accordance with approved underwriting guidelines and procedures. Insurable damage caused by insects, disease, or weeds will be covered if recognized organic farming practices fail to provide an effective control. Damage caused by the failure of organic farming practices to control weeds due to an insured cause of loss is also covered. If any acreage does not qualify as certified organic or transitional acreage by the final acreage reporting date, such acreage will be insured under the provisions of the standard policy, and applicable rates and coverages for the conventional farming practice will apply.

PRICE ELECTION or DOLLAR AMOUNT of INSURANCE

The price elections or dollar amounts of insurance applicable to both certified organic acreage and transitional acreage will be the price elections or dollar amounts of insurance published by RMA for the crop for the current crop year. **Price elections will not increase for the organic practice.** The insured is required to maintain separate APH databases for “conventional and transitional or certified organic acreage.” Premiums will be adjusted to recognize any additional risk associated with covering the organic crop acreage.

CROP LOSSES

Any loss due to failure to comply with the organic standards will be considered an **uninsured** cause of loss. **Contamination by application or drift of any biological, chemical, or other agent that is prohibited under the National Organic Program** onto land on which crops are grown using organic farming practices will not be an insured peril on any certified, transitional or buffer zone acreage. Crop losses due to poor quality will be adjusted according to the same procedure that applies to conventional crops.

ADDITIONAL INFORMATION/QUESTIONS

Producers should consult their crop insurance agent to obtain specific information and applicable deadlines. A list of crop insurance agents is available at all USDA Service Centers throughout the U.S. or at the website address: www3.rma.usda.gov/apps/agents/

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