



Organic Farming Practices

Insurance Fact Sheet

USDA Guidelines Provide Crop Insurance for Organic Farming Practices

The Agricultural Risk Protection Act of 2000 (ARPA) provides for organic farming practices to be recognized as good farming practices. Organic growers can now insure their organically grown (insurable) crops. 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 were not effective.

Coverage Availability

Risk Management Agency (RMA) currently provides coverage for—1) certified organic acreage; 2) transitional acreage being converted to certified organic acreage in accordance with an organic plan; 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 damage caused by insects, disease, or weeds is covered if recognized organic farming practices fail to provide an effective control.

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.

Contamination by application or drift of **prohibited substances** onto land where crops are grown using organic farming practices is not an insured peril on any certified, transitional, or buffer zone acreage.

Prevented Planting acreage is considered organic practice acreage if it is identified as certified organic, transitional, or buffer zone acreage in the organic plan.

Reporting Acreage

On the date you report acreage, you must have—1) for certified organic acreage, a written certification in effect from a certifying agent; or 2) for transitional acreage, a certificate or written documentation from a certifying agent indicating that an organic plan is in effect for the acreage; and 3) records from the certifying agent showing the location of each field and acreage maintained and **not** maintained under organic farming practices.

Price Elections, Insurance Dollar Amounts, and Premiums

The price elections or insurance dollar amounts applicable to both certified organic acreage and transitional acreage (includes any respective buffer zones) will be the price elections or insurance dollar amounts published by RMA for the crop grown using conventional means, for the current crop year. The insured is required to maintain separate Actual Production History (APH) databases for conventional, transitional, and certified organic acreage.

Premiums are adjusted to recognize any additional risk associated with covering organic farming practices and are shown in the actuarial documents or contained in the written agreement.

Definitions

Organic Plan—A written plan, in accordance with the National Organic Program (NOP) published in 7 CFR part 205, that describes the organic farming practices that you and a certifying agent agree upon annually or at such other times as prescribed by the certifying agent. For information on the NOP, visit: <http://www.ams.usda.gov/nop/indexIE.htm>

Buffer Zone—A parcel of land, as designated in your organic plan, that separates agricultural commodities grown under organic practices from agricultural commodities grown under non-organic practices, and used to minimize the possibility of unintended contact by prohibited substances or organisms.

Organic Farming Practice—A system of plant production practices approved by a certifying agent in accordance with 7 CFR part 205.

Good Farming Practices—The production methods used to produce the insured crop, allow it to make normal progress toward maturity, and produce at least the yield used to determine the production guarantee or insurance amount, including adjustments for late-planted acreage, which are—1) for conventional or sustainable farming practices, those generally recognized by agricultural experts for the area; or 2) for organic farming practices, those generally recognized by the organic agricultural industry for the area or contained in the organic plan.

Organic Agricultural Industry—Persons who are employed by the following organizations—Appropriate Technology Transfer for Rural Areas <http://attra.ncat.org>, Sustainable Agriculture Research and Education <http://www.sare.org>, the Cooperative State Research, Education and Extension Service <http://www.csrees.usda.gov>, the university agricultural departments, or other persons approved by the Federal Crop Insurance Corporation, whose research or occupation is related to the specific organic crop or practice for which such expertise is sought.

Where To Purchase and Insurable Crops

Producers should consult their crop insurance agent to obtain specific information and applicable deadlines. To find a list of **crop insurance agents** please visit <http://www.rma.usda.gov/tools/agent.html>. For a **list of insurable crops**, please visit: <http://www.rma.usda.gov/policies/>

Adjusted Gross Revenue and Adjusted Gross Revenue-Lite

For more information on Adjusted Gross Revenue and Adjusted Gross Revenue-Lite plans of insurance—which also cover organic production—please visit <http://www.rma.usda.gov/pubs/rme/fctsht.html>.

Contact Us

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