USDA Sets Guidelines to Provide Crop Insurance for Organic Farming Practices

Organic growers can insure their organically grown (insurable) crops under USDA’s Agricultural Risk Protection Act of 2000 (ARPA). 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.

Coverage Availability

USDA’s Risk Management Agency (RMA) provides coverage for organic producers. Insurance can only be provided for any crop grown using organic practice---when a premium rate for the organic practice is contained within the actuarial documents or there is an approved written agreement. Written agreements are not available for catastrophic risk, income protection, revenue assurance plans of coverage or for pilot program crops.

Insurable Acreage and Covered Perils

Coverage for organic acreage will be available for both buffer zone, transitional and certified organic acreage. Insurable damage caused by insects, disease, or weeds will be 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, and 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 will be considered an uninsured cause of loss.

Contamination by application or drift of prohibited substances 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.

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; 2) for transitional acreage, a certificate or written documentation from a certifying agent indicating 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 Election and Dollar Amount of Insurance

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

Premiums will be adjusted to recognize any additional risk associated with covering organic crop acreage and will be shown in the actuarial documents or contained in the written agreement.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.
Definitions

Organic Plan—An annual, written plan that a person and certifying agency agree upon for the management of an organic crop. This plan describes the management practices and inputs the person must use, and identifies all steps the person must take to maintain compliance with the certifying agency’s standards.

Buffer Zone Acreage—Acreage of the insured crop located in a buffer zone. Buffer zone acreage will be included in the organic acreage of the unit it buffers (either certified organic or transitional acreage) and will be reported on the same basis.

Organic Farming Practice—A system of plant or animal production practices in which only natural biological processes, allowable materials and control methods approved by a certifying agency are used for production purposes.

Additional Information / Questions

If rates and rules are not provided in the actuarial documents; and a written agreement is not requested for organic farming practices, organic acreage is without insurance protection.

Where to Purchase

All MPCI, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA Service Centers or at the RMA website: http://www3.rma.usda.gov/tools/agents/

Regional Contact for RMA

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