



Federal Crop Insurance Program Expands in 2016 and 2017 to Cover More Organic Crops

Organic agriculture represents one of the fastest growing segments of U.S. agriculture (USDA-RMA). With this in mind, the USDA's Risk Management Agency (RMA) continues to expand crop insurance options for organic growers. In 2016 and 2017, organic producers in Maryland will see additional crops with organic crop insurance options. Increasing crop insurance options will allow this segment of producers new opportunities to manage their risks.

What Remains the Same for 2016?

RMA will continue to provide organic crop insurance coverage for 1) certified organic acreage and 2) transitional acreage, which utilizes

organic farming practices but have not yet been certified organic. Coverage is available for crops grown with organic practices when there is a premium rate for the organic practice in the actuarial documents or there is an approved written agreement. Organic producers should talk with their crop insurance agent to determine if their specific crop has organic coverage. For a list of crop insurance agents, see www.rma.usda.gov/tools/agent.html.

Insured losses will be from the following causes:

- Drought;
- Excess moisture;
- Freeze;



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- Hail;
- Insect damage;
- Disease;
- Weeds – if the recognized organic practice fails to provide an effective control method that results in a loss; and
- Prevented planting.

Non-insurable losses include those stemming from 1) contamination from an application or drift of a prohibited substance onto organic, transitional, or buffer zone acreage, 2) failure to comply with USDA's National Organic Program standards, and 3) failure to follow good organic farming practices.

When filing an acreage report, producers must have a current organic plan and recent written certification (certificate) from a certifying agent that an organic plan is in effect on organic acres. For transitional acreage, producers need a certificate or written documentation from a certifying agent indicating an organic plan is in effect for transitional acreage. The organic plan will need to identify the acreage in transition for organic certification and a list of crops grown during the 36-month transitioning period, and include all other acreage, including conventional acreage, in the farming operation.

Organic growers need to keep separate records for the actual production history (APH) of their conventional, transitional, and certified organic acreage. Buffer zone acres should be added to the organic field acres that it buffers. For example, the buffer zones' production history should be included with the certified organic acreage that it buffers production history.

As of the 2016 crop year, organic price elections, projected prices, and harvest prices are currently available on 50 crops grown organically: almonds, apples, barley, blueberries, burley tobacco,

In the 2017 crop year, RMA will add grapefruit, grapefruit trees, lemons, mandarins/tangerines, oranges, and tangelos, bringing the total list up to 56 crops.

cabbage, cigar binder tobacco, corn, corn silage, cotton, cranberries, cultivated wild rice, dry air tobacco (excluding Type 37), dry peas, figs, flax, flue cured tobacco, forage production (alfalfa), fresh apricots, fresh freestone peaches, fresh market sweet corn, fresh nectarines, grain sorghum, hybrid seed corn, hybrid sorghum seed, hybrid sweet corn, juice grapes, Maryland tobacco, millet, oats, fresh market onions, pears, peppermint, pinto beans, plums, popcorn, potatoes, processing cling peaches, processing tomatoes, raisins, rice, rye, safflower, silage sorghum, soybeans, sugarcane, sunflowers, table grapes, walnuts, and wheat. In the



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2017 crop year, RMA will add grapefruit, grapefruit trees, lemons, mandarins/tangerines, oranges, and tangelos, bringing the total list up to 56 crops nationally with organic price elections, projected prices, and harvest prices.

For all other organic and transitional crops, the price elections, insurance amounts, projected prices, and harvest prices are the same as price elections, insurance amounts, projected prices, and harvest prices RMA publishes for the conventionally grown crop for the current year.

Contract Price Option

Organic producers may have a contract price option under a guaranteed contract. These organic producers will be able to use the prices established in their contract as their price election (if authorized on the actuarial table for the crop in the county and any additional requirements are met) in place of the RMA-issued prices when buying insurance. This allows organic producers to get a crop insurance guarantee more reflective of the actual value of their crops. Organic producers will have the option to choose between their personal contract price as their price election or existing crop insurance price elections where this option is available.

Organic Price Elections

As discussed earlier, RMA has established organic price elections for 51 crops starting with the 2016 crop year. That number will expand to 56 crops in the 2017 crop year. Currently in Maryland, the organic price election is available on apples, corn, corn silage, fresh market sweet corn, fresh market tomatoes, grain sorghum, green peas, oats, potatoes, peaches, processing beans, soybeans, sweet corn, tomatoes, and wheat. In many cases, coverage is available in Maryland on certified organic acres and for



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The organic price election is currently available in Maryland on apples, corn, corn silage, fresh market sweet corn, fresh market tomatoes, grain sorghum, green peas, oats, potatoes, peaches, processing beans, soybeans, sweet corn, tomatoes, and wheat.

transitional acres. Organic producers should check with their crop insurance agent to determine if coverage is available in the producer's county.

Adjusted Organic Transitional Yields (T-Yields)

Beginning with the 2014 crop year, organic T-yields will be changed to reflect the actual organic farming experience. T-yields prior to 2014 will not be changed and can be used in production yield histories. Generally, T-yields will be updated every 3 years to reflect changes over time.

Removal of 5-Percent Surcharge

Beginning with the 2014 crop year, organic producers will also no longer be charged a 5-percent organic surcharge for any crop insurance policy (unless the actuarial table specifies otherwise).

Conclusion

The Organic Crop Insurance Program continues to be an effective and viable risk management tool in organic production. For more information on USDA-RMA's Organic Crop Insurance Program, please visit www.rma.usda.gov/news/currentissues/organics/. Producers should talk to a crop insurance agent for specific information and deadlines for the relevant crops. For a list of crop insurance agents, see www.rma.usda.gov/tools/agent.html. ■

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