



United States Department of Agriculture  
Risk Management Agency

July 2004

## 2005 COMMODITY INSURANCE FACT SHEET

# Insurance Coverage for Organic Crops

## Risk Management Agency (RMA) Raleigh Regional Office

### “Serving the Mid-Atlantic and Northeastern States”

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. The Risk Management Agency (RMA) recognizes organic farming practices as good farming practices. An organic farming practice is defined as a system of plant production practices approved by a certifying agent in accordance with the National Organic Program (NOP) under 7 CFR part 205. In general, good farming practices are “production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance.”

### Written Agreements

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 2005 will be available 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 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 grown under conventional means 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

If any acreage qualified as certified organic 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 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.

## Reporting Requirements

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.

## 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

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/](http://www3.rma.usda.gov/apps/agents/).

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