



United States Department of Agriculture
Risk Management Agency

Oct 2004

2005 INSURANCE FACT SHEET

Organic

Alaska, Idaho, Oregon, Washington

USDA Sets Guidelines to Provide Crop Insurance for Organic Farming Practices

Organic growers can now 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 does not qualify as certified organic acreage or transitional acreage by the final acreage reporting date, (or such certification is subsequently revoked by the certifying agent after the final acreage reporting date) the acreage will be insured under the provisions of the standard policy and applicable rates and coverages for the conventional practice or type will apply. Any loss due to failure to comply with

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.

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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