

A report from the
U.S. Department of Agriculture,
Risk Management Agency:

The U.S. Department of Agriculture (USDA) presents its annual report to the Committee on Agriculture of the U.S. House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the U.S. Senate regarding the progress made in developing and improving Federal crop insurance for organic crops.

April 2024

Introduction

USDA’s Risk Management Agency (RMA) provides this report, pursuant to Section 508(c)(6)(D) of the Federal Crop Insurance Act, as amended by Section 11023 of the Agricultural Act of 2014:

The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including:

- i. the numbers and varieties of organic crops insured;*
- ii. the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;*
- iii. the development of new insurance approaches relevant to organic producers; and*
- iv. any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.*

This report provides: 1) information on the availability of organic price elections for the 2024 crop year; 2) our ongoing efforts to obtain additional data and information to aid future development of price elections for crops for which we do not yet offer organic price elections¹; and 3) a summary of our progress in establishing organic price elections and alternative options for organic coverage. This is the tenth annual report to Congress on the progress of implementing organic price elections.

Progress in Implementing Organic Price Elections

For the 2024 crop year, organic prices for processing apricots, processing freestone peaches, and kiwifruit were added, for a total of 87 crops with distinct organic price elections. Only 16 crops do not currently receive an organic price election². Crops without an organic price election are:

¹ “Organic price election” refers to organic crops that receive a price election that is greater than the conventional price election. Organic crops that do not receive an organic price election are still insurable at conventional price election values, even if a premium price above that of the conventional practice is not available.

² Based on the distinct number of crops listed in RMA’s online Actuarial Information Browser. Crops insured with the Actual Revenue History plan of insurance, Whole Farm Revenue Protection, nursery, clams, livestock policies, privately developed 508(h) submissions (other than caneberries, the cottonseed endorsement, hemp, and kiwifruit), and crop policies that require a contract to determine a price are not considered. For those commodities identified as having an organic price, it does not mean RMA offers an organic price for all types and locations.

Regarding privately developed submissions, section 508(h) of the Federal Crop Insurance Act allows private parties to develop insurance products (commonly referred to as 508(h) submissions), including: crop insurance policies, provisions of policies, or rates of premium. The 508(h) submissions are exempt from Federal Crop Insurance Corporation requirements limiting coverage levels, rates, and prices under section 508(h)(2). RMA does

alfalfa seed, canola, chile peppers, various tobacco crops³, forage seeding, limes, peppers, sugar beets, tangors, and various tree crops⁴. These crops do not currently have an organic price election because either: a) there is no known organic production in insured areas; b) there is limited production and no available data that meets RMA's data quality requirements; or c) pricing data suggests these organic crops do not receive a premium over conventional products.

Funding NASS Surveys to Obtain Organic Data

NASS has completed seven organic surveys (2008, 2011, 2014, 2015, 2016, 2019, and 2021). RMA has funded four of these, providing NASS a total of \$6 million to complete them. These surveys provide comprehensive organic information and assist RMA in setting accurate organic price elections. RMA is conversing with NASS to determine if more frequent organic surveys specifically targeting organic price collection may be possible in the future.

Additional Crop Insurance Options for Organic Producers

Contract price option offered under the Contract Price Addendum

The contract price option was offered beginning with the 2014 crop year and allows organic producers and those transitioning to organic practices who receive a contract price for their crop to get a crop insurance guarantee that is more reflective of the actual value of their crop. The contract price option is available for most crops and allows producers to use their personal contract price as their price election or choose existing crop insurance price elections.

Enterprise units for organic farming practice

In response to requests from organic producers, effective June 30, 2024, RMA published a final rule, "Expanding Options for Specialty and Organic Growers," allowing separate enterprise units (EU) for organic and non-organic farming practices. An EU allows a producer to insure all acres of the insured crop in the county together, as opposed to other unit structures that separate the acreage for insurance. This change results in lower premium rates, making insurance coverage more affordable for organic producers.

Whole-Farm Revenue Protection (WFRP)

The [Whole-Farm Revenue Protection](#) (WFRP) plan of insurance provides a risk management safety net for all commodities produced on the farm under one insurance policy. Previously, this insurance plan allowed insurance for any farm with up to \$8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), and those marketing to local, regional, farm-identity preserved, specialty, or direct markets. In response to

not have the regulatory authority to require the developers of these products to create organic price elections for their submissions. Therefore, crops and/or crop types insured under 508(h) submissions are considered exempt from RMA's organic price election requirements.

³ Cigar filler tobacco, cigar wrapper tobacco, and fire cured tobacco.

⁴ All other citrus trees, carambola trees, lemon trees, lime trees, and mango trees.

industry feedback, this limit increased to \$17 million in 2022. All certified organic commodities may be insured at their farm-level organic prices provided eligibility requirements are met.

[Production and Revenue History \(PRH\)](#)

In 2020, RMA finalized development of, and implemented, a new plan of insurance, [Production and Revenue History \(PRH\)](#), which is designed for specialty commodities with less data, including organic agriculture. PRH uses the producer's personal production and revenue history to establish a yield-based guarantee valued at what the producer has historically been able to obtain for their production. In so doing, PRH overcomes the lack of price data that hinders RMA's ability to improve and expand organic price elections.

RMA initiated PRH for strawberries in Florida for the 2021 crop year and in California for the 2022 crop year. RMA awarded a contract to develop PRH policies for fresh market sweet corn, fresh market tomatoes, and peppers; development for those crops is ongoing. Peppers is a crop for which RMA does not yet have an organic price election. The current insurance plan for peppers requires cost of production information to operate, and no organic cost of production information is currently available for the locations where peppers are insurable. The availability of PRH will generate organic coverage for peppers. Other crops being considered for PRH are plums and fresh market beans.

[Micro Farm](#)

The Agriculture Improvement Act of 2018 (2018 Farm Bill) directed RMA to conduct research and development of a policy to insure production of local foods. In June 2020, RMA contracted with a third party to assess the feasibility of insuring local food production. The conclusion and primary recommendation provided from the third party was that modifying the WFRP plan of insurance was the simplest and quickest way to improve access to coverage for local food producers. In response, RMA developed and implemented the Micro Farm Provisions as part of the WFRP plan of insurance for the 2022 policy year.

[Micro Farm](#) is designed for small, diverse farms that sell locally. Initially, the program allowed approved revenue up to \$100,000. In response to industry feedback, this limit was increased to \$350,000. The policy simplifies recordkeeping and covers post-production costs like washing and value-added products; this was a key request from stakeholders to make crop insurance simpler and more useful for smaller growers.

[Outreach and Education](#)

Throughout the year, RMA staff engaged in public outreach to educate and interact with producers about organic crop insurance options and to gather feedback about existing programs. In 2023, RMA attended approximately 50 industry conferences and grower meetings reaching over 20,000 stakeholders, presenting information about organic coverage, including RMA's new Transitional and Organic Grower Assistance (TOGA) Program (discussed below). These events

ranged from large, national events such as the Marbleseed Organic Farming Conference (formerly MOSES), to local visits with individual organic producers across the country.

RMA also leverages external partners through its Risk Management Education Partnerships. Prominent 2023 partnerships include:

- Iowa Organic Association (\$92,981 award) to provide outreach, education, and technical support to underserved Iowan farmers with resources and strategies to manage organic production risks. The project reaches approximately 800 producers at workshops and 10,000 through newsletters.
- The Center for Rural Affairs (\$99,079 award) to provide crop insurance education to roughly 2,000 organic and specialty crop producers in Iowa, Nebraska, South Dakota, Kansas, and Minnesota.
- Napa Valley Grape growers Risk Management Education: Climate Risk (\$200,000 Award) to provide bilingual climate risk management education to roughly 700 winegrape producers, with training on crop insurance, alternative fuels, organic & regenerative farming practices, and climate smart agriculture.

Transitional and Organic Grower Assistance Program (TOGA)

For the 2023 reinsurance year, agricultural producers who had crop insurance coverage on crops in transition to organic or a certified organic grain or feed crop were eligible for premium assistance through RMA's Transitional and Organic Grower Assistance (TOGA) Program. TOGA reduced the producer's overall crop insurance premium bill and helped them continue to use organic agricultural systems. TOGA was part of USDA's Organic Transition Initiative, a group of programs that build more and better markets for American growers and consumers and improve the resilience of the food supply chain. There was no enrollment paperwork, and the premium assistance automatically applied for the 2023 reinsurance year, which covered applicable policies with sales closing dates from July 1, 2022, to June 30, 2023.

For crops in transition to certified organic, producers received 10 percentage points of premium subsidy; for certified organic grain and feed crops, producers received \$5 premium assistance per insured acre; and for WFRP policies with crops in transition or certified organic crops, producers received 10 percentage points of premium subsidy. In addition to the WFRP benefit, producers who had additional individual crop insurance policies also received the applicable premium benefit on those policies.

Additional Flexibilities

During COVID-19, RMA provided flexibilities to producers and Approved Insurance Providers (AIPs) to allow them to complete these tasks while supporting their health and safety. RMA learned from this experience that many of these flexibilities could be made permanent to alleviate unnecessary burdens on farmers.

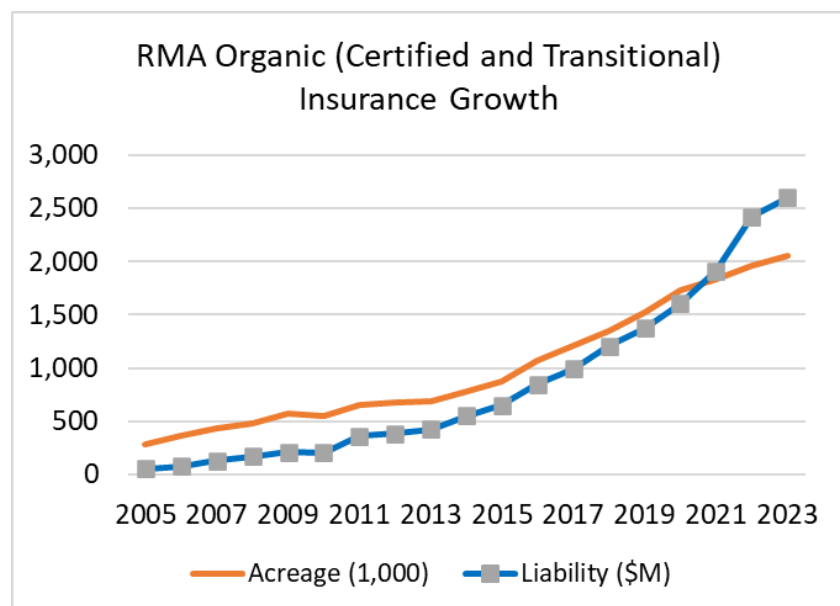
Prior to 2020, crop insurance policy required producers with certified organic acreage, or acreage in transition to organic, to have written certification or written documentation from a certifying agent showing an organic plan is in effect for the acreage by the acreage reporting date. A certificate and plan must be in place each year to qualify for organic or organic transitional practices. In addition to flexibilities granted to all crop insurance participants, for organic producers specifically, RMA granted the ability to report acreage as certified organic, or as acreage in transition to organic, when they certify they have requested a written certification or other written documentation from a certifying agent on or before the acreage reporting date. RMA made this flexibility permanent through a regulatory change starting with the 2022 crop year, recognizing that it is helpful for both organic producers and certifying agencies because organic certification does not necessarily happen in unison with crop insurance dates and cycles.

RMA collaborated with the Agriculture Marketing Service (AMS) to modify supporting documentation required to qualify for transitional organic programs. AMS National Organic Program (NOP) published a final rule - *National Organic Program (NOP); Strengthening Organic Enforcement (88 FR 3548)* - on January 19, 2023, announcing changes to the Organic Integrity Database. The database contains a registry of organic operations certified by USDA-accredited organic certifiers. After the rule was published, the NOP allowed certifiers to upload listings of operations transitioning to organic (or transitional operations) if they meet the modified criteria. RMA made a regulatory change starting with the 2024 crop year allowing operations listed in the Organic Integrity Database as transitioning to organic to be eligible for organic transitional crop insurance programs. RMA’s enhancement eased program administration for AIPs to verify if an operation is transitioning to organic based on the NOP database listing.

Conclusion

RMA’s efforts to increase organic price elections has resulted in tremendous growth in organic crop insurance participation. Since 2013, the number of organic and transitional acres insured increased nearly 300 percent while liability increased nearly 610 percent.

Creating and maintaining organic price elections is dependent upon data availability. Organic price



data that meets RMA standards for these crops is scarce, and data that meets the requirements for actuarial soundness and good insurance principles is necessary before organic prices can be added for additional crops. Availability of such data has generally not increased over time. Therefore, RMA has proactively taken steps to create an insurance policy, PRH, that generates prices for insurance offers using producers' own revenue history, thereby ensuring accurate organic price coverage. Micro Farm was also developed and initiated for the 2022 policy year. To ensure organic data availability, RMA has also funded many organic surveys conducted by NASS and is currently working with NASS to determine if more frequent organic surveys specifically targeting organic price collection may be possible in the future.

RMA continues efforts to locate and analyze new sources of data. Every crop is evaluated annually to determine if there are new or updated sources of organic information sufficient to develop or enhance organic price elections. RMA will continue to pursue opportunities for the acquisition of additional organic price data and information, given funding availability. Whenever possible, RMA will continue to improve the farm safety net by adding additional organic price elections.