

Crop Insurance

Working Together to Make Crop Insurance Work for Everyone

Every farm deserves a safety net. With a changing climate, many farmers who haven't previously engaged with crop insurance recognize the need to have a safety net that works for everyone. Organic Farmers Association farmer-members offer the following recommendations to help make crop insurance more fair, functional, and informed.

CROP INSURANCE SHOULD BE FAIR TO FARMERS & THE BROADER COMMUNITY

While crop insurance works well for a few commodity crops, it does not serve the broader community of organic, sustainable, and regenerative farmers. It also takes advantage of taxpayers, subsidizing the cost of crop insurance for large farms at the same rate it does a small, beginning farmer. To make crop insurance more fair, OFA recommends:

- **Each operation should receive one subsidy and no more.** The farm bill should include a strong "actively engaged in farming rule" to set this limit so farmers who are trying to "double dip" with multiple "paper farms" are prevented from cheating.
- **Crop insurance should only apply to land that is suitable to be farmed.** The farm bill should prohibit crop insurance premium subsidies on unsuitable land. Taxpayers should not subsidize irresponsible land management
- **Organic farmers need more organic price elections** to accurately reflect the value of their crops, and to meet the USDA NOP requirement for crop rotations.
- **Remove policies that artificially cap Contract Price Addendums** at two times the conventional price election for a specific crop
- **Specialty Crop insurance** coverage needs to be on equal footing with other RMA programs. These crops are truly "specialty" and coverage for them needs to reflect unique county by county yield and loss ratios.

CROP INSURANCE SHOULD BE FUNCTIONAL FOR SMALL, DIVERSIFIED, ORGANIC & REGENERATIVE FARMERS

Crop insurance policies align with conventional commodity agriculture practices. But organic farmers have additional standards to which they are accountable. To better serve this growing sector, OFA recommends crop insurance policy changes to be more functional for organic, transitioning, and family-scale diversified farms:

Whole Farm Revenue Protection: WFRP a type of crop insurance intended to serve small and diversified producers, must be tweaked to better support diversified producers through lower premium costs associated with higher levels of diversity, and true revenue protection for operations already mitigating risk through diverse production systems.

- In WFRP, recognize the change in farm revenue after a farm has transitioned to organic. An uninsured gap occurs in the first year of organic certification when the farmer receives organic prices for crops. **Raise the cap to 50% on increased production under the expansion provision to prevent this uninsured gap in coverage.**
- In WFRP, when a claim is filed, the settlement from any other insurance policy is deducted. This causes WFRP to function like catastrophic coverage. **Remove the settlement deduction from other insurance policies when a claim is filed, better rewarding production diversity.**

Organic Transition: A clear, transparent, consistent path for organic transition and crop insurance must be established. USDA's Organic Transition Initiative investment must support producers with a streamlined farm safety net.

- **Allow Annual Production History (APH) data from transition years 1-3 to be utilized as part of organic APH.** Land is managed according to organic standards during the transition.
- Allow transitioning producers the option to **calculate the Actual Production History (APH) for new acres under organic transition using the APH of other organic acres on their farm, in addition to the county T-yield.**
- **Working with TOPP Partners in transition should suffice to access transitional crop insurance.** RMA should provide organic insurance to producers transitioning to certified organic status without requiring an Organic System Plan.

Planting dates: Organic producers often plant later than their non-organic counterparts due to strategic organic systems management. RMA must establish a unique final planting date for certified organic crops in each region with a non-penalizing grace period so producers can maintain productivity and organic status.

CROP INSURANCE SHOULD BE INFORMED BY DATA, EXPERIENCE, & TECHNICAL EXPERTISE

In order for Crop Insurance to serve currently underserved farmers, information must be gathered regarding how to do better, and shared among agencies and with RMA staff and agents on the ground.

- **Require federal agencies to share information to reduce farmers' paperwork burden.**
- **Allow organic farmers to use organic prices for all federal farmer programs,** rather than reverting to inaccurate, conventional prices for some programs, which undervalues organic producers' crops.
- **Require organic literacy within RMA to help employees and agents be informed about organic insurance** to better serve organic clients and grow the benefits of the organic industry.
- **NASS and RMA should work together to regularly conduct an organic production survey,** better informing this growing industry.

IMPORTANT CROP INSURANCE MARKER BILLS

Whole Farm Revenue Protection Program Improvement Act (S. 2598)

Farm Program Integrity Act (S. 2610)

Insuring Fairness for Family Farmers Act (S. 2421/H.R. 4804)

Crop Insurance for Future Farmers Act (H.R. 3904)

Withstanding Extreme Agricultural Threats by Harvesting Economic Resilience (WEATHER) Act (S. 3401)