

**National Organic Standards Board**  
**Certification, Accreditation, Compliance Subcommittee (CACS)**  
**Climate-Induced Farming Risk and Crop Insurance**  
**Discussion Document**  
**February 6, 2024**

**Intro & Background:**

As USDA has recognized Organic farming as climate-smart, the NOSB has worked to identify barriers to farmers' transition to organic and the further retention of existing organic producers. Through robust rounds of public comment, we have heard repeatedly that crop insurance is one program that has an outsized potential to help farmers mitigate the risk of both transitioning to organic and staying organic once they've been certified.

The Director of the Product Administration & Standards Division of the USDA's Risk Management Agency (RMA) gave a presentation on crop insurance at the Fall 2023 meeting in Providence, RI. Her presentation described the crop insurance landscape across the United States and how the agency works diligently to make better insurance products available to more producers.

**Progress:**

The CACS celebrates the progress RMA has made to improve access to crop insurance for organic producers. RMA has attempted to understand how organic farming works and to build better programs for organic farmers. Indeed, several CACS members remarked on how much progress has been made in the past ten years. Some of this progress includes:

1. RMA introduced a contract price addendum that allows transitioning and organic producers to submit their contracts in advance to obtain a higher price for crop coverage.
2. [RMA has launched its 2024 handbook](#), with updated good farming practices (GFP) definitions – making it clear the use of NRCS Conservation Practice Standards will be considered GFP
3. RMA allows enterprise units by organic farming practice.
4. RMA allows enterprise units for specialty and perennial crops
5. The [RMA Agent Finder Web Page](#) connects farmers interested in the Whole Farm Revenue Program/Microfarm Program with agents experienced in writing those policies.
6. Pasture, Forage, Rangeland (PRF) now has organic forage as an option allowing for more suitable organic coverage.

**Continuous Improvement Still Needed:**

Through public comments and various farmer and crop insurance agent interviews, we have heard that while significant progress has been made, there is still work to be done to level the playing field for organic producers. At a minimum, by offering risk management options that do not *disincentivize* the transition from conventional production to organic, the opportunity to participate in the organic marketplace will expand to more producers. Additionally, those certified producers will benefit from more robust, equitable risk management options.

Because the organic marketplace is unique, organic farmers frequently face different risks than their conventional counterparts. The following list includes over-arching opportunities that producers and agents mentioned through public comments and various interviews on how to improve crop insurance to better help organic producers mitigate risk.

*Please note, opportunities 1 and 3, while specific examples, also fall into the greater theme that we heard: organic is unique and would benefit from having a distinct section in the loss adjustment manual.*

**Opportunities for Improvement:**

1. **Quality Factor Consideration During Loss Adjustment:** because of the dynamic food market that corresponds to a more diverse cropping rotation, organic producers raise crops that, to meet the market demand, must meet high-quality specifications. Because they are unique and not readily substitutable into the conventional commodity supply chain, these crops may only have a secondary market, like feed, if they meet the specifications. For this reason, if a farmer does not experience a yield loss but rather a quality loss due to a climatic event, it can be as economically devastating as a complete yield wipeout. For example, when raising blue corn, if a farmer does not have a yield loss but does have a quality loss, they will not be able to sell into the food market. They also cannot sell into the organic feed market as their blue corn may discolor chicken eggs. Their corn cannot be sold into the conventional market because of the colors. Therefore, with no quality coverage, the farmer raising this otherwise in-demand-for-food crop will be left with only the option to compost it—a complete loss with no coverage even though yields were “fine.” \*Note: specific loss adjusting standards for quality are available for some specialty crops, including produce crops.
2. Organic crop insurance requires additional expertise to help farmers maximally. Modeled after the newly created [agent finder for Whole Farm Revenue Protection/Micro Farm Landing Page hosted by RMA](#), it would be an excellent service to organic producers for RMA to create a similar landing page for adjusters and insurance agents who have specific knowledge of organic policies and are interested in working with organic farmers. There are many excellent crop insurance agents and crop adjusters around the country. Still, a farmer's ability to find them is relative to their network in the organic farming world. It is a distinct disadvantage to producers new to organic or farmers outside of organic agricultural hot spots.
3. The time frame for adjusters to review a loss and visit a crop in-field can be the difference between an organic farmer saving the crop after weather damage (currently, adjusters are to visit a field 7-13 days after a climatic event). For example, if a producer has a hail event before organic crops have time to canopy, the producer will experience a burst of weed pressure within one day of the hail event. Because of the potential delay in receiving a visit from an adjuster, the farmer is not allowed to get in the field and address the weeds mechanically without risking losing coverage for the crop. All organic crops need specific “in-field” adjusting standards specific to organic producers.

**Other challenges that producers and agents mentioned include:**

1. By resetting T-yield at the start of transition, producers' coverage is generally decreased compared to conventional counterparts. Note: T-yield, coverage level, and price are the three main factors determining loss payout.
2. There is not a clear path to provide feedback for the Launch of the Good Farming Practices Updated Handbook.
3. Whole Farm Revenue Program (WFRP) – agents cite the complexity (a 50-75 page application) of the program and the lower agent compensation as compared to other insurance as a disincentive for writing those policies.
4. The time required to develop yield history on new crops insured under written agreements can slow their adoption which in turn disincentives producers to diversify their rotation.
5. Producer awareness and understanding of RMA's current policies and programs is inconsistent across the country.
6. The "Transition System Plan" or "Transition Producer Plan" is new and producers transitioning to organic may not have sufficient help to understand the role of the Transition plan in obtaining coverage.
7. Required planting dates can conflict with diverse crop rotations including the incorporation of cover crops.

**Questions for Stakeholders:**

In addition to the summary above, CACS is interested in hearing how T-yields affect transition and organic farmers around the country and what possible solutions we could offer to address them. In addition, CACS is eager to receive more examples and personal stories about how crop insurance can be improved for organic producers.

1. **T-yields (Assigned yields when a producer doesn't have production history):**
  - a. Would organic producers be open to using transitional yield history to accelerate t-yield replacement to build organic yield history faster?
  - b. Would "buy up" coverage above 85%, which is the current limit, to 120% be of interest to obtain more coverage?
  - c. Suppose you have a currently approved production history (APH) for organic production. Would you be interested in having a percentage of that APH carried over to your transition or organic t-yields?
2. What other concerns remain?

**Subcommittee Vote**

Motion to accept the discussion document on Climate-Induced Farming Risk and Crop Insurance

Motion by: Amy Bruch

Seconded by: Nate Lewis

Yes: 6 No: 0 Abstain: 1 Recuse: 0 Absent: 1

