August 25, 2009

INFORMATIONAL MEMORANDUM: PM-09-039

TO: All Approved Insurance Providers
   All Risk Management Agency Field Offices
   All Other Interested Parties

FROM: Tim B. Witt /s/Tim B. Witt
      Deputy Administrator

SUBJECT: Notice of Intent to Research Feasibility of Insurance
         for Dedicated Energy Crops

BACKGROUND:

The Federal Crop Insurance Act (7 U.S.C. 1522(c)(1)(C)) requires that the Risk
Management Agency (RMA) enter into contracts to carry out research and development.
The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) requires RMA to offer
to carry out research and development regarding a policy to insure dedicated energy crops.
Dedicated energy crops are defined by the 2008 Farm Bill as an annual or perennial crop
that—(i) is grown expressly for the purpose of producing a feedstock for renewable
biofuel, renewable electricity, or biobased products; and (ii) is not typically used for food,
feed, or fiber.

The Act (7 U.S.C. 1522(c)(2)(B)) also requires that RMA consult with groups representing
producers of agricultural commodities that would be served by the policies that are the
subject of research and development efforts. We are expanding that scope to any parties
interested in the subject efforts.

ACTION:

RMA will soon issue a contract for the feasibility of developing a crop insurance product
for dedicated energy crops. The agency is seeking any preparatory input from interested
parties about the level of interest from the industry, availability of private insurance
products covering dedicated energy crops, or any other relevant issues that should be
considered when carrying out the feasibility and research for any potential program
development for dedicated energy crops.
Please address correspondence concerning dedicated energy crop research by **September 30, 2009** to Janet Chalmers-Naglich, Product Design Branch at Janet.Chalmers.Naglich@rma.usda.gov or mail to:

USDA/RMA/APDD  
Beacon Facility, Stop 0813  
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**DISPOSAL DATE:**

This Informational Memorandum is for the purpose of transmitting information and expires on September 30, 2009.