



United States  
Department of  
Agriculture

May 21, 2013

Farm and Foreign  
Agricultural  
Services

Risk  
Management  
Agency

Beacon Facility  
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Kansas City, MO  
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**INFORMATIONAL MEMORANDUM: PM-13-024**

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: Contract Price Addendum

**BACKGROUND:**

On May 14, 2013, Agriculture Secretary Tom Vilsack announced a number of changes and new initiatives to support the continued growth of organic agriculture, including that the Risk Management Agency (RMA) would be offering a *Contract Price Addendum* that allows producers 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.

Under the *Contract Price Addendum* insured producers will have the ability, where available and at their choice, to use their personal contract price as their price election or to choose existing crop insurance price elections. The *Contract Price Addendum* will be available for between 60 and 70 crops in the 2014 crop year and will be available to the majority of insured organic crops.

The *Contract Price Addendum* includes all necessary provisions to use a price contained within a contract to establish insurance coverage. The actuarial documents, the *Commodity Exchange Price Provisions*, the Crop Provisions, and the Special Provisions will identify exactly which crops, locations, types, and practices will allow contract pricing and how to use the new *Contract Price Addendum* and/or existing contract pricing provisions.

**ACTION:**

The Contract Price Addendum will be available on the RMA website by close of business today and can be accessed at the following link <http://www.rma.usda.gov/policies/>.

**DISPOSAL DATE:**

December 31, 2013.