

**United States Department of Agriculture** 

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## **News Release**

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## USDA Continues to Expand Options for Organic Producers

New Organic Price Elections Available Beginning with 2016 Crop Year

WASHINGTON, Sept. 9, 2015 – The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) today announced additional options for organic producers to protect their operations from losses due to severe weather or price declines. RMA will expand the availability of premium price elections for crop insurance coverage on organic crops in 2016.

RMA was able to better collect and evaluate price and yield data with assistance from USDA's Agricultural Marketing Service and National Agricultural Statistics Service agencies. This resulted in expanded options for organic producers and a variety of new organic price elections for 2016. By increasing the number of crops with organic price premiums, and expansion of the contract price option, organic producers have new opportunities to obtain higher revenue protection or higher yield protection crop insurance policies to protect their assets.

"Expanding the farm safety net for organic producers helps build sustainable growth for the industry and keeps farmers on their land even after bad weather causes losses to their yield or market price of their crop," said RMA Administrator Brandon Willis.

The availability of organic price elections for avocadoes, blueberries, and pears has been expanded to more counties and states.

New organic price elections in 2016 include barley, cabbage, cranberries, cultivated wild rice, dry peas, forage production (with the inclusion of alfalfa in select states), grass seed, onions (fresh onions in select states), potatoes, processing clingstone peaches, rye, sugarcane, safflower and wheat. These additions bring the total number of crops with organic premium price elections from four crops (first offered in 2011), to 47 crops. Organic price elections for citrus crops in Arizona and California will be available for grapefruit, lemons, mandarins, oranges and tangelos beginning in 2017.

The contract price option (<u>www.rma.usda.gov/pubs/rme/addendum.pdf</u>) is now available for 73 different crop types covering the majority of insurable crops. Contract price limits were evaluated against the experience data available, and some crops, like Khorasan wheat, now have a higher limit to reflect the greater price premium that may be obtained for the certified organic practice. Producers who are transitioning to certified organic will also have the ability to use the contract price option beginning in 2016. The contract price option 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. Where available, producers will be able to use their personal contract price as their price election, or to choose existing crop insurance price elections.

RMA has been expanding access to crop insurance options for organic producers through new and innovative programs, including the <u>Whole-Farm Revenue Protection</u> policy, the contract price option, and price elections that allow farmers to protect the market value more accurately. The cumulative effect of these efforts is a stronger farm safety net for producers and greater options for consumers.

More information on risk management tools available for organic farmers can be found on the RMA <u>Organic Crops website</u>. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA <u>Agent Locator</u>. Producers can use the RMA <u>Cost Estimator</u> to get a premium amount estimate of their insurance needs online. Learn more about crop insurance and the modern farm safety net at <u>www.rma.usda.gov</u>.

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