



News Release

USDA Announces Pilot Insurance Coverage for Hemp Growers

WASHINGTON, D.C., Dec. 23, 2019 – USDA's Risk Management Agency (RMA) today announced a new crop insurance option for hemp growers in select counties of 21 states in 2020. The pilot insurance program will provide Actual Production History (APH) coverage under 508(h) Multi-Peril Crop Insurance (MPCI) for eligible producers in certain counties in Alabama, California, Colorado, Illinois, Indiana, Kansas, Kentucky, Maine, Michigan, Minnesota, Montana, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Tennessee, Virginia, and Wisconsin.

The MPCI coverage is for hemp grown for fiber, grain or CBD oil for the 2020 crop year. It is in addition to the Whole-Farm Revenue Protection coverage available to hemp growers announced earlier this year.

"We are excited to offer coverage to certain hemp producers in this pilot program," said RMA Administrator Martin Barbre. "Since this is a pilot program, we look forward to feedback from producers on the program in the coming crop year."

The 2018 Farm Bill amended the Controlled Substances Act to address how industrial hemp is to be defined and regulated at the federal level, and those modifications cleared the way for the Federal Crop Insurance Corporation to offer policies for it. The Farm Bill defines hemp as containing 0.3 percent or less tetrahydrocannabinol (THC) on a dry-weight basis.

To be eligible for the MPCI pilot program, among other requirements, a hemp producer must comply with applicable state, tribal or federal regulations for hemp production, have at least one year of history producing the crop, and have a contract for the sale of the insured hemp. Producers also must be a part of a Section 7606 state or university research pilot, as authorized by the 2014 Farm Bill, or be licensed under a state, tribal or federal program approved under the USDA Agricultural Marketing Service (AMS) interim final rule issued in October 2019. The MPCI provisions state that hemp having THC above the federal statutory compliance level will not constitute an insurable cause of loss. Additionally, hemp will not qualify for replant payments or prevented plant payments under MPCI.

In addition, beginning with the 2021 crop year, hemp will be insurable under the Nursery crop insurance program and the Nursery Value Select pilot crop insurance program. Under both programs, hemp will be insurable if grown in containers and in accordance with federal regulations, any applicable state or tribal laws, and terms of the crop insurance policy.

More information on the MPCI pilot will be available in 2020. 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 Agent Locator](#). Learn more about crop insurance and the modern farm safety net at rma.usda.gov.

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