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USDA Expands Insurance Options for Farmers Transitioning to Certified Organic Agriculture

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New Coverage Lowers Risk for Producers and Strengthens Farm Safety Net

WASHINGTON, Feb. 18, 2016 – Agriculture Secretary Tom Vilsack today announced a new step to support farmers transitioning to certified organic production, by expanding a crop insurance option to allow producers to purchase insurance coverage that better reflects their product's actual value. The expanded coverage is part of the U.S. Department of Agriculture's (USDA) continued commitment to provide farmers with resources and tools to meet the growing demand for certified organic products. The Secretary made the announcement at the White House during remarks to participants at the USDA Market Summit.

"Consumer demand for organic products continues to increase and the industry has experienced remarkable growth, representing more than \$39 billion in U.S. retail sales," said Vilsack. "This growth creates opportunities for farmers and businesses across the country. Expanding the safety net for farmers wanting to enter the organic market ensures they have the tools and resources they need to meet this growing demand while protecting their operation."

The organic sector is growing, and certified organic products often return higher profits for farmers. It can take producers three years, however, to transition from

conventional to certified organic production. Previously, producers of transitional crops were only able to insure them at the same price as a conventional producer. But today's announcement enables producers to insure transitional crops to their contract price (within approved limits).

Producers transitioning to certified organic production can now use the Contract Price Addendum to cover their crops at a higher price than traditional crops. The Contract Price Addendum allows farmers transitioning to organic production to insure certain crops at their contract price rather than the published U.S. Department of Agriculture (USDA) Risk Management Agency (RMA) price election.

RMA has also expanded organic [premium price elections](#) to 57 crops, up from four in 2011, providing organic producers the option to protect their 2016 crops closer to the market value. Barley, rice and wheat are among the crops for which organic price elections have been added. New additions for 2017 will include grapefruit, lemons and oranges.

For example, under the Contract Price Addendum, a producer in Nebraska can use a contract price for millet up to a maximum of \$7.34 per bushel (for transitional) or \$8.44 (for certified organic production), as opposed to using the existing RMA price elections of \$3.67 (for transitional) or \$4.22 (for certified organic production). A [Contract Price Addendum](#) fact sheet is available online.

Since 2009, USDA has strengthened programs that support organic producers as they grow, thrive and respond to increasing consumer demand for organic products. Last year, USDA reported that U.S. certified and exempt organic farms sold a total of \$5.5 billion in organic products in 2014, up 72 percent since 2008. The U.S. retail market for organic products is valued at more than \$39 billion, and in 2014 there were 19,474 certified USDA organic operations in the United States, representing nearly a 250 percent increase since 2002. Worldwide, in 2014 there were nearly 28,000 certified organic operations in more than 120 different countries. More information about USDA's support under this Administration for organic producers and businesses can be found at www.usda.gov/results.

Crop insurance is sold and delivered solely through private crop insurance agents. Contact a local crop insurance agent for more information about the program. A list of crop insurance agents is available at all USDA Service Centers and [online](#).

The sales closing date is the last day to buy a new policy or change an existing policy's coverage level. Producers can find sales closing dates for the crops in their states by referring to RMA's [regional office state directory](#). Current policyholders also have until the sales closing date to make any changes to their existing contracts.

A list of commodities eligible for the Contract Price addendum is available online.

More information on risk management tools available for organic farmers can be found on the RMA organic crops website. Visit www.usda.gov/organic to learn more about USDA's resources for organic agriculture.

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