Back to News Releases

USDA Strengthens Hybrid Vegetable Seed Crop Insurance with Updates

News Release | Spokane, Washington | May 1, 2024 View PDF

SPOKANE, Wash., May 1, 2024 – The U.S. Department of Agriculture (USDA) is updating the <u>Hybrid Vegetable Seed</u> (HVS) crop insurance program by clarifying the definition of "Minimum Guaranteed Payment" and adding stage guarantees. These changes are being made to protect program integrity and ensure the continued viability of the program.

"Keeping our risk management resources viable and available to as many producers as possible is a top priority for us," said Ben Thiel, Director of the Spokane Regional Office for USDA's Risk Management Agency (RMA). "That's why we continually monitor program performance and listen closely to the feedback received from our producer, insurance company, and agent stakeholders. It is vital that we identify and address program performance concerns as soon as possible to ensure producers continue to have access to our programs."

HVS crop insurance is a Yield Based Dollar Amount of Insurance offered in five counties in Oregon and one county in Washington, covering spring and winter types of hybrid carrot seed. In crop year 2023, more than 42 HVS policies sold with \$7.9 million in liability.

RMA is expanding the definition of "Minimum Guaranteed Payment" to include any amount paid by the processor or seed company that is not tied to the amount of production. This more inclusive definition will help to ensure that the policy does not over-pay losses or create adverse incentives. RMA is also adding stage guarantees to the HVS program to address early season losses.

- **Stage One** limits payments to 40 percent of the insurance guarantee for unharvested fields and will better reflect the costs incurred.
- **Stage Two** provides losses at 100 percent of the insurance guarantee for harvested fields.

The intent of the stage guarantees is to strengthen the HVS program by creating guarantees that are more reflective of the actual amount of loss at the time the loss occurred.

More Information

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 <u>RMA Agent Locator</u>. Learn more about crop insurance and the modern farm safety net at <u>rma.usda.gov</u> or by contacting your <u>RMA Regional Office</u>.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit <u>usda.gov</u>.

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Back to News Releases

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