



Update on Organic Risk Management Options

Crop Insurance and Soil Health



Hello!

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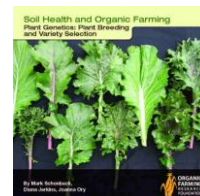
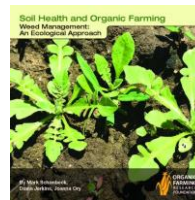


Mission: To foster the improvement and widespread adoption of organic farming systems.

Vision: Organic farming is the leading form of agriculture, leading to healthy and resilient people, ecosystems, and economies.



- Webinars, guidebooks, and online training modules for free at ofrf.org
- Research grant program
- Annual Organic Agriculture Research Forum
- Advocacy locally and on the Hill
- National Organic Research Agenda (NORA)



All resources are freely available at ofrf.org.

Reducing Risk through Best Soil Health Management Practices in Organic Crop Production



ORGANIC FARMING RESEARCH FOUNDATION
USDA
U.S. Department of Agriculture
Risk Management Agency
By Mark Schonbeck & Michael Stein

Introduction to Crop Insurance for Organic and Transitioning Producers



ORGANIC FARMING RESEARCH FOUNDATION
USDA
U.S. Department of Agriculture
Risk Management Agency
By Harriet Behar & Michael Stein

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Crop Insurance and Soil Health

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Mark Schonbeck

Soil Health Researcher and Consultant at OFRF



Organic Crop Insurance Agenda

1. Crop insurance education
2. Cover cropping inclusion
3. Whole Farm Revenue Protection changes
4. Beginning farmer support
5. Non-insured Disaster Assistance
6. Specialty crop insurance
7. Update on hemp
8. Local food insurance



Organic Crop Insurance Education

- One challenge facing organic and transitioning producers is that local crop insurance agents and adjusters do not always understand organic agriculture production and management.
- The 2018 Farm Bill (§11117) mandates that USDA “shall establish requirements for continuing education for loss adjusters and agents of approved insurance providers ... including conservation activities and agronomic practices (including organic and sustainable practices).

Crop Insurers' Education Implementation

- 2020 Standard Reinsurance Agreement (SRA) obligates Approved Insurance Providers (AIPs) to supply sales-training curriculum on:

“The benefits and differences between the applicable plans of insurance ... and their suitability to farming conditions and operations, including conservation activities and agronomic practices (including organic and sustainable practices), in the relevant area;”

-2020 SRA Sec. II(b)(1)(C)

AIPs' Performance on Organic Education?

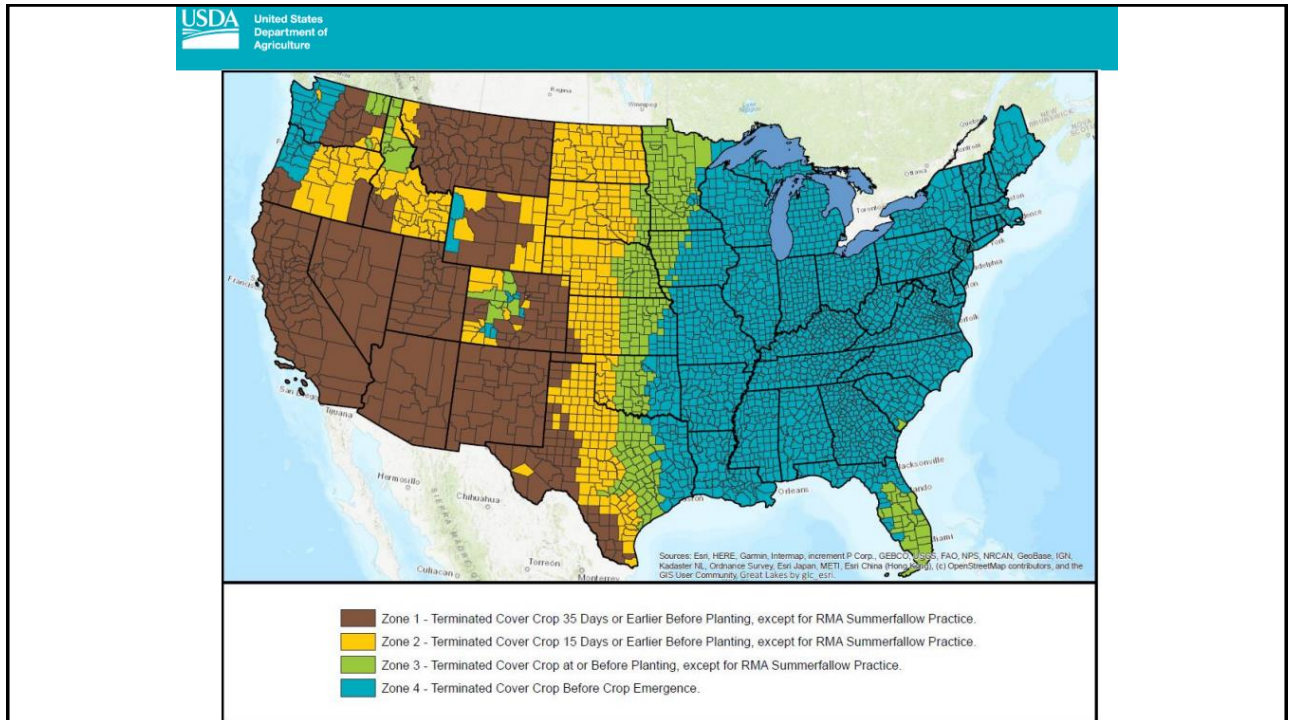
- Little evidence that AIPs have implemented such a curriculum
- USDA-RMA audit of AIPs' performance is nominally scheduled to take place in 2020, but not clear if it is happening

Cover Cropping is Good Farming Practice

- (§11107) Cover cropping in accordance with USDA Natural Resource Conservation Service guidelines is now recognized as a “Good Farming Practice” by RMA. This should ensure that farmers using cover crops according to USDA guidelines cannot be denied crop insurance because of cover cropping.

New Cover Crop Termination Guidelines

- § 11107 directed USDA to issue guidelines for cover crop “termination,” which are key to subsequent crops’ insurability.
- Guidelines issued June 2019. First use experience coming soon.
- https://sustainableagriculture.net/wp-content/uploads/2019/07/Termination_Guidelines_Designed_6.28_10.24am_002-2.pdf



Changes to Whole Farm Revenue Protection (WFRP)

- §11122 made several changes to the WFRP program.
- Can now cover up to \$8.5 million in revenue
 - 2018 Farm Bill allows up to \$2 million in livestock and in nursery coverage
 - Covers up to 50% of crops purchased for resale



Whole Farm Revenue Protection (WFRP)

- WFRP insures farm revenue based on five year average
- Includes new options for farmers in bad years. A bad revenue year may be replaced by:
 - 60 percent of the average revenue to calculate the approved revenue for the upcoming crop year.

OR

- A producer may drop the lowest year revenue from the five year revenue history and calculate the average revenue for WFRP based on the four remaining years.

Good News for Beginning Farmers

- §12304 made several changes regarding BFRs:
 - Farmers with less than ten years of farming experience now eligible for 10% WFRP discount
 - Will establish new National Beginning Farmer and Rancher Coordinator and associated State Coordinators at USDA

BFR Implementation Progress

- Sarah Campbell named as National Coordinator for beginning farmer services across four agencies in March 2020: Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Rural Development (RD). She will lead state-level coordinators for BFRs at each of the agencies.
- Campbell operates New Roots Farm in Maryland.
- www.farmers.gov for USDA clearinghouse of BFRs



Non-Insured Crop Disaster Assistance Program (NAP)

- Administered by Farm Services Agency (FSA)
- Provides coverage for producers of non-insurable crops to protect against natural disasters
 - WFRP covers all crops, but farmers can choose NAP coverage instead
- Adjusted Gross Revenue cannot be over \$900,000
- 2018 Farm Bill §1601 increased payment limit to \$125,000 for basic coverages and \$300,000 for extended coverage

Specialty Crop Liaison

- Specialty crops such as fruits and vegetables, tree nuts, and nursery crops can present challenges for crop insurance.
- Farm Bill §11105 directs USDA to designate a Specialty Crop Coordinator for RMA and a Specialty Crop Liaison in each USDA RMA Regional Office to provide localized expertise and advice to a USDA RMA Specialty Crop Coordinator.
- See <https://www.rma.usda.gov/Topics/Specialty-Crops>

Update on Hemp

- The 2018 Farm Bill §11103 legalized hemp production!
- §11101 adds hemp to the definition of eligible crops for federal crop insurance and post-harvest loss coverage.
- Various restrictions apply to basic legality, as well as crop insurance coverages.
 - The product must have a concentrate of delta-9 THC no more than 0.3 percent on a dry weight basis, or it will not be considered hemp.
 - “Hot” hemp (above the THC limit) will not be considered an insurable loss.
 - The hemp must be produced in compliance with a state, tribal or federal applicable plan.

USDA Announces Details of Risk Management Programs for Hemp Producers

WASHINGTON, D.C., February 6, 2020 – The U.S. Department of Agriculture (USDA) today announced the availability of two programs that protect hemp producers' crops from natural disasters. A pilot hemp insurance program through Multi-Peril Crop Insurance (MPCI) provides coverage against loss of yield because of insurable causes of loss for hemp grown for fiber, grain or Cannabidiol (CBD) oil and the Noninsured Crop Disaster Assistance Program (NAP) coverage protects against losses associated with lower yields, destroyed crops or prevented planting where no permanent federal crop insurance program is available. Producers may apply now, and the deadline to sign up for both programs is March 16, 2020.

Press Release

Release No. 0148.20

Email: fpac.bc.press@usda.gov

Exploring Local Food Crop Insurance

- The 2018 Farm Bill §11122 adds a Local Food Policy to the list of policies that RMA should develop in the coming years
 - Exploring whether existing WFRP insurance provides adequate coverage for local food production.
 - If not, as the policy is developed, it should include direct to-consumer, farm-to-institution programs, community supported agriculture, in both urban and rural settings.
 - Feasibility Study required back to Congress by December 2020.

COVID-19 and Crop Insurance

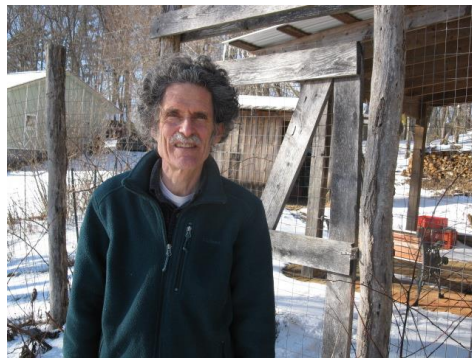
- RMA released new guidance on March 27:
<https://www.rma.usda.gov/en/News-Room/Press/Press-Releases/2020-News/USDA-Adds-Flexibilities-for-Crop-Insurance-to-Support-Americas-Farmers-and-Ranchers>
- Community Alliance for Family Farms (CAFF) compiled resources:
<https://www.caff.org/covid19/>
- National Sustainable Agriculture Coalition (NSAC) summary of farmer relief in aid package:
<https://sustainableagriculture.net/blog/closer-look-farmer-relief-senate-pandemic-package/>
- ATTRA COVID resources <https://attra.ncat.org/covid/>

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Soil Health

Mark Schonbeck

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Organic Farming, Risk, and Soil Health

Risks

- Poor stands
- Flood, storms
- Drought, heat
- Untimely freeze
- Weeds
- Pests
- Diseases
- Nutrient deficits

Organic Transition

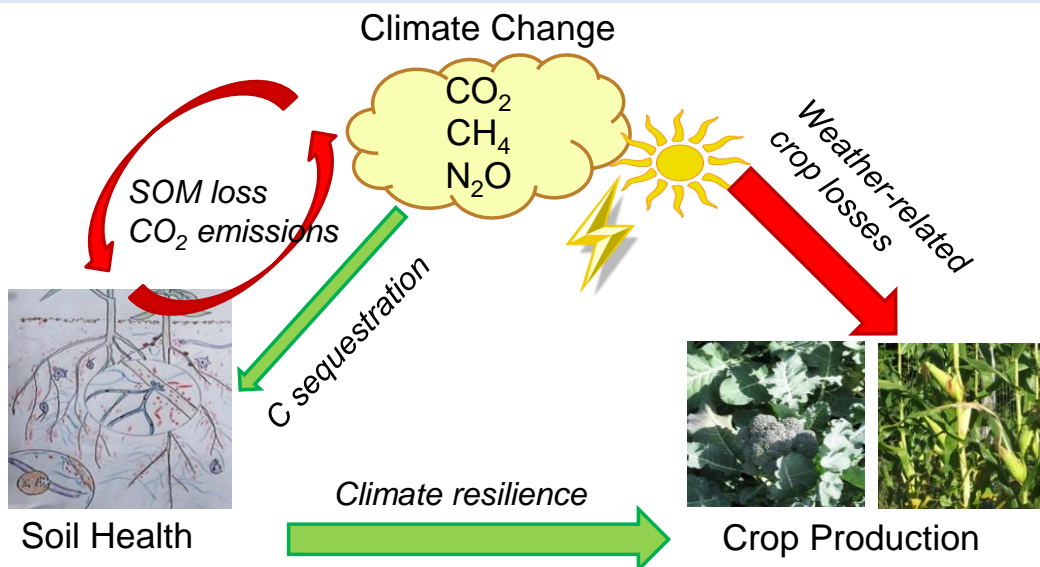


Suboptimal or degraded soil conditions

Healthy Soil

- Better tilth, better emergence
- Drains sooner after heavy rain
- Better water holding capacity
- Enhanced crop resilience
- Pathogens suppressed
- Enhanced nutrient cycling

Climate Change, Soil Health, and Risk



Soil Health Practices for Risk Reduction

Cover crops:

- Add organic matter, feed soil life
- Fix N (legumes), retain nutrients
- Improve drainage and moisture retention
- Suppress weeds and some pests

Benefits cited by farmers in SARE surveys:

- Healthier soil (85%)
- Helps weed management (69%)
- Yield stability (66%)
- Improved net returns (33%)



“Cover crops serve as a type of crop insurance”
Cover Crop Economics, SARE bulletin, 2019. www.SARE.org

Soil Health Practices, Risk, and Payoff

Cover crop costs and risks:

- Direct costs (seeds, planting, termination)
- Cover crop failure
- Cash crop planting delay
- Water use in dry regions or drought years

Cover crops pay off most:

- After several years' use
- As part of an integrated soil health system
- When selected for specific goals
- When rotationally grazed
- When cost-shared (EQIP, CSP, etc.)



Cover crops and other soil health practices entail initial costs and learning new skills. This “learning curve” can temporarily add to risks.

2018 Farm Bill Support for Soil Health

Environmental Quality Incentives Program (EQIP)

- Planning for soil health, improved crop rotations
- Soil testing for soil health
- Soil remediation (e.g., for urban agriculture)
- Adapt to and mitigate against increasing weather volatility
- On-farm Conservation Innovation Trials:
 - *Soil health systems, cover crops, resource-conserving crop rotations, water and nutrient management*
 - *Soil health demonstration trials*
- Assess SH benefits of practices, report to Congress

2018 Farm Bill Support for Soil Health

Conservation Stewardship Program (CSP)

- Manage CSP to maximize soil health
 - *Prioritize soil health in ranking criteria & payments*
- Adapt to and mitigate against increasing weather volatility
- Organic Initiative with separate funding pools
- New payment for comprehensive conservation planning
- Increased payment for soil health practices:
 - *Cover crops (125% payment rate)*
 - *Resource-conserving crop rotation (150%)*
 - *Advanced grazing management (150%)*

2018 Farm Bill Support for Soil Health

Conservation Reserve Program (CRP)

- Soil Health and Income Protection Program (SHIPP)
 - 3–5 year contract to restore depleted soils (up to 15% of a farm's cropland); 50% of regular CRP rental rate
- Facilitates transition of expiring CRP land into CSP, EQIP, or certified organic—maintains CRP soil health benefits
- Grassland Conservation Initiative (now part of CSP)
 - Must address one Resource Concern

2018 Farm Bill Support for Soil Health

Beginning, socially disadvantaged, & veteran producers

- EQIP advance payment 50%+, enhanced outreach
- Enhanced SHIPP terms to restore least-productive land
 - 75% of CRP rental rate plus 50% seed cost share
- CRP Transition Incentives Program (TIP)
 - + 2 year CRP payments on expiring acres sold or leased to beginning, socially disadvantaged, or veteran producers
 - Now available to all landowners with expiring CRP acres
 - Producer must implement sustainable practices
 - Increased funding (\$50M), program flexibility

2018 Farm Bill Support for Soil Health

Soil health priority in research programs:

- Organic Research and Extension Initiative (OREI)
 - Permanent funding at \$50M/year by 2023
- Agriculture and Food Research Initiative (AFRI)
- Public database of conservation practices & outcomes
- USDA to report to Congress
 - Conservation practice impacts on soil health, yields, profit
 - New practices for soil health, water & nutrient management
 - Outcomes of Soil Health Demo Trials and other Conservation Innovation Grant projects.

Caveat: the Devil is in the Details

Funding:

- Total conservation funding unchanged, CSP down

Implementation:

- Program rule making and public comment on interim rules
- Agency staff training in program delivery
 - Conservation Assessment and Ranking Tool (CART)
- Outreach to producers – cost-share for soil health
- Training and technical assistance for producers
- New legislation - Agriculture Resilience Act would increase soil health research and conservation funding

Thank you!

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