

Agricultural Act of 2014 Crop Insurance Provisions

Section 2611. Highly Erodible Land and Wetland Conservation for Crop Insurance.

Requires loss of crop insurance premium subsidy for a producer committing violation of conservation compliance requirements. Loss of premium subsidy does not apply to the existing reinsurance year or prior years; only applies to years following the final determination of a violation. Certain grace periods apply. Limits liability of agents and companies except in the cases of misrepresentation, fraud, or scheme and device.

Section 11001. Information Sharing.

Requires FSA to share information and maps with crop insurance agents and AIPs.

Section 11002. Publication of Information on Violation of Prohibition on Premium Adjustments.

Requires RMA to make public any violations of the ban on rebating so it can be used as guidance for other agents and AIPs. Privacy is to be protected when violations are disclosed.

Section 11003. Supplemental Coverage Option.

Beginning with the 2015 crop year, this provision allows for the purchase of supplemental area-based coverage with individual coverage. Crops for which producers enroll in ARC (the Title I revenue program) are not eligible for SCO, although those enrolled in PLC (the Title I target price program) are eligible. Coverage is triggered only if losses in the area exceed 14% of normal levels. A 65% subsidy is provided, and the maximum coverage level is 86%.

Section 11004. Crop Margin Coverage Option.

Allows for margin insurance to be combined with individual crop insurance coverage.

Section 11005. Premium Amounts for Catastrophic Risk Protection.

Requires that USDA re-rate CAT coverage.

Section 11006. Permanent Enterprise Unit Subsidy.

Makes permanent the authority to continue the additional premium subsidy for enterprise units.

Section 11007. Enterprise Units for Irrigated and Non-Irrigated Crops.

Beginning with the 2015 crop year, this provision requires the separation of enterprise units by irrigated and non-irrigated practice.

Section 11008. Data Collection.

Provides RMA with flexibility in using different sources of data.

Section 11009. Adjustment in Actual Production History to Determine Insurable Yields.

Allows a producer to exclude one or more yields from his APH if the per planted acre county yield in that year for the commodity was at least 50% below the simple average of the commodity's yield in the county for the previous 10 consecutive crop years. Producers in

contiguous counties are also eligible to make the election to exclude. Requires consideration of irrigated and non-irrigated acreage in making the county yield determination.

Section 11010. Submission of Policies and Board Review and Approval.

Provides a marketability standard for products in the development process to ensure that products that are approved have a market for them and will improve the program. Requires FCIC to prioritize products through the 508(h) process for underserved commodities. Requires development of a peanut revenue policy, rice margin policy and allows for consideration of a product that separates enterprise units by risk rating. Allows FCIC to provide up to 75% of development costs to be paid in advance if certain conditions are met.

Section 11011. Consultation.

Requires the FCIC Board to consult with producer groups prior to approving any specialty crop product through the 508(h) process.

Section 11012. Budget Limitations on Renegotiation of the Standard Reinsurance Agreement.

Requires budget neutrality for underwriting, as compared to the previous SRA; budget neutrality for A&O as compared to the previous SRA; and general budget neutrality for the entire SRA. If any incidental savings occur, these savings must be put back into A&O or underwriting.

Section 11013. Test Weight for Corn.

Requires RMA to establish procedures to settle claims on low test weight corn within 120 days. This provision expires after 5 years.

Section 11014. Crop Production on Native Sod.

Reduces certain benefits for producers who break land that has never been tilled for the production of an annual crop. This includes, for the first four years of planting, a crop insurance t-yield of 65% and a 50 percentage point reduction in premium subsidy. Additional penalties apply to acreage covered with NAP. This applies to native sod acreage in Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.

Section 11015. Coverage Levels by Practice.

Beginning with the 2015 crop year, producers may elect a different coverage level for irrigated and non-irrigated acres.

Section 11016. Beginning Farmer and Rancher Provisions.

Defines “beginning farmer or rancher” for crop insurance purposes. Allows for beginning farmers or ranchers to receive premium assistance 10 percentage points greater than premium assistance that otherwise is available. Allows a beginning farmer previously involved in a farming operation to use the previous producer’s production history or assigned yield in determining yield coverage. Allows beginning farmers or ranchers to replace each excluded yield with a yield equal to 80 percent of the applicable t-yield.

Section 11017. Stacked Income Protection Plan for Producers of Upland Cotton.

Beginning with the 2015 crop year, allows upland cotton producers to stack area insurance on top of individual insurance programs or purchase this new area-based coverage as a stand-alone policy. The subsidy for this coverage is 80%.

Section 11018. Peanut Revenue Crop Insurance.

Beginning with the 2015 crop year, requires RMA and FCIC to provide for a peanut revenue crop insurance program using the Rotterdam price index.

Section 11019. Authority to Correct Errors.

Allows agents and AIPs to correct unintentional errors in crop insurance information.

Section 11020. Implementation.

Provides implementation funding to RMA of \$14 million in fiscal year 2014 and between \$9 and \$14 million for fiscal years 2015 through 2018, dependent on RMA meeting certain technology deliverables.

Section 11021. Crop Insurance Fraud.

Provides up to \$9 million annually to FCIC to reimburse expenses incurred for the operations and review of policies, plans of insurance, and related materials (including actuarial and related information); and to assist the Corporation in maintaining program actuarial soundness and financial integrity.

Section 11022. Research and Development Priorities.

Allows RMA to conduct research and development. Also prioritizes research into policies that will increase participation by underserved commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress, dedicated energy crops and specialty crops. Authorizes research and development for margin coverage for catfish, biomass and sweet sorghum energy crop insurance, swine catastrophic disease insurance, whole farm diversified risk management insurance, poultry catastrophic disease insurance, poultry business interruption insurance, and alfalfa insurance. Requires a study on food safety insurance.

Section 11023. Crop Insurance for Organic Crops.

Requires RMA to offer, by the 2015 reinsurance year, organic price elections for crop insurance products.

Section 11024. Program Compliance Partnerships.

Authorizes FCIC to enter into partnerships with public and private entities to increase the availability of risk management tools for producers and to improve the analysis and technologies available for program compliance.

Section 11025. Pilot Programs.

Provides authority for FCIC to submit pilot programs through the 508(h) process.

Section 11026. Index-Based Weather Insurance Pilot Program.

Authorizes FCIC to conduct 2 or more pilot programs to provide producers of underserved specialty crops and livestock commodities with index-based weather insurance. During the review and approval process, FCIC must approve 2 or more proposed policies or plans of insurance if certain conditions are met. Prioritizes applications that provide a new kind of coverage for specialty crops and livestock commodities that previously had no available crop insurance or has demonstrated a low level of participation under existing coverage. Establishes premium subsidy at no higher than 60% of total premium. Provides for A&O but prohibits federal reinsurance and research and development costs and other fees. Allows the developing AIP to offer coverage as well as other AIPs that agree to pay reasonable and appropriate maintenance fees to the developing AIP. Prohibits approval of coverage that is substantially similar to privately available hail insurance. Provides \$12.5 million for each of fiscal years 2015 through 2018 for this provision.

Section 11027. Enhancing Producer Self-Help Through Farm Financial Benchmarking.

Allows risk management education funding to be used to educate producers on farm financial benchmarking.

Section 11028. Technical Amendments.

Addresses a variety of technical needs.