**PUBLIC LAW 110-246—JUNE 18, 2008**

**SEC. 12023. CONTRACTS FOR ADDITIONAL POLICIES AND STUDIES.**

Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—

 (1) by redesignating paragraph (10) as paragraph (17); and

 (2) by inserting after paragraph (9) the following:

 (10) Contracts for organic production coverage improvements.--

 (A) Contracts required.--Not <<NOTE: Deadline.>>

 later than 180 days after the date of enactment of the Food,

 Conservation, and Energy Act of 2008, the Corporation shall

 enter into 1 or more contracts for the development of

 improvements in Federal crop insurance policies covering

 crops produced in compliance with standards issued by

 the Department of Agriculture under the national organic

 program established under the Organic Foods Production

 Act of 1990 (7 U.S.C. 6501 et seq.).

 (B) Review of underwriting risk and loss experience.--

 (i) Review required.—

 (I) In general.--A contract under subparagraph

 (A) shall include a review of the

 underwriting, risk, and loss experience

 of organic crops covered by the Corporation,

 as compared with the same crops produced

 in the same counties and during the same

 crop years using nonorganic methods.

 (II) Requirements.--The review shall—

(aa) to the maximum extent practicable, be designed to allow the Corporation to determine whether significant, consistent, or systemic variations

in loss history exist between organic and

nonorganic production;

(bb) include the widest available range of

Data collected by the Secretary and

other outside sources of information; and

(cc) not be limited to loss history under

existing crop insurance policies.

 (ii) Effect on premium surcharge.—Unless the review under

 this subparagraph documents the existence of significant,

 consistent, and systemic variations in loss history between

 organic and nonorganic crops, either collectively or on an

 individual crop basis, the Corporation shall eliminate or

 reduce the premium surcharge that the Corporation charges

 for coverage for organic crops, as determined in accordance

 with the results.

 (iii) Annual updates.--Beginning with the 2009 crop year,

 the review under this subparagraph shall be updated on

 an annual basis as data is accumulated by the Secretary

 and other sources, so that the Corporation may make

 determinations regarding adjustments to the surcharge

 in a timely manner as quickly as evolving practices and

 data trends allow.

 (C) Additional price election.

 (i) In general.--A <<NOTE: Procedures.>>

 contract under subparagraph (A) shall include the

 development of a procedure, including any associated

 changes in policy terms or materials required for

 implementation of the procedure, to offer producers

 of organic crops an additional price election that

 reflects actual prices received by organic producers

 for crops from the field (including appropriate retail

 and wholesale prices), as established using data

 collected and maintained by the Secretary or from

 other sources.

 (ii) Timing.--The development of the procedure shall

 be completed in a timely manner to allow the Corporation

 to begin offering the additional price election for

 organic crops with sufficient data for the 2010 crop year.

 (iii) Expansion.--The procedure shall be expanded as

 quickly as practicable as additional data on prices

 of organic crops collected by the Secretary and other

 sources of information becomes available, with a goal

 of applying this procedure to all organic crops not

 later than the fifth full crop year that begins after

 the date of enactment of Food, Conservation, and Energy

 Act of 2008.

 (D) Reporting requirements.

 (i) In general.--The Corporation shall submit to the

 Committee on Agriculture of the House of Representatives

 and the Committee on Agriculture, Nutrition, and

 Forestry of the Senate an annual report on progress

 made in developing and improving Federal crop insurance

 for organic crops, including

 (I) the numbers and varieties of organic crops

 insured;

 (II) the development of new insurance approaches; and

 (III) the progress of implementing the initiatives

 required under this paragraph, including the rate

 at which additional price elections are adopted for

 organic crops.

(ii) Recommendations.--The report shall include such recommendations as the Corporation considers appropriate

to improve Federal crop insurance coverage for organic crops.

 (11) Energy crop insurance policy.

 (A) Definition of dedicated energy crop.--In this subsection,

 the term `dedicated energy crop' means an annual or perennial

 crop that:

 (i) is grown expressly for the purpose of producing a

 feedstock for renewable biofuel, renewable electricity,

 or biobased products; and

 (ii) is not typically used for food, feed, or fiber.

 (B) Authority.

 The Corporation shall offer to enter into 1 or more contracts

 with qualified entities to carry out research and development

 regarding a policy to insure dedicated energy crops.

 (C) Research and development.

 Research and development described in subparagraph (B)

 shall evaluate the effectiveness of risk management tools

 for the production of dedicated energy crops, including

 policies and plans of insurance that

 (i) are based on market prices and yields;

 (ii) to the extent that insufficient data exist to

 develop a policy based on market prices and yields,

 evaluate the policies and plans of insurance based

 on the use of weather or rainfall indices to protect

 the interests of crop producers; and

 (iii) provide protection for production or revenue losses,

 or both.

 (12) Aquaculture insurance policy.

 (A) Definition of aquaculture.

 In this subsection:

 (i) In general.--The term `aquaculture' means the

 propagation and rearing of aquatic species in

 controlled or selected environments, including shellfish

 cultivation on grants or leased bottom and ocean ranching.

 (ii) Exclusion.

 The term `aquaculture' does not include the private ocean

 ranching of Pacific salmon for profit in any State in

 which private ocean ranching of Pacific salmon is prohibited

 by any law (including regulations).

 (B) Authority.

 (i) In general.

 As soon as practicable after the date of enactment of

 the Food, Conservation, and Energy Act of 2008, the

 Corporation shall offer to enter into 3 or more contracts

 with qualified entities to carry out research and development

 regarding a policy to insure the production of aquacultural

 species in aquaculture operations.

 (ii) Bivalve species.

 At least 1 of the contracts described in clause (i)

 shall address insurance of bivalve species, including

 (I) American oysters (crassostrea virginica);

 (II) hard clams (mercenaria mercenaria);

 (III) Pacific oysters (crassostrea gigas);

 (IV) Manila clams (tapes phillipinnarium); or

 (V) blue mussels (mytilus edulis).

 (iii) Freshwater species.

 At least 1 of the contracts described in clause (i)

 shall address insurance of freshwater species, including

 (I) catfish (icataluridae);

 (II) rainbow trout (oncorhynchus mykiss);

 (III) largemouth bass (micropterus salmoides);

 (IV) striped bass (morone saxatilis);

 (V) bream (abramis brama);

 (VI) shrimp (penaeus); or

 (VII) tilapia (oreochromis niloticus).

 (iv) Saltwater species.--At least 1 of the contracts

 described in clause (i) shall address insurance of

 saltwater species, including

 (I) Atlantic salmon (salmo salar); or

 (II) shrimp (penaeus).

 (C) Research and development.

 Research and development described in subparagraph (B)

 shall evaluate the effectiveness of policies and plans

 of insurance for the production of aquacultural species

 in aquaculture operations, including policies and plans

 of insurance that

 (i) are based on market prices and yields;

 (ii) to the extent that insufficient data exist to

 develop a policy based on market prices and yields,

 evaluate how best to incorporate insuring of production

 of aquacultural species in aquaculture operations into

 existing policies covering adjusted gross revenue; and

 (iii) provide protection for production or revenue

 losses, or both.

 (13) Poultry insurance policy.

 (A) Definition of poultry.

 In this paragraph, the term `poultry' has the meaning given

 the term in section 2(a) of the Packers and Stockyards Act,

 1921 (7 U.S.C. 182(a)).

 (B) Authority.

 The Corporation shall offer to enter into 1 or more contracts

 with qualified entities to carry out research and development

 regarding a policy to insure commercial poultry production.

 (C) Research and development.

 Research and development described in subparagraph (B) shall

 Evaluate the effectiveness of risk management tools for the

 production of poultry, including policies and plans of insurance

 that provide protection for production or revenue losses, or

 both, while the poultry is in production.

 (14) Apiary policies.

 The Corporation shall offer to enter into a contract with a qualified

 entity to carry out research and development regarding insurance

 policies that cover loss of bees.

 (15) Adjusted gross revenue policies for beginning producers.

 The Corporation shall offer to enter into a contract with a qualified

 entity to carry out research and development into needed modifications

 of adjusted gross revenue insurance policies, consistent with principles

 of actuarial sufficiency, to permit coverage for beginning producers

 with no previous production history, including permitting those

 producers to have production and premium rates based on information

 with similar farming operations.

 (16) Skiprow cropping practices.

 (A) In general.

 The Corporation shall offer to enter into a contract with a

 qualified entity to carry out research into needed modifications

 of policies to insure corn and sorghum produced in the Central

 Great Plains (as determined by the Agricultural Research Service)

 through use of skiprow cropping practices.

 (B) Research.

 Research described in subparagraph (A) shall:

 (i) review existing research on skiprow cropping practices

 and actual production history of producers using skiprow

 cropping practices; and

 (ii) evaluate the effectiveness of risk management tools

 for producers using skiprow cropping practices, including

 (I) the appropriateness of rules in existence as

 of the date of enactment of this paragraph relating

 to the determination of acreage planted in skiprow

 patterns; and

 (II) whether policies for crops produced through

 skiprow cropping practices reflect actual production

 capabilities.''.