

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 philippinarium*); 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.''.