

113TH CONGRESS  
1ST SESSION

# H. R. 1589

To expand the noninsured crop assistance program established by the Federal Agriculture Improvement and Reform Act of 1996 to provide coverages for eligible crops under the program equivalent to additional coverage available under the Federal Crop Insurance Act.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 2013

Mr. WELCH (for himself and Mr. GIBSON) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To expand the noninsured crop assistance program established by the Federal Agriculture Improvement and Reform Act of 1996 to provide coverages for eligible crops under the program equivalent to additional coverage available under the Federal Crop Insurance Act.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Farm Insurance  
5 Act of 2013”.

1 **SEC. 2. NONINSURED CROP ASSISTANCE PROGRAM.**

2 Section 196 of the Federal Agriculture Improvement  
3 and Reform Act of 1996 (7 U.S.C. 7333), as amended  
4 by section 11013(b)) is further amended—

5 (1) in subsection (a)—

6 (A) by striking paragraph (1) and insert-  
7 ing the following new paragraph:

8 “(1) IN GENERAL.—

9 “(A) COVERAGES.—In the case of an eligi-  
10 ble crop described in paragraph (2), the Sec-  
11 retary of Agriculture shall operate a noninsured  
12 crop disaster assistance program to provide cov-  
13 erages based on individual yields (other than  
14 for value-loss crops) equivalent to—

15 “(i) catastrophic risk protection avail-  
16 able under section 508(b) of the Federal  
17 Crop Insurance Act (7 U.S.C. 1508(b)); or

18 “(ii) additional coverage available  
19 under subsections (c) and (h) of section  
20 508 of that Act (7 U.S.C. 1508) that does  
21 not exceed 65 percent.

22 “(B) ADMINISTRATION.—The Secretary  
23 shall carry out this section through the Farm  
24 Service Agency (referred to in this section as  
25 the ‘Agency’).”; and

26 (B) in paragraph (2)(A)—

1 (i) in clause (i), by striking “and”  
2 after the semicolon at the end;

3 (ii) by redesignating clause (ii) as  
4 clause (iii); and

5 (iii) by inserting after clause (i) the  
6 following new clause:

7 “(ii) for which additional cov-  
8 erage under subsections (c) and (h) of  
9 section 508 of that Act (7 U.S.C.  
10 1508) is not available; and”;

11 (2) in subsection (d), by striking “The Sec-  
12 retary” and inserting “Subject to subsection (l), the  
13 Secretary”; and

14 (3) by adding at the end the following new sub-  
15 section:

16 “(l) PAYMENT EQUIVALENT TO ADDITIONAL COV-  
17 ERAGE.—

18 “(1) IN GENERAL.—The Secretary shall make  
19 available to a producer eligible for noninsured assist-  
20 ance under this section a payment equivalent to an  
21 indemnity for additional coverage under subsections  
22 (c) and (h) of section 508 of the Federal Crop In-  
23 surance Act (7 U.S.C. 1508) that does not exceed  
24 65 percent of the established yield for the eligible  
25 crop on the farm, computed by multiplying—

1           “(A) the quantity that is not greater than  
2           65 percent of the established yield for the crop,  
3           as determined by the Secretary, specified in in-  
4           crements of 5 percent;

5           “(B) 100 percent of the average market  
6           price for the crop, as determined by the Sec-  
7           retary; and

8           “(C) a payment rate for the type of crop,  
9           as determined by the Secretary, that reflects—

10           “(i) in the case of a crop that is pro-  
11           duced with a significant and variable har-  
12           vesting expense, the decreasing cost in-  
13           curred in the production cycle for the crop  
14           that is, as applicable—

15                   “(I) harvested;

16                   “(II) planted but not harvested;

17                   or

18                   “(III) prevented from being  
19                   planted because of drought, flood, or  
20                   other natural disaster, as determined  
21                   by the Secretary; or

22           “(ii) in the case of a crop that is pro-  
23           duced without a significant and variable  
24           harvesting expense, such rate as shall be  
25           determined by the Secretary.

1           “(2) PREMIUM.—To be eligible to receive a pay-  
2           ment under this subsection, a producer shall pay—

3                   “(A) the service fee required by subsection  
4                   (k); and

5                   “(B) a premium for the applicable crop  
6                   year that is equal to the product obtained by  
7                   multiplying—

8                           “(i) the number of acres devoted to  
9                           the eligible crop;

10                           “(ii) the established yield for the eligi-  
11                           ble crop, as determined by the Secretary  
12                           under subsection (e);

13                           “(iii) the coverage level elected by the  
14                           producer;

15                           “(iv) the average market price, as de-  
16                           termined by the Secretary; and

17                           “(v) .0525.

18           “(3) LIMITED RESOURCE, BEGINNING, AND SO-  
19           CIALLY DISADVANTAGED FARMERS.—The additional  
20           coverage made available under this subsection shall  
21           be available to limited resource, beginning, and so-  
22           cially disadvantaged producers, as determined by the  
23           Secretary, in exchange for a premium that is 50 per-  
24           cent of the premium determined for a producer  
25           under paragraph (2).

1           “(4) PREMIUM PAYMENT AND APPLICATION  
2 DEADLINE.—

3           “(A) PREMIUM PAYMENT.—A producer  
4 electing additional coverage under this sub-  
5 section shall pay the premium amount owed for  
6 the additional coverage by September 30 of the  
7 crop year for which the additional coverage is  
8 purchased.

9           “(B) APPLICATION DEADLINE.—The latest  
10 date on which additional coverage under this  
11 subsection may be elected shall be the applica-  
12 tion closing date described in subsection (b)(1).

13           “(5) EFFECTIVE DATE.—Additional coverage  
14 under this subsection shall be available beginning  
15 with the 2014 crop.”.

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