

Hemp Crop Insurance Update: 'Whole-Farm' Coverage to Include Hemp

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The unavailability of crop insurance for hemp has long been a source of frustration and risk for growers in North Carolina, especially in the wake of recent disaster events like Hurricane Florence.

On August 27, the United States Department of Agriculture's Risk Management Agency (which, among other things, oversees federal crop insurance), announced the availability of whole-farm "coverage for hemp grown for fiber, flower or seeds" for the 2020 grow year.

A "Whole-Farm" policy insures all commodities on a farm, under one policy, against unavoidable natural causes of loss (e.g., hurricanes and other natural disasters). This type of coverage is most often seen with specialty crops, organic grows, and the like. It is available for any farm with up to \$8.5 million in insured revenue in all counties of North Carolina. The coverage period is the duration of the grower's tax year. More information on the program can be found [here](#).

For growers of hemp, this type of whole-farm insurance coverage is now available for "producers who are in areas covered by USDA-approved hemp plans or who are part of approved state or university research pilot programs." North Carolina has not yet submitted a hemp plan to the USDA for approval, but its legitimate hemp growers are licensed under the North Carolina Industrial Hemp Pilot Program, making them eligible for consideration for this coverage. There are several additional conditions that must be met for coverage, however, including that the grower must have a contract in place for the purchase of the insured hemp.

While there still is a long way to go before growers have the benefit of fully developed hemp crop insurance, the inclusion of hemp in whole-farm coverage is a significant step forward. Ward and Smith's Hemp Law team is committed to the industry and is available to assist, providing full-service legal representation to hemp growers, breeders, processors, and retailers, in all stages.

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