The Opportunity

• Small, Organic and Diversified Farms have lacked access to a Safety Net that commodity producers have had for years.

• Whole Farm Revenue Protection is now available nationwide after much advocacy and effort

• Those of us who work with producers are in a position to encourage them to consider obtaining coverage

• The program needs to be tested and improved upon so that it can work for its intended target
History of U.S. Crop Insurance

• 1930s – Programs created to help farmers recover from Great Depression and Dust Bowl.

• 1938 – Federal Crop Insurance Corporation formed.
• 1980 – Federal Crop Insurance Act (FCIA)
  • Required crop insurance to be sold and serviced by the private sector
  • Premium subsidies and government payment of insurance company delivery costs.
  • Makes programs very lucrative for farmers and insurers.

• 1994 – Updated FCIA
  • Mandatory crop insurance to benefit from USDA programs
  • Reduced farm program protection, shifts to private insurance
  • Catastrophic Coverage Created (>50% loss)
  • Crop Insurance grows 100% from 1993-1998
• 1996 – Risk Management Agency formed – assumes control of FCIC.
  • Repeal of mandatory crop insurance

• 1999 - Adjusted Gross Revenue and AGR-Lite pilot programs: first whole farm revenue insurance program
  • Limited geographic scope
  • Only covered 75% or 90% of the coverage level (i.e. 80% coverage x 75% level = Actual 60% coverage of losses greater than 20%)
• 2000 – Agricultural Risk Protection Act
  • Increases role of private market
  • Premium subsidies introduced to encourage farmers to purchase higher levels of insurance.

• 2014 Farm Bill – Whole Farm Revenue Protection
  • No Schedule F allowance for beginning farmers
  • Higher restrictions on animal and orchard coverage
Crop Insurance Basics

• Crop insurance is purchased by agricultural producers, including farmers, ranchers, and others to protect themselves against either the loss of their crops due to natural disasters, such as hail, drought, and floods, or the loss of revenue due to declines in the prices of agricultural commodities.

• The two general categories of crop insurance are called crop-yield insurance and crop-revenue insurance.
Crop Insurance Basics

• Helps producers manage farming risks
  • Moves a portion of the risk of losing production or revenue on to an Approved Insurance Provider. Also known as a crop insurance company.

• Subsidized Premium Rates
  • This makes the risk tool more affordable to all producers.