

## A modernized crop insurance program will:

### LEVEL THE PLAYING FIELD FOR FAMILY FARMERS

- The crop insurance program uses taxpayer dollars to disproportionately support the largest and wealthiest farms, while underserving small and midsize farms, diversified operations, and beginning and socially disadvantaged farmers.
  - *In 2011, 2% of farms received premium subsidies averaging \$82,223; the other 98% received an average of \$7,639.*<sup>1</sup>
  - *Just 10 percent of farms receive 54 percent of all crop insurance premium subsidies.*<sup>1</sup>
- Crop insurance premium subsidies are unlimited, which provides the largest producers with a publicly funded source of revenue with which to buy more land. This inflates land prices beyond the reach of many family farmers.
  - *In 2014, researchers found that 12 to 40 percent of the value of farmland could be explained by farm policy payments.*<sup>2</sup>

### IMPROVE EFFICIENCY AND SAVE TAXPAYER DOLLARS

- At a taxpayer cost of approximately \$8–9 billion per year, the federal crop insurance program is the costliest farm program. Despite its hefty price tag, the crop insurance program does not include any income eligibility limits or requirements.
- If crop insurance premium subsidies were capped at \$50,000 per year per farm, only 2.5% of farmers would be impacted – that 2.5% would continue to receive unsubsidized insurance above the capped amount.<sup>3</sup>



### INCENTIVIZE NATURAL RESOURCE STEWARDSHIP

- The limited availability of policies for specialty and organic crops discourages farmers from growing the crops that are best suited to the land and climate.
  - *Most individual policies, particularly for fruit, vegetable, and organic crops are only available in a few areas. For example, the policy for green beans is only available in 3 states (VA, NY, NC) and the strawberry policy is only available in one state (CA).*
- 45% of farmers<sup>4</sup> reported that they were interested in trying cover crops, but did not do so because they were concerned about complications with crop insurance.
- Over 8 million acres of native grasslands would not have been lost to crop production if there had not been incentives to do so created by the crop insurance program.<sup>5</sup>



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<sup>1</sup> Land Stewardship Project, "New Analysis: Unlimited crop insurance program fuels land & wealth consolidation in Minn. & across the U.S." <http://landstewardshipproject.org/posts/668>

<sup>2</sup> University of Illinois, 2014. <http://policymatters.illinois.edu/the-link-between-farm-policy-and-farmland-values>

<sup>3</sup> According to a GAO Report: Crop Insurance Savings Would Result from Program Changes and Greater Use of Data Mining. <http://www.gao.gov/assets/590/589305.pdf>

<sup>4</sup> According to a 2015 survey by the National Wildlife Federation.

<sup>5</sup> According to a Center for Agriculture and Rural Development study using 2012 covered acreage.