# Federal Crop Insurance Background And Issues

Governments in developing countries have been increasingly involved in the support of agricultural (crop and livestock) insurance programs in recent years. In their attempts to design and implement agricultural insurance, they have sought technical and financial assistance from the international community and particularly from the World Bank. One of the recurrent requests from governments regards international experience with agricultural insurance, not only in developed countries, where in some cases agricultural insurance has been offered for more than a century, but also in middleand low-income countries. Governments are particularly interested in the technical, operational, financial, and institutional aspects of public support to agricultural insurance. 'Government Support to Agricultural Insurance' informs public and private decision makers involved in agricultural insurance about recent developments, with a particular focus on middle- and low-income countries. It presents an updated picture of the spectrum of institutional frameworks and experiences with agricultural insurance, ranging from countries in which the public sector provides no support to those in which governments heavily subsidize agricultural insurance. This analysis is based on a survey conducted by the World Bank s agricultural insurance team in 2008 in 65 developed and developing countries. Drawing on the survey results, the book identifies some key roles governments can play to support the development of sustainable, affordable, and cost-effective agricultural insurance programs.

The federal crop insurance program (FCIP) offers farmers the opportunity to purchase insurance coverage against financial losses caused by a wide variety of perils, including certain adverse growing and market conditions. The federal government subsidizes the premiums that farmers pay for these insurance policies to encourage farmer participation. Farmers can choose among many types of policies and policy options to customize the coverage to their farm businesses' specific needs. Private-sector companies sell and service the policies; the U.S. Department of Agriculture (USDA) plays critical roles in subsidizing, regulating, and reinsuring the policies. The FCIP was created in 1938 as part of the agricultural policy response to the Great Depression. The FCIP plays a prominent role in helping producers manage financial risk. In crop year 2019, the program sold more than 2 million policies and insured crops and livestock valued at more than $116 billion, equivalent to about 28% of the value of U.S. agricultural production. More than 90% of planted acres for corn, soybeans, and cotton and more than 85% of wheat planted acres were insured through the FCIP. In all, the FCIP provided coverage for 124 commodities and offered 19 types of insurance policies. Sixteen companies sold crop insurance to farmers through the program, and farmers enrolled a record high 379.9 million acres in 2019.The FCIP is a central component of the federal farm safety net, which is a collection of programs that provide risk protectionand financial support to U.S. farmers in times of low farm prices and natural disasters. For 2014-2018, the FCIP accountedfor the largest share (52%) of payments to farmers from farm safety net programs. The FCIP also supports conservationpolicy goals through conservation compliance requirements and contributes to the stability of agricultural credit markets.Congress may be interested in understanding how FCIP implementation affects which farmers purchase crop insurance andthe types of insurance they purchase, as well as the associated costs to the U.S. taxpayer for providing that coverage.Congress may also be interested in ways to expand coverage options, improve the program's efficiency and actuarialperformance, provide outreach to farmers who have not previously participated in the program, and in evaluating the program against its policy objectives for the agricultural sector.

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This book introduces the concept of soil security and its five dimensions: Capability, Capital, Condition, Connectivity and Codification. These five dimensions make it possible to understand soil's role in delivering ecosystem services and to quantify soil resource by measuring, mapping, modeling and managing it. Each dimension refers to a specific aspect: contribution to global challenges (Capability), value of the soil (Capital), current state of the soil (Condition), how people are connected to the soil (Connectivity) and development of good policy (Codification). This book considers soil security as an integral part of meeting the ongoing challenge to maintain human health and secure our planet's sustainability. The concept of soil security helps to achieve the need to maintain and improve the world’s soil for the purpose of producing food, fiber and freshwater, and contributing to energy and climate sustainability. At the same time it helps to maintain biodiversity and protects ecosystem goods and services.

An unsettling journey into the United States' disaster-bound food system, and an exploration of possible solutions, from leading food politics commentator and farmer-turned-journalist Tom Philpott. More than a decade after Michael Pollan's game-changing The Omnivore's Dilemma transformed the conversation about what we eat, a combination of global diet trends and corporate interests have put American agriculture into a state of "quiet emergency," from dangerous drought in California--which grows more than fifty percent of the fruits and vegetables we eat--to catastrophic topsoil loss in the "breadbasket" heartland of the United States. Whether or not we take heed, these urgent crises of industrial agriculture will define our future. In Perilous Bounty, veteran journalist and former farmer Tom Philpott explores and exposes the small handful of seed and pesticide corporations, investment funds, and magnates who benefit from the trends that imperil us, with on-the-ground dispatches featuring the scientists documenting the damage and the farmers and activists who are valiantly and inventively pushing back. Resource scarcity looms on the horizon, but rather than pointing us toward an inevitable doomsday, Philpott shows how the entire wayward ship of American agriculture could be routed away from its path to disaster. He profiles the farmers and communities in the nation's two key growing regions developing resilient, soil-building, water-smart farming practices, and readying for the climate shocks that are already upon us; and he explains how we can help move these methods from the margins to the mainstream.

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These OECD workshop proceedings examine the various risk strategies used by farm households, in particular those attracting renewed interest such as diversification of income sources, vertical co-ordination, hedging on futures markets, insurance coverage and public safety-nets.

U.S. farmers grow more than 350 types of fruit, vegetable, tree nut, flower, nursery, and other horticultural crops in addition to the major bulk commodity crops. Specialty crop producers are ineligible for the federal commodity price and income support programs that benefit commodity crop producers (e.g. grains and cotton); however, they are eligible for other types of USDA support. Unlike federal support for commodity crops, support for specialty crops spans a wide range of existing USDA programs, many of which also provide support to other agricultural commodities. These include marketing and promotion programs, crop insurance and disaster assistance, plant pest and disease protections, trade assistance, and research and extension services. This book examines specialty crop federal programs and insurance with a focus on their background and legislative proposals.

Drought is a natural hazard with potentially significant societal, economic, and environmental consequences. Public policy issues related to drought range from how to identify and measure drought to how best to prepare for, respond to, and mitigate drought impacts, and who should bear such costs. This report provides information relevant to drought policy discussions by describing the physical causes of drought, drought history in the United States, examples of regional drought conditions, and policy challenges related to drought. What is drought? Drought is commonly defined as a lack of precipitation over an extended period of time, usually a season or more, relative to some long-term average condition. While the technology and science to predict droughts have improved, regional predictions remain limited to a few months in advance. History suggests that severe and extended droughts are inevitable and part of natural climate cycles. What causes drought? The physical conditions causing drought in the United States are increasingly understood to be linked to sea surface temperatures (SSTs) in the tropical Pacific Ocean. Studies indicate that cooler-than-average SSTs have been connected to the severe western drought in the first decade of the 21st century, severe droughts of the late 19th century, and precolonial North American “megadroughts.” The 2011 severe drought in Texas is thought to be linked to La Niña conditions in the Pacific Ocean. What is the future of drought in the United States? The prospect of extended droughts and more arid baseline conditions in parts of the United States could suggest new challenges to federal water projects, which were constructed largely on the basis of 20th century climate conditions. Some studies suggest that the American West may be transitioning to a more arid climate, possibly resulting from the buildup of greenhouse gases in the atmosphere, raising concerns that the region may become more prone to extreme drought it was in the 20th century. Some models of future climate conditions also predict greater fluctuations in wet and dry years. California's 2007-2009 drought exacerbated ongoing tensions among competing water uses. While drought is most common in California and the Southwest, drought also can exacerbate water tensions in other regions. For example, the 2007-2008 drought in the Southeast heightened a long-standing dispute in the Apalachicola-Chattahoochee-Flint River (ACF) basin. Both California and the ACF are again experiencing drought conditions, as are the Rio Grande and Upper Colorado River basins. What are some drought policy challenges? Although the impacts of drought can be significant nationally as well as regionally, comprehensive national drought policy does not exist. Developing such a policy would represent a significant challenge because of split federal and non-federal responsibilities, the existing patchwork of federal drought programs, and differences in regional conditions and risks. While a comprehensive national policy has not been enacted, Congress has considered and acted upon some of the recommendations issued by the National Drought Policy Commission in 2000. In coming years, Congress may review how federal agencies such as the U.S. Army Corps of Engineers and the Bureau of Reclamation respond to droughts. Congress may also assess other federal programs or choose to reassess the National Drought Policy Commission's recommendations.

At the intersection of the growing national conversation about our food system and the long-running debate about our government’s role in society is the complex farm bill. American farm policy, built on a political coalition of related interests with competing and conflicting demands, has proven incredibly resilient despite development and growth. In The Fault Lines of Farm Policy Jonathan Coppess analyzes the legislative and political history of the farm bill, including the evolution of congressional politics for farm policy. Disputes among the South, the Great Plains, and the Midwest form the primordial fault line that has defined the debate throughout farm policy’s history. Because these regions formed the original farm coalition and have played the predominant roles throughout, this study concentrates on the three major commodities produced in these regions: cotton, wheat, and corn. Coppess examines policy development by the political and congressional interests representing these commodities, including basic drivers such as coalition building, external and internal pressures on the coalition and its fault lines, and the impact of commodity prices. This exploration of the political fault lines provides perspectives for future policy discussions and more effective policy outcomes. Government subsidized crop insurance has been used by a number of developed countries as a mechanism to reduce farm income instability by reducing yield risks. This book provides an in-depth analysis and evaluation of government provided crop insurance in developed countries. The book is organized into three sections: Part one presents background material on crop insurance programs in the U.S., Canada and selected other countries. Part two provides some analytical models of multiple peril crop insurance which suggest the possibility of modification of design which could improve performance and which explores theoretical linkages between crop insurance decisions and other producer decisions previously not analyzed. The main part of the book is Part three, where the results of a series of empirical studies using databases particularly designed to answer crop insurance questions are presented. This part of the book tests a number of the hypotheses which were raised in Parts one and two regarding reasons for the view widely held by economists that crop insurance has not functioned well.

Cropland has been shifting to larger farms. The shifts have been large, centered on a doubling of farm size over 20-25 years, and they have been ubiquitous across States and commodities. But the shifts have also been complex, with land and production shifting primarily from mid-size commercial farming operations to larger farms, while the count of very small farms increases. Larger crop farms still realize better financial returns, on average, and they are able to make more intensive use of their labor and capital resources, indicating that the trends are likely to continue. The report relies on comprehensive farm-level data to detail changes in farm size and other attributes of farm structure, and to evaluate the key driving forces, including technologies, farm organization and business relationships, land attributes, and government policies.

This book serves as a foundational reference of U.S. land settlement and early agricultural policy, a comprehensive journey through the evolution of 20th century agricultural policy, and a detailed guide to the key agricultural policy issues of the early 21st century. This book integrates the legal, economic and political concepts and ideas that guided U.S. agricultural policy from colonial settlement to the 21st century, and it applies those concepts to the policy issues agriculture will face over the next generation. The book is organized into three sections. Section one introduces the main themes of the book, explores the pre-Columbian period and early European settlement, and traces the first 150 years of U.S. agricultural policy starting with the post revolution period and ending with the “golden age” of agriculture in the early 20th century. Section two outlines that grand bargain of the 1930s that initiated the modern era of government intervention into agricultural markets and traces this policy evolution to the early days of the 21st century. The third section provides an in-depth examination of six policy issues that dominate current policy discussions and will impact policy decisions for the next generation: trade, environment/conservation, commodity checkoff programs, crop insurance, biofuels, and domestic nutrition programs.

Margin Protection Program for Dairy and Dairy Product Donation Program (US Commodity Credit Corporation Regulation) (CCC) (2018 Edition) The Law Library presents the complete text of the Margin Protection Program for Dairy and Dairy Product Donation Program (US Commodity Credit

Corporation Regulation) (CCC) (2018 Edition). Updated as of May 29, 2018 This rule implements regulations for the Margin Protection Program for Dairy (MPP-Dairy) and the Dairy Product Donation Program (DPDP) as authorized in subtitle D of the Agricultural Act of 2014 (the 2014 Farm Bill). MPP-Dairy provides dairy producers with risk management coverage that will pay producers when the difference between the price of milk and the cost of feed (the margin) falls below a certain level. MPP-Dairy provides basic catastrophic level coverage for an administrative fee, and greater coverage for a premium in addition to the administrative fee. Amounts of coverage and premiums vary based on producer selections. This rule specifies the eligibility requirements and payment formulas for MPP-Dairy. Under the related DPDP, which is a complimentary program designed to support producer margins by increasing the price of milk, the U.S. Department of Agriculture (USDA) will buy dairy products when the margin falls below a certain level, and will distribute those products to individuals in low-income groups through public and private non-profit organizations. The Farm Service Agency (FSA) will operate both programs using funds of the Commodity Credit Corporation (CCC). The USDA Food and Nutrition Service (FNS) will assist in the distribution of the dairy products under DPDP. This book contains: - The complete text of the Margin Protection Program for Dairy and Dairy Product Donation Program (US Commodity Credit Corporation Regulation) (CCC) (2018 Edition) - A table of contents with the page number of each section

This report discusses several programs operated by the U.S. Department of Agriculture (USDA) that supplement the income of farmers and ranchers in times of low farm prices and natural disasters. Federal crop insurance, farm programs, and disaster assistance are collectively called the farm safety net.

The U.S. Department of Agriculture (USDA) offers several permanently authorised programs to help farmers recover financially from a natural disaster, including federal crop insurance, the Noninsured Crop Disaster Assistance Program (NAP), and emergency disaster loans. The federal crop insurance program is designed to protect crop producers from unavoidable risks associated with adverse weather, and weather-related plant diseases and insect infestations. Under the emergency disaster loan program, when a county has been declared a disaster area by either the President or the Secretary of Agriculture, agricultural producers in that county may become eligible for low-interest loans. This book provides an overview and history of the current USDA disaster assistance programs.

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and the extent to which RMA's premium rates, as implemented, cover expected losses.

The federal crop insurance program is considered by many farmers and policy makers as the centerpiece of the farm safety net. The program makes available subsidised insurance policies for about 130 commodities ranging from apples to wheat. These "multiple peril" policies help producers manage financial risks associated with crop yield or revenue losses. Insurable causes of losses include adverse weather (e.g., drought and flood), insects or disease outbreaks, and failure of irrigation water supply. The enacted 2014 farm bill enhances the federal crop insurance program by expanding its scope, covering a greater share of farm losses, and making a variety of other modifications that broaden policy coverage. This book describes in detail changes made to the program as part of the 2014 farm bill. It also discusses the agricultural disaster assistance.