Building a better future for family farms by strengthening the farm safety net

Americans rely on family farmers for the food on our tables, and we trust them to protect the lands they steward. Because of the important role farming plays in our lives and in our economy, it is in the public interest to help protect farmers against risk. There are many approaches to managing risk, including crop, enterprise, and market diversification, as well as investing in soil health and conservation. However, current agricultural risk management policy focuses primarily on taxpayer-subsidized crop insurance as the main federal farm safety net program.

Federal crop insurance is an important cornerstone of the farm safety net, but it must be improved to better serve all of America’s farmers equitably and use taxpayer dollars more efficiently. Currently, the federal crop insurance program excludes many types of farms and farmers, discourages sustainable practices, and encourages farm consolidation that further depopulates our rural communities. It also costs the public more than it should and lacks the transparency needed to ensure effectiveness.

For family farmers to successfully weather the challenges of a life in agriculture, they need a federal crop insurance program that is more efficient, effective, and responsive to the growing diversity of the industry. Farmers deserve a federal crop insurance program that works regardless of what they grow, encourages good land stewardship practices, and fosters a level playing field for all. In return for taxpayer support of the farm safety net, the American public deserves a crop insurance program that is as effective as it is accountable and transparent. A modernized federal crop insurance program will better support family farmers and rural communities, advance natural resource conservation, and save taxpayer dollars.

TO MAKE THE FEDERAL CROP INSURANCE PROGRAM MORE EFFECTIVE AND EFFICIENT FOR FARMERS AND THE AMERICAN TAXPAYER WE MUST:

- **Access**: ensure the program serves all types of farmers
- **Promote conservation**: remove barriers to sustainable farming practices and link premium subsidies to stewardship
- **Structural reform**: prevent the program from unfairly influencing markets, land access, or planting decisions
- **Improve delivery**: make the crop insurance program more transparent and efficient

WWW.ILISTEWARDS.ORG 217-528-1563 230 BROADWAY SUITE 200, SPRINGFIELD, IL
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.  
  - Just 10 percent of farms receive 54 percent of all crop insurance premium subsidies.

- 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.

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.

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 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.

LEARN MORE: HTTP://SUSTAINABLEAGRICULTURE.NET