



United States Department of Agriculture

The Role of Crop Insurance in Agricultural Risk Mitigation

U.S. Department of Agriculture
Risk Management Agency



- Benefits of Crop Insurance
- Program Growth
- Programs Meeting Diverse Needs

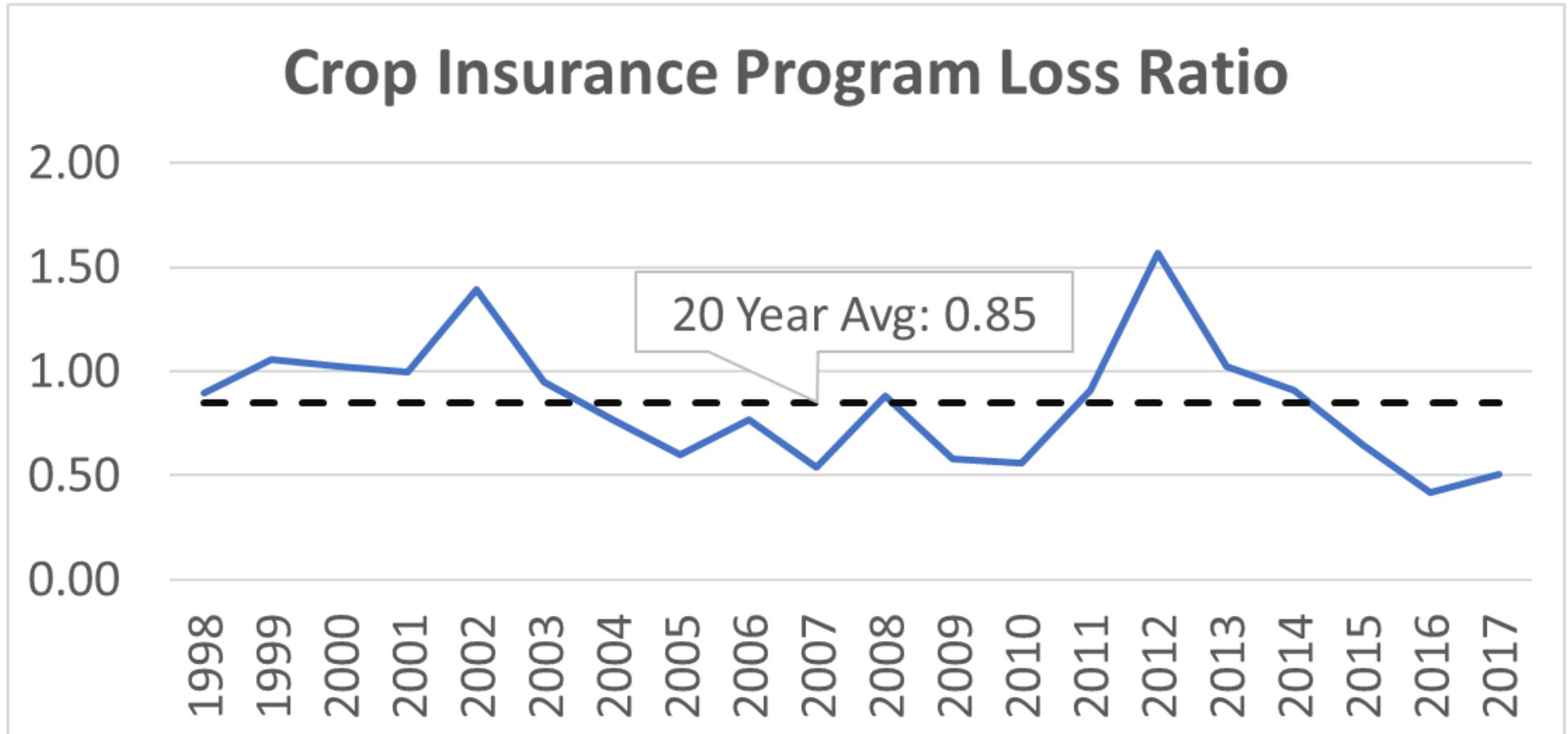
Benefits of Crop Insurance

- Farmers receive individualized risk management solutions
- Farmers share in the program cost and are responsible for their risk management choices
- Farmers can use crop insurance as collateral for loans
- Farmers can use crop insurance to improve their marketing plans
- Farmers receive payments in a timely manner through the private delivery system

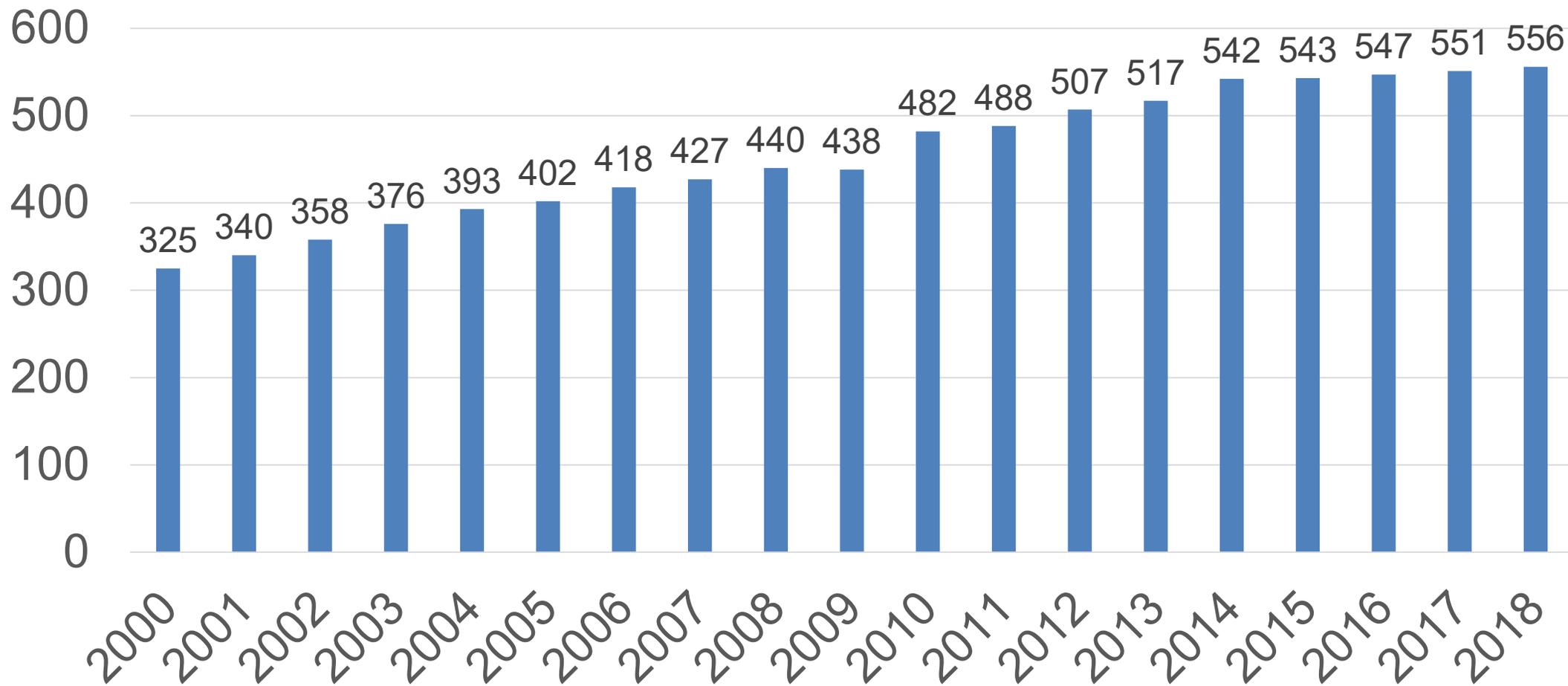
- Reduces financial stress
- Loans get paid
 - Farm credit system stabilized
 - Averted bankruptcies
- Suppliers get paid
 - Disruption to rural economy reduced
- Allows for longer-term perspective
 - Invest in new technologies
 - Conservation
- Programs can be adjusted quickly to meet stakeholder needs and address vulnerabilities.

Benefits of Crop Insurance

- Financially sound

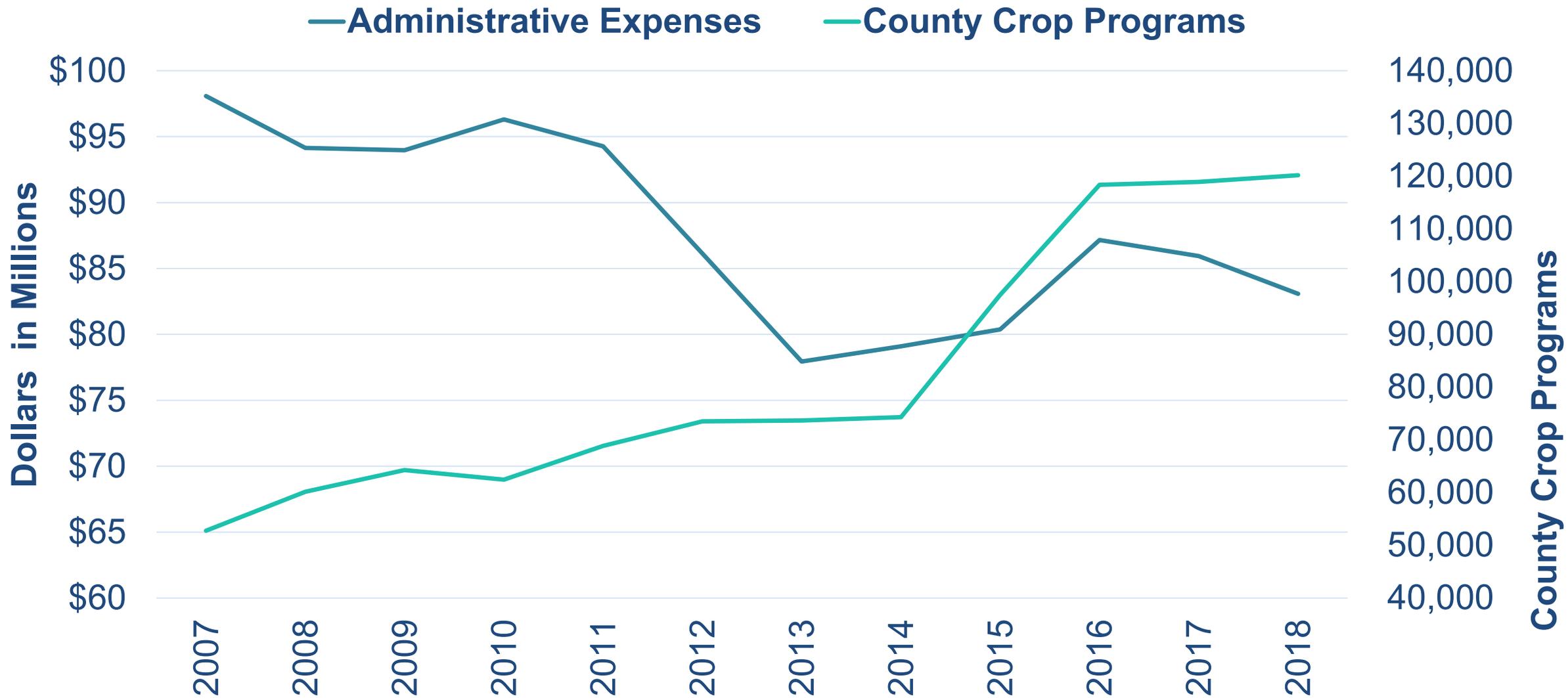


Number of Crops and Types Insured



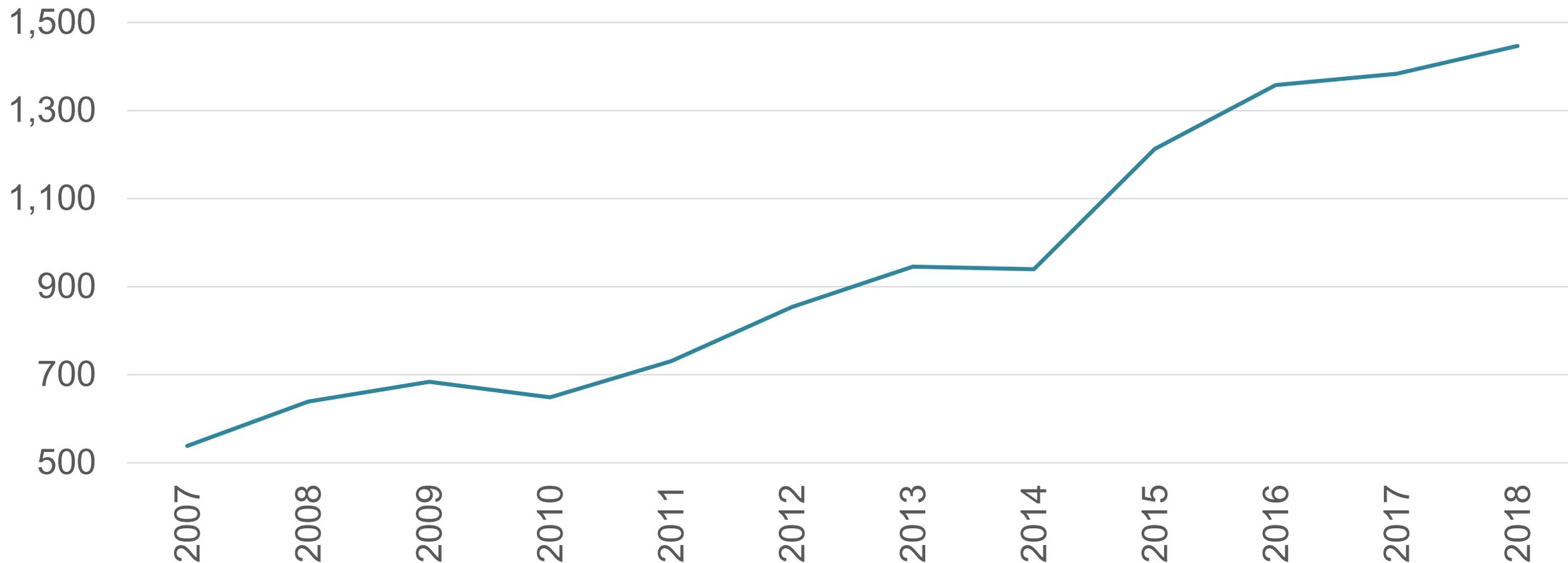


Program Growth



Program Growth

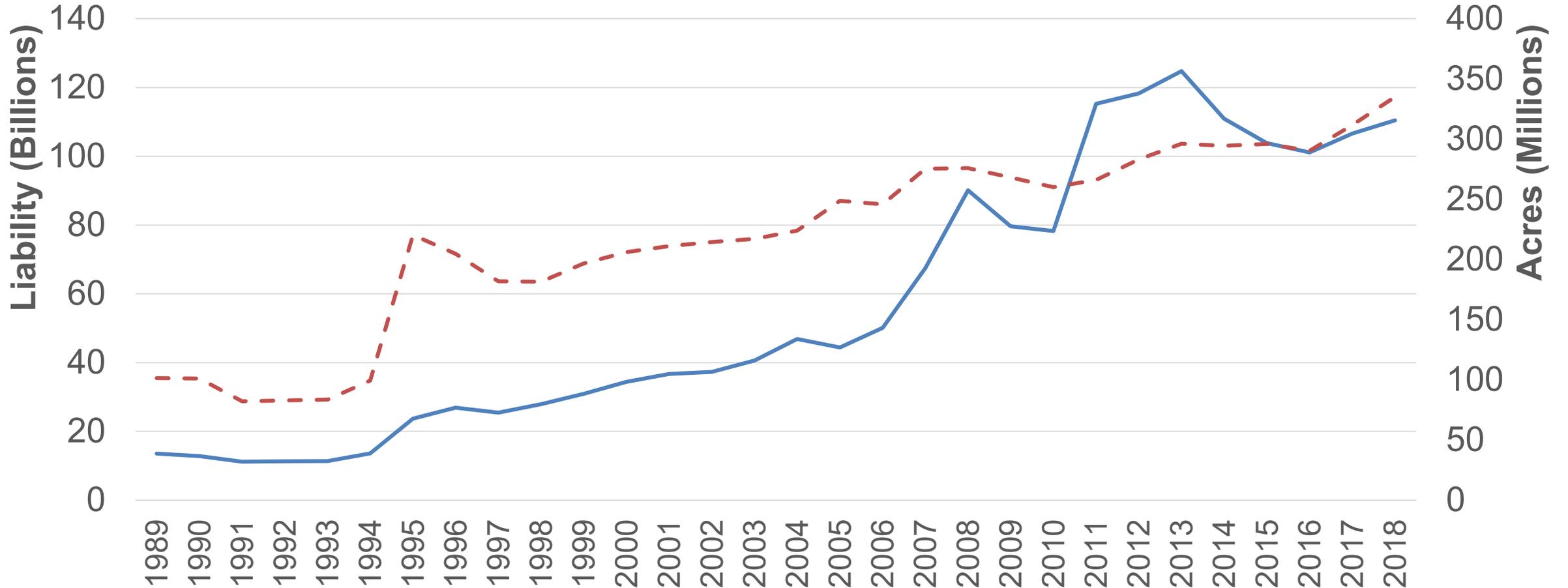
— Number of County Crop Programs per \$1 Million of S&E

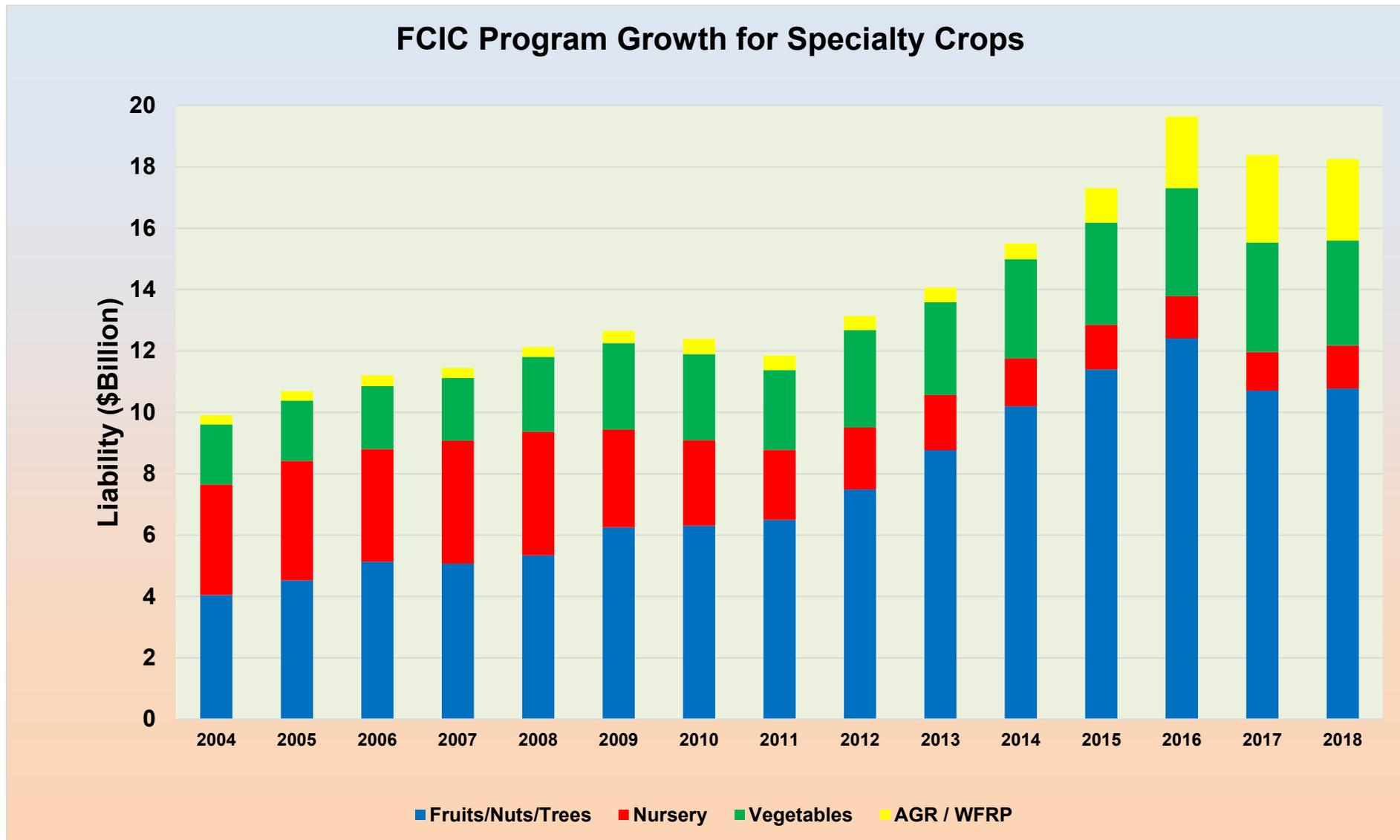


Program Growth

Growth in Liability and Acres Insured

— Liability - - Acres





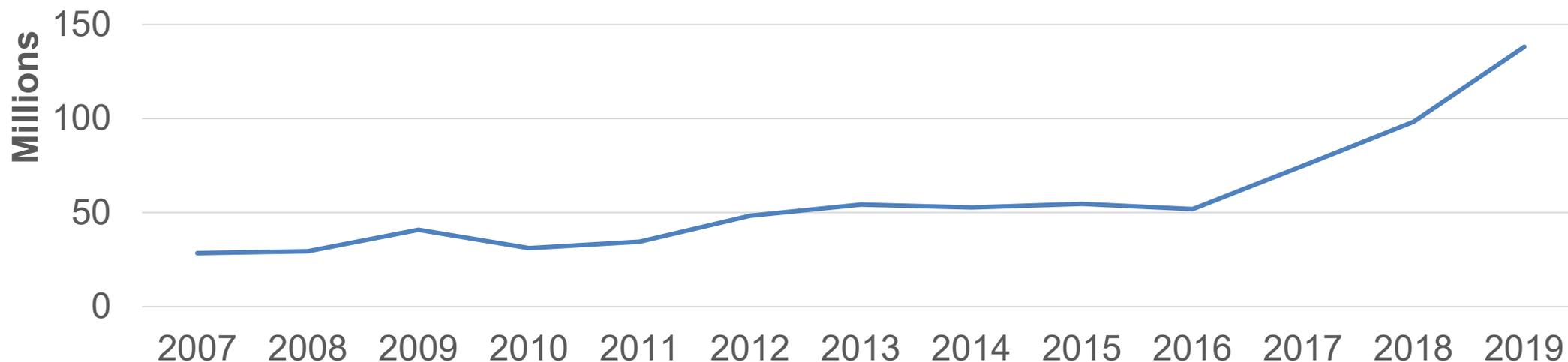
Programs Meeting Diverse Needs

- Whole Farm Revenue Protection (WFRP)
 - Provides revenue coverage for highly diversified farms
 - Provides revenue coverage for farms selling in wholesale markets
 - Provides revenue coverage for crops that do not have a traditional revenue product available
 - Provides coverage for quality deficiencies (as reflected in actual revenue).

	2015	2016	2017	2018
Policies	1,122	2,203	2,731	2,477
Liability	\$1.146 B	\$2.330 B	\$2.842 B	\$2,664
Avg Crops per Policy	3.34	3.71	4.01	4.04
Different Crops Insured	213	258	289	300

- Pasture, Rangeland, Forage (PRF)
 - PRF is an area program design based on NOAA Climate Prediction Center precipitation data
 - Program provides coverage for forage loss caused by lack of rainfall over two-month intervals
 - Farmers and ranchers can tailor coverage to meet their needs (e.g., selection of intervals, coverage level, productivity factor)

PRF Acres Insured





“USDA will be facts-based, data-driven, and customer-focused.”
- Secretary Sonny Perdue