

RESOLUTION # 23

CROP INSURANCE

1 **WHEREAS**, increasing operating costs in the public sector, combined with
2 decreasing revenues from a slowly recovering economy, have forced all levels of
3 government to seek every possible cost-reduction strategy; and

4 **WHEREAS**, in the federal government's agricultural programs, one of those cost-
5 reduction strategies has been to reduce or eliminate weather and other disaster
6 payments in favor of encouraging farmers to insure their crops; and

7 **WHEREAS**, federal agricultural programs have included offering subsidies for
8 the insurance premiums as a way of incentivizing farmers to enroll in crop insurance;
9 and

10 **WHEREAS**, New Jersey farmers' enrollment in such insurance programs ranges
11 from 97 percent for some eligible commodities to zero percent for others; and

12 **WHEREAS**, severe weather and market loss events of many types struck New
13 Jersey in 2013 and 2014, including continued recovery from devastating Super Storm
14 Sandy in 2012, all of which brought widespread, serious damage to crops, farm
15 structures and market of various types throughout the state; and

16 **WHEREAS**, the New Jersey Department of Agriculture fielded numerous calls
17 from farmers impacted by market and weather events, and many had chosen not to
18 insure their crops, leaving them only the option of low-interest disaster loans as a way of
19 recovering from the storm damage; and

20 **WHEREAS**, the Department learned from conversations with those farmers that
21 many did not have crop insurance for any number of reasons, including questions about
22 which crops in a multi-crop operation have to be insured, the cost of the premium and,

23 lastly, that many farmers believed that disaster payments of some kind would be made
24 by the federal government in order to keep individual farms from failing; and

25 **WHEREAS**, the approach of the federal government toward relying on
26 subsidized crop insurance premiums as a farmer's sole protection from the devastation
27 of severe weather events – including hurricanes, other persistent flooding rains, hail,
28 extreme heat, drought or any other extreme weather as well as Market Loss due to
29 quality and low prices – appears to be increasing rather than decreasing since it is a way
30 of addressing a farmer's losses without the additional expense of direct ad-hoc disaster
31 payments.

32 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 100th
33 State Agricultural Convention, assembled in Atlantic City, New Jersey, on February 4-5,
34 2015, call upon the New Jersey Department of Agriculture, the United States
35 Department of Agriculture (USDA), agricultural support groups such as New Jersey and
36 American Farm Bureau, Rutgers NJAES Extension Service, commodity groups, and all
37 others with knowledge of crop insurance programs at all levels, to continue aggressively
38 educating farmers about crop insurance in an age when straight disaster payments from
39 government are disappearing.

40 **BE IT FURTHER RESOLVED**, that we urge the USDA agencies responsible for
41 promoting and administering crop insurance to make every effort to streamline and
42 simplify the forms for applying for, and making claims upon, crop insurance.

43 **BE IT FURTHER RESOLVED**, that we urge the USDA agencies charged with
44 promoting and administering crop insurance programs to re-examine what types of crops
45 are eligible and under what circumstances, so that the widest possible number of
46 farmers will be able to avail themselves of such protection. USDA's Risk Management
47 Agency (RMA) currently only expands specific crop programs to additional counties if
48 there are at least a required number of acres of the crop and number of producers of the

49 crop in the potential expansion county, and most counties in the eastern U.S. cannot
50 meet the RMA requirements putting them at a Risk prevention disadvantage. We
51 continue to urge RMA to work in cooperation with USDA agencies to establish easier
52 ways to obtain crop insurance in counties where it is unavailable, be it through easier
53 written agreements or other modes.

54 **BE IT FURTHER RESOLVED**, that we urge a change in crop insurance program
55 guidelines so that farmers can choose which fields of specific crops on their farms are to
56 be insured instead of having to insure all the fields of specific types of crops on their
57 farms in order to have any of them insured.

58 **BE IT FURTHER RESOLVED**, that we recognize the farm bill has authorized
59 Noninsured Assistance Program (NAP) at buy-up to the 65-percent level and 100-
60 percent of price, and that USDA's Farm Service Agency is accepting applications from
61 farmers for the 2015 crop year, and we urge RMA that if at least one producer has an
62 imported crop policy from another county or one person buys a NAP policy for the crop,
63 that RMA should file the rates and rules to expand the program to the additional county
64 (technical term is to "approve the county" for the specific crop).

65 **BE IT FURTHER RESOLVED**, we urge that if RMA insures a specific crop
66 anywhere in a state, they should be required to approve it for all counties in the state in
67 order to avoid uneven opportunities for farmers based on their county.

68 **BE IT FURTHER RESOLVED**, that we urge the New Jersey Department of
69 Agriculture to work with the New Jersey Congressional Delegation to ensure that the
70 RMA rules within the five-year Farm Bill include the best possible crop insurance
71 provisions for farms in New Jersey, which typically are smaller than those in other states,
72 are more closely located to urban areas than in others states, and which produce a
73 preponderance of Specialty Crops and other products not included in the historical "Big
74 Five" commodities.