

## RESOLUTION # 20

### 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-related and other disaster  
6 payments in favor of encouraging farmers to insure their crops; and

7           **WHEREAS**, federal agricultural programs designed to spur more farmers to  
8 purchase crop insurance have included offering subsidies for the insurance premiums;  
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 routinely  
13 strike New Jersey throughout its growing seasons, ranging from severe heat and  
14 drought to unseasonable cold and devastating rain-and-wind storms, all of which bring  
15 widespread, serious damage to crops, farm structures and markets of various types  
16 throughout the state; and

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

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

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

26 **WHEREAS**, New Jersey has a rapidly expanding grape industry, with 51  
27 wineries and over 100 grape growers producing more than 80 varieties of grapes,  
28 ranging from the higher yielding native grape varieties to the higher valued varieties of  
29 French and Vinifera grapes; and

30 **WHEREAS**, viniculturists, in order to reduce risks associated with expansion,  
31 need a viable crop insurance program for New Jersey, and a survey should be funded to  
32 collect accurate information on the grape industry, based on acres of each variety type,  
33 past yields and value of the rapidly expanding grape industry; and

34 **WHEREAS**, the approach of the federal government toward relying on  
35 subsidized crop insurance premiums as a farmer's sole protection from the devastation  
36 of severe weather events – including hurricanes, other persistent flooding rains, hail,  
37 extreme heat, drought or any other extreme weather, as well as market loss due to  
38 quality and low prices – appears to be increasing rather than decreasing, since it is a  
39 way of addressing a farmer's losses without the additional expense of direct ad-hoc  
40 disaster payments.

41 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 101<sup>st</sup>  
42 State Agricultural Convention, assembled in Atlantic City, New Jersey, on February 10-  
43 11, 2016, call upon the New Jersey Department of Agriculture, the United States  
44 Department of Agriculture (USDA), agricultural support groups such as New Jersey and  
45 American Farm Bureau, Rutgers NJAES Extension Service, commodity groups, and all  
46 others with knowledge of crop insurance programs at all levels, to continue aggressively  
47 educating farmers about crop insurance in an age when straight disaster payments from  
48 government are disappearing.

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

52           **BE IT FURTHER RESOLVED**, that we urge the USDA agencies charged with  
53 promoting and administering crop insurance programs to re-examine what types of crops  
54 are eligible and under what circumstances, so that the widest possible number of  
55 farmers will be able to avail themselves of such protection. USDA's Risk Management  
56 Agency (RMA) currently only expands specific crop programs to additional counties if  
57 there are at least a required number of acres of the crop and number of producers of the  
58 crop in the potential expansion county, and most counties in the eastern U.S. cannot  
59 meet the RMA requirements, putting them at a risk-prevention disadvantage. We  
60 continue to urge RMA to work in cooperation with USDA agencies to establish easier  
61 ways to obtain crop insurance in counties where it is unavailable, be it through easier  
62 written agreements or other modes.

63           **BE IT FURTHER RESOLVED**, that we urge the USDA agency charged with  
64 administering crop insurance programs to implement a Viniculture Risk Program in 2016  
65 similar to that which is being used in New York, and especially on Long Island, since the  
66 New Jersey industry is similar to that area of the country, and that funding from the New  
67 Jersey Wine Industry Advisory Council be used to conduct a survey of the entire New  
68 Jersey wine industry to further define the New Jersey grape industry and assist in  
69 understanding the needs of the industry and building a stronger crop insurance program.

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

74           **BE IT FURTHER RESOLVED**, that we recognize the Farm Bill has authorized  
75           Noninsured Assistance Program (NAP) at buy-up to the 65 percent level and 100  
76           percent of price, and that USDA's Farm Service Agency is accepting applications from  
77           farmers for the 2016 crop year, and we urge RMA that if at least one producer has an  
78           imported crop policy from another county or one person buys a NAP policy for the crop,  
79           that RMA should file the rates and rules to expand the program to the additional county  
80           (technical term is to "approve the county" for the specific crop).

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

84           **BE IT FURTHER RESOLVED**, that we urge USDA to continue funding Crop  
85           Insurance Educational Programs for targeted states in order to continue aiding  
86           producers in changing their means of protecting the agriculture businesses of the state  
87           and to assist in developing new programs to protect significant crops being grown.

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