

RESOLUTION # 16

CROP INSURANCE

1 **WHEREAS**, increasing operating costs in the public sector have forced all levels
2 of government to seek every possible cost-reduction strategy; and

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

6 **WHEREAS**, federal agricultural programs designed to spur more farmers to
7 purchase crop insurance have included offering subsidies for the insurance premiums;
8 and

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

11 **WHEREAS**, severe weather and market loss events of many types routinely
12 strike New Jersey throughout its growing seasons, ranging from severe heat and
13 drought to unseasonable cold and devastating rain-and-wind storms, all of which bring
14 widespread, serious damage to crops, farm structures and markets of various types
15 throughout the state; and

16 **WHEREAS**, every year, the New Jersey Department of Agriculture fields
17 numerous calls from farmers impacted by weather events, and many have chosen not to
18 insure their crops, leaving them only the option of low-interest disaster loans as a way of
19 recovering from 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**, New Jersey has a rapidly expanding grape industry, with more than
26 50 wineries and over 100 grape growers producing more than 80 varieties of grapes,
27 ranging from the higher yielding native grape varieties to the higher valued varieties of
28 French and Vinifera grapes; and

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

33 **WHEREAS**, producers need a better defined program for potatoes that would
34 protect them from seed-borne diseases such as Dickeya; and

35 **WHEREAS**, apple growers in the various counties need a program that would
36 encompass the entire state, not limited to counties, especially as some orchards in the
37 northern part of the state cross county lines, with one county having a defined program
38 and established yields and the neighboring counties not having a defined program,
39 leaving producers at a disadvantage in the under-established counties; and

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

47 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 102nd
48 State Agricultural Convention, assembled in Atlantic City, New Jersey, on February 8-9,

49 2017, call upon the New Jersey Department of Agriculture, the United States
50 Department of Agriculture (USDA), agricultural support groups such as New Jersey and
51 American Farm Bureau, Rutgers NJAES Extension Service, commodity groups, and all
52 others with knowledge of crop insurance programs at all levels, to continue aggressively
53 educating farmers about crop insurance in an age when straight disaster payments from
54 government are disappearing.

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

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

69 **BE IT FURTHER RESOLVED**, that we urge the USDA agency charged with
70 administering crop insurance programs to implement a Viniculture Risk Program similar
71 to that which is being used in New York, and especially on Long Island, since the New
72 Jersey industry is similar to that area of the country, and that funding from the New
73 Jersey Wine Industry Advisory Council be used to conduct a survey of the entire New

74 Jersey wine industry to further define the New Jersey grape industry and assist in
75 understanding the needs of the industry and building a stronger crop insurance program.

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

80 **BE IT FURTHER RESOLVED**, that we recognize the Farm Bill has authorized
81 Noninsured Assistance Program (NAP) at buy-up to the 65 percent level and 100
82 percent of price, and that USDA's Farm Service Agency is accepting applications from
83 farmers for the 2017 crop year, and we urge RMA that if at least one producer has an
84 imported crop policy from another county or one person buys a NAP policy for the crop,
85 that RMA should file the rates and rules to expand the program to the additional county
86 (technical term is to "approve the county" for the specific crop).

87 **BE IT FURTHER RESOLVED**, that the Department, through its involvement in
88 the Crop Insurance Educational Programs for targeted states, help to establish a
89 program that will aid in addressing Dickeya in New Jersey.

90 **BE IT FURTHER RESOLVED**, we urge that if RMA insures a specific crop
91 anywhere in a state, they should be required to approve it for all counties in the state in
92 order to avoid uneven opportunities for farmers based on their county and to avoid
93 confusion on farms that may cross county lines.

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

98 **BE IT FURTHER RESOLVED**, that we urge the New Jersey Department of
99 Agriculture to work with the New Jersey Congressional Delegation to ensure that the

100 RMA rules within the upcoming five-year Farm Bill include the best possible crop
101 insurance provisions for farms in New Jersey, which typically are smaller than those in
102 other states, are more closely located to urban areas than in others states, and which
103 produce a preponderance of Specialty Crops and other products not included in the
104 historical “Big Five” commodities.