

## Oppose Amendments to Link Means Testing to Crop Insurance

**“Limiting crop insurance support to producers of a certain size creates barriers to participation for producers trying to obtain crop insurance protection and impacts the financial health of the agricultural community. Crop insurance requires a broad pool of participants to function properly. Making crop insurance protection unaffordable would cause producers to reduce their program participation, resulting in a higher risk pool of insured producers, higher loss ratios over time and increased premium rates for those that remain in the program.” --45 Farm Groups, Lending Organizations, Input Suppliers, Processors, Insurance and Reinsurance Organizations, May 2013**

- **Agriculture is only beginning to emerge from one of the most significant droughts in our nation’s history, and thanks to the effectiveness of crop insurance, there were no calls for 100% taxpayer-financed ad hoc crop loss disaster assistance.** It is clear that crop insurance played a critical role in farmer and rancher survival and a key reason that they will return to producing food, fiber, feed and fuel this year. Farmers and ranchers have consistently shared their desire to purchase more crop insurance protection in 2013. Those decisions may prove sound as challenging planting conditions have already arisen, from late spring freeze to continuing drought in some areas and excessive moisture in others.
- **Without the risk protection provided by federal crop insurance, agricultural lenders would be forced to increase underwriting standards, increase costs to offset risk and reduce credit availability in some areas of the country to some producers.** Insurance products offered through federal crop insurance are key to food security, allowing farmers and ranchers to secure operating capital from lenders each year and produce food for consumers around the world. Agricultural producers keep the rural economy on track, purchasing needed inputs and equipment and supporting jobs throughout rural America.
- **Means testing unfairly discriminates against full-time and diversified farms. Additionally, it discriminates against those producing fruits and vegetables and other high-value crops.** Crop insurance is available for approximately 130 crops and types of livestock. In 2011, for all specialty crops with insurance available, 75% of planted or bearing acres were in crop insurance. The 2013 Farm Bill includes provisions to strengthen, improve and expand crop insurance; creating a barrier to participation through a means test is counter to that goal. Producers will be impacted by means testing, and those thresholds will only be more severe in the future, as policymakers continue to propose lower limits.