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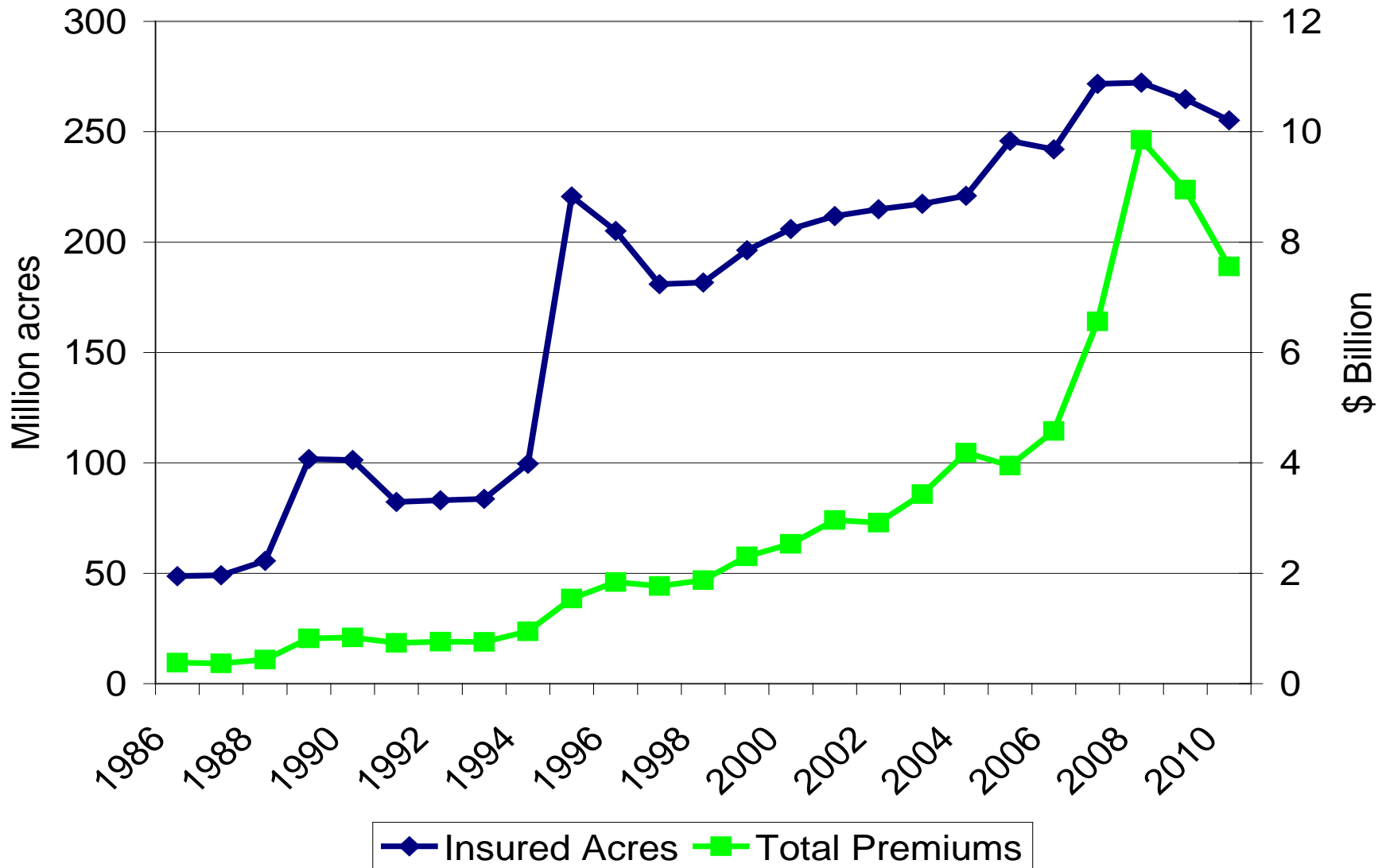
Crop Insurance

USDA Ag Outlook Forum
Washington, DC
Feb. 24, 2011



Chad Hart
Assistant Professor/Grain Markets Specialist
chart@iastate.edu
515-294-9911

Federal Crop Insurance



Federal Crop Insurance

Federal Crop Insurance Corporation – 1938

- Government's initial move in crop insurance

Federal Crop Insurance Act of 1980

- Premium subsidies

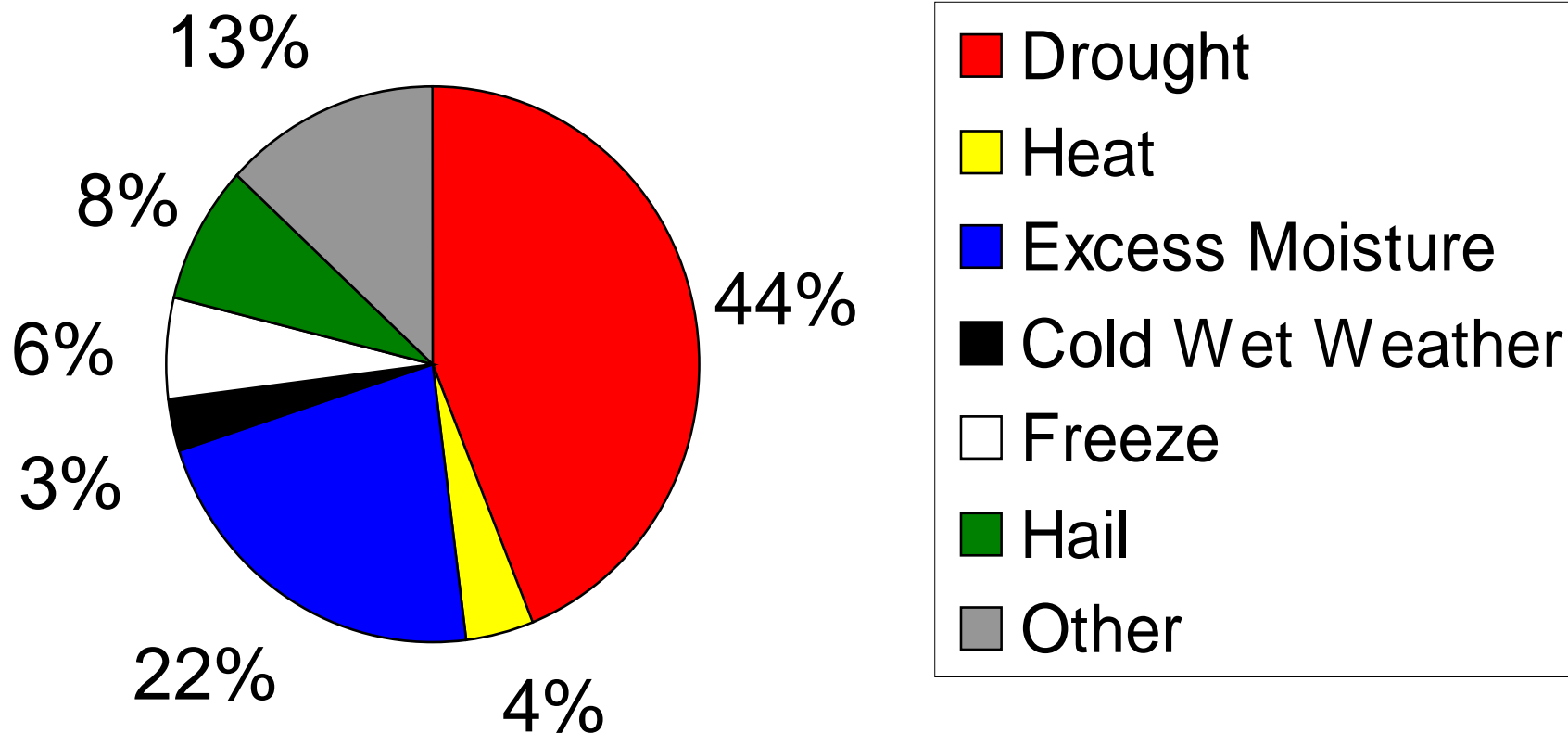
Federal Crop Insurance Reform Act of 1994

- Catastrophic coverage and higher subsidies

Agricultural Risk Protection Act of 2000

The 2008 Farm Bill

Why Crops Fail



Federal Crop Insurance: A Public/Private Partnership

The Federal Government works with private insurance companies to offer crop insurance.

Since 1998, all federal crop insurance products are sold and serviced by private companies.

The Federal Government sets and/or approves premium rates and insurance terms.

Both entities share risks and returns from crop insurance.

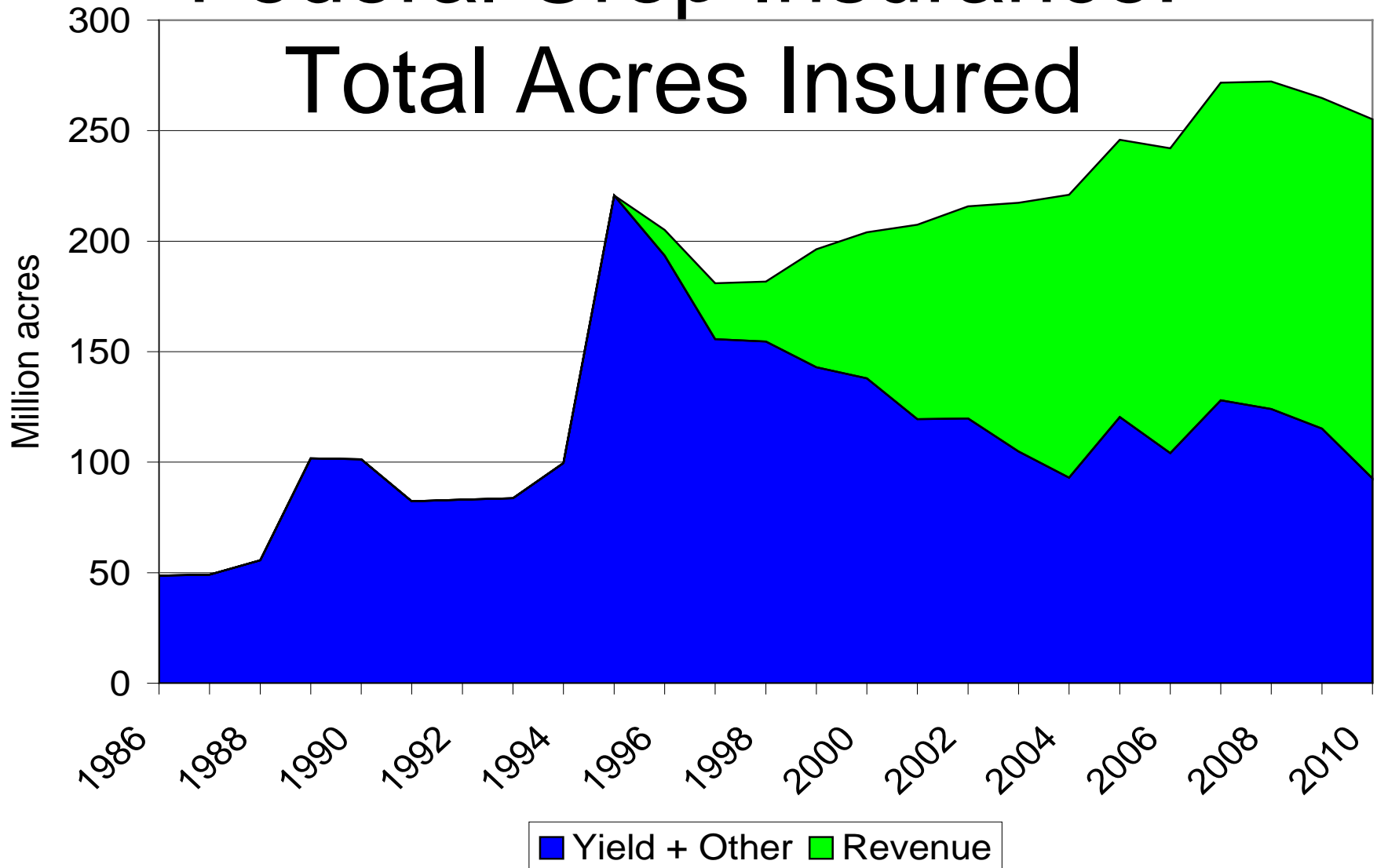
Product Innovation

Agricultural insurance products developed by private companies, reviewed and approved by FCIC

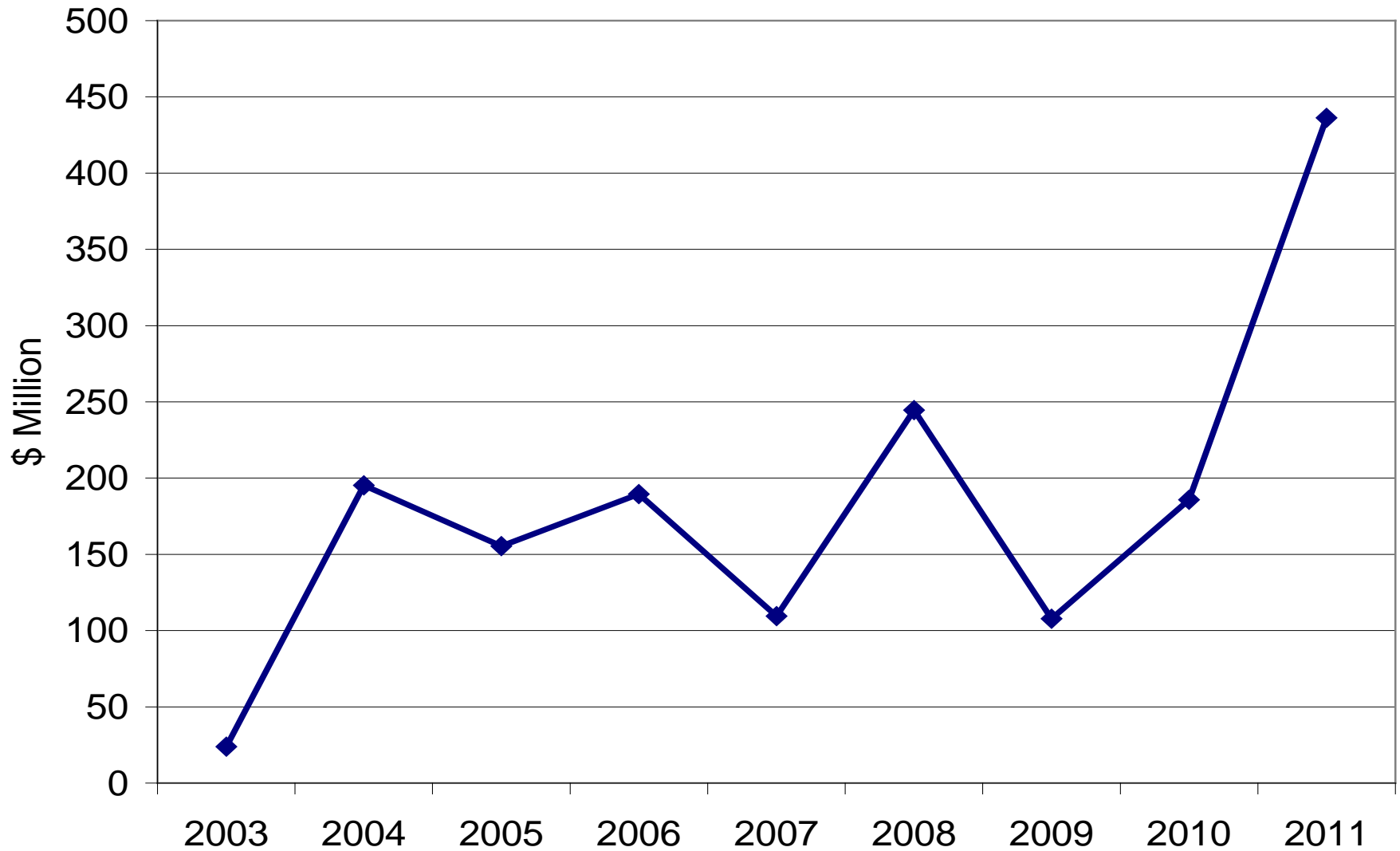
Examples:

- Crop Revenue Coverage (CRC)
- Revenue Assurance (RA)
- Income Protection (IP)
- Group Risk Income Protection (GRIP)
- Livestock Risk Protection (LRP)
- Livestock Gross Margin (LGM)

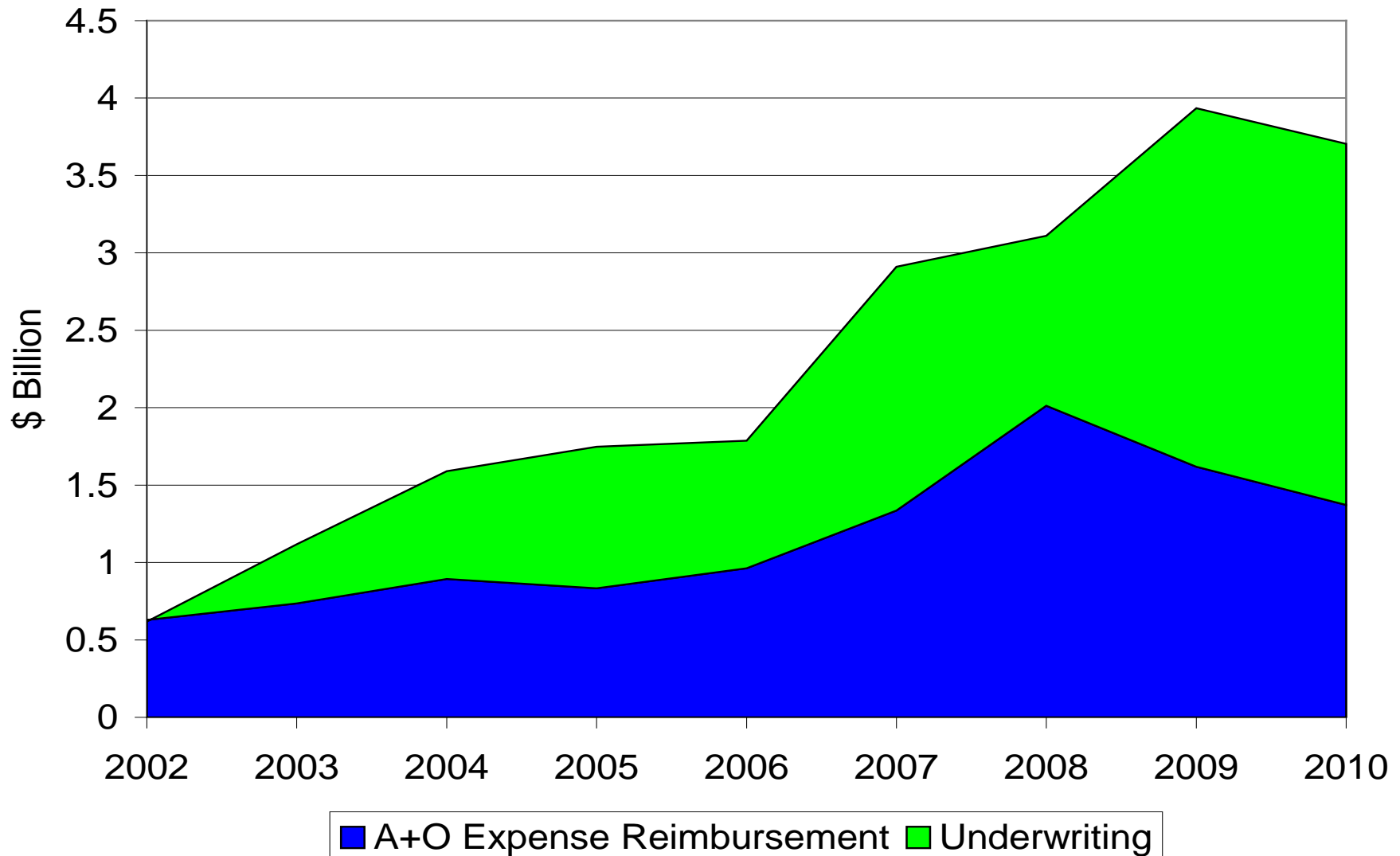
Federal Crop Insurance: Total Acres Insured



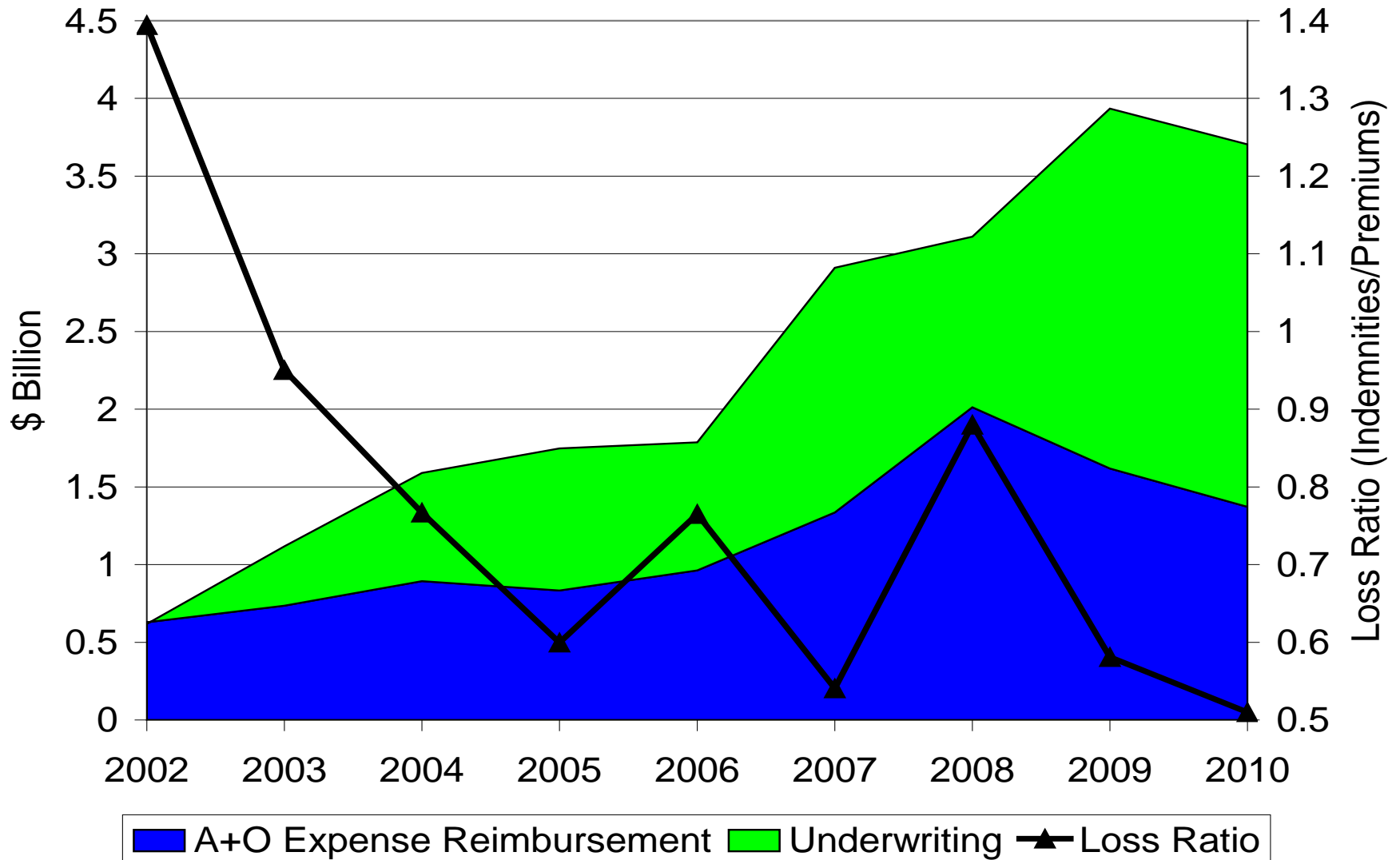
Livestock Insurance: Liability



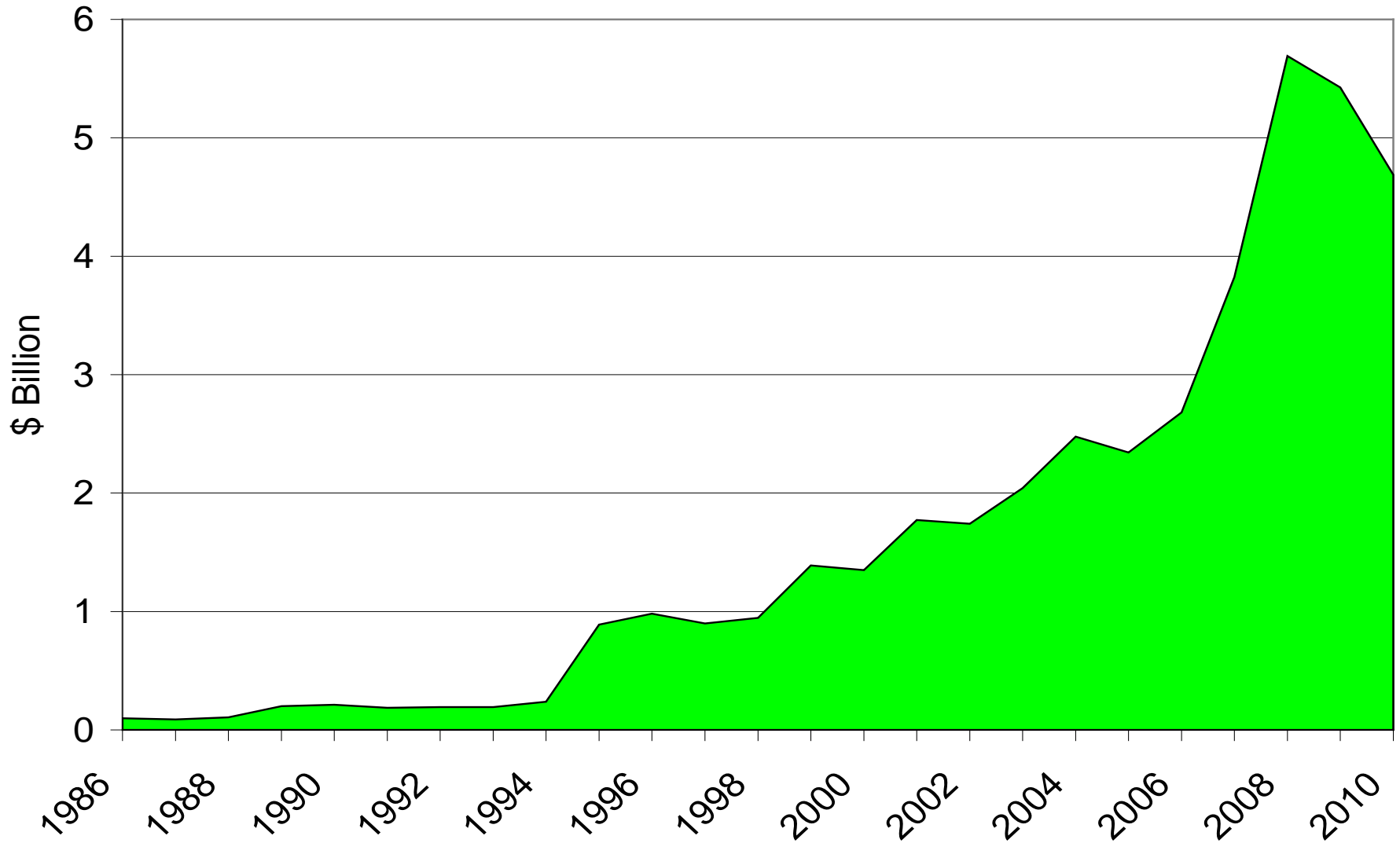
Expenses and Risk Sharing



... & Performance



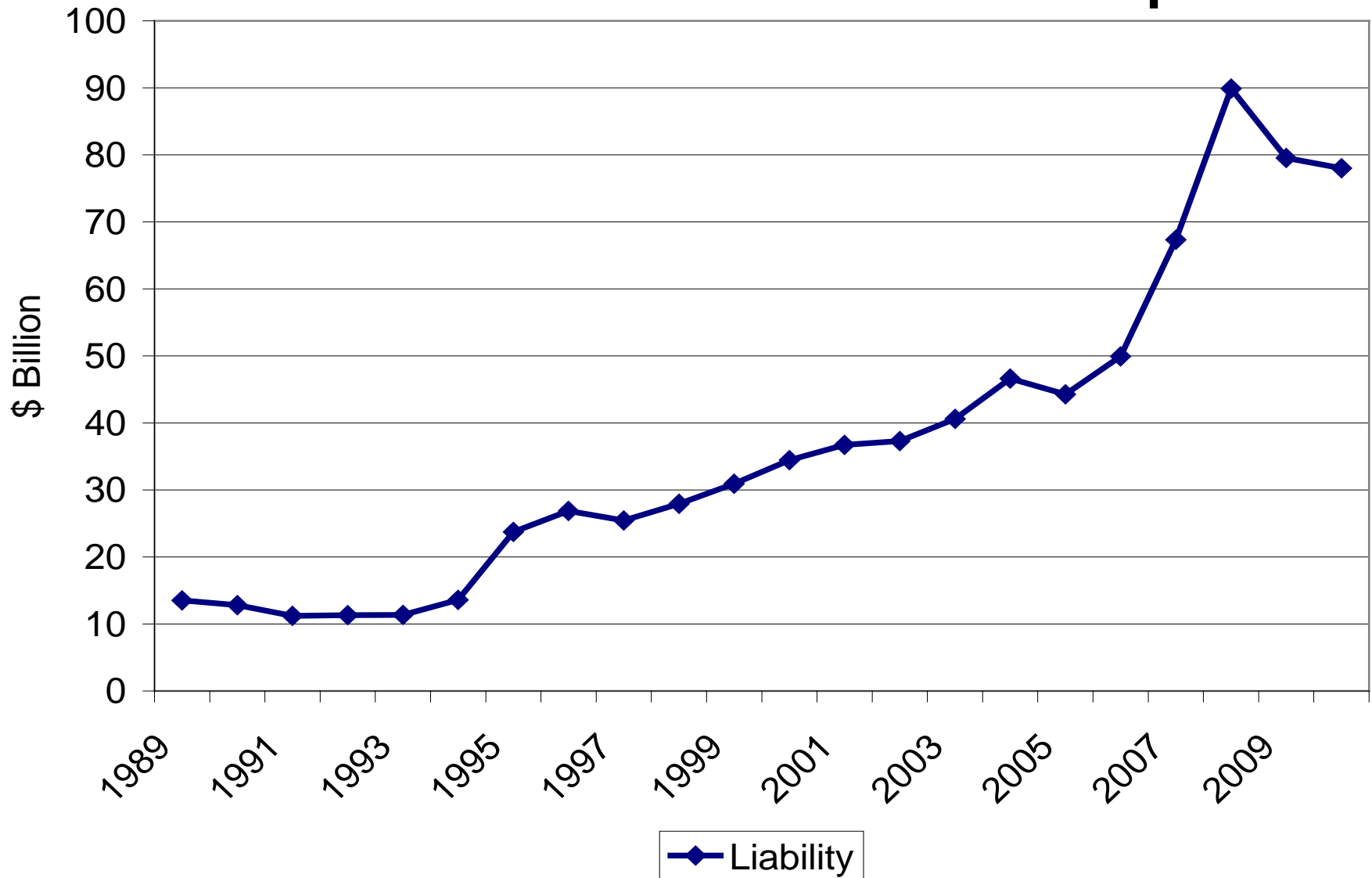
Premium Subsidies



Insurable Risks?

- Costs of Production
- Livestock Production
- Livestock Disease Outbreaks/Quarantines
- Multi-year Coverage
- Agroterrorism

A Successful Partnership



Thank you for your time!

Any questions?