

# **Crop Insurance Modernization Act of 2018**

## **Sponsored by Representative Nolan**

### **Summary**

The Crop Insurance Modernization Act of 2018 will expand underserved farmers' access to risk management tools and create a stronger link between federal farm safety net and conservation priorities.

Federal crop insurance is an important cornerstone of the farm safety net, but it must be improved to better serve *all* of America's farmers equitably and to use our tax dollars more efficiently. Currently, the federal crop insurance program excludes many types of farms and farmers, discourages sustainable practices, and encourages unsustainable practices.

The Crop Insurance Modernization Act will help family farmers to weather the inherent challenges of a life in agriculture by modernizing the federal crop insurance program and making it more efficient, effective, and responsive to the growing diversity of the industry.

### **Expanding Opportunity and Access**

Currently, slightly more than 50 percent of farms with more than \$10,000 in revenue have crop insurance. This means that not only are many operations being left out.

Although federal crop insurance is offered for over 120 different crops, those policies are not universally available – in fact, many are available in just a handful of regions, regardless of how widely grown a particular crop may be. Organic, diversified, direct marketing, and specialty crop (i.e., fruits, vegetables, and nuts) farmers are among the least well served by the current program. For example, only 36 percent of vegetable acres are covered by crop insurance, and about 75 percent fruits and nuts are covered. In contrast, over 90 percent of commodity crops are currently covered by crop insurance.

There are also significant barriers to access for beginning farmers and socially disadvantaged farmers. The Crop Insurance Modernization Act will expand access and opportunities for underserved farmers by:

- Expanding premium discounts for beginning farmers.
- Streamlining the Whole Farm Revenue Protection program to better serve diversified family farms.
- Requiring the U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) to study the barriers to accessing crop insurance, particularly by beginning and socially disadvantaged producers, and to identify options for expanding access.

### **Removing Barriers to and Providing Incentives for Conservation Activities**

The Crop Insurance Modernization Act will advance conservation by promoting greater consistency and coordination between RMA and USDA's Natural Resources Conservation Service (NRCS). Disconnects between the policies of RMA and NRCS have resulted in poor program performance and customer service for too long. The lack of agreement on what constitutes "good farming practices" has forced many farmers to make an impossible choice: continue implementing conservation activities (e.g., cover cropping) that are endorsed by NRCS (and many others), or stay in compliance with their federal crop insurance policies. Conservation is an integral part of farm resiliency, and farmers should never be made to choose between cultivating sustainability and retaining their risk management protection.

The Crop Insurance Modernization Act of 2018 will ensure that conservation activities and risk management work together at the federal level to make American farms stronger and more resilient by:

- Ensuring that a farmer's crop insurance coverage will not be rescinded or put at risk due to their use of cover crops or other NRCS approved conservation practices.
- Launching a pilot program that rewards farmers who undertake risk-reducing conservation activities.
- Funding and standardizing conservation compliance monitoring procedures across states.