

BOWLING GREEN SENTINAL-TRIBUNE

Crop Insurance Helpful for Ohio's Farmers

By MARK DREWES, Wood County Farmer

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The National Climatic Data Center reported that as the 2012 drought deepened and expanded this summer, it became one of the six largest droughts in modern record keeping. Here in Ohio, you really didn't need a weather expert to tell you just how bad it was. And before the rains finally came – which were too late for many of crop – the fields were so dry they had cracked, there was only stubble left for cattle to feed on, and creeks and wells were drying up.

This has been one of those years that can be full of disappointment for a farmer like me. Planting this spring the soil looked great, crop prices were high, and there was every indication that a bountiful harvest was a strong possibility. But the rains left and did not return for months, leaving 53 percent of the corn crop in poor or very poor condition, roughly one-third of the soybean crop in poor or very poor condition and almost 70 percent of our pastures the same.

Thankfully, I purchase crop insurance for situations just like this. Crop insurance is a public-private partnership that limits taxpayer exposure to risk – and saving them billions of dollars – and helps farmers get back on our feet when disaster strikes. A crop insurance check does not make a farmer “whole” anymore than an insurance check replaces the home you lost in a fire, but it at least puts us on first base.

Crop insurance has become the key risk management tool for farmers, and the only risk management for some, that last year protected 84 percent of eligible farmland, or roughly 266 million acres.

In years past, natural disasters

right now, regularly triggered very costly, unbudgeted ad hoc disaster bill from Congress, costing taxpayers \$45 billion from FY1989 to FY2001. By comparison, the fact that most farmers purchase crop insurance has negated the need for large disaster bills for crops. Because of the way crop insurance works, when disaster does strike, the cost is partially shouldered by private sector insurance companies.

This is a good, fiscally responsible move for farm policy. That's because the move from ad hoc disaster bills to private crop insurance policies has saved billions of taxpayer dollars. In fact, taxpayer spending for farm safety net programs as a whole has dropped from \$19.2 billion in 2002 to an estimated \$12.3 billion in 2011, a 36 percent decline.

Many Ohio farmers who are collecting crop insurance checks this year have never filed a claim. Those profits, in addition to the \$3.5 billion the federal government has made in underwriting gains, will help pay for these and similar big losses.

Last year, there was a string of natural disasters, including drought, wildfires, floods, freezes, hurricanes and tropical storms, which allowed crop insurance to show its steel. Despite farm disasters from coast to coast, there wasn't a single call for a disaster bill from Washington. Why? Because farmers had spent \$4.5 billion of their own money to purchase crop insurance.

Insurance dollars are already flowing into the state to help farmers meet their cash flow demands. In fact, more than \$16 million in indemnities have

Ohio farmers, which will help them make it through an otherwise lean year. It took months, or years, for cash from government programs of the past to find their way to farmers.

But there are those who are making uninformed and uneducated criticisms about crop insurance – and America's farmers – in the midst of this national tragedy. According to the Washington-based Environmental Working Group, farmers have been “praying for drought, not rain.”

Really? I've seen a lot of looks on the faces of my fellow farmers this past summer, as their crops and have withered despite their best efforts and their hopes for a great harvest have been dashed.

And for the record, none of those looks have been smiles of greed about a check for an insurance policy they bought. Nor have I heard much laughter. Tears of frustration, maybe. Laughter, not so much.

The rains have returned to the Buckeye state but for the most part, it's too little, too late for the corn crop. Thankfully most of us have purchased crop insurance policies, and will bounce back and be planting again next year.

Mark Drewes is a farmer from Custar, Ohio.