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Crop Insurance Claims Break \$10 Billion Barrier

Farmers Gear Up for 2012 Planting

(OVERLAND PARK, Kan.) — For the first time in history, crop insurance indemnities to farmers and ranchers have exceeded \$10.08 billion to cover agricultural losses, underscoring last year's high crop values and volatile weather. This figure will likely climb as more than an estimated five percent of the claims remain outstanding. This surpasses the old 2008 record of \$8.67 billion by more than 16 percent.

"The ability of U.S. agriculture to sustain more than \$10 billion in insured losses and seamlessly finance itself for the 2012 crop season should not be taken for granted," said Tom Zacharias, president of National Crop Insurance Services.

Zacharias said crop insurance's popularity is high among farmers and lawmakers, and he thinks the system is working just as elected officials and agricultural leaders envisioned.

"Over the past 30 years, Congress and Administration officials have helped shape a public-private partnership that makes policies affordable and readily available, while speeding relief to growers through efficient private-sector delivery," he said. "This is a testament to not only private industry but to USDA and the staff of the Risk Management Agency (RMA)."

This system, Zacharias noted, was specifically created to shift a significant portion of taxpayer risk exposure to private insurers. The fact that there were no calls for expensive taxpayer-funded *ad hoc* disaster bills following such a catastrophic growing season proves how well things are working. "In addition to helping to shield taxpayers from the full burden of an agricultural disaster, like the one we had last year, crop insurance has

also received high marks from farmers for the speed and efficiency of its private sector delivery system,” Zacharias added.

Since 2008, a total of more than \$28 billion has been sent to farmers for policies they purchased. Federal investment in crop insurance, during that same period, was reduced by more than \$12 billion.

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