

## 12/02/2003 Moran Subcommittee Reviews Crop Insurance and Commodity Programs

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#### Hearing Addresses Rising Insurance Premiums, Declining Coverage and Multi-Year Losses

LUBBOCK, Texas - Congressman Jerry Moran, Chairman of the House Agriculture Subcommittee on General Farm Commodities and Risk Management, chaired a field hearing this week on crop insurance and commodity programs in Lubbock, Texas. This was the second in a series of field hearings to look at crop insurance and farm programs. In August, the subcommittee held a hearing in Ada, Minnesota to hear testimony from farmers, crop insurance agents and agricultural lenders in the Minnesota and North Dakota growing regions.

"This was a good chance to hear firsthand from producers in Texas, Oklahoma and Kansas about their thoughts regarding crop insurance reforms, and whether new farm bill programs have benefited their farming operations," Moran said. "Crop insurance is an increasingly important risk management tool for farmers in almost all growing regions, and this area is no exception."

Two Kansans testified before Moran's Subcommittee. John Haas, Larned, testified on behalf of the U.S. Canola Association, and Alan Peter, Tribune, testified as the president of the Kansas Corn Growers Association. Also taking part were representatives from the Western Peanut Growers Association, Texas Wheat Producers Association, National Grain Sorghum Producers, Plains Cotton Growers, Texas Tech University, and local banking and insurance representatives.

Both Kansas and Texas are among the top ten states in the percentage of eligible acres insured. Texas producers lead the nation with the highest dollar amount of crop insurance protection. However, there is concern that some crops, such as canola, are not eligible for crop insurance in some counties.

"Potential new U.S. canola producers need access to the risk management tools available to other established crops, such as crop insurance," Haas said in his testimony. "Currently, canola is an insurable crop in only 147 counties."

The hearing also provided a forum for members of the subcommittee to learn what programs might be improved to better serve the farmers in this region. Multi-year losses continue to be a problem that crop insurance does not fully address, especially in light of the drought.

"I was successful in harvesting enough to make me ineligible for disaster assistance," Peter explained. "However, my crop insurance payments did little to offset the amount of money I spent trying to irrigate my crops. Crop insurance only looks at the end result."

"Congress needs to address issues that can make the combination of crop insurance and other farm programs a more effective risk management tool for farmers and ranchers nationwide," Moran concluded.

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