



To: Newsroom Directors and Assignment Editors

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Governor Minner Requests Increase in Crop Insurance Cost Share Program

Delaware Governor Ruth Ann Minner has requested a \$150,000 funding increase in the Delaware Crop Insurance Cost Share Program for Fiscal Year 2009, which will cover the 2008 crop year. If approved by the General Assembly, this will bring total program funding to \$750,000 from \$600,000, a 25 percent boost.

In her budget announcement, Governor Minner stated, "The appropriation is no longer one time funding, as it now is in the Department of Agriculture's base budget. It will allow for the continued success of the cost share assistance to insure Delaware's farmers against crop damage and loss and shore up this key component of our local economy."

"The Delaware Crop Insurance Cost Share Program is one of the strongest such initiatives in the country, and at DDA we are proud of that," said Secretary of Agriculture Michael Scuse. "I am very pleased that the Governor has proposed this 25 percent increase, especially in light of an overall FY'09 budget increase proposed at less than 4 percent."

Since its inception, starting with the 2004 crop year, the program has provided \$1,957,589 in crop insurance cost share to Delaware farmers. The program provides up to 30% of the farmer paid premium for crop insurance, not to exceed \$3 per acre. If total calculated benefits for all Delaware farmers exceed the available funding, benefits are prorated equally among all participants.

For the 2007 crop year, calculated benefits exceed the \$600,000 available. To bring the program expenditures within the available funding, DDA had to prorate benefits at 91.19 percent.

Secretary Scuse said, "Our hope is that the increase to \$750,000 will allow us to provide full cost share benefits without prorating. We feel this program is making a significant

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contribution to the stability of Delaware agriculture during some pretty risky times.

Although we are seeing higher prices for our crops, input costs are increasing nearly as fast, or faster. Sound risk management is essential.”

Total crop insurance coverage in force for Delaware in 2007 was over \$76 million, a record amount. Due to drought and heat last summer, crop losses have generated over \$15.8 million in crop insurance loss payments, another record, more than double the previous high of \$7.6 million, in 2002.

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