



To: Newsroom Directors and Assignment Editors

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Contact Anne Fitzgerald
800.282.8685 (DE only)
302.698.4520
302.242.4092 (Cell)

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Crop Insurance Loss Payments Reach All-Time High in Delaware

Delaware farmers experienced devastating crop losses in most parts of the state in crop year 2007. For those farmers with crop insurance, the economic pain resulting from their crop loss has been eased somewhat by crop insurance loss payments which have reached a record \$16.1 million, as of late January. Some payments are still being processed. The 2007 total is more than double the previous high of \$7.6 million, in 2002.

The value of crop insurance purchased by Delaware farmers in 2007 exceeded \$76 million, also an all-time record. The previous high was \$53 million in 2004.

The number of Delaware acres covered by crop insurance topped 270,000 for the second time.

Those Delaware farmers who chose to include crop insurance in their risk management plan for 2007 are likely glad they did. After federal premium subsidies and the Delaware Cost Share Program funding (\$600,000) are applied, Delaware farmers have received, to date, five dollars for every dollar paid in crop insurance premiums for 2007.

Delaware Secretary of Agriculture Michael Scuse says, "A lot of our fellow farmers suffered serious crop losses in 2007. But more and more, Delaware farmers are recognizing that crop insurance can be an important risk management tool to protect against disasters like this. We are glad that the Delaware Cost Share Program is having a positive effect in helping farmers explore higher levels of coverage, which make crop insurance more effective.

The Delaware Statistics Service recently released its 2007 estimates for 2007 corn and soybean production. Average yields for corn were 97 bushels per acre, down from 145 in 2006. Soybeans averaged about 24 bushels per acre compared with 31 in 2006.

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Don Clifton, a Sussex County farmer, is the program facilitator for the Delaware Targeted States Crop Insurance Education Program, a program funded by the USDA Risk Management Agency and conducted by DDA. He states, “These averages, as dramatically reduced as they are from 2006, don’t reveal the extent of the devastation in some areas. I know farmers who experienced total losses on corn and beans. Yet, if they used a strong crop insurance strategy, their income was not adversely affected.”

“The fact of the matter is, we farmers face serious production and market risks,” says Secretary Scuse. “We either transfer part of the risk to someone else, through crop insurance, or we retain the risk. If we retain the risk, and suffer a year like 2007, it can take years to recover financially.”

Clifton adds, “Crop insurance tools are more relevant than ever. Through the cost share and education programs, we want to try to ensure that farmers understand all the tools that are at their disposal. We really encourage people to call the Delaware Risk Management information line at 877-673-2767. We can help farmers fully understand their options before they contact a crop insurance agent.”

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