



Crop insurance a key component of many farmers' finances

By BRENNA WIEGAND
For the Capital Press

With the 2014 Farm Bill ending direct payments, crop insurance has become the main tool remaining to help farmers manage risk and live to fight another day when Mother Nature and other forces deal them a tough hand.

Steve Terjeson is executive vice president and chief lending officer of Citizens Bank, headquartered in Corvallis. He grew up in Eastern Oregon, where crop insurance is a matter of course.

"With the rainfall and soils in the Willamette Valley you can usually produce a pretty good crop," Terjeson said. "This year was a good example of a fairly down year; there was some light grass seed yield that we saw. In other years it might be wheat that's down."

Last year U.S. farmers spent roughly \$3.8 billion on crop insurance premiums. Those policies protected 128 different types of crops planted on 295 million acres valued at more than \$129 billion.

"The evolution to crop insurance has effectively moved risk management away from the public sector, funded exclusively by taxpayer dollars, toward the private sector, where farmers and crop insurance companies help shoulder part of the cost of natural disasters," Northwest Farmers Union President Wright said



Citizens Bank Executive Vice President and Chief Lending Officer Steve Terjeson pays a visit to Silverton, Ore., Branch Manager Milla Eubank.

Brenna Wiegand/For the Capital Press

in a recent opinion piece published in the Capital Press. "This takes taxpayers off the hook for the entire bill when disaster strikes and is good for farmers who must always keep their risk management plan in mind, and good for rural America

because farmers are the engines that generate economic activity."

Terjeson revisits the subject of crop insurance in an-

ual reviews with clients.

"Is it worth buying that insurance?" he asks. "Are you well-diversified or are you depending on one crop?"

Each farmer's a little bit different."

The degree to which a farm is affected by crop failures, markets and the

economy may be foretold in their balance sheet, said Brian Field, founder and president of Harvest Capital in Canby, Oregon.

Congress votes to restore \$3 billion in crop insurance cuts

BISMARCK, N.D. (AP) — A transportation bill Congress passed on Dec. 3 restores \$3 billion in cuts to crop insurance made in the budget agreement completed in October, and also helps some agricultural fuel haulers.

The Senate and House overwhelmingly approved the five-year, \$305 billion bill, sending it to the White House for President Barack Obama's signature.

Sen. Heidi Heitkamp, D-N.D., said in a statement that crop insurance "is a lifeline for jobs and families across rural America," and Sen. John Hoeven, R-N.D., said it gives farmers "the certainty of knowing there is a safety net in place."

Farm state lawmakers and agricultural groups were angered by the budget deal, saying the cut to crop

insurance would hurt farmers and possibly increase the need for emergency disaster aid. They also said it would undermine improvements in the 2014 farm bill to crop insurance, which costs more than \$9 billion annually.

Sen. Mike Rounds, R-S.D., said late last month that "producers need certainty from Washington, D.C. This includes the important crop insurance safety net."

The Dakotas lead the nation in the production of wheat, sunflowers, oats, canola, honey, flaxseed, dry beans and bison.

The transportation bill also eases licensing requirements for people hauling smaller amounts of diesel fuel for agriculture-related uses, according to Sen. John Thune, R-S.D.

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