MYTH: Crop insurance is market-distorting and discourages farmers from following market signals.

FACT: **Crop insurance uses current-season market prices to determine coverage, losses, indemnities and premiums. Some form of crop insurance is also available on every single crop, so crop insurance does not create incentives to grow one product over another because of the availability of crop insurance for one crop and not another.**

- Crop insurance policies do not use an artificial price to determine coverage, losses, indemnities or premiums. Crop insurance uses real-time tools such as various commodity exchange prices to determine coverage, losses, indemnities and premiums. In other words, markets don't respond to crop insurance; crop insurance responds to markets.
    - For example, if corn prices are comparatively higher than soybean prices, crop insurance will reflect that market dynamic. Crop insurance would not be a factor in a farmer's decision because crop insurance is a reflection of the market.
- Crop insurance is available to all types of farms in all parts of the country, so the availability of crop insurance for one commodity and not another is also not a determining factor when farmers make planting decisions.
    - More than 100 commodities are covered with individual crop policies, from corn to cantaloupe to cotton.
    - For commodities that do not have an individual policy available in a given county, the 2014 farm bill created a whole farm revenue policy that allows all farmers to participate.
- Per the 2014 farm bill, new crop insurance products that are being considered must go through a consultation process specifically to assess if there would be a detrimental impact on the marketing and production of a commodity if a new policy is approved.