MYTH: Most agricultural production comes from large farms that can manage their own risk.

FACT: Farmers of all sizes use crop insurance, and crop insurance provides meaningful collateral to lenders when farmers seek operating capital.

Since 2014, average U.S. farm household income has decreased by 26%. The main cause of this decline is reduced income from farming operations as a share of total farm household income. In fact, net farm income for 2020 is forecasted to be down by 44% from its 2013 levels. These numbers do not account for ad hoc government assistance.

- During this downturn, crop insurance is even more important to farmers who are looking to lenders for the operating capital required to continue to farm. Lenders look at crop insurance as a form of collateral for an operating loan, and it can enhance a prospective borrower's capacity to qualify for a loan.
- Although crop insurance payments are a small percent of some farmers' overall household income, in times of crop loss and economic downturn, receiving a crop insurance indemnity payment can make the difference between being able to continue farming for another year or not.
- Crop insurance enables farmers, both big and small, to manage their risk in a way that helps them invest in and improve their operations. Many farmers would not be able to afford to do this if they were forced to self-insure and could not qualify for loans.
- Including farms of all sizes in the crop insurance program diversifies the risk of the program across a greater number and variety of farms, which improves the actuarial soundness of the overall program. This soundness is a benefit to all, including taxpayers.

"We utilize crop insurance when incidents happen that are completely beyond our control. And we are thankful we have it because it's saved our lives. Crop insurance has helped my dad sleep better at night." – Alicia Abendroth (New York Apple Farmer)