

## Plowed Under - Redux

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The Environmental Working Group's (EWG) most recent report entitled *Plowed Under* (August 6, 2012) deserves a few candid observations. By all outward appearances, the document appears to be a standalone "research effort."

As such, the report has no real analytical or science-based foundation. The report attributes recent crop land use conversion rates to the existence of crop insurance. How is this substantiated? By way of a series of mapping overlays, EWG associates loss of wildlife habitat solely due to farmers' use of crop insurance. There is no demonstration of any formal analysis, such as statistical or economic considerations. It is not obvious that the report underwent any form of peer-review, nor is there any reference in the report to any similar analysis that has been published in peer-reviewed journals.

This is quite unfortunate and irresponsible. Fortunately, one does not have to search too far to find a series of peer-reviewed studies on this very topic. I have provided such a review of the subject [here](#).

### **So, what do we know...**

In a paper presented at the 2011 Annual Meeting of the Agricultural and Applied Economics Association, authors Miao, Feng, and Hennessy (Iowa State University) find crop land use effects attributable to crop insurance to be quite small. Conversely, the authors find product price to be the more dominant factor in farmer's land use decision. This is consistent with most published literature.

More recently in the August 2012 Journal of Agricultural and Resource Economics, authors Walters, Shumway, Chouinard, and Wandschneider find "... *small, but not universal, tendency for increased crop insurance participation to create "noticeable" environmental effects ...evidence shows both positive and negative effects as cropping patterns change. On average, the contribution of crop insurance to adverse environmental effects is slightly less than 1%...*" A careful reading of their paper also indicates that product price is the dominant factor in farmers' acreage decisions, again consistent with the existing literature.

These are peer-reviewed studies that are based on formal analytical and statistical techniques; not for the faint of heart. This should be the essence of the policy debate. The assertion by EWG that farmers are planting on less-productive land simply and solely to collect insurance indemnities is unfounded.

Partial and incomplete analysis of important agricultural and environmental policy issues does not serve the public well, particularly in the midst of the Farm Bill debate and the current drought situation in the Midwest. Maybe farmers are praying for rain instead of drought, and maybe policy makers are praying for intellectual honesty instead of glib, one-line headline seekers. Farmers are probably not laughing at ill-informed critics, nor are they laughing at burned-out corn and soybean fields.

Who can know the heart?