SPONSOR: Rep. Carson & Sen. Huxtable
Reps. Briggs King, Bush, Dorsey Walker, Harris, Hilovsky, S. Moore; Sens. Hocker, Hoffner, Lawson, Paradee, Pettyjohn, Wilson

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 87
AS AMENDED BY
HOUSE AMENDMENT NO. 1
AND
SENATE AMENDMENT NO. 2

AN ACT TO AMEND TITLE 3 OF THE DELAWARE CODE RELATING TO A DELAWARE AGRICULTURAL PRODUCTION INSURANCE ASSISTANCE PROGRAM.

WHEREAS, the United States Department of Agriculture's Risk Management Agency ("RMA") manages the Federal Crop Insurance Corporation ("FCIC") to provide crop yield and revenue insurance products to America's farmers and ranchers and Approved Insurance Providers ("AIP") sell and service federal crop yield and revenue insurance policies in Delaware through a public-private partnership with RMA; and

WHEREAS, the insurance premium options for relevant levels of crop and revenue insurance can be a deterrent to a producer obtaining adequate coverage; and

WHEREAS, in prior legislative sessions the General Assembly approved funding for a multi-peril crop insurance assistance program, but the program was not sufficiently funded to sustain the program; and

WHEREAS, to ensure agricultural production in Delaware, for the long-term, it is necessary to compliment the highly successful Agricultural Land Preservation Program by adopting and implementing an effective agricultural production insurance assistance program.

NOW, THEREFORE:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Title 3 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline and by creating a new chapter as follows:

Chapter 8. Delaware Agricultural Production Insurance Assistance Program.

§ 801. Title.

This chapter shall be known as the "Delaware Agricultural Production Insurance Assistance Program".

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§ 802. Purpose.

It is the declared purpose of this Program to support, encourage, and promote agriculture production in Delaware as a valued and viable occupation. Promoting and supporting the State's agricultural producers is essential to maintaining agriculture as a viable industry and important contributor to Delaware's economy. To ensure long-term agricultural production in Delaware it is necessary to adopt and implement an effective permanent program for yield and revenue insurance assistance for Delaware agricultural producers. It is further recognized that a need exists to create sufficient economic incentives to encourage agricultural production given its vulnerability to weather, environmental and economic conditions that can result in low crop yields, and insufficient revenue, making farming unprofitable and unsustainable. It is the purpose and intent of the General Assembly to provide for the creation of a permanent yield and revenue insurance assistance program to serve the long-term needs of producers in Delaware.

§ 803. Definitions.

As used in this chapter:

(1) "Approved Insurance Providers" means those insurance providers approved by the United States Department of Agriculture's Risk Management Agency to sell policies and plans of insurance administered by the Federal Crop Insurance Corporation to Delaware's eligible producers.

(2) "Department" means the Department of Agriculture.

(3) "Eligible producer" means a producer of agricultural commodities, in this State, who qualifies for coverage under the Federal Crop Insurance Act, and is qualified with the Department, in accordance with this chapter.

(4) "Federal Crop Insurance Corporation" means the entity established in 7 U.S.C. §1508 (c) (8) of the Federal Crop Insurance Act, which administers the multi-peril crop insurance and whole farm revenue protection programs for agricultural producers.

(5) "Program" means the Delaware Agricultural Production Insurance Assistance Program.

(6) Qualifying policy" means a policy, or plan of insurance administered by the Federal Crop Insurance Corporation, including crop yield and revenue insurance.

§ 804. Program Administration.

(a) This Program is to be administered by the Department and is contingent on the ongoing existence of the Federal Crop Insurance Corporation or a comparable federally funded program.

(b) The Department is authorized to enter into agreements with the United States Department of Agriculture's Risk Management Agency, the Federal Crop Insurance Corporation, and the Approved Insurance Providers Federal Crop Insurance Corporation, for purposes of implementing this Program.

(c) Disbursements by the Department, under this Program, shall be made directly to the Federal Crop Insurance Corporation subject to established bilateral or multi-lateral agreements.

(d) The Department, in conjunction with the Federal Crop Insurance Corporation, must promote this Program, including providing information on the Department's website, so as to educate and inform all eligible producers, in the State, of the availability and details of this Program.

(e) The Department must keep all records, related to the Program, including all records and information received from the Federal Crop Insurance Corporation

§ 805. Premium Subsidy and Eligibility Requirements.

(a) Any eligible producer who has already purchased or who shall purchase, prior to the appropriate sales closing date, a qualifying policy in excess of the catastrophic risk protection level of coverage, shall be eligible to receive a State subsidy of up to 30% of the eligible producers' premium cost, up to a maximum of $10.00 per acre, under this Program.

(b) The subsidy under this Program is subject to appropriation by the General Assembly and is only for covered commodities during the policy coverage period.

(c) In order to participate in this Program, the eligible producer must comply with all the requirements of this Program, as established by the Department.

§ 806. Funding.

Funding appropriated for this program may be used for the implementation and administration of this Program. Any annual unexpended funds appropriated for this Program will remain with the Program and will not revert to the General Fund of the State of Delaware.

§ 807. Annual Reporting.

(a) By the end of each year, the Department must provide a report to the Chairs of the House and Senate Agriculture Committees of the General Assembly which must include the following:

(1) The number of participating farmers.

(2) A list of all approved participating insurance providers.

(3) The total amount of acreage in the State, broken down by County, that is insured under the Program.

(4) The total amount of net book premium charged to the eligible farmers participating in the Program.

(5) The total paid out by the Department, over the last year, in premium subsidies and incurred Program administrative expenses.

§ 808. Rules and Regulations.

The Department may adopt and promulgate such rules and regulations as will be necessary for the implementation of this Program.

Section 2. This Act shall be effective upon appropriation by the General Assembly.