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

FACT: Markets don't respond to crop insurance; crop insurance responds to markets. Crop insurance uses current-season market prices to determine coverage, losses, indemnities and premiums.

- 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 and is available for both crops.
- 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.
    - Approximately 130 commodities are covered with individual crop policies, from corn to cantaloupe to cotton. There are more than 62,000 crop and county combinations for policies across the United States, providing enormous options to farmers.
    - For commodities that do not have a commodity-specific policy available in a given county, the 2014 farm bill created a whole farm revenue policy that allows all farmers of all commodities to have a crop insurance option.
- All crops get the same premium discounts for policies, so again, crop insurance does not artificially incentivize the production of one commodity over another commodity.
- 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.