## MYTH: Crop Insurance inflates property values in a way that biases against small farmers.

## FACT: The prices of the commodities produced on the land primarily determine property values, not crop insurance.

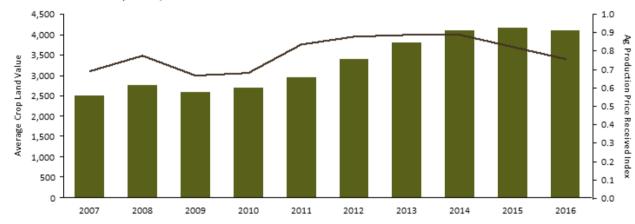
- The primary determinate of property value is the value of what can be produced on the land.
- As the chart shows, land asset value increases almost perfectly with the index of prices received for agricultural goods.
- Land prices are sticky; therefore, they do not react as quickly when commodity prices fall, leaving producers especially small farmers with less equity with increased financial risk in a downturn. Thus, making crop insurance availability even more imperative in the event of a crop loss.

## **Chart: Land Values**



## Since 2007, Land Value Has Increased In Step With The Index Of Prices Received For Agricultural Goods

Land Values Vs. Commodity Prices, 2007-2016



Source: USDA - National Agricultural Statistics Service