

My Proposal is a simple, yet I believe effective protocol to reduce financial farm risk and ensure long term security to Australia's Primary Production Industries and food security, which would also see a reduction in Exceptional Circumstance funding to Primary Producers.

The idea would be based around a not-for-profit Federal Government Backed primary production insurance scheme. There are many, many crops in Australia that no insurance company will provide coverage policies for. These crops are often very expensive to produce on a per ha basis.

Having the last 4 out of 5 years experiencing complete crop failures due to "acts of god", I have witnessed the huge financial stress that uninsurable crop production has on any farming operation. What I believe would be a viable and simple risk mitigation tool, would be an insurance scheme which covers "act of God" events. However, the only coverage offered would be for Crop Cost of Production. This would remove the financial constraints put on viable primary production operations that suffer consecutive natural disasters and ultimately reducing the frequency of implementations of Exceptional Circumstance Funding. If viable operations are using Equity levels to obtain funding for the next years crop production, many are being caught out in rare circumstances where consecutive Natural Disasters are ultimately ending in foreclosure. A Cost of Production Insurance Scheme would eliminate many of these foreclosures, ensuring Australia's Food Security and the profitability of Australia's Agricultural Industries for the future generations.