

AGRICULTURAL AND RESOURCE ECONOMICS REVIEW

Innovations in Index Insurance for the Poor in Lower Income Countries / *Jerry R. Skees*

Environmental and Natural Resource Economists, Great Research, and the National Science Foundation / *Robert E. O'Connor*

Extension Programs in Crop Insurance: A Maryland Case Study / *Wesley N. Musser*

Identifying Risk Factors Affecting Weather- and Disease-Related Losses in the U.S. Farm-Raised Catfish Industry / *Terrill R. Hanson, Saleem Shaik, Keith H. Coble, Seanicaa Edwards, and J. Corey Miller*

Willingness to Pay for a Potential Insurance Policy: Case Study of Trout Aquaculture / *Saleem Shaik, Keith H. Coble, Darren Hudson, James C. Miller, Terrill R. Hanson, and Stephen H. Sempier*

An Insurance Approach to Risk Management in the Ethanol Industry / *Nicholas D. Paulson, Bruce A. Babcock, Chad E. Hart, and Dermot J. Hayes*

An Internet-Based Tool for Weather Risk Management / *Calum G. Turvey and Michael Norton*

Empirically Evaluating the Flexibility of the Johnson Family of Distributions: A Crop Insurance Application / *Yue Lu, Octavio A. Ramirez, Roderick M. Rejesus, Thomas O. Knight, and Bruce J. Sherrick*

Modeling Exit and Entry of Farmers in a Crop Insurance Program / *Juan H. Cabas, Akssell J. Leiva, and Alfons Weersink*

Preference for Risk Management Information Sources: Implications for Extension and Outreach Programming / *Roderick M. Rejesus, Thomas O. Knight, Mauricio Jaramillo, Keith H. Coble, George F. Patrick, and Alan Baquet*

Economic Analysis of Supplemental Deductible Coverage as Recommended in the USDA's 2007 Farm Bill Proposal / *Paul D. Mitchell and Thomas O. Knight*

Volume Number

37/1

April 2008

*Published by the
Northeastern Agricultural and
Resource Economics Association*

The *Agricultural and Resource Economics Review* (ISSN 1068-2805) (formerly the *Northeastern Journal of Agricultural and Resource Economics*, ISSN 0899-367X) is the official publication of the Northeastern Agricultural and Resource Economics Association (NAREA). The purpose of the *Review* is to foster and disseminate professional thought and literature relating to the economics of agriculture, natural resources, and community development. It is the editorial policy of the *ARER* to encourage manuscript submission without regard to author affiliation and/or location. The *ARER* is published in April and October. In addition to normal refereed articles, it also publishes invited papers presented at the annual meetings of the NAREA as well as abstracts of selected papers presented at those meetings. It periodically calls for articles written on a specific topic. Membership in the NAREA is open to all persons having an interest in agricultural and resource economics. Membership dues include a subscription to the *Review* and are \$25.00 per year for regular membership and \$5.00 per year for students. The single-copy price is \$15.00 per issue. The library (or institutional) subscription price is \$125 per year.

Address all manuscripts and editorial material to Dr. Titus O. Awokuse and Dr. Joshua M. Duke at the University of Delaware. Please see inside back cover for submission instructions.

Address requests for membership, subscriptions, and changes of address to:

Dr. Douglas E. Morris
NAREA Secretary-Treasurer
Department of Resource Economics and Development
316 James Hall
56 College Road
University of New Hampshire
Durham, NH 03824-3589
e-mail: dr.doug@unh.edu

Copyright © 2008 by the Northeastern Agricultural and Resource Economics Association. No article or other material appearing in the *Agricultural and Resource Economics Review* may be republished in full or in part without the written permission of the editor or the NAREA Secretary-Treasurer.

PUBLISHED BY THE NORTHEASTERN AGRICULTURAL
AND RESOURCE ECONOMICS ASSOCIATION

PRINTED BY THE SHERIDAN PRESS, INC., HANOVER, PENNSYLVANIA

AGRICULTURAL AND RESOURCE ECONOMICS REVIEW

Volume 37 / Number 1 ■ April 2008

Contents

*Some papers in this volume were presented at the Crop Insurance and Risk Management Workshop
of the NAREA annual meetings, Rehoboth Beach, Delaware, June 12–13, 2007.*

Foreword

Special Issue on Crop Insurance and Risk Management / *Calum G. Turvey*..... iii

Invited Papers

Innovations in Index Insurance for the Poor in Lower Income Countries / *Jerry R. Skees* 1

Environmental and Natural Resource Economists, Great Research,
and the National Science Foundation / *Robert E. O'Connor*..... 16

Extension Programs in Crop Insurance: A Maryland Case Study / *Wesley N. Musser*..... 22

Contributed Papers

Identifying Risk Factors Affecting Weather- and Disease-Related Losses in the
U.S. Farm-Raised Catfish Industry / *Terrill R. Hanson, Saleem Shaik,
Keith H. Coble, Seanicaa Edwards, and J. Corey Miller* 27

Willingness to Pay for a Potential Insurance Policy: Case Study of Trout Aquaculture /
*Saleem Shaik, Keith H. Coble, Darren Hudson, James C. Miller, Terrill R. Hanson,
and Stephen H. Sempier* 41

An Insurance Approach to Risk Management in the Ethanol Industry /
Nicholas D. Paulson, Bruce A. Babcock, Chad E. Hart, and Dermot J. Hayes 51

An Internet-Based Tool for Weather Risk Management / *Calum G. Turvey and Michael Norton*..... 63

Empirically Evaluating the Flexibility of the Johnson Family of Distributions:
A Crop Insurance Application / *Yue Lu, Octavio A. Ramirez, Roderick M. Rejesus,
Thomas O. Knight, and Bruce J. Sherrick* 79

Modeling Exit and Entry of Farmers in a Crop Insurance Program /
Juan H. Cabas, Akssell J. Leiva, and Alfons Weersink..... 92

Preference for Risk Management Information Sources: Implications for
Extension and Outreach Programming / *Roderick M. Rejesus, Thomas O. Knight,
Mauricio Jaramillo, Keith H. Coble, George F. Patrick, and Alan Baquet* 106

Economic Analysis of Supplemental Deductible Coverage as Recommended
in the USDA's 2007 Farm Bill Proposal / *Paul D. Mitchell and Thomas O. Knight*..... 117

The NAREA Crop Insurance and Risk Management Workshop received funding from the Northeast Regional Center for Rural Development, the Risk Management Agency, the Farm Foundation, the Food Policy Institute at Rutgers University, and Cornell University.

AGRICULTURAL AND RESOURCE ECONOMICS REVIEW

Volume 37 / Number 1 ■ April 2008

Titus O. Awokuse and Joshua M. Duke, Co-Editors
University of Delaware

Liesl Koch, Technical Editor
College Park, Maryland

EDITORIAL BOARD

Kathleen P. Bell, University of Maine	David R. Just, Cornell University
Julie A. Caswell, University of Massachusetts	Brian W. Gould, University of Wisconsin
Nancy H. Chau, Cornell University	Jayson L. Lusk, Oklahoma State University
Joseph Cooper, Economic Research Service, USDA	Michael R. Reed, University of Kentucky
Edward C. Jaenicke, Pennsylvania State University	Timothy R. Wojan, Economic Research Service, USDA
Robert J. Johnston, University of Connecticut	

ASSOCIATION OFFICERS

PRESIDENT	Stephen Smith, Pennsylvania State University
PRESIDENT-ELECT	Lori Lynch, University of Maryland
PAST PRESIDENT	Harry Kaiser, Cornell University
SECRETARY-TREASURER.....	Douglas E. Morris, University of New Hampshire

EXECUTIVE COMMITTEE

Kathleen Bell, University of Maine <i>Director, 2005–2008</i>	Robert Johnston, University of Connecticut, Avery Point <i>Director, 2006–2009</i>
Cheryl Brown, West Virginia University <i>Director, 2007–2010</i>	David Just, Cornell University <i>Director, 2006–2009</i>
Jill Caviglia-Harris, Salisbury University <i>Director, 2007–2010</i>	Michael Roberts, USDA Economic Research Service <i>Government Representative (ex-officio)</i>
Jacqueline Geoghegan, Clark University <i>Director, 2005–2008</i>	Robert Yonkers, International Dairy Foods Association <i>Industry Representative (ex-officio)</i>