January 27, 2022

The Honorable Tom Vilsack Secretary US Department of Agriculture 1400 Independence Avenue SW Washington, DC 20250

The Honorable Shalanda Young Acting Director The Office of Management and Budget 725 17<sup>th</sup> Street NW Washington, DC 20503

Dear Secretary Vilsack and Acting Director Young:

As the Administration develops its budget proposal for FY 2023, we respectfully urge you to once again protect crop insurance from harmful cuts. The FY 2022 budget wisely recognized crop insurance as a farmer's first line of defense against climate change and other disasters, and did not make cuts to the program. As the challenges for America's farmers and ranchers continue to grow, we believe crop insurance as a safety net is only becoming more important to stability in rural America. During this tumultuous time, one of the few certainties that farmers could rely on was the protection provided by their Federal crop insurance policy.

Even in good years, farmers need access to a strong and secure Federal crop insurance program, a program that farmers have described time and again as a critical linchpin of the farm safety net. The strength and predictability of the program is only more critical given the uncertainty that characterizes the production agriculture sector. USDA and Congress have taken extraordinary ad hoc measures over the past few years to ensure the financial security of rural America. It would only serve to undercut these efforts to propose harmful changes to a crop insurance program that provides predictable, within-budget assistance to farmers in a way that helps lenders continue to support America's farmers and ranchers. It is the certainty of the crop insurance program that provides critical reassurance to lenders.

It is no accident that the most recent farm bills emphasized risk management, and in doing so, protected the interests of American taxpayers. Farmers spend as much as \$4 billion per year of their own money to purchase insurance from the private sector. On average, farmers also must incur losses of almost 30 percent before their insurance coverage pays an indemnity. Crop insurance allows producers to customize their policies to their individual farm and financial needs and policies are based on fundamental market principles, which means higher risk areas and higher value crops pay higher premiums for insurance. Crop insurance and its links to conservation further ensure that the program is a good investment for taxpayers.

Given the challenges faced by rural America and the critical nature of crop insurance, cuts to the program should be avoided. Farmers, agribusinesses, lenders and lawmakers agree that crop insurance is a linchpin of the farm safety net and is crucial to the economic and food and fiber security of urban and rural America. We urge you to continue to support America's farmers and ranchers and oppose cuts to crop insurance during this year's budget process.

## Sincerely,

Agricultural Retailers Association

American Association of Crop Insurers

American Bankers Association

American Farm Bureau Federation

American Farmland Trust

American Malting Barley Association

American Property Casualty Insurance Association (APCIA)

American Seed Trade Association

American Sesame Growers Association

American Society of Farm Managers and Rural Appraisers

American Soybean Association

American Sugar Alliance

American Sugar Cane League

American Sugarbeet Growers Association

Association of Equipment Manufacturers

Corn Refiners Association

Crop Insurance and Reinsurance Bureau

Crop Insurance Professionals Association

**Ducks Unlimited** 

**Environmental Defense Fund** 

Farm Credit Council

Independent Community Bankers of America

Independent Insurance Agents & Brokers of America

National Association of Mutual Insurance Companies

National Association of Professional Insurance Agents

National Association of State Departments of Agriculture

National Association of Wheat Growers

National Barley Growers Association

National Corn Growers Association

**National Cotton Council** 

**National Council of Farmer Cooperatives** 

National Crop Insurance Services

National Farmers Union

National Grain and Feed Association

National Milk Producers Federation

National Oilseed Processors Association

National Peach Council

National Potato Council

**National Sorghum Producers** 

National Sunflower Association

Organic Trade Association

Panhandle Peanut Growers Association

Pheasants Forever

Quail Forever

Reinsurance Association of America

Rural & Agriculture Council of America

Southwest Council of Agribusiness

U.S. Apple Association

U.S. Canola Association

U.S. Cattlemen's Association
U.S. Durum Growers Association
U.S. Peanut Federation
USA Dry Pea & Lentil Council
USA Rice
Western Peanut Growers Association

Cc: Sen. Debbie Stabenow, Chairwoman, Committee on Agriculture, Nutrition and Forestry Sen. John Boozman, Ranking Member, Committee on Agriculture, Nutrition and Forestry Rep. David Scott, Chairman, Committee on Agriculture
Rep. GT Thompson, Ranking Member, Committee on Agriculture

January 27, 2022

The Honorable Patrick Leahy Chairman Senate Appropriations Committee United States Senate Washington, DC 20510

The Honorable Richard Shelby Ranking Member Senate Appropriations Committee United States Senate Washington, DC 20510 The Honorable Rosa DeLauro Chairwoman House Appropriations Committee United States House of Representatives Washington, DC 20515

The Honorable Kay Granger Ranking Member House Appropriations Committee United States House of Representatives Washington, DC 20515

Dear Chairman Leahy, Chairwoman DeLauro and Ranking Members Shelby and Granger:

As the Appropriations Committee works on legislation to fund the Federal government for the coming fiscal year, we respectfully urge you to protect crop insurance from harmful cuts. The last several years have brought an onslaught of uncertainty for America's farmers and ranchers - from weather extremes to the disruptions of international markets to COVID-19 and all of its unique challenges. During this tumultuous time, one of the few certainties that farmers could rely on was the protection provided by their Federal crop insurance policy.

Even in good years, farmers need access to a strong and secure Federal crop insurance program, a program that farmers have described time and again as a critical linchpin of the farm safety net. The strength and predictability of the program is only more critical given the uncertainty that characterizes the production agriculture sector. USDA and Congress have taken extraordinary ad hoc measures over the past three years to ensure the financial security of rural America. It would only serve to undercut these efforts to propose harmful changes to a crop insurance program that provides predictable, within-budget assistance to farmers in a way that helps lenders continue to support America's farmers and ranchers. It is the certainty of the crop insurance program that provides critical reassurance to lenders.

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Rep. GT Thompson, Ranking Member, Committee on Agriculture

January 27, 2022

The Honorable Bernie Sanders Chairman Senate Budget Committee United States Senate Washington, DC 20510

The Honorable Lindsey Graham Ranking Member Senate Budget Committee United States Senate Washington, DC 20510 The Honorable John Yarmuth Chairman House Budget Committee United States House of Representatives Washington, DC 20515

The Honorable Jason Smith Ranking Member House Budget Committee United States House of Representatives Washington, DC 20515

Dear Chairmen Sanders and Yarmuth and Ranking Members Graham and Smith:

As the Budget Committee works to lay out fiscal policy goals for Fiscal Year 2022, we respectfully urge you to protect crop insurance from harmful cuts. The last several years have brought an onslaught of uncertainty for America's farmers and ranchers - from weather extremes to the disruptions of international markets to COVID-19 and all of its unique challenges. During this tumultuous time, one of the few certainties that farmers could rely on was the protection provided by their Federal crop insurance policy.

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