

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 17th 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