Dear Members of the House of Representatives:

Over the past three years the House Agriculture Committee has conducted numerous hearings and listening sessions throughout the country to talk about priorities for the 2018 Farm Bill. One consistent theme from these meetings was "do no harm to crop insurance." Yet as we approach floor action on the Farm Bill, we may see amendments that would do significant harm to crop insurance and to rural America.

As you consider the 2018 Farm Bill on the House floor, we urge you to oppose harmful amendments to crop insurance, including those that would 1) reduce or limit participation in crop insurance, 2) make insurance more expensive for farmers during a time of economic downturn in agriculture, or 3) harm private-sector delivery.

Crop insurance is a unique risk management tool available to farmers and ranchers. First, crop insurance policies are available for more than 120 individual crops across the country, and the recent development of Whole Farm Revenue (WFR) insurance makes coverage available to all crops, in all regions and for all types of farms.

Crop insurance is also <u>purchased</u> by farmers, and farmers must prove that they have met a deductible (minimum loss threshold) to be eligible for a payment for a portion of their loss. On average, farmers collectively spend \$3.5 to \$4 billion per year out of their own pockets for crop insurance coverage, and the average deductible is approximately 25% of the expected value of the crop.

Finally, instead of placing the entire risk for crop insurance on the American taxpayer – like ad hoc disaster assistance does - crop insurance shares risk between the taxpayer, farmers and the private sector delivery system.

There is no shortage of reasons why farmers, lenders, agriculture input organizations, conservation groups and others have expressed strong support for crop insurance.

- Without crop insurance most producers simply could not qualify for the operating loans
  they need to put a crop in the ground. Due to extremely tight margins in agriculture,
  regulators examining agriculture lending portfolios typically insist borrowers have crop
  insurance.
- Crop insurance is available to all types and sizes of producers in all regions.
- Crop insurance provides for **environmental benefits**. Crop insurance requires producers to meet wetlands protections and highly erodible lands protections to be eligible for a premium discount.
- Crop insurance is a **rapid response** solution to disasters. Private sector delivery typically allows farmers who have losses and have met their deductible to receive indemnity payments in less than thirty days, while ad hoc disaster can take months or even years.
- Crop insurance **protects jobs**, both on and off the farm. Crop insurance enables farmers to rebound quickly after a disaster and allows producers to pay credit obligations and other input expenses, such as fertilizer and farm equipment.

Crop insurance is food and fiber security insurance, and food and fiber security is national security. Given the importance of crop insurance, the undersigned organizations <u>urge you to support America's farmers, ranchers, rural economies and national security by opposing amendments that would harm crop insurance.</u>

## Sincerely,

Agricultural Retailers Association

American Agri-Women

American Association of Crop Insurers

American Bankers Association

American Farm Bureau Federation

American Farmland Trust

American Insurance Association

American Malting Barley Association

American Seed Trade Association

American Sesame Growers Association

American Society of Farm Managers and Rural Appraisers

American Soybean Association

American Sugar Alliance

American Sugarbeet Growers Association

Association of Equipment Manufacturers

Association of Fish and Wildlife Agencies

Biotechnology Innovation Organization

California Association of Winegrape Growers

Corn Refiners Association

Crop Insurance and Reinsurance Bureau

Crop Insurance Professionals Association

**Ducks Unlimited** 

Farm Credit Council

Florida Sugar Cane League

Independent Community Bankers of America

Independent Insurance Agents & Brokers of America

National Association of Conservation Districts

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 Rural Lenders Association

**National Sorghum Producers** 

National Sunflower Association

Panhandle Peanut Growers Association

Pheasants Forever

Property Casualty Insurers Association of America

Reinsurance Association of America

Rio Grande Valley Sugar Growers

Rural & Agriculture Council of America

Southern Peanut Farmers Federation

Southwest Council of Agribusiness

Specialty Crop Farm Bill Alliance

The Fertilizer Institute

Theodore Roosevelt Conservation Partnership

United Fresh Produce Association

US Apple Association

US Canola Association

US Dry Bean Council

US Rice Producers Association

USA Dry Pea & Lentil Council

**USA** Rice Federation

Western Growers Association

Western Peanut Growers Association

Women Involved in Farm Economics