

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