

# AACI in Action: Ouarterly Report

American Association of Crop Insurers
Third Quarter Report 2019

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### **MESSAGE FROM THE PRESIDENT**



Despite the extended August recess that Congress takes every year it remained a busy few months on-and-around Capitol Hill. The U.S. Department of Agriculture released details of both another round of disaster aid and market facilitation programs, which are designed to assist producers with ongoing weather and trade complications. AACI has continued to engage coalition partners and policy makers to ensure that these efforts ultimately work to encourage sustainable risk management practices as America's agricultural producers continue to literally weather the storm.

Also, two bipartisan champions of the crop insurance program, Reps. Cheri Bustos (D-IL) and G.T. Thompson (R-PA) recently formed a member organization called the Congressional Crop Insurance Caucus. The mission of the caucus is to educate lawmakers on the details of how the program functions and to serve as way for members to highlight their support of crop insurance by joining the group. The initial crop insurance 101 briefing with staff was held with standing room only. The organization will continue to serve as a platform to proactively engage and educate policy makers and their staffs on the vital importance of the crop insurance program. In fact, encouraging Members of Congress to join this group will serve as the primary focus of our upcoming fall fly-in later this month.

Politically, the AACI-PAC continued hosting and participating in multiple fundraising events that have assisted in further raising the profile of AACI inside the Beltway.

Thank you for your continued support and participation in AACI. Your efforts and involvement make all the difference.



SCOTT GRAVES

President

## Bipartisan Crop Insurance Caucus Launched to Educate Congress

In July, Rep. Cheri Bustos (D-IL-17) and Rep. Glenn "GT" Thompson (R-PA-15) launched the Congressional Crop Insurance Caucus to help Members of Congress and their staff better understand the program and build bipartisan support for this critical risk management tool for farmers and ranchers.

"For the long-term success of American agriculture and our national food supply, it is critical that farmers and ranchers have access to voluntary tools to help manage that risk," stated Rep. GT Thompson about the new effort. "I'm proud to serve as co-chair of the House Crop Insurance Caucus in order to support our farm families, economy and national food security."

Fellow co-chair Rep. Bustos added, "crop insurance should never be a partisan issue and I'm proud to work across the aisle with Congressman Thompson to build support in Congress for our farm safety net."

Other members of the newly formed caucus echoed these sentiments saying that they take seriously the responsibility to maintain vibrant and healthy rural economy and seek to maintain crop insurance that is affordable, available and economically viable.

Going forward, these members will work with AACI and other stakeholders to grow the membership and organize briefings and events to keep everyone focused on protecting and advancing the crop insurance program.





"The crop insurance program is a critical tool to protect against the risks that come with farming. As the rural economy faces another tough year, it is encouraging to see members of Congress from both sides of the aisle come together to stand up for America's farmers."

RON MOORE soybean farmer

AMERICAN ASSOCIATION OF CROP INSURERS

### **Crop Insurance Caucus Members**



Rep. Cheri Bustos (D-IL-17) Co-Chair



Rep. Glenn "GT" Thompson (R-PA-15)
Co-Chair



Rep. Cindy Axne (D-IA-03)



Rep. Mike Bost (R-IL-12)



Rep. Salud Carbajal (D-CA-24)



Rep. Angie Craig (D-MN-02)



Rep. Rodney Davis (R-IL-13)



Rep. Alcee Hastings (D-FL-23)



Rep. Dave Loebsack (D-IA-02)



Rep. Jefferson Van Drew (D-NJ-02)



Rep. Filemon Vela (D-TX-34)



### What They're Saying About The Congressonal Crop Insurance Caucus

"The announcement of the House Crop Insurance Caucus comes at a critical moment for rural America. Farmers are trying to recover from a one-two punch of weather disasters and a struggling rural economy. Never has crop insurance been more crucial to the survival of America's farmers and ranchers. We commend Representatives Bustos and Thompson for their leadership in launching the House Crop Insurance Caucus and providing a forum for all members to learn more about the value of crop insurance while encouraging bipartisan collaboration to protect this important risk management tool. We look forward to working with the Caucus to strengthen crop insurance and ensure it remains affordable, widely available, and economically viable."

### - AMERICAN ASSOCIATION OF CROP INSURERS

Crop Insurance and Reinsurance Bureau, Crop Insurance Professionals Association, Independent Insurance Agents and Brokers of America, National Association of Professional Insurance Agents, and National Crop Insurance Services

Crop insurance is a critical component of the farm safety net for Illinois soybean growers. Protecting and preserving the program is paramount, especially in years like this when Mother Nature has not been kind. We greatly appreciate the leadership of Congresswoman Bustos and Congressman Thompson to create the Crop Insurance Caucus to protect this critical tool for farmers."

RON MOORE
 Illinois soybean farmer and Board Member of the American Soybean Association

"Farm Credit, a dedicated provider of credit to agriculture and rural communities, supports a range of risk-management tools for producers. A viable federal crop insurance program allows lenders to finance many of those agriculture producers, particularly young and beginning farmers and ranchers who typically have less collateral and equity. We trust that the bipartisan Crop Insurance Caucus will inspire more support for this successful public-private partnership on Capitol Hill."

- TODD VAN HOOSE CEO of Farm Credit Council "NCGA's farmer members have consistently cited the federal crop insurance program as their most important risk management tool to protect against significant production losses. In challenging times, like many farmers are currently facing, the program becomes even more critical. NCGA welcomes the formation of the House Crop Insurance Caucus and commends Reps. Bustos and Thompson for their support of this important program."

JON DOGGETT
 CEO of National Corn Growers Association (NCGA)

"This year our agency witnessed firsthand the level of uncertainty and devastation that can come with extreme weather. Farmers wwhe backbone of our community and a strong crop insurance program allows them the certainty and security they need to recover and maintain their operations. We applaud Rep. Bustos and Rep. Thompson for their efforts to educate Congress on the importance of crop insurance and the critical role it plays in communities like ours here in Illinois."

- GREG AND LUKE SANDROCK Cornerstone Agency

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### **Policy Announcements**

There were several announcements related to agriculture during the third quarter of 2019. The majority focused on additional support for farmers following a year of devastating weather and trade uncertainties. USDA had already announced a series of flexibilities to reduce stress on producers affected by weather, including: providing more time for cover crop haying and grazing by moving up the start date to September 1; allowing producers who filed prevented planting claims then planted a cover crop with a potential for harvest to receive a \$15 per acre Market Facilitation Program payment; and holding signups in select states for producers to receive assistance in planting cover crops. Below is a summary of the activity that's happened over the past three months.

### **Crop Insurance-Specific Announcements**

**July 10:** RMA announced deadline extensions (July 15 to July 22) in 12 states for reporting spring-seeded crops to FSA's county offices and crop insurance agents.

**August 15:** RMA announced that it will defer accrual of interest for all producers' spring 2019 crop year insurance premiums to the earlier of the applicable termination date or for two months, until November 30, for all policies with a premium billing date of August 15, 2019.

**August 27:** RMA announced that certain producers of industrial hemp will be able to obtain insurance coverage under the Whole-Farm Revenue Protection (WFRP) policy in the 2020 crop year for hemp grown for fiber, flower, or seeds.

**August 30:** RMA announced that beginning in the 2020 crop year, producers with Noninsured Crop Disaster Assistance (NAP) and WFRP may receive indemnity payments under both policies. Also, RMA made several measures available to prevent large drops in approved revenue from year to year and smooth the historical values. The changes were triggered by language in the 2018 farm bill.

**September 26:** RMA announced that producers with crop insurance who filed prevent plant claims due to excess flooding or moisture will receive supplemental payments through their insurance providers starting in mid-October. Producers with Yield Protection and Revenue Protection with Harvest Price Exclusion will receive a 10% top-up payment and producers with Revenue Protection will receive 15%. They do not need to sign up to receive payments and all producers with a 2019 prevented planting indemnity will receive the top-up.

### **Other Announcements**

July 25: USDA announced details for the second round of Market Facilitation Program (MFP 2.0) payments. Farmers can sign up for payments at their local FSA office from July 29 - December 6, 2019. To be eligible, non-specialty and cover crops must have been planted by August 1, 2019. The first tranche of payments will equal 50 percent of payment per acre in a county, and no payment will be less than \$15. This pay limit is double the amount from the first round of MFP payments and there will be separate limits for row crops, specialty crops, and livestock. Following the supplemental disaster law, if 75 percent or more of a farm's income is derived from farming, ranching, etc., AGI is waived. Applications are expected to surpass signups for the first round of MFP because USDA is making a broader range of crops eligible for payments.

**September 9:** USDA released the first details of the disaster aid program aimed to assist producers who were impacted by natural disasters in 2018 and 2019, including hurricane Dorian. Producers can apply for assistance through the Wildfire and Hurricane Indemnity Program Plus (WHIP+). Signups began on September 11. Some of the most notable items in the announcement include: Prevent Plant supplemental payments will be a payment equal to 10% of crop insurance PP indemnity, with an additional 5% to those who purchased Harvest Price Option; producers who suffered loss of harvested crop stored in on-farm structures will receive assistance through On-Farm Storage Loan Programs; and pay limit per year is \$125,000 unless 75% of income is derived from farming in which case the pay limit is \$250,000 (combined maximum for 2018, 2019, and 2020 crop years is \$500,000).



### Member of Congress Connect Program

AACI launched its *Member of Congress Connect Program* which helps our association members engage and build relationships with Members of Congress in their state or district offices. The intent of this new effort is to build AACI's footprint outside of Washington, D.C. so that district and state staff have the necessary resources and contacts when questions or issues surface relating to crop insurance. This will serve as another opportunity to grow Congressional champions for the crop insurance program.

f you are interested in a meeting with your member of Congress or would like more information, please contact the AACI staff.

### **AACI PAC IMPACT**

\$137,500

The AACI PAC has given \$137,500 to 79 different campaigns to date.

\$95,007

AACI PAC has received \$95,007 in membership contributions through September 30.



### Thank you to our AACI PAC Contributors

### PAC Champion: \$5,000

Carothers, Dan Rain and Hail Insur. Society PAC

### **PAC Leader:** \$2,500

(\$2,500 - \$4,999)

Brichler, Ron Latham. Benson

### **PAC Trailblazer:** \$1500

(\$1,500 - \$2,499)

Adams, Grant Heitman, Larry Leighton, Bradley

### **PAC Pioneer:** \$500

(\$500 - \$1,499)

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