

SEPTEMBER REPORT 2022

# AACI in Action

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## MESSAGE FROM THE PRESIDENT



As we prepare for a new Farm Bill to be considered in the next Congress, it is more critical than ever that AACI both engages and educates Members of the House and Senate on the importance of crop insurance and the vital role it plays in America's economy.

While we don't yet know exactly how the midterm election will turn out, we do expect to see a lot of new faces. This presents us with an opportunity to build new relationships on Capitol Hill and educate policymakers and their staff on the value of crop insurance as well as the critical role this unique public-private partnership plays in ensuring America's farmers and ranchers are able to continue providing the most affordable, abundant and safest food and fiber supply in the world.

In the coming months, we will work with our AACI members and encourage them to reach out to their elected officials to tell them about the importance of our industry. In doing so, we'll continue to build important relationships with Congress and their staff, so that they understand why crop insurance is so important to American agriculture.

Your efforts over the years to build and expand our footprint on Capitol Hill proves that our members are our industry's own best advocates. You have helped put a face on crop insurance by talking to our elected representatives about how your respective companies and agencies have kept American agriculture viable and moving in the right direction despite the many challenges producers are currently facing.

These efforts will be critical as we approach the next Farm Bill to ensure we maintain strong support for crop insurance and other farm programs. I look forward to continuing to work with you to advocate for our priorities and appreciate all you have done to advocate for crop insurance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Graves".

**SCOTT GRAVES**  
President



# 2022 Crop Insurance Industry Annual Convention

After a one-year hiatus, AACI members gathered in Indian Wells, CA for the 2022 Crop Insurance Industry Annual Convention hosted by AACI and the National Crop Insurance Services. Throughout the week, attendees heard from Members of Congress, Administration officials, and other industry professionals.

The convention kicked-off on Monday, February 14 with comments from the leadership of both organizations. Each of them highlighted their accomplishments over the course of 2021 and laid out the steps they planned to take in 2022 to continue to build support for the crop insurance program on Capitol Hill and across the country.

Attendees also heard from several members of Congress, including video recordings from Senators Tina Smith (D-MN) and Jerry Moran (R-KS). Following that both Rep. Salud Carbajal (D-CA) and Rep. Adrian Smith (R-NE) provided live video comments and participated in a brief Q&A session with the audience. All four of the members expressed their strong support for the crop insurance program, and their commitment to keep the program fully funded through the next farm bill.

Several USDA officials also made appearances over the three-day meeting, including USDA Secretary Vilsack who gave brief pre-recorded comments noting his support for the industry. The newly elected RMA Administrator, Marcia Bunger, joined in-person, along with her staff, and gave updates on the work RMA is currently doing as well as future plans. There was also a presentation from USDA economist Seth Meyer.

The convention also included an ag economic outlook from Dr. Joe Outlaw with Texas A&M University. Dr. Outlaw shared his insights on the future of the ag economy based on price fluctuations, input costs, and supply and demand for certain commodities across the globe. Finally, the Cook Political Report's David Wasserman gave an update on the current political landscape and offered some of his predictions heading into the 2022 midterm election.

The 2023 Crop Insurance Industry Annual Convention will be held in Bonita Springs, Florida from February 12-15, 2023. Registration for the convention will open up 4-6 weeks in advance of the event.





## 2022 Spring Fly-In

On May 10-13, AACI hosted its first full attendance fly-in since the start of the pandemic. Roughly 35 AACI members made the trip to Washington, DC where they met with administration officials, members of Congress, and staff over three days to discuss the federal crop insurance program.

The group's first meeting was with the House Agriculture Committee majority staff, which was followed by a meeting with the minority staff. Both sides of the committee provided an update from their boss's perspective and highlighted several priorities that they have for the next farm bill. Democratic Chairman David Scott (D-GA) has a strong focus on climate, conservation, and sustainability, while Republican leader GT Thompson (R-PA) wants to put more of a focus on production agriculture issues, such as fertilizer shortages, supply chain issues, and how to deal with rising input costs.

After meeting with the House Ag staff, AACI held a virtual meeting with RMA Administrator Marcia Bunker who provided an update on the work her agency is doing to address some of the concerns in farm country. Administrator Bunker was also joined by several staff who answered questions that were submitted by AACI members prior to the meeting and offered to take any conversations off-line to discuss further.

To wrap up Day 1, the group had dinner with Rep. Adrian Smith (R-NE). The congressman provided his outlook on the state of Congress and gave an update on the race for the top Republican spot on the House Ways & Means Committee. Rep. Smith also touched on the status of the United States' trade situation, including opportunities for any new trade deals on the horizon.



Most of day two was spent on Capitol Hill where members broke out into groups of 3-5 individuals and visited more than 40 congressional offices in the morning and afternoon. AACI staff targeted meetings with offices where the member will likely have a key role during consideration of the Farm Bill. Throughout the day AACI met with several high-profile members of the Senate and House Agriculture Committees, including Sen. John Hoeven (R-ND), Sen. Roger Marshall (R-KS), Sen. Joni Ernst (R-IA), Rep. Austin Scott (R-GA), Rep. Jim Baird (R-IN), Rep. Troy Balderson (R-OH), and others.

In addition to the smaller Hill visits, AACI also held three fundraising events on day two. There was a breakfast held with Rep. Dan Kildee (D-MI) and a lunch held with Sen. Jerry Moran (R-KS). The group wrapped up day two by attending a Washington Nationals baseball game where they were joined by House Agriculture Committee member Rep. Rick Crawford (R-AR). Crawford visited with individuals about the status of crop insurance in his state, as well as what he thinks some of the challenges might be as we head into the next Farm Bill debate.

Day three was the final day of the full fly-in, and started with a discussion with House Ag Committee member Rep. Abigail Spanberger (D-VA). Rep. Spanberger noted that she was not extremely familiar with the federal crop insurance program. However, she was very engaged with the group and asked several questions to get a better understanding of how the program works to support producers in her state and district.

After the discussion with Spanberger, the group headed over to the Senate where they met with both Republican and Democratic staffers on the Senate Agriculture Committee. First, they met with staff working for Ranking Member Sen. John Boozman (R-AR), followed by a meeting with staffers for Chairwoman Sen. Debbie Stabenow (D-MI). Both groups provided updates on the status of their Farm Bill hearings and touched on some highlights from the field hearing that took place in East Lansing, MI in late April. Staff added that they plan to hold a similar roundtable discussion in Sen. Boozman's home state of Arkansas in the coming months.



## USDA-RMA UPDATES

In the last eight months, USDA issued the below press releases to update producers on changes and improvements to the federal crop insurance program

### USDA Makes Improvements to WFRP & Micro Farm Policies

**August 31, 2022** – USDA is improving two of its most comprehensive risk management safety net programs, Whole-Farm Revenue Protection (WFRP) and Micro Farm, making them more accessible to America's agricultural producers. This includes doubling the maximum insurable revenue under WFRP, now \$17 million, more than tripling the size of farm operations eligible for Micro Farm, now \$350,000 and reducing paperwork requirements for WFRP. These improvements are in direct response to feedback from stakeholders as USDA's Risk Management Agency (RMA) recognizes the important role these insurance options play for many producers, including specialty crop, organic and direct market producers.

[VIEW FULL RELEASE](#)

### USDA Offers Greater Protection & Flexibility with Transitional and Organic Grower Assistance

**August 22, 2022** – Agriculture producers with Federal crop insurance for crops in transition to organic or a certified organic grain or feed crop are eligible to receive premium assistance from the U.S. Department of Agriculture (USDA) for the 2023 reinsurance year. The Transitional and Organic Grower Assistance (TOGA) Program, offered by RMA, reduces a producer's overall crop insurance premium bills, and helps them continue to use organic agricultural systems.

RMA's TOGA (a nationwide program) is part of USDA's Organic Transition Initiative, a group of programs that build more and better markets for American growers and consumers and improve the resilience of the food supply chain. Through the Organic Transition Initiative, USDA will provide support in three main areas: mentoring and advice, direct farmer assistance, and organic market security.

[VIEW FULL PRESS RELEASE](#)

### USDA Invests \$2.2M in Risk Management Education for Farmers

**Aug.11, 2022** – USDA announced it is awarding \$2.2 million to 16 organizations to educate historically underserved producers, small-scale farmers and others on farm risk management and climate-smart farm practices. The funding from RMA provides the resources for organizations, such as nonprofits and universities, to develop training and resources for producers on risk management options.

This \$2.2 million investment for 2022 builds on a nearly \$1 million investment in 2021. RMA advertised available funding in January 2022, and more than 50 organizations applied. Successful applicants provided comprehensive summary of work statements and budgets, and proposals that demonstrated an ability to partner with other entities to deliver training. Organizations receiving funding this year include nonprofits, historically black colleges and universities, and university extensions, among others.

[VIEW FULL PRESS RELEASE](#)



### USDA Expands Insurance Coverage for Double Cropping for 2023 Families

**July 12, 2022** – Today, the Biden Administration announced additional steps it's taking to support U.S. farmers in their work to stabilize food prices and feed Americans and the world amidst continuing challenges such as the COVID-19 pandemic, supply chain disruptions, and the invasion of Ukraine by Russia. USDA is reducing the economic risk of raising two crops on the same land in one year, making it easier for U.S. farmers to grow food in America, increase food supply, and lower food costs for American families. This action is part of a broader set of commitments made earlier this year by President Biden and Agriculture Secretary Tom Vilsack to increase domestic food production amid potential global food shortages related to the invasion of Ukraine.

To reduce the risk of raising two crops on the same land in one year – a practice known as double cropping – RMA is expanding double crop insurance opportunities in nearly 1,500 counties where double cropping is viable.

[VIEW FULL PRESS RELEASE](#)

### RMA Announces Greater Flexibilities for Crop Insurance Reporting

**June 30, 2022** – Specialty crop producers can now benefit from greater flexibility to use their own records to meet crop insurance reporting requirements. USDA is announcing revisions that will make it easier for specialty crop producers and others who sell through direct marketing channels to obtain insurance, report their annual production, and file a claim. Changes include:

1. A new marketing certification that allows producers to self-identify if they will not have disinterested third-party records, when required, and enables them to use their own supporting production records. This will benefit direct marketers and vertically integrated producers since they often do not have disinterested third-party records.
2. Allowing producers to use their own records, thereby limiting the need for Approved Insurance Providers (AIP) preharvest appraisals as a supporting record.

[VIEW FULL PRESS RELEASE](#)

## USDA to Provide \$6B to Producers Impacted by 2020 and 2021 Natural Disasters

**May 16, 2022** – USDA announced that commodity and specialty crop producers impacted by natural disaster events in 2020 and 2021 will soon begin receiving emergency relief payments totaling approximately \$6 billion through the Farm Service Agency's (FSA) new Emergency Relief Program (ERP) to offset crop yield and value losses.

On September 30, 2021, President Biden signed into law the Extending Government Funding and Delivering Emergency Assistance Act, which included \$10 billion in assistance to agricultural producers impacted by wildfires, droughts, hurricanes, winter storms, and other eligible disasters experienced during 2020 and 2021. USDA estimated that phase one ERP benefits will reach more than 220,000 producers who received indemnities for losses covered by federal crop insurance and more than 4,000 producers who obtained NAP coverage for 2020 and 2021 crop losses.

[VIEW MORE HERE](#)

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## USDA Updates Livestock Insurance Options to Offer Better Protection, Flexibility

**May 4, 2022** – USDA updated three key crop insurance options for livestock producers: the Dairy Revenue Protection (DRP), Livestock Gross Margin (LGM), and Livestock Risk Protection (LRP). USDA's Risk Management Agency (RMA) revised the insurance options to reach more producers, offer greater flexibility for protecting their operations, and ultimately, better meet the needs of the country's swine, dairy, and cattle producers. The updates were published last week for the 2023 crop year, which begins July 1, 2022.

Producers will now have more flexibility for DRP, LGM, and LRP, when indemnities are used to pay premiums, which can help producers manage their operation's cash flow. With these updates, producers can now have both LGM and LRP policies, although they cannot insure the same class of livestock for the same time period or have the same livestock insured under multiple policies.

[VIEW FULL PRESS RELEASE](#)

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## Producers with Crop Insurance to Receive Premium Benefit for Cover Crops

**Feb. 10, 2022** – Agricultural producers who have coverage under most crop insurance policies are eligible for a premium benefit from USDA if they planted cover crops during the 2022 crop year. To receive the benefit from this year's Pandemic Cover Crop Program (PCCP), producers must report cover crop acreage by March 15, 2022. The new program comes on the heels of the recently announced Partnerships for Climate-Smart Commodities which creates market opportunities for U.S. agricultural and forestry products that use climate-smart production practices and include innovative, cost-effective ways to measure and verify greenhouse gas benefits.

PCCP, offered by RMA, helps farmers maintain their cover crop systems, despite the financial challenges posed by the pandemic and is part of USDA's Pandemic Assistance for Producers initiative, a bundle of programs to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions. PCCP was first offered in 2021, and producers with crop insurance received \$59.5 million in premium subsidies for 12.2 million acres of cover crops.

[VIEW FULL PRESS RELEASE](#)

## RMA Extends Crop Insurance Flexibilities to June Due to COVID-19

**Jan. 27, 2022** – Because of the ongoing impacts of the COVID-19 pandemic, USDA is extending program flexibilities to Approved Insurance Providers (AIPs) and agricultural producers until June 30, 2022 or later. Originally, these flexibilities were expiring this month.

Extended flexibilities include: Allowing notifications to be sent electronically, including policy related information over the phone or other electronic methods to select policy elections by sales closing, acreage reporting and production reporting dates, including options, endorsements and their forms. Producers may sign electronically or within 60 calendar days; allowing producers to submit a request for a written agreement after the sales closing date; allowing producers with inability to physically sign a written agreement because of COVID-19 to do so after the expiration date; providing additional time for AIPs to accept Regional Office Determined Yield, Master Yield, and Irrigated Determined Yield requests for Category B (annual) crops; allowing AIPs to request a 30-day extension to submit Determined Yield requests for Category C (perennial) crops; and waiving the witness signature requirement for approval of Assignments of Indemnity.

[VIEW FULL PRESS RELEASE](#)

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## RMA Extends Comment Period for Proposed Changes to Apple Crop Insurance Policy

**Jan. 26, 2022** – USDA has extended the comment period deadline contained in the proposed rule for the Apple Crop Provisions through April 15, 2022. RMA originally announced the publication of a proposed rule in the Federal Register to amend the Apple Crop Provisions in December 2021. The proposed changes are based on stakeholder feedback and recommended changes from a contracted study on the apple crop insurance program. Following feedback from the proposed rule, RMA will publish a final rule that is expected to be effective for the 2024 crop year.

RMA is proposing to make the following changes: Enable producers to elect different coverage levels and percent of price elections by type, which allows producers to manage individual coverage and price risk more effectively; allow producers' premiums to be reduced in response to orchard management practices, such as removing or grafting trees, that typically occur after the acreage reporting date and decrease an orchard's productivity; allow producers to insure at a higher price for apples sold predominantly to direct markets or premium processing markets; exclude apples sold for the slicer market from being considered "fresh apple production"; and introduce a fresh fruit factor to account for the reduced market value of production insured under the Quality Option sold for a grade other than U.S. Fancy.

[VIEW FULL PRESS RELEASE](#)



**USDA Invests \$2 Million in Risk Management Education for Historically Underserved and Small-Scale Producers**

Jan. 10, 2022 – USDA is investing up to \$2 million in cooperative agreements this year for risk management education and training programs that support historically underserved producers, small-scale farmers, and conservation practices. RMA is investing in organizations, such as nonprofit organizations, universities, and county cooperative extension offices, to develop training and education tools to help producers learn how to effectively manage long-term risks and challenges.

RMA works with partners to assist producers, especially historically underserved, farmers and ranchers, in effectively managing long-term risks and challenges. RMA re-established its support of risk management education in 2021, investing nearly \$1 million in nine risk management education projects. From 2002 to 2018, RMA provided annual funding for risk management education projects, supporting more than \$126 million worth of projects in historically underserved communities.

[VIEW FULL PRESS RELEASE](#)



**USDA Announces Details of New Insurance Option for Conservation-Minded Corn Farmers**

Jan. 5, 2022 – Corn farmers who “split-apply” nitrogen now have another option for insurance coverage. USDA’s Risk Management Agency (RMA) announced the details of its Post Application Coverage Endorsement (PACE) in certain states for non-irrigated corn, providing coverage for producers who use this practice that saves producers money and is considered better for natural resources. ‘

PACE provides payments for the projected yield lost when producers are unable to apply the post nitrogen application during the V3-V10 corn growth stages due to field conditions created by weather. PACE is offered in select counties in 11 states, including Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. It is available as supplemental coverage for Yield Protection (YP), Revenue Protection (RP), and Revenue Protection with Harvest Price Exclusion (RP-HPE) policies. The first sales closing date to purchase insurance is March 15, 2022.

[VIEW FULL PRESS RELEASE](#)





# House Ag Holds Hearing on Crop Insurance

On July 20th, the House Agriculture Subcommittee on General Farm Commodities and Risk Management held a hearing to review the Federal crop insurance program. Witnesses testifying at the hearing included AACI Board Member Bob Haney, a crop insurance agent, a private developer of crop insurance products, and two producers, one from Georgia and another from Illinois. Each of the witnesses provided testimony before fielding questions from Members of the Committee.

Throughout the hearing, the witnesses received questions and comments on a variety of topics. Most notably, when asked about cutting premium subsidies, essentially every witness said that would be detrimental to the program. Witnesses were also asked about program expansion for specialty crop and current policies, as well as their thoughts on the recent rounds of ad hoc disaster aid. The producers in the group said they appreciate the ad hoc assistance provided to them but noted how crop insurance is more reliable in terms of timing. Several witnesses also touched on the 508(h) process and explained how it's a great tool the industry can use to fill in the gaps that aren't being covered by current policies.

Below you can find links to read more on the hearing, along with links to view the witnesses written testimony and Members' opening statements. Read more [here](#), [here](#), & [here](#). [View Witness Testimonies](#)

In addition to the hearing on crop insurance, House Agriculture Committee conducted several other meetings, hearings, and activities throughout the 117th Congress. Below are some of the items noted by Chairman David Scott and a link with additional details can be found below.

- Hearings and Business Meetings Held: 61
  - 29 hearings and business meetings since the beginning of 2022, and 61 during the 117th Congress.
- Farm Bill Listening Sessions Held: 4 (locations below)
  - Arizona, California, Washington, & Minnesota
- Hours of Official Event Activity
  - Over 180 hours of Committee activity in 2022.
- Bills Advanced from Committee: 17
- Bills Passed in the House of Representatives: 8

[Press Release](#)



# Inflation Reduction Act – Agriculture Provisions

After delaying August recess for a week, Democrats officially passed their landmark reconciliation bill, the Inflation Reduction Act (IRA). The overall price tag of the bill is \$740 billion, and it includes provisions related to taxes, climate and healthcare. The agriculture related provisions can be found below.

## Agricultural Conservation

- Provides \$19.5 billion for agricultural conservation:
  - \$8.45 billion for the Environmental Quality Incentives Program (EQIP)
  - \$4.95 billion for the Regional Conservation Partnership Program (RCPP)
  - \$3.25 billion for the Conservation Stewardship Program (CSP)
  - \$1.40 billion for the Agricultural Conservation Easement Program (ACEP)
  - Additional funding will also be provided for conservation technical assistance (\$1.0 billion), a carbon sequestration and greenhouse gas emissions quantification program (\$300 million), and administrative expenses (\$100 million).

## Agricultural Credit

- Provides debt relief for distressed farm borrowers and assistance for underserved farmers and ranchers:
  - \$3.1 billion for debt modifications, including debt forgiveness, for distressed borrowers of direct or guaranteed farm loans "whose agricultural operations are at financial risk."

## Renewable Energy

- Provides \$13.3 billion for farm bill energy title programs:
  - \$1 billion for electric loans for renewable energy under the Rural Electrification Act
  - \$1.7 billion for eligible projects under REAP and approximately \$304 million for grants and loans for underutilized renewable energy technologies and technical assistance with REAP applications
  - \$500 million for grants to increase the sale and use of agricultural commodity-based fuels through infrastructure improvements for blending, storing, supplying, or distributing biofuels.
  - For rural cooperatives, it provides \$9.7 billion

## Forestry

- Provides \$5.0 billion for forest management, planning, and restoration activities for federal and nonfederal forests:
  - \$2.15 billion for management of the National Forest System, including funding for hazardous fuel reduction or vegetation management projects on NFS lands, for inventorying and protecting old-growth and mature forests on NFS lands, and for improving environmental reviews
  - \$2.75 billion to support grants and other financial assistance for non federal forest management, including funding for urban and community forestry programs.



## VIEW FROM THE HILL

### House Agriculture Committee Chairman David Scott (D-GA): "Crop insurance is an essential risk management tool."



The House Agriculture Committee has been hard at work preparing for the 2023 Farm Bill, including holding listening sessions across the country and conducting numerous farm bill implementation oversight hearings in Washington, DC with experts, stakeholders, and government witnesses. One message that has been heard loud and clear throughout these listening sessions and hearings is that crop insurance is an essential risk management tool.

Ensuring assistance gets to producers soon after disaster strikes has long been a priority of mine. The experiences Georgia producers had following Hurricanes Matthew, Irma, and Michael a few years ago underscored the importance of timely assistance and have further informed my perspective. Supplemental disaster assistance in recent years has been necessary to ameliorate the impacts of increasingly severe weather events. However, the political nature of having to annually appropriate supplemental ad hoc assistance is not sustainable, especially when we already have a crop insurance program in place that works incredibly well for producers who use it. That is why I feel we must do everything we can to bring more producers into the crop insurance program and to help producers buy up higher levels of coverage to lower their deductibles.

Some have proposed making cuts to the crop insurance program, including cuts to the delivery system, the Federal premium cost-share, and establishing means testing – these sorts of cuts would undermine the effectiveness and integrity of the crop insurance program, and make policies more expensive for all producers – I oppose any cuts to the program or establishing means testing.

Of course, there are always opportunities to improve, and I believe there are steps we can and should take

to help our small livestock producers. Recently, I introduced the Small Family Farmer and Rancher Relief Act which would, among other things, make Livestock Risk Protection coverage more affordable for small cattle producers and provide additional reimbursement to companies and agents to sell these policies. I appreciate the helpful input AACI staff provided while working on these provisions in my Small Family Farmer and Rancher Relief Act, and I look forward to seeing what we can accomplish together for our hard-working livestock producers across this great nation.

As we head into the 2023 Farm Bill reauthorization process, I want to continue collaborating with AACI on bolstering the crop insurance program. Our crop insurance program is an important risk management tool for producers and will only grow in importance as climate change adds to the risks our producers face. We must ensure our crop insurance program is there to support our producers and is compatible with conservation practices they might choose to adopt. The policies contained within the farm bill cover areas ranging from the farm to the fork. With that comes a wide variety of stakeholders and coalitions who without their combined support, successful passage of a farm bill is unlikely.

Obviously, there are some unknowns as we head into 2023, but addressing the safety net needs identified by farm groups and bolstering crop insurance will mean that we'll need to pull together a coalition to secure support for additional funds. This will mean working with House Leadership on both sides as well as the House Budget Committee as they formulate the Fiscal Year 2024 Budget.

Thank you for all that you do, and I look forward to continuing to work together as we write the 2023 Farm Bill.

### House Agriculture Committee Ranking Member Glenn 'GT' Thompson (R-PA): Crop insurance "keeps the economic engine of rural America running."

Fall is quickly approaching and this time next year, it will be time to reauthorize the Farm Bill. As Republican Leader of the House Agriculture Committee, I have embarked on a barnstorming tour that has taken me to more than forty states to hear directly from farmers, ranchers, producers, and foresters about what's working, what's not, and where there is room for improvement. And while we've started much later than I would have liked, Farm Bill oversight hearings are underway. The more we learn from the men and women who are the backbone of rural America, the stronger our national agriculture policy will be.

Agriculture is a volatile and risky business in nature, and a strong safety net is critical to the success of the industry. Our farmers and ranchers are incredibly innovative and resilient businessmen and women, but when natural disasters strike or commodity prices plummet, they need a reliable backup plan to keep them in the game and ensure they can farm again the following year. I've heard firsthand from numerous farmers how crop insurance saved them from bankruptcy following a disaster. But its purpose goes beyond helping producers in the wake of a loss. Crop insurance provides a base level of reliable risk management that keeps the economic engine of rural America running in good years and in bad. That's why these programs are such an important piece of the Farm Bill and why I was proud to launch the Crop Insurance Caucus in 2019.

Without crop insurance, lenders would not be able to provide the levels of credit to farmers necessary to operate a farm in today's high-cost environment and producers would not have the ability to make investments in their operation to take advantage of new technologies and practices. Crop insurance enables America, year-after-year, to provide the safest, most reliable and abundant sources of food and fiber in the world—a vital pillar in our agricultural policy framework that stands between us and a 1980s style farm financial crisis.

However, the key selling point for me on crop insurance is the framework of the public-private partnership between the government, approved insurance providers, agents, and farmers. This partnership allows USDA to set fair rates for coverage, companies to compete on service, and farmers to have skin in the game. The result is a program that is

fair to the taxpayer, reliable for farmers, and provides job opportunities in rural communities for agents and loss adjusters. The numbers tell this success story well. Since the Agricultural Risk Protection Act was passed in 2000, insured acreage has more than doubled and the value of crops insured has increased almost six-fold, from \$35 billion to nearly \$200 billion.



There has also been some talk about a standing disaster program which—while it could be beneficial—would require a very delicate balance. I've always said I have three principles for any potential standing disaster program. First, it must be easy to implement. Second, it needs to be reliable and respond quickly to disaster events. Lastly and most importantly, a standing disaster program must complement rather than compete with crop insurance. Guess what? That starts to sound an awful lot like the crop insurance program we already have.

At the end of the day, rather than Congress continuing to enact costly and inefficient disaster funding on an ad hoc basis, we must use the next Farm Bill process to develop strategic improvements to crop insurance to help farmers afford higher levels of coverage and close the large deductibles producers face. If done right, this can alleviate the need for unbudgeted ad hoc disaster aid and give farmers bankable protection that gets delivered in weeks rather than months or years.

Some are questioning the ability to get a Farm Bill done on time. The way I see it, we have three options. We could let the current authorization expire which would be a disaster, plummeting the nation back into Dust Bowl era policies. We could pass an extension, which would help keep the ship afloat, but is less than ideal. Our final option is to do our jobs. We must come together as Republicans and Democrats, keep our foot on the gas, and deliver results for rural America on time to ensure important programs like crop insurance continue to receive the attention and support they need. As Republican Leader, I'm committed to getting the job done.





Sue Peachey  
Peachey Insurance

Sue Peachey learned about the needs of farmers first hand growing up on a tobacco farm in Bardstown, Kentucky. As an adult, she found her way to Kansas where she worked for a federal land bank. In 1988, she got her insurance license and started her own insurance agency from scratch.

Peachey understood early in her career how important crop insurance was to keeping farmers in business. "I found out from the very beginning of that career that farmers needed some kind of safety net to make sure they could get a loan," Peachey said. "And I was glad to help them pick out the right product with crop insurance to make sure they got to put out the next crop."

Crop insurance has been even more than a career for Peachey. "Farmers are very loyal customers and they became my friends, and most of my customers have been with me over thirty years."

The industry has become more complex and requires more specialized knowledge than when Peachey started in the business in the late 1980s. "It's a lot more complicated now, a lot more regulations. A lot more expertise is needed to fill out the paperwork and help the farmers make the right decision on a whole slew of different crops than we used to have," Peachey said. "It just requires more training, and you need to keep up-to-date with the whole industry. You want to be an expert as much as possible because

the farmers' livelihood all depends on you doing a good job for them."

Her experience growing up in agriculture helped Peachey understand farmers' needs. "They are very loyal, good people and I had the background needed to talk to them and help take care of their insurance needs. If you treat them like you like to be treated you will find out they will respect you and they will be your lifelong friends and customers."

She has been a very active advocate for the industry by participating in AACI's fly-ins to speak directly to members of Congress in Washington, DC. "We go and try to teach members of Congress as much as we can about our products and how important it is to every farmer no matter where you live."

Peachey's experience as an industry advocate showed her the importance of policymakers getting to hear from people working hand-in-hand with farmers. "I've just always felt very strongly about voicing your opinion. And also, I think it's important that we go and talk to them one-on-one and help educate them about the crop insurance program. It's the only safety net we have for farmers. That's why they can stay in business and can go to the bank to get an operating loan and be able to put out their next crop."



“

Farmers are very loyal customers and they became my friends, and most of my customers have been with me over thirty years.



PAC UPDATE

With the farm bill up for reauthorization in 2023, your support of AACI-PAC is needed now more than ever. Once we get to January 2023, there will be more than 200 Members of Congress who have never voted on a farm bill before. The resources within AACI-PAC will help us educate and inform these new members on the importance of the federal crop insurance program.

Thank you to our PAC supporters

Contributions given between January 1 and August 28, 2022:

PAC CHAMPION  
\$5,000

Dan Carothers  
Rain and Hail Insurance  
Society

PAC LEADER  
\$2,500 – \$4,999

William Pearson

PAC TRAILBLAZER  
\$1,500 – \$2,499

Douglas Carothers  
Michael Davenport  
Kelly Deterding  
Gene Grimsley  
Douglas Jakway  
Ken Janicek  
Jim Korin  
Shane Larck  
Benson Latham  
Tim Weber

PAC PIONEER  
\$500 – \$1,499

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