



December 28, 2023

AACI Members,

Since the start of the year, AACI and other stakeholder groups have navigated one of the most unique Congresses in recent memory as they prepare for the reauthorization of the 2018 Farm Bill. Between two historical votes for the Speaker of the House, multiple averted shutdowns, and several global crises, the timeline for finalizing a Farm Bill continues to be delayed, forcing our industry to tweak our approach constantly.

However, despite the uncertain future, AACI has continued engaging policymakers on and off the Hill to educate them and their staff on the vital role of the crop insurance program in production agriculture and risk management. AACI engaged the legislative process through the association's spring and fall fly-ins, congressional hearings, and political fundraisers in D.C. and other areas nationwide. As Congress looks to tackle Farm Bill reauthorization in 2024, AACI will remain engaged with the appropriate lawmakers to ensure we maintain a robust crop insurance program.

Below is a brief recap of the activities that took place throughout 2023, followed by a few specific areas we plan to focus on in the upcoming year.

Association Activities

2023 NCIS/AACI Convention Summary

In February, AACI members gathered in Bonita Springs, Florida, for the 2023 Crop Insurance Industry Annual Convention hosted by AACI and the National Crop Insurance Services. The meeting started with comments from the leadership of both organizations, who highlighted their accomplishments in 2022 and laid out the steps they would take in 2023 to continue building support for the program.

Attendees also heard attendees heard from House Agriculture Committee Members Rep. Frank Lucas (R-OK) and Rep. Salud Carbajal (D-CA), who joined former Ag Committee Chairman Mike Conaway on a panel. During the session, there were also video remarks from the four corners of the Agriculture Committees: Chairwoman Stabenow (D-MI), Ranking Member Boozman (R-AR), Chairman GT Thompson (R-PA), and Ranking Member David Scott (D-GA).

Several USDA officials, including RMA Administrator Marcia Bunger and her staff, appeared over the three-day meeting. They gave updates on the work RMA is undertaking and the direction they planned to go over this year. There was also a panel of economists representing industry, government, and academia, who provided an outlook for the agriculture economy heading into the Farm Bill.

The convention included an update on the current political landscape from the Cook Political Report's David Wasserman, who noted that even though House Republicans underperformed in the 2022 election, history is still on their side heading into 2024 because a House hasn't flipped in a presidential cycle since 1952.

Congressional Engagement

Spring Fly-In

In May, AACI hosted its 2023 spring fly-in, where over 40 AACI members made the trip to Washington, D.C., to meet with administration officials, members of Congress, and staff over three days to discuss the federal crop insurance program. After a welcome lunch, the group headed to Capitol Hill, where they heard from the four corners of the Senate & House Agriculture Committees. Staff gave updates on where they currently stand in the Farm Bill process and expressed their optimism in getting a Farm Bill done before the end of the year. Staff also highlighted their support for the crop insurance program. That evening, Rep. Tracey Mann (R-KS) took the group on a private tour of the Capitol building, where he led them through several different rooms and provided historical background along the way.

On day two, AACI held fundraising events for three Democratic members of the House Agriculture Committee: Congresswoman Nikki Budzinski (D-IL), Congressman Eric Sorensen (D-IL), and Congresswoman Shontel Brown (D-OH). These events allowed AACI to explain the importance of the crop insurance program, specifically as it pertains to their states & districts. Next, fly-in participants broke into groups and visited over 60 Senate and House offices across Capitol Hill. During these meetings, AACI members provided crop insurance data specific to each office and answered any questions from Members and staff. AACI hosted a reception in the House Agriculture Committee room, where over 100 individuals could connect with Members and their staff in a more casual setting.

The final day began with AACI holding fundraisers for four different Republican Members. Three of the Members sit on the House Agriculture Committee—Congressman Doug LaMalfa (R-CA), Congressman David Rouzer (R-NC), and Congressman Nick Langworthy (R-NY)—and the fourth was Congressman Chip Roy (R-TX). The Members gave a brief overview of their priorities for the Farm Bill, which ranged from protecting the crop insurance program to addressing diversity and climate concerns within agriculture. Finally, AACI met with Robert Bonnie, USDA's Under Secretary for Farm Production and Conservation, which oversees the Risk Management Agency. After introductions, USDA staff gave brief updates regarding what they are currently working on regarding crop insurance and discussed a host of programs already being implemented.

Congressional Hearings

On April 26, the House Agriculture Subcommittee on General Farm Commodities, Risk Management, and Credit held a two-panel hearing to hear from 10 different commodity representatives. During both panels, witnesses emphasized the need to avoid cuts to crop insurance and commodity programs in the Farm Bill, adding that they are the "most important" tool for producers as they respond to natural disasters and challenges with overseas markets. In addition, nearly every commodity group asked Members to increase reference prices in the upcoming Farm Bill, and several also requested an update to base acres established in the 2014 Farm Bill. It's important to note that it will be tough for Congress to make any of these improvements to the Farm Bill unless they get additional funding for farm programs.

In early May, the Senate Agriculture Committee held two hearings titled *Commodity Programs, Credit, and Crop Insurance*. Most notably, they held a hearing on industry perspectives regarding risk management and access to credit, and one of the witnesses was AACI member Jim Korin, President of NAU Country. During the hearing, Mr. Korin and other witnesses explained the importance of the Federal crop insurance program. They highlighted how it's more efficient for taxpayers to put money into crop insurance, where the farmer is shouldering some of the cost. Witnesses also noted that bank regulators insist borrowers have crop insurance to repay their loans, allowing producers to qualify for operating loans with extremely tight margins and high risk. There was also a hearing on producer perspectives of the farm safety net, which included two panels of various farm organizations and commodity groups. Both panels highlighted the importance of crop insurance and explained how it's the cornerstone of the farm safety net. Outside of crop insurance, producer groups continued to hit on the significance of other programs, such as ARC & PLC and trade promotion programs.

Fall Fly-In

More than 25 AACI members traveled to D.C. in October for the association's 2023 fall fly-in. The week began with a lunch where individuals heard from AACI Advisor and former Rep. Cheri Bustos (D-IL), who provided her perspective on the state of Congress and the expected timeline for the Farm Bill. Bustos also advised AACI members on how to make their Hill visits most effective and joined the group at dinner to debrief and directly connect with AACI members.

Over two days, AACI Members canvassed the Hill and made more than 40 visits to both House and Senate offices. AACI strategically targeted offices of members who have never voted on a Farm Bill, and they also met with several members of the Agriculture, Appropriations, and Rules Committees. During these meetings, AACI explained the importance of maintaining adequate funding levels for the program in the upcoming Farm Bill and urged staff to be on the lookout for any potential attacks. AACI also hosted a congressional reception in the House Agriculture Committee room attended by several Members of Congress, including Ag Committee Chairman G.T. Thompson (R-PA), who made remarks. We also had a good showing of staff, ranging from committee staff to personal member offices and staff from the Western Caucus.

Through the help of the AACI-PAC, the association hosted private fundraisers with seven members of Congress, three Democrats and four Republicans: Rep. Chellie Pingree (D-ME-1), Rep. Don Davis (D-NC-1), Rep. Marie Gluesenkamp Perez (D-WA-3), Rep. David Valadao (R-CA-22), Rep. Jim Baird (R-IN-4), Rep. Randy Feenstra (R-IA-4), and Rep. Andy Harris (R-MD-1). Each Member serves on the House Agriculture Committee, except Rep. Andy Harris, who is Chairman of the Ag Approps Subcommittee.

AACI held meetings with all four corners of the Agriculture Committees to close out the fly-in. Staff gave updates on the timing for the Farm Bill and other legislation, such as Agriculture appropriations, and where they stand on drafting specific titles. During the meetings, participants had several in-depth discussions with committee staff and provided feedback from their Hill visits earlier in the week. Staff also agreed to work with AACI to ensure any changes or enhancements to crop insurance in the Farm Bill are positive for all private sector entities.

AACI Leadership Development Program—Seeding the Future

History & Mission

As part of AACI's spring fly-in, the association held the first course of the second class of AACI's leadership development program. The course titled History & Mission provides an opportunity to learn about the history of AACI and the federal crop insurance program. After an introductory lunch, the first presentation was the history of AACI, where former employees John Sheeley (ProAg) and Stephen Frerichs (Rain & Hail) gave an overview of their time at the association. They explained how AACI's membership expanded over the years, most notably when they added the agent division that made AACI the only association representing all facets of the private sector delivery system within crop insurance.

Next, the leadership class heard from two people on the importance of trade associations: Jen Daulby, former Chief of Staff and Staff Director, and Jonathan Grella, former Hill Staffer and Communications Director for LIV Golf and the Tampa Bay Buccaneers. They explained how trade associations play a crucial role in writing legislation because Members and staff rely on experts within those groups to ensure bills don't negatively impact their constituents. They also explained how trade associations give their members a platform to discuss and debate policy priorities before going to Congress to ensure they bring forward the best policy solution.

The next day, the class visited USDA, where they met with individuals from the Office of the Chief Economist, the Risk Management Agency, and the Economic Research Service. Most notably, USDA Chief Economist Seth Meyer explained the role of the Federal Crop Insurance Corporation, which he currently chairs. Finally, the class visited the House Agriculture Committee, meeting with the stakeholder outreach and coalitions staffer. This individual explained how she works with D.C. representatives to ensure the appropriate stakeholders are present at meetings and hearings and get the proper questions. Looking ahead to the Farm Bill, she'll be responsible for

building coalitions to support issues like crop insurance, which will be critical to ensure they can fend off harmful attacks.

Political & Policy

In November, AACI's leadership development class returned to D.C. for the second course of their program, Political & Policy. This course provides an understanding of policy development and implementation through the legislative and executive branch decision-makers and other leaders of agriculture and conservation organizations.

First, they met with Senator Tina Smith's Chief of Staff, who gave an overview of his role and broke down the different functions of a Senate office. He explained how Senate and House offices operate as their own business, and each is designed differently based on the needs and preferences of the Member. Next, the group sat down with Trevor White, Sr. Professional Staff on the House Agriculture Committee, and Alison Slagell, Deputy Chief of Staff for Congressman Frank Lucas (R-OK). The two highlighted the differences between a committee staffer and someone in the personal office. The final meeting of the first day was a roundtable with several representatives from commodity and conservation groups, who touched on a range of topics, including the importance of agriculture coalitions in D.C. and Political Action Committees. Then, the class had a private reception and dinner with Rep. Jimmy Panetta (D-CA) and Rep. Sharice Davids (D-KS). Both Members highlighted their priorities in agriculture, such as the need for a strong crop insurance program. The group closed the day out with a private night tour of the monuments. They visited the Washington Monument, World War II, the Lincoln Memorial, the Vietnam Wall, the Jefferson Memorial, and the MLK Memorial.

On day two, AACI staff held a Policy 101 presentation to review the basics of the legislative process, including the role of leadership and committees, the dynamics of the 118th Congress, and how priorities go from idea to law. After the presentation, a small panel discussed how the Hill, the Administration, and stakeholders work together on specific issues, specifically the Farm Bill. Next, the group met with USDA's Office of Congressional Relations (OCR), which explained how OCR serves as the liaison with Congress and stakeholders. They also touched on how they communicate the Secretary's priorities with all the necessary people and keep the Secretary apprised of the priorities of Congress and stakeholders' priorities. Finally, the group had lunch with Rep. Brad Finstad (R-MN), who sits on the House Agriculture Committee and is currently Chairman of the Nutrition Subcommittee. The Congressman noted that he's one of the few Members who still owns and operates a family farm and explained how he uses that experience to educate some of his colleagues from more urban areas.

2023 Farm Bill

As most of you know, before Thanksgiving, lawmakers passed a continuing resolution that included an extension of the 2018 Farm Bill through September of next year, giving Congress additional time to write a new bill. Ag Committee Leaders in both chambers have said they want to complete a bill in early 2024. Still, they continue struggling to find additional funds critical to make the necessary improvements to farm programs. Additionally, disputes over government funding and aid to Ukraine and Israel will likely take precedence when Congress returns in January. Furthermore, with 2024 being a Presidential election year, Congress must navigate a busy campaign season and the politics that come with it. AACI is working with its members to ensure Congress includes the association's priorities when the upcoming Farm Bill is written and considered.

Moving Forward

There are several key events and opportunities in 2024 where we need your help and engagement to guarantee success:

1. **Farm Bill Preparation:** AACI is identifying priorities for the upcoming Farm Bill. AACI will work with association members to get these ideas in front of appropriate staffers and members of the House and Senate.

2. **Political Engagement:** Many Members of Congress have announced their retirement, which makes 2024 a critical election year. AACI staff plans to participate in more DC-based fundraisers, and AACI members are encouraged to participate in in-state events.
3. **New Member Education:** In the 118th Congress, more than half of the House and nearly a quarter of the Senate will have never voted on a Farm Bill. Therefore, AACI and industry partners must significantly focus on member education through association fly-ins, efforts from the Congressional Crop Insurance Caucus, and general outreach from AACI staff and representatives of commodity groups.
4. **2024 Fly-Ins:** Since 2024 is a Presidential election year, AACI will only hold one fly-in sometime in May. This fly-in will occur in conjunction with the third course of the leadership development program.
5. **Leadership Development Class:** In 2024, AACI will continue with the final two courses for the second official class of their leadership development program, Seeding the Future. AACI plans to hold course three in conjunction with the spring fly-in. Course four will occur in the fall, likely in Kansas City, KS.

In closing, AACI has continued to make positive strides in expanding the scope and purpose of its mission and services and continues to build lasting relationships on Capitol Hill, within the administration, and among like-minded counterparts in and around agriculture and related industries. These efforts have increased our visibility and effectiveness in Washington, D.C., and I look forward to continuing this work in partnership with you throughout another productive year.

Optimistically,



Scott C. Graves
President,
American Association of Crop Insurers