



December 30, 2024

AACI Members,

Since the start of the year, AACI has worked diligently to identify and seek positive changes to the federal crop insurance program that can positively impact the entire private sector delivery system. These changes, in turn, would help sustain the program and positively impact customers and American farmers and ranchers.

While we've enjoyed some success in moving the needle, we have undoubtedly begun to change the narrative and mindset on Capitol Hill. Policy decisions regarding the program must be considered holistically to preserve the ongoing success of our public-private partnership, which is the gold standard concerning this type of cooperation.

One specific action we want to highlight is AACI's stance on interest deferral. In late August, as RMA considered deferring interest for producers, AACI immediately weighed in with the Administrator and was the only organization to oppose the action officially. We also laid out our concerns around additional cost and timing, and in the end, RMA decided not to issue a waiver in 2024, which was a significant win for the industry. Preventing this waiver will potentially end the precedent for deferring interest in future years.

However, the farm bill reauthorization and our improvements remain unimplemented due to many factors outside our control regarding the political and legislative processes. We have the utmost confidence that we've positioned ourselves well to begin the 119th Congress in strong standing. We have set ourselves apart from many other stakeholder organizations as a voice of reason and one that will speak up when we believe policymakers head in the wrong direction. Likewise, many of our champions on the Hill now increasingly look to us as a leader to assist them in garnering public support for policies that will have a long-term impact on the program and growers across the country.

As Congress resumes farm bill reauthorization talks in 2025, AACI will remain engaged with the appropriate lawmakers and stakeholder organizations to ensure the continuation of a robust crop insurance program.

Below is a brief recap of the activities that took place throughout 2024, followed by a few specific areas we plan to focus on in the upcoming year.

## **Association Activities**

### **2024 NCIS/AACI Convention Summary**

On February 4-7, individuals gathered in Scottsdale, AZ, for the 2024 Crop Insurance Industry Annual Convention hosted by AACI and the National Crop Insurance Services (NCIS). Attendees heard from current and former members of Congress, Administration officials, and other industry professionals. AACI opened the convention on Sunday evening by hosting a PAC Appreciation Reception. Attendees included AACI PAC supporters who gave \$500 or more in 2023, the AACI Board Members, and individuals who participated in the AACI Leadership Class.

The general session started with comments from both organizations' leadership and remarks from the Undersecretary for Farm Production and Conservation, Robert Bonnie. Attendees also heard from a congressional staff panel and several commodity panelists who strongly supported the federal crop insurance program. Next, attendees heard from former Rep. Cheri Bustos (D-IL) and Senate Agriculture Committee Chairwoman Stabenow (D-MI). At the end of the general session, attendees watched video remarks from the other three corners of the Agriculture Committees.

Day two opened with an economists panel and a discussion with Republican staff from the Senate and House Agriculture Committees. Next, RMA Administrator Marcia Bunger and her staff addressed attendees, who provided an update on the agency. Day two closed with a presentation from political expert David Wasserman, senior editor for the Cook Political Report.

## **Congressional Engagement**

### **Spring Fly-In**

On May 14-17, over 30 AACI members traveled to Washington, DC, to participate in the association's 2024 spring fly-in. First, staff from the House Agriculture Committee majority and minority joined the group. First, they met with House Agriculture Committee Chairman Glenn "GT" Thompson's (R-PA) team, followed by staff with Ranking Member David Scott (D-GA). Both sides gave an update on the status of the farm bill. Chairman GT's team, because they are the majority, was able to walk through more specifics of the bill that they planned to release later that week. Next, the group met with a staffer on Senate Agriculture Committee Ranking Member John Boozman's (R-AR) team and several individuals with Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI). On Tuesday evening, AACI organized individual fundraising events for multiple Republican Members of Congress. Every Member explained the importance of passing a strong farm bill this year and expressed their support for Chairman Thompson's bill and his team's work. AACI members also had a chance to mix and mingle with all the Members between comments.

On Wednesday, the fly-in group visited over 60 Senate and House offices on Capitol Hill. During House visits, the group supported the crop insurance provisions in Chairman Thompson's bill. They asked if offices had any concerns with the crop insurance title or planned to offer any amendments. On the Senate side, AACI members explained we are still going through Chairwoman Stabenow's proposal and will likely need more details before taking any positions. In addition to the Hill meetings, every AACI member had a chance to break off to participate in a fundraiser for a member from their state or district. Attendees participated in everything from 1-on-1 coffees to small receptions, lunches, dinners, and sporting events. AACI hosted a group reception where Advisor to the AACI Board, Former Rep. Cheri Bustos (D-IL) stopped by to debrief, recap the varied meetings, and share any beneficial information with AACI staff.

On Thursday, AACI held separate fundraising events for three Democratic members of the House Agriculture Committee. These events allowed AACI to give the Members an overview of the association and its footprint in each area. They also explained the importance of the crop insurance program, specifically as it pertains to their states & districts. Next, the group met with a staffer from the House Agriculture Appropriations Subcommittee, chaired by Rep. Andy Harris (R-MD). The individual said each Subcommittee, including agriculture, is expected to have their bill passed by mid-June at the latest, and their goal is to get all the bills passed out of the full committee before the state of the Republican Convention in mid-July. Finally, the group met with the individual handling agriculture issues for House Speaker Mike Johnson (R-LA). He gave an overview of the Speaker's plan for the remainder of the year, which revolved mainly around appropriations and other items. He said he didn't expect the farm bill to move before the election but added that there's always a chance it could move in the lame-duck session either alone or attached to another vehicle.

# **AACI Leadership Development Program—Seeding the Future**

## **Communications & Leadership**

As part of AACI's fly-in, the association conducted the third course of the leadership development program for the second class. The second course is titled "Communications & Leadership," and the goal is to help participants understand political messaging and how to communicate effectively with members of the press and policymakers.

First, the group met with the Communications Director for the House Agriculture Committee. He explained how he works more closely with other committee members and stakeholder groups than with constituents because they represent agriculture across the country, not just in one state or district. He also highlighted how important it is to build relationships with reporters to ensure they don't constantly run stories that attack the Chairman and the committee's work. Second, the group met with Rep. Randy Feenstra's (R-IA) communications director. After providing his background, the staffer explained that one of the most complex parts of the job is learning about the different industries in a specific state or region. He also said there is constant communication between him and the policy team to ensure they stay in sync when making comments or statements about certain policy positions.

Next, the group went to the Hill to meet with two Legislative Correspondents, some of the most critical positions on the Hill because they are so front facing with constituents. The discussion made the group understand why every position is vital to a congressional office when staff and resources are limited. Finally, the group met with the Communications Director for the Western Caucus, which advocates for rural policy issues throughout the West. The staffer explained how a caucus is a more informal group where Members can work together to promote similar policy priorities. He added that the goal of his job is to use the caucus to facilitate the needs of rural communities in the western states.

The last fly-in event included a private breakfast with Rep. Kat Cammack (R-FL), who sits on the Agriculture Committee. Rep. Cammack had an open conversation with the group and touched on how the current dysfunction in Washington, DC, is preventing Congress from enacting good policy. She explained that's why it's critical for groups like AACI to continue to come to DC—To educate Members as to why the crop insurance program is so crucial to their constituents as well as how it's acted as the backbone of the farm safety net for the past 40-50 years.

## **PAC, Grassroots & Policy**

In November, the leadership class traveled to Kansas City for the fourth and final program course, "PAC Grassroots & Policy." This class focused on AACI's relationship with NCIS and the industry, as well as understanding how PACs work, how to organize local events, and how to gain an understanding of the functions of congressional district offices.

First, the group visited the National Crop Insurance Services (NCIS) office, meeting with several key staff members. These individuals provided a brief history of the organization and gave an overview of their roles and responsibilities. They also reviewed several key areas the organization focuses on, such as agent and adjuster education. They explained how they interact with RMA, including their role during the renegotiation of the Standard Reinsurance Agreement (SRA). At the end of the presentation, the leadership class followed up with several questions about the NCIS structure and how they come to agreement on certain industry positions.

Next, the group met with Rep.-elect David Schmidt (R-KS) to learn about his day-to-day activity while on the campaign trail, and he also discussed the other elected positions he's run for, including Governor of Kansas. Mr. Schmidt also explained how his previous experiences have prepared him to be a Member of Congress, such as his time spent as a congressional staffer in Washington, DC. Next, the group met with RMA's Kansas City staff, who discussed the role of the people in their office vs. Washington, DC. They also explained how they needed to work together to ensure accurate information flow, and the leadership class members asked how they could assist the agency in improving the crop insurance program.

To close, the group had lunch with a fundraising professional who educated them on coordinating and hosting successful fundraising events in DC and their local areas. He highlighted the importance of supporting industry PACs and explained why PACs are one of the keyways industry representatives can get their foot in the door with a new or long-serving member of Congress. AACI will host other opportunities to visit DC in the coming years, so if you are interested in attending a future event, please contact Matt Valesko ([matt@aacinsurers.com](mailto:matt@aacinsurers.com)).

## Farm Bill

On May 1st, House Committee on Agriculture Chairman Glenn "GT" Thompson (R-PA) released a title-by-title overview of the bipartisan policies and priorities in the 2024 farm bill. On May 10th, Chairman Thompson released additional details on all 12 titles of the bill, which included several provisions to bolster the private sector delivery system within crop insurance, including increased funding for data mining and other compliance activities to enhance program integrity measures; reinstating an inflation adjustment factor for the cap on Administrative and Operating Expenses; establishing a minimum A&O reimbursement rate for specialty crop insurance policies; preserving the availability of services for producers, and supplementing Approved Insurance Provider (AIP) expenses for the increased cost of loss adjustments in states that experience widespread losses.

On May 17th, Chairman Thompson released the full legislative text of the bill and scheduled a committee markup for the following week on May 23rd. In terms of crop insurance, six amendments were offered to amend the crop insurance title, some of which may have been detrimental to the program. Two of the amendments from Rep. Tracey Mann (R-KS) and Rep. Nick Langworthy (R-NY) were accepted, and fortunately, the other four problematic amendments were withdrawn and never received a recorded vote. Ultimately, the committee passed the bill on a bipartisan vote of 33-21, with four Democrats joining the Republicans—Rep. Yadira Caraveo (D-CO), Rep. Don Davis (D-NC), Rep. Eric Sorensen (D-IL), and Rep. Sanford Bishop (D-GA).

On May 1st, Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI) released a section-by-section summary of her version of a farm bill, dubbed the 'Rural Prosperity and Food Security Act.' The 94-page document includes hundreds of proposals, including over 50 within the crop insurance title alone. On June 11th, Senate Agriculture Committee Ranking Member John Boozman (R-AR) released the framework for his vision of a farm bill. His draft mirrors many of the proposals included in the House-passed bill, and one of his key priorities is modernizing farm safety to ensure producers have adequate risk management tools.

On November 18th, Chairwoman Stabenow finally released the official text of her farm bill. The text largely aligns with the framework she put out in May, with some changes such as limiting USDA's use of its internal Commodity Credit Corporation fund and increasing premium support across all policy coverage levels. The bill also proposes several significant changes to the private sector delivery system that would be detrimental to the overall delivery of the program. Due to the bill's content and partisan approach, it was deemed dead on arrival. You can find AACI's response to the bill [here](#).

When it became clear that Congress would not pass a bipartisan farm bill before the end of the year, additional calls for disaster aid (due to hurricanes and other weather events) and economic assistance (due to high inputs and suppressed prices) came from the agricultural community. As a last-ditch effort to help producers, Congress attempted to include disaster aid and economic assistance in a year-end funding package. However, after several other Democratic-related items made their way into the bill, President-elect Trump and his allies (on and off the Hill) tanked the plan. Ultimately, Congress passed a CR with a one-year farm bill extension and \$20 billion in disaster aid. However, farm bill negotiations will bleed well into next year as Congress must first deal with funding the government, reconciliation, appointments, and other unexpected items.

## 2024 Election

For a political process that in recent years has been viewed as controversial, confusing, and involving an overly fickle electorate, the 2024 election represented a snapshot of undeniable political decisiveness. President Trump secured more than enough Electoral College votes (312 to 226) to again ascend to the highest office as only the second individual ever to serve nonconsecutive presidential terms. The other was Grover Cleveland, who served as the 22nd and 24th president, winning in 1884 and 1892.

Much focus was placed on the Blue Wall, a collection of 18 states that have voted reliably for Democrats from 1992 through 2012. Trump notably flipped three of these states in 2016: Pennsylvania, Michigan, and Wisconsin – all of which President Biden won back in 2020. These three states account for 44 of the 93 electoral votes the seven battleground states collectively represent. The overarching strategy for the Harris campaign was that if Harris were to secure all Democratic-leaning states and the three blue wall swing states, she would reach the 270 electoral votes needed to win the White House. However, President Trump was declared the winner in nearly every swing state: Georgia, Michigan, North Carolina, Pennsylvania, Wisconsin, Arizona, and Nevada. If the electoral map wasn't decisive enough, the former president also carried the popular vote, besting Vice President Harris by more than 3 million votes.

President Trump's campaign was able to successfully appeal to voters in targeted regions with tailored messages that spoke to the region's working class of each state and policies that would expand their opportunities and quality of life, such as autoworker jobs in Michigan, immigration in Arizona, fracking in Pennsylvania, and "no tax on tips" in Nevada. Meanwhile, despite an initial bump in enthusiasm when President Biden stepped aside, the Harris campaign could never find solid footing concerning messaging and struggled to take solid positions on an array of issues – most likely a direct result of not being forced to navigate a competitive primary.

In the Senate, Republicans came out with a 53-47 majority after flipping four seats—West Virginia, Montana, Ohio, and Pennsylvania, which put the Republicans back in the majority of the upper chamber with stronger numbers than they've seen in recent years. Once the Senate results were known, Republicans held a historical leadership election to choose the individual who would succeed Sen. Mitch McConnell (R-KY) as Majority Leader, who's had the position since 2007. After some intense lobbying of their colleagues, Sen. John Thune (R-SD) beat both Senators John Cornyn (R-TX) and Rick Scott (R-FL) for the position. On the Agriculture front, Senator John Boozman (R-AR) will take over as Chairman of the Senate Agriculture Committee, and Sen. Amy Klobuchar (D-MN) will take over as the top Democrat, replacing retiring Sen. Debbie Stabenow.

After the final races were called in the House, Republicans secured 220 seats, and Democrats secured 215. However, Trump selected three Republican House members to serve in cabinet positions, meaning Republicans can't lose more than two in their party for any given vote. Even when new members get sworn in, the Republican margin will be just as small or smaller than what they had previously of 220 seats to Democrats 212 (3 vacancies). Of note: Speaker Mike Johnson (R-LA) announced his plans to remain the Speaker while saying he expects the House to continue to be controlled by the GOP. Also noteworthy, in a surprise election, Rep. Angie Craig (D-MN) beat out both current Ranking Member David Scott (D-GA) and veteran Rep. Jim Costa (R-CA) for the top Democratic spot on the House Agriculture Committee. Rep. Glenn "GT" Thompson will retain his position as Chairman.

### Moving Forward

There are several key events and opportunities in 2025 where we need your help and engagement to guarantee success:

1. **Farm Bill:** AACI identified priorities for the Farm Bill, and several are included in the bill that the House Ag Committee passed in May. AACI will work with the appropriate staffers and members of the House and Senate to ensure these priorities are included in any farm bill package negotiated next year.

2. **Increased Interaction with RMA Administrator:** When a new RMA Administrator gets appointed at USDA, AACI plans to engage immediately and set up introductory meetings with its Board and larger membership. AACI will also schedule regular calls/meetings with the next Administrator and their staff to keep them apprised of the challenges experienced across the industry.
3. **Political Engagement:** Many Members of Congress have announced their retirement, which makes 2025 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. In the 119th Congress, more than half of the House and nearly a quarter of the Senate will never have voted on a Farm Bill.
4. **New Member Education:** Since it's a new Congress, there will be many new Members in general and several new Members on the Agriculture Committees. 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.
5. **2025 Fly-Ins:** Since 2025 is not a presidential election year, AACI plans to hold two fly-ins. One will take place in May, and the second will take place in October or November. Both will occur in conjunction with the first two courses of the leadership development program.
6. **Leadership Development Class:** In 2025, AACI will recognize the recent graduating class at the AACI/NCIS annual convention in February in Bonita Springs, FL. AACI will welcome a new leadership class in May, with two courses in 2025 and two in 2026.

In closing, AACI, like years past, 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, DC. 2024 was one of our most successful periods in the past several years, and I look forward to continuing this work in partnership with you throughout the upcoming Congress.

Optimistically,



Scott C. Graves  
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