79. RISK MANAGEMENT/CROP INSURANCE

We encourage continued farmer education of risk management alternatives, efforts to refine existing risk management tools, and the development of new crop insurance and other risk management tools.

Risk Management

We support:

1. Providing leadership in seeking new ways for farmers to manage risk through the private sector.
2. The use of pilot programs that would serve to assist farmers in learning to utilize various risk management tools for all products, including livestock. Farmers willing to participate in the pilot program should be allowed to choose from a variety of approved risk management methods designed to substantially manage the risk of the farming operation. The cost of implementing the chosen risk management method should be subsidized during the pilot program.
3. Education programs that provide risk assessment and risk management as well as professional education for farmers in marketing, financial management, and government regulations.
4. The necessary legislative and regulatory changes to establish a Farmer Investment Savings Account into which a farmer could contribute pre-tax dollars for self-insurance and be allowed to make withdrawals at the contributor's discretion.
5. Fully funding the Standard Reinsurance Agreement at the levels outlined in the 2014 Farm Bill.

Crop Insurance

We support a crop insurance program which:

1. Provides payments for actual losses, including losses incurred from delayed or prevented plantings, arising from natural causes.
2. Requires consistent interpretation and implementation of all federal crop insurance provisions, especially Prevent Plant provisions.
3. Provides coverage that is written and losses paid on the basis of dollars per acre rather than based on a guaranteed level of production.
4. Is offered and serviced through private companies, willing and able to assume some level of risk, as opposed to Farm Service Agency offices.
5. Can be affordably reinsured through the federal government.
6. Eliminates federally mandated requirements in order to be eligible to participate in the federal farm programs.
7. Allows the Secretary of Agriculture the right to extend the planting deadline for crop insurance purposes for untimely plantings due to weather delays.
8. Allows farmers and/or landlords to opt out of crop insurance coverage, but in so doing would not be eligible for federal disaster payments on crop losses.
9. Requires that the individual county final yield averages needed for Area Risk Protection Insurance policies be released one month prior to the deadline for the crop insurance sales closing date for the federal crop insurance program. This date should be uniform for all regions involved in the program.
10. Allows individual units to be insured on a Farm Service Agency (FSA) optional unit basis.
11. Requires all United States Department of Agriculture (USDA) agencies accepting production data, including acreage and yield data that has been certified, to reconcile the data in order to streamline the reporting process and reduce the potential for fraud and abuse.
12. Requires the automatic extension of the Risk Management Agency (RMA) acreage reporting deadline in the event the FSA certification deadline is extended. The extension of the deadlines should maintain the existing time period between the deadlines.
13. Promotes the use of Soil Productivity, derived from existing County Natural Resource Conservation Service (NRCS) Soil Surveys, as a guide for establishing base T yields for Federal Crop Insurance.
14. Utilize pricing data for insurable crops during multiple months throughout the growing season in order to establish a revenue guarantee for revenue-based crop insurance policies.
15. Maintains both a fall pricing and spring pricing option for revenue policies.
16. Studies the elimination of Catastrophic (CAT) coverage and applying those subsidy dollars to higher coverage levels.

17. Allows Written Agreements, once granted, to remain effective until loss ratios dictate otherwise.
18. Achieves actuarial soundness by crop, county and state by devoting additional resources to allow annual review of RMA rates for all crops in all states, with priority given to:
    A. Adjusting insurance rates to completely and expeditiously reflect mandated loss ratios.
    B. Full implementation of rate reductions for states with consistently low loss ratios.
    C. Including non-insured ground in production review in order to receive the most accurate assessment possible of each county's production capacity.
19. Devotes additional research dollars to improve existing policies to develop new insurance tools and foster the development of new and innovative delivery systems.
20. Requires clear delineation during the sales process and the billing process to clearly distinguish between federal crop insurance policies and private company add-on products.
21. Separates basic or enterprise units by practice - for example - initial- or double-crop soybeans, where a claim calculation of one practice has no effect on the other practices and the lengthening of planting dates to better reflect variety maturity, growing season length, Land Grant University or processor recommendations, geographic areas, and weather conditions.
22. Allows double-cropped feedgrains to be insured as a separate unit if best management practices are followed.
23. Allows the use of all elevator quality factors conducted by certified graders using certified testing equipment. These factors include moisture, foreign material, test weight and damage.
24. Offers replant benefits that accurately reflect actual cost of replanting the damaged crop.
25. Allows farmers and landlords to receive replant benefits reflective of their share of the expenses to replant the damaged crop, regardless of the crop insurance company or type of crop insurance policy they or the landlord/tenant have.
26. Requires RMA claim guidelines to take into consideration economic justification when Best Management Practices are used to determine treatment thresholds and timeliness of applications.
27. Allows crop insurance agents to be involved in the claims process to provide enhanced and seamless service to farmers.
28. Collects premiums for spring-planted crops no earlier than October first.
29. Allows beginning farmers to use county yield estimates instead of the calculated T-yield when establishing yields for federal crop insurance.