

October 10, 2013

The Honorable John Boehner  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

Dear Speaker Boehner and Leader Pelosi:

For many years Congress has strived to develop a strong and vibrant Federal crop insurance program, and today crop insurance has become a cornerstone of the farm safety net. Crop insurance's success is reflected in the fact that while agriculture is only beginning to emerge from one of the worst droughts in our nation's history, there have been no calls for taxpayer-financed ad hoc crop loss disaster assistance in 2013.

It is clear that crop insurance plays a critical role in the survival of farms and ranches, and remains a key reason that producers have been able to return to growing food, fiber, feed and fuel this year. But despite the success of the program, attempts were made to cut crop insurance protection during floor consideration of the 2013 farm bill. Those attempts were opposed by a diverse group of stakeholders, and they were ultimately defeated. We are now disappointed to face yet another attack on crop insurance in the form of a Sense of the House, and we oppose this resolution.

As with other lines of insurance, the crop insurance program is actuarially sound and requires a broad pool of participants to function properly. Arbitrarily assigning a means test for support would reduce program participation, resulting in a higher risk pool of insured producers, higher loss ratios over time and increased premium rates for those that remain in the program. Limiting crop insurance protection would also yield the unintended consequence of increased calls for ad hoc, off-budget disaster assistance.

The 2013 Farm Bill includes provisions to strengthen, improve and expand crop insurance; creating a barrier to participation through a means test is counter to that goal. Today, crop insurance is available for approximately 130 crops and types of livestock. Means testing unfairly discriminates against full-time and diversified farms. Additionally, it discriminates against those producing fruits and vegetables and other high-value crops. Clearly, producers would be impacted by means testing, and those thresholds would likely become more severe in the future.

Agricultural producers keep the rural economy on track, purchasing needed inputs and equipment and supporting jobs throughout rural America. Insurance products offered through federal crop insurance are key to food security, allowing farmers and ranchers to secure operating capital from lenders each year and produce food for consumers around the world. Without the risk protection provided by federal crop insurance, agricultural lenders would be forced to increase underwriting standards, increase costs to offset risk and reduce credit availability in some areas of the country.

**In sum, crop insurance is the farm policy of the future. It has been instrumental in assuring that American agriculture remains solid, solvent and globally competitive. We respectfully urge you to oppose resolutions such as this that undermine strong crop insurance protection.**

Thank you for consideration of our views.

Sincerely,

Agricultural Retailers Association  
American Association of Crop Insurers  
American Bankers Association  
American Farm Bureau Federation  
American Insurance Association  
American Society of Farm Managers and Rural Appraisers  
American Soybean Association  
American Sugar Alliance  
Association of Equipment Manufacturers  
Association of Fish and Wildlife Agencies  
California Association of Winegrape Growers  
Cooperative Network  
Corn Refiners Association  
Crop Insurance and Reinsurance Bureau  
Crop Insurance Professionals Association  
Ducks Unlimited  
Farm Credit Council  
Independent Community Bankers of America  
Independent Insurance Agents & Brokers of America  
Irrigation Association  
National Association of Mutual Insurance Companies  
National Association of Professional Insurance Agents  
National Association of Wheat Growers  
National Barley Growers Association  
National Corn Growers Association  
National Cotton Council  
National Council of Farmer Cooperatives  
National Farmers Union  
National Milk Producers Federation  
National Peach Council  
National Sorghum Producers  
National Sunflower Association  
North American Equipment Dealers Association  
Reinsurance Association of America  
Southern Peanut Farmers Federation  
Southwest Council of Agribusiness  
The Fertilizer Institute  
U.S. Canola Association  
U.S. Cattlemen's Association  
U.S. Dry Bean Council  
U.S. Rice Producers Association  
United Fresh Produce Association  
U.S. Apple Association  
USA Dry Pea & Lentil Council  
USA Rice Federation  
Western Growers  
Western Peanut Growers Association

cc Members of the U.S. House of Representatives