



FARM CREDIT  
COUNCIL

BIG 



March 7, 2023

Ms. Marcia Bunger  
Administrator  
Risk Management Agency  
USDA/RMA/Stop 0801  
Room 6092-South  
1400 Independence Ave. SW  
Washington, DC 20250

Dear Administrator Bunger:

On behalf of the crop insurance agents from across the country, we respectfully urge the Risk Management Agency (RMA) to reinstate an annual inflation adjustment for administrative and operating (A&O) expense reimbursement and to also provide for equitable relief for specialty crop A&O in this context.

As you know, the Consolidated Appropriations Act for Fiscal Year 2023 included a provision in the joint explanatory statement in which Congress urges the RMA to take this action, declaring that the agency has the legal authority to do so without reopening the Standard Reinsurance Agreement (SRA).

We believe that RMA taking this action would address the immediate A&O needs of specialty crops that have not experienced higher commodity prices and which are effectively hit twice by the annual factor applied. As you know, the impact on specialty crop A&O will be even harder in the 2022 reinsurance year than it was in the 2021 reinsurance year for which Congress thankfully granted relief.

Reinstating an annual inflation adjustment would also foster in a fiscally responsible way the long-term sustainability of private sector delivery by untethering A&O from its 2015 amount, with the now eight-year level very much outdated especially given rising costs.

As you know, agents have not only proved vital in delivering Federal Crop Insurance but have also been instrumental in assisting producers with trade, pandemic, and ad hoc disaster relief over the past six years. Moreover, Federal Crop Insurance is increasingly relied upon as the primary safety net for producers. We anticipate that Congress will continue to impress upon the agency and private sector delivery the importance of continuing to better meet the risk management needs of producers, in part to obviate the need for future *ad hoc* relief. We

believe that an annual inflation adjustment, along with equitable relief for specialty crops, will greatly help in this regard.

And, finally, action by the Risk Management Agency (RMA) now would obviate the need to address this matter further in the context of the Farm Bill or annual appropriations.

For these reasons, we would urge that the RMA reinstate an annual inflation adjustment, including equitable relief for specialty crops, beginning for the 2022 reinsurance year, which takes into account increased costs since 2015.

We would certainly welcome the opportunity to visit with you further on this matter and to work with you on how an annual inflation adjustment along with equitable relief might be constructed.

Thank you for your consideration of our request.

Sincerely,

Crop Insurance Professionals Association

Farm Credit Council

Independent Insurance Agents & Brokers of America

National Association of Professional Insurance Agents