



ISSUES

Crop Insurance

Updated July 2009

PIA supports a Federal Crop Insurance Program that provides much needed insurance coverage to America's farmers in a fair and equitable manner.

PIA:

- Supports just compensation for independent insurance agents, the key sales force for the Federal Crop Insurance Program (FCIP)
- Supports a thorough analysis of the April 2009 Government Accountability Report (GAO)
- Opposes any additional cuts to the FCIP during the FY2010 budget process
- Supports comprehensive enforcement of anti-rebating and control of business schemes

The Federal Crop Insurance Program is a highly technical program that relies on the expertise of independent insurance agents. The face of the FCIP, crop insurance agents work every day to deliver unprecedented financial protections to farmers. By navigating through the technicalities inherent within the program, they help agricultural producers make sound risk assessments. This is an extremely time and labor intensive process, and it is essential that crop insurance agents be compensated in a fair and equitable manner.

The Government Accountability Office's (GAO) recent report, *Crop Insurance: Opportunities Exist to Reduce the Costs of Administering the Program*, examines various ways to trim costs to the FCIP. The FY2009 FCIP budget was cut \$6 billion and until the full effects of this are known, PIA opposes any additional cuts to the program. Additionally, it is imperative that the report's recommendations be viewed in an objective manner, and not interpreted as a mandate for the Risk Management Agency (RMA).

The FCIP is highly and effectively regulated by both the Risk Management Agency and the Federal Crop Insurance Corporation. PIA supports ongoing efforts to combat anti-rebating and control of business schemes, and will continue lending expertise to the dialogue on this topic.

For additional information on this issue, please contact PIA's federal affairs department.