

March 12, 2013

U.S. Representative Frank Lucas
Chairman
Committee on Agriculture
Washington, D.C. 20515

U.S. Representative Collin Peterson
Ranking Member
Committee on Agriculture
Washington, D.C. 20515

Dear Chairman Lucas and Ranking Member Peterson:

We write to express our support for strong, meaningful, and affordable crop insurance protection for this nation's farmers and ranchers, and our opposition to any changes to crop insurance that would discourage producer participation or undermine private sector delivery.

In agriculture, one thing is for certain: crop loss will occur in some part of the United States each year. The significant, widespread crop losses of 2011 and 2012 have clearly demonstrated the need for crop insurance protection and the public-private partnership of program delivery. Farmers, ranchers, their lenders, input suppliers and other stakeholders agree that crop insurance protection should remain a viable, affordable tool for managing risk.

Crop insurance is the cornerstone of most farmers' risk management portfolios. It is a product selected in advance and tailored to the individual producer, with that producer choosing his or her product and protection level, and paying a premium for that coverage. In contrast, ad hoc disaster assistance is an after-the-fact form of assistance paid for entirely by the taxpayer that may help a producer survive a disaster but does not help manage risk. Importantly, because of the protection crop insurance provides, there were no calls for ad hoc disaster assistance in 2012 as there have been in the past.

Federal crop insurance provides an effective risk management tool to farmers and ranchers of all sizes when they are facing losses beyond their control, reduces taxpayer risk exposure, makes hedging possible to help mitigate market volatility, and provides lenders with greater certainty that loans made to producers will be repaid. The public-private partnership of program delivery works very well, allowing for timely and outstanding service to producers when they need it the most and providing much-needed jobs across rural America.

After a very challenging 2012 crop year, and with increasing demands for food, fiber, feed and fuel worldwide, it makes little sense to reverse the great progress Congress has made in providing crop insurance protection to producers.

Thank you for your 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 Sugarbeet Growers Association
Association of Equipment Manufacturers
California Association of Winegrape Growers
Cooperative Network
Corn Refiners Association
Credit Union Association of the Dakotas
Crop Insurance Professionals Association
Crop Insurance and Reinsurance Bureau
Farm Credit Council
Independent Community Bankers of America
Independent Insurance Agents & Brokers of America
National Association of Mutual Insurance Companies
National Association of Professional Insurance Agents
National Association of Wheat Growers
National Barley Growers Association
National Cooperative Business Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Farmers Union
National Grain and Feed Association
National Oilseed Processors Association
National Sorghum Producers
National Sunflower Association
North American Equipment Dealers Association
Reinsurance Association of America
Southwest Council of Agribusiness
The Fertilizer Institute
The Wisconsin Credit Union League
United Fresh Produce Association
US Apple Association
US Beet Sugar Association
US Canola Council
USA Dry Pea & Lentil Council
Western Growers
Western Peanut Growers Association

cc: All Members of the U.S. House of Representatives