

# United States Senate

WASHINGTON, DC 20510

November 4, 2013

The Honorable Debbie Stabenow  
The Honorable Patrick Leahy  
The Honorable Tom Harkin  
The Honorable Max Baucus  
The Honorable Sherrod Brown  
The Honorable Amy Klobuchar  
The Honorable Michael Bennet

The Honorable Thad Cochran  
The Honorable Pat Roberts  
The Honorable Saxby Chambliss  
The Honorable John Boozman  
The Honorable John Hoeven

Dear Chairmen, Ranking Members, and Members of the Conference Committee:

On June 10<sup>th</sup>, the Senate passed a comprehensive Farm Bill that would provide important crop insurance provisions for underserved crops and producers. Specialty crop growers, organic producers, diversified operations, and young and beginning farmers, who have traditionally been underserved by federal crop insurance, deserve access to affordable and sufficient risk management tools that are on par with what is available for commodity producers. These important risk management tools enable producers to access land, capital, and other opportunities in today's agricultural market.

We believe it is important to prioritize and support federal crop insurance products that address these underserved commodities, inadequate coverage, and low participation. As crop insurance becomes the centerpiece of the farm safety net and we continue to develop new strategies to adapt to a changing agriculture market, we must recognize the different needs of crops and producers. The Senate Farm Bill takes important steps toward making crop insurance appropriate and accessible for a range of producers, and we urge you to include the following provisions in any final agreement:

## **Whole Farm Diversified Risk Management Insurance**

The bill also directs RMA to develop a new whole farm product for diversified operations. Diversification is good for the environment and helps reduce economic risk, but insuring crop-by-crop is not an attractive approach for highly diversified operations, whether grain, grain-livestock, or specialty crop. The bill specifies the new product for these producers should work for the full range of diversified operations, be available nationwide, and include a diversification bonus. The Whole Farm provision is a very important step forward in creating crop insurance options that work for all of American agriculture.

## **Improving Crop Insurance for Organic Producers**

The Senate Farm Bill levels the playing field for organic farmers receiving crop insurance. Currently, when organic farmers experience crop losses, they are compensated at the lower rates of non-organic products. The provision in the Senate Farm Bill directs USDA's Risk Management Agency (RMA) to complete development of the organic price series to allow organic policies to pay out at the more fair and accurate organic price. This provision will not only give USDA more information about the prices for organics, but it will help to address low participation by organic farmers in crop insurance and encourage them to acquire crop insurance.

### **New Authority for Research and Development**

The bill allows RMA to conduct research and development activities to maintain or improve existing policies or develop new policies. The Senate Farm Bill gives RMA new authority to use sources of data other than the National Agricultural Statistics Service, where it is needed and appropriate. In addition, the Federal Crop Insurance Corporation will be required to prioritize research for specialty crops and other underserved crops and regions.

Senate Farm Bill programs will support these underserved crops by creating a new authority for RMA to maintain existing crop insurance policies and develop new ones. Another provision provides additional funding for the expansion of public-private partnerships to develop new insurance products.

### **Crop Insurance Improvements for Beginning Farmers and Ranchers**

Extremely high upfront costs and other challenges make it especially difficult for new farmers and ranchers to break into the agricultural market. With the average age of farmers and ranchers in the U.S. now approaching 60 years old, we should use the Farm Bill to encourage and support new and beginning farmers. The Senate Farm Bill improves access for crop insurance for beginning farmers by providing them a 10 percent discount for all crop insurance premiums and also allows RMA to provide additional assistance when beginning farmers face natural disasters.

### **Pilot Program for Index-based Weather Insurance**

Because many fruit and vegetable growers do not have sufficient price or yield data for traditional insurance, the Senate Farm Bill authorizes the Federal Crop Insurance Corporation to start an innovative pilot program that would expand access to index-based weather insurance. This pilot program could eventually allow any traditionally underserved producers to have access to crop insurance.

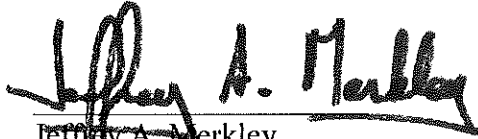
### **Expanded Public-Private Partnerships to Develop New Insurance Products**

The bill provides additional funding for private entities to develop new crop insurance products for underserved crops and regions such as fruits and vegetables by increasing the advance payment for research and development of new policies by 50%. It also requires the Federal Crop Insurance Board to prioritize products that address underserved commodities, inadequate coverage, and low participation.


These provisions contained in the Senate Farm Bill promote production and security for specialty crop growers, organic producers, and young and beginning farmers and will help grow our agriculture industry in fair and constructive ways. We urge you to include these provisions in any Farm Bill compromise that comes out of the conference committee.

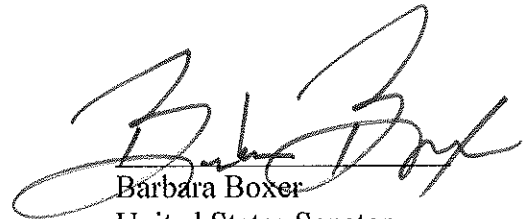
Thank you for your consideration.


Sincerely,

  
Jeffrey A. Merkley  
United States Senator

  
Al Franken  
United States Senator


  
Carl Levin  
United States Senator

  
Barbara Boxer  
United States Senator

  
Jon Tester  
United States Senator

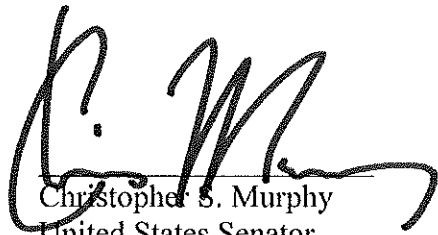
  
Jeanne Shaheen  
United States Senator

  
Richard Blumenthal  
United States Senator


  
Ron Wyden  
United States Senator

  
Brian Schatz  
United States Senator

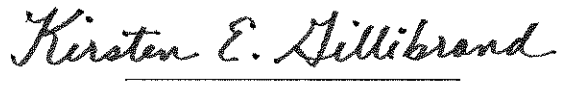
  
Mazie K. Hirono  
United States Senator



Christopher S. Murphy  
United States Senator



Tammy Baldwin  
United States Senator



Kirsten E. Gillibrand  
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United States Senator