

February 7, 2019

Dear House and Senate Budget Committee Chairmen and Ranking Members:

As Congress develops and considers its budget proposals for the year, **we respectfully urge you to protect crop insurance** and recognize its central importance to farmers, lenders and all of rural America.

USDA has projected that 2018 farm profitability will be the lowest in over a decade, and farm income dropped more than 45% in five years. An overreliance on budget savings from the agriculture community and from crop insurance more specifically will undermine rural economies. It's also important to note that in a time of uncertainty in the farming and ranching community – from natural disasters to trade wars to government shutdowns – the public-private partnership that is crop insurance has been a consistent and reliable risk management tool. The certainty of federal crop insurance also offers lenders the assurances they need to continue to provide capital to America's hard-working farmers and ranchers.

The 2018 Farm Bill that was recently passed by Congress and signed by the President continued the emphasis on risk management from previous farm bills, and in doing so, protects the interests of American taxpayers. Farmers spend \$3.5 to \$4 billion per year of their own money to purchase insurance from the private sector. On average, farmers also must incur losses of almost 30 percent before their insurance coverage pays an indemnity. Crop insurance allows producers to customize their policies to their individual farm and financial needs. Federal crop insurance is based on fundamental market principles, which means higher risk areas and higher value crops pay higher premiums for insurance.

Cuts to crop insurance during this difficult time for rural America should be avoided. Farmers and lawmakers agree that crop insurance is a linchpin of the farm safety net and is crucial to the economic security of rural America. The importance of crop insurance was just reaffirmed less than two months ago with the passage and signing of the 2018 Farm Bill, and **we urge you to oppose cuts to crop insurance during this year's budget process.**

Sincerely,