



Washington Report January 22, 2010

CIRB News...

Reminder: 2010 Annual Meeting in Two Weeks. The CIRB 2010 “Meeting of the Year” is just around the corner! We have received many registrations, and more keep coming in every day! We are very excited for this year’s program, which can be found [here](#) along with our registration materials. **Sponsorship opportunities still remain; for more information, please contact Jessica Hixson at jhixson@cropinsurance.org.** Our program will feature:

- [Jim Wiesemeyer](#), Senior Vice President, Informa Economics: Keynote Speaker
- [Joe Glauber](#), Chief Economist, USDA and Chairman, Federal Crop Insurance Corporation Board of Directors
- [Bill Murphy](#), Administrator, Risk Management Agency: Report on the Standard Reinsurance Agreement
- [Dennis Today](#), President-Elect, American Association of State Climatologists
- [Kurt Henke](#), CIRB Legal Counsel, Henke-Bufkin, P.A.: Legal Challenges Facing the Crop Insurance Industry
- Washington Panel – [Mike Torrey](#), CIRB Federal Affairs Representative; [Mary Kay Thatcher](#), Director of Public Policy, American Farm Bureau Federation
- Reinsurance Panel – [John Reinman](#) (moderator), Managing Director, Guy Carpenter & Company LLC; [Jim Aldeman](#), Chairman, CIRB Executive Committee and Vice President and General Manager, American Agricultural Insurance Company; [Michael Dicker](#), Senior Vice President – Agriculture, Max Re Ltd.; [Bill Totsch](#), President, Totsch Enterprises; [Mike Zielin](#), Senior Vice President, Partner Re Insurance Corporation of America

SRA News...

CIRB Weighs in on SRA. This week, CIRB submitted comments to the Risk Management Agency expressing its general concerns with the proposed Standard Reinsurance Agreement. CIRB emphasized the impact that the proposal would have on the viability of the crop insurance industry and roughly 18,000 related jobs. CIRB also noted that this proposal comes on the heels of billions of dollars in cuts to crop insurance in the 2008 Farm Bill. To view the comments, click [here](#).

Lincoln and Chambliss Spearhead Senate Letter to RMA. Senate Agriculture Chairwoman Blanche Lincoln (D-AR) and Ranking Member Saxby Chambliss (R-GA), along with 24 Senate

colleagues, have called on RMA Administrator Bill Murphy to refrain from making substantial cuts to the federal crop insurance program as part of the SRA negotiation process. CIRB engaged with multiple Senate offices to build support for this effort. For more information, click [here](#).

NCIS Releases Alternative SRA. National Crop Insurance Services has released its own proposal for the 2011 SRA. In announcing the release of its version, NCIS voiced several concerns with RMA's first draft, including the excessive overall funding cuts, the reduction in delivery payments, and the potential for further consolidation of the industry. To view the proposal, click [here](#).

Congressional News...

Continued Budget Pressures Could Impact Crop Insurance. The current fiscal climate in Washington continues to be unpromising for crop insurance. President Obama is poised to release his Fiscal Year 2011 budget blueprint on February 1, and farm support programs, including crop insurance, are likely to be targeted for cuts. The Administration has signaled its intent to produce a leaner budget for the upcoming Fiscal Year, especially given that the FY 2009 budget deficit hit \$1.4 trillion. Furthermore, President Obama hopes to increase USDA nutrition spending by \$1 billion annually; much of that money could come from crop insurance. Finally, in tandem with legislation to raise the national debt limit from \$12.4 trillion to \$14.3 trillion, the White House is expected to create an independent deficit reduction commission whose recommendations would receive fast-track consideration in Congress. The President will deliver his State of the Union address next Wednesday, January 27, so we can expect to pick up some clues about exactly where the budget cuts will fall.

Massachusetts Senate Result to Alter 2010 Agenda. The election of Republican Scott Brown to the late Sen. Ted Kennedy's (D-MA) seat in Massachusetts will alter the political dynamics in the Senate for the remainder of this year. Democrats are now considering a range of options for moving healthcare legislation, as they no longer have the 60-vote supermajority that would be needed to beat back any Republican-led procedural hurdles. Furthermore, Members are torn over how to proceed more generally, as the result in Massachusetts may be a harbinger of broader voter discontent with Washington.

USDA News...

NASS May Resurvey Corn and Soybean Producers. The National Agricultural Statistics Service announced that it may release updated statistics for corn and soybean producers from states with late harvests in its March 10 *Crop Production* report. When producers were previously surveyed late last year, several states had significant unharvested acreages of these two crops. For more information, click [here](#).

Philbrook Resigns from USDA. Deputy Undersecretary for Farm and Foreign Agricultural Services Burnham "Bud" Philbrook is resigning his post to care for his son. Philbrook personally informed Secretary Vilsack of his intent late last month, according to Congress Daily. USDA is working to quickly name a replacement.

USDA Offers Web-Based Disaster Payment Calculator. Agriculture Secretary Vilsack announced that USDA now has a web-based 2008 crop program payment calculator to assist

producers as they calculate the financial benefits they can receive under the Supplemental Revenue Assistance Payments (SURE) program. The Farm Service Agency created the calculator to help producers to better understand the new program. For more information, click [here](#).

USDA Provides Funding for Pest and Disease Management. This week, Agriculture Secretary Vilsack announced that USDA has allocated \$45 million for building and preserving important plant health safeguarding initiatives. This funding will be distributed among more than 50 cooperators, including state departments of agriculture, universities, and nonprofits. For more information, click [here](#).

Industry News...

John Deere Introduces Policy on Harvesting. Agri-Pulse newsletter recently reported that John Deere Risk Protection has unveiled the first crop insurance policy pertaining to harvesting equipment. The Production Plan-John Deere 600C Harvest Endorsement is intended to expand coverage of the JDRP crop-hail policy to insure against losses from downed corn resulting from windstorm damage. For more information, click [here](#).