



Washington Report September 25, 2009

USDA News...

RMA Looks to Improve Service Outside Corn Belt. DTN has reported that the Risk Management Agency (RMA) may attempt to reduce crop insurance incentives in the Corn Belt region in order to increase incentives and spur competition in different parts of the country, such as Nevada, Alaska, and the Northeast, as RMA negotiates a new Standard Reinsurance Agreement. The degree to which RMA succeeds may depend on the outcome of negotiations on the government role in risk sharing and administrative and operations subsidies. For more information, visit FarmPolicy.com.

CIRB Participates in SRA Discussions. Mike Torrey, CIRB's Executive Vice President and Federal Affairs Representative, recently traveled to Kansas City, MO for a round of discussions on the Standard Reinsurance Agreement. USDA indicated at the meeting that they are moving forward with a draft SRA proposal that they hope to make available to the industry within 45 to 60 days. Torrey is slated to travel next week to Des Moines, IA for additional discussions.

FCIC Board Meeting. The Manager's Report from the recent Federal Crop Insurance Corporation Board of Directors' Meeting has been posted on the RMA website. The Report includes updates on nine products, the Common Crop Insurance Policy, and preparations for SRA discussions. To view the Report, click [here](#).

Congressional News...

House Agriculture Unlikely to Review Crop Insurance. In a recent interview with *Agri-Pulse*, House Agriculture Chairman Collin Peterson indicated that additional hearings are unlikely on the federal crop insurance program. He expressed confidence in RMA's ability to address his concerns regarding insurance coverage and inequities in agent compensation as part of the SRA negotiation process.

House Outlook. The House of Representatives is poised to vote on a **Continuing Resolution** to fund the government through the end of October while work continues on the Fiscal Year 2010 Appropriations process. Additionally, by the end of next week, the House may be ready to take up a major **healthcare overhaul** package on the floor. House leaders are currently working to combine several bills in order to have the proposal ready.

Senate Outlook. The Senate will continue to focus on **appropriations legislation** in the coming week, with consideration of the Defense measure atop the floor agenda. Additionally, the Finance Committee will resume its markup of **healthcare legislation**, and the Environment and Public Works Committee may introduce **climate change legislation**.

Industry News...

CIRB Interviewed for National Underwriter Article. Paul Horel, CIRB's President, was recently interviewed by Phil Gusman for an article in *National Underwriter* regarding the state of play in the crop insurance industry. In the article, Gusman stated that despite the decline in reimbursements from the government to companies, the market has been spared of major losses. Horel noted that 2009 is likely to be another good year for crop insurers, and that the current players are strong and committed at the moment. To view the article, click [here](#).

ACRE Summary. Gary Schnitkey, a University of Illinois Agricultural Economist, has provided an explanatory paper on the Average Crop Revenue Election (ACRE) program. To view the paper, click [here](#).