

Crop Insurers Comment on OMB Budget

WASHINGTON (February 12, 2018)—The Office of Management and Budget (OMB) today released a proposed budget for FY2019 that included devastating cuts to crop insurance. OMB's proposal is expected to receive no traction on Capitol Hill and runs counter to positive crop insurance statements from the White House and U.S. Department of Agriculture.

The American Association of Crop Insurers, Crop Insurance and Reinsurance Bureau, Crop Insurance Professionals Association, Independent Insurance Agents and Brokers of America, National Association of Professional Insurance Agents, and National Crop Insurance Services released the following joint statement in response:

“It’s disappointing that OMB targets farmers’ risk management tools when they are most needed. Instead of weakening the crop insurance system, we should be asking how it can be strengthened to help farmers dealing with weather disasters and low commodity prices.”

“These proposals would make crop insurance unaffordable and unavailable for many farmers. And if such proposals were adopted, it would be difficult for the private sector to remain in business. In the absence of an effective private-sector delivery system, aid to rural America in times of crisis would be delayed and the taxpayers would suffer additional costs.”

“The facts about crop insurance and the budget are simple:

- *CBO budget projections for crop insurance are down nearly \$10 billion since the 2014 Farm Bill was enacted.*
- *Farmers help share in much of the cost. They have spent nearly \$15 billion out of their own pockets to buy crop insurance and have shouldered more than \$30 billion in deductibles since 2014.*
- *The government spends less than 1% of its budget protecting the world’s most affordable and dynamic food and fiber supply.*

“In other words, crop insurance is working. Making it more difficult for farmers to bounce back during tough times will jeopardize jobs and will find little support in rural America, which still faces a depressed economy.”

“Destructive cuts to crop insurance have been proposed in the past and soundly rejected by Congressional leaders, who recognize the importance of maintaining a strong farm policy. We fully expect that to be the case again this year, and we are hopeful to engage in meaningful dialogue about how to support America’s hardworking farmers and ranchers in difficult times like these.”

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