

## **Crop Insurers: Proposed OMB Budget Undermines Farm Safety Net**

WASHINGTON – The Office of Management and Budget (OMB) today released a proposed Fiscal Year 2021 budget that includes steep cuts to the Department of Agriculture and federal crop insurance.

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:

“Last year brought unprecedented challenges for rural America. Even now, farmers and ranchers across the country are dealing with the lingering consequences of weather events that destroyed fields and ruined crops. And there looks to be no reprieve from the ongoing rural recession: The USDA estimates that farm cash flow will tighten this year, dropping more than \$10 billion, or 9 percent, from 2019.

“The federal crop insurance program reacted quickly and efficiently to keep many farmers afloat during this difficult time. It’s no wonder then that the nation’s farm organizations teamed up in late 2019 to ask Congress to reject any attempts to cut crop insurance and weaken the farm safety net when it’s needed most.

“It’s inexplicable as to why OMB would target such a critical risk-management tool for budget cuts. The proposed cuts will make crop insurance unaffordable and unavailable for farmers, seriously undermining the farm safety net.

“The crop insurance program works for farmers and taxpayers alike:

- Crop insurance protects more than 90 percent of America’s planted crop land acres.
- Farmers invest in their own protection by spending \$3.5 to \$4 billion per year to purchase crop insurance and bearing a significant portion of losses through deductibles.
- Crop insurance policies provide critical collateral to farm bank and credit lenders who assist farmers through operating loans, especially during a time of low commodity prices.
- The federal government spends less than a quarter of 1% of its budget on the farm safety net, including crop insurance, making this a worthwhile investment to protect the world’s most affordable and safe food and fiber supply.

“Thankfully, for the sake of America’s struggling farmers and ranchers, OMB’s budget is sure to be rejected by Congress. We urge the White House and Congress to support America’s farmers and ranchers by protecting and strengthening crop insurance.”