

February 4, 2015

House and Senate Budget Committee Chairs and Ranking Members:

The agriculture community is committed to the belief that balancing the Federal budget is important, which is why the industry supported the passage just last year of a farm bill that was estimated to reduce the deficit by \$16.6 billion. Additionally, crop insurance has been contributing more than \$1.2 billion a year towards reducing government spending since the 2008 Farm Bill.

Therefore, we strongly oppose the President's budget proposal to make crippling cuts to crop insurance. Attacking farmers' most important risk management tool only weakens the farm safety net in the bipartisan farm bill that Congress carefully crafted after years of deliberation and more than 40 hearings.

The farm bill places greater emphasis on risk management than previous farm bills. Farmers spend approximately \$4 billion a year of their own money to purchase insurance from the private sector, which is far more efficient and effective than government-run crop insurance delivery systems. Crop insurance products and protection levels can be tailored to the individual farm, making it so effective in managing risk that more than 90 percent of eligible farmland is currently protected.

This popularity enabled the country to face back-to-back years of wide scale natural disasters, including the historic drought of 2012, without a single *ad hoc* disaster bill introduced for cropland. Such unbudgeted disaster bills were commonplace before crop insurance provided the depth and breadth of coverage that it does today, and these disaster bills were fully funded by taxpayers.

Budget levels currently in place for crop insurance ensure the affordability and availability of risk protection, while maintaining the viability of private-sector delivery. Arbitrary funding reductions only weaken the system and ultimately shift risk exposure back to taxpayers.

As the House and Senate develop their own budget proposals, we urge you to protect crop insurance and recognize its central importance to farmers, lenders and all of rural America.

Sincerely,

American Bankers Association

American Farm Bureau Federation

American Insurance Association

American Sugar Alliance

American Sugarbeet Growers Association

Association of Equipment Manufacturers
American Soybean Association
Crop Insurance and Reinsurance Bureau
Crop Insurance Professionals Association
Farm Credit Council
Independent Insurance Agents & Brokers of America
Independent Community Bankers of America
National Association of Professional Insurance Agents
National Association of Wheat Growers
National Barley Growers Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Crop Insurance Services
National Farmers Union
National Sorghum Producers
National Sunflower Association
Southern Peanut Farmers Federation
Southwest Council of Agribusiness
US Canola Council
US Dry Bean Council
US Rice Producers Association
US Beet Sugar Association
USA Dry Pea & Lentil Council
USA Rice Federation
Western Peanut Growers Association

cc: House and Senate Budget Committee Members

House and Senate Agriculture Committee Members