

Dear CSP farmer,

You are receiving this letter today because you are a farmer using the Conservation Stewardship Program (CSP) to support conservation and stewardship on your farm. We are writing to you today from the Center for Rural Affairs, a private, nonprofit organization based in Nebraska. For those of you not familiar with us, we work at the national level on agriculture and conservation policy. Our mission is to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.

Today, we are writing to ask you to complete a short survey, which is enclosed with this letter. The survey is about the largest single ag-related program in the recent Farm Bill – federally subsidized crop insurance. As an organization supported by family farmers and other rural citizens, the Center for Rural Affairs believes that the federal crop insurance program is in need of reform.

To be clear, it is important that America's farmers have access to affordable crop insurance. Crop insurance is an important risk management strategy that can protect a farm family in the case of natural disasters as well as provide a moderate level of income protection — a safety net in hard times that enables farmers to pay their expenses and get the next year's crop in.

But we have been hearing from farmers across the Great Plains and Midwest that the adverse effects of crop insurance are mounting. ~~We are seeing concentration of land ownership and control, and we~~ believe unlimited premium subsidies to the largest and wealthiest farms plays a role. Those unlimited subsidies not only make it challenging for small and mid-sized farmers to compete, but makes it nearly impossible for beginning farmers to gain a foothold. We are also seeing the propping up of insurance company profits by the government through the government backed reinsurance policies and the subsidization of administrative and operating costs.

For example, a recent Government Accountability Office study showed that 26 farms took in over \$1 million in premium subsidies in one year alone! We believe reform is needed and that is why we want your input.

In addition, we are also working with an economist to estimate the impact unlimited premium subsidies have on land values and cash rental rates.

Please let us know what you think about federal crop insurance policy and its impacts – whether you agree or disagree with our concerns and some of the potential reforms we are considering. We wanted to be upfront about our thinking about crop insurance, and we hope you'll let us know your thoughts, too. We will not release your survey to anyone else, but we do ask that you give us your contact info so we can follow up with a question or further information.

Please send us your survey in the enclosed postage-paid envelope. Your feedback is very important; we really want to hear from you.

Sincerely,

Handwritten signature in cursive script, appearing to read "Traci Bruckner Rachael Meyer".

Traci Bruckner and Rachael Meyer – Center for Rural Affairs

Center for Rural Affairs Farmer Survey

Crop Insurance Reform

Instructions: This survey will help us gauge farmers' opinions on crop insurance reform. Please read each statement carefully and respond by circling Y (yes) or N (no) and by writing in your own thoughts, when applicable. This survey is voluntary; thank you for your participation.

1. Do you think that federally subsidized crop insurance needs reform? Y N
Why or why not?

2. We believe major crop insurance corporations are the biggest benefactors of federally subsidized crop insurance. We also believe there is a lack of accountability and transparency around the benefits to crop insurance corporations.

Do you agree? Y N
Why or why not?

Which of the following would you support to address this issue? Please mark any that apply.

- Limit the amount of public dollars that insurance corporations get paid from the federal government for "administration and operations."
- Make the dollar amount of federal reimbursements received by each insurance corporation publicly available to make the program more transparent.
- Stop allowing crop insurance corporations to offload the riskiest policies onto the federal government.
- Tie any tax-dollar "reimbursements" received by insurance corporations to actual documented expenses.

3. We have long heard from farmers in the Great Plains and Midwest that the federal crop insurance program benefits the largest farmers because they receive the vast majority of premium subsidies. (Premium subsidies are the taxpayer dollars paid to insurance corporations for the crop insurance policies farmers purchase. Overall, the average subsidy rate across all policies purchased was 62% in 2014.) We believe and have heard from farmers that these large subsidies help enable the largest farmers to outcompete beginning, and small and mid-sized family farmers in renting and purchasing available land.

Do you agree with this assessment? Y N
Why or why not?

Which of the following would you support to address this issue? Please mark any that apply.

- Limit the dollars and/or acres any one operation can receive in crop insurance premium subsidies (the percentage of the cost of a crop insurance policy that is paid by the government).
- Phase out premium subsidies for farming operations that have gross farm income above certain levels. For example, a 50 percent reduction on production exceeding \$1 million to a 100 percent reduction on production exceeding \$2.5 million. (Exact numbers are for example only).
- Decrease the allowable premium subsidy percentage for individuals with high adjusted gross incomes (AGI). For example, a person with more than \$500,000 AGI. (AGI includes all income of an individual minus farm expenses.)
- Set a limit on the premium subsidy level for all farms (e.g. 50% instead of 62% average).
- Tie high premium subsidy percentages (50% and higher) to effective conservation and crop diversification.

4. We believe the federal crop insurance program needs to actually support beginning farmers and help them establish viable and effective conservation practices, rather than create more obstacles to successful farm start-ups.

Do you agree?
Why or why not?

Y N

Which of the following would you support to address this issue? Please mark any that apply.

- Increase premium subsidies for beginning farmers and make sure they can get coverage.
- Fully develop federal insurance options that cover an entire farm operation to provide viable options for diversified farms, including produce, specialty crops, and livestock. (e.g. Whole Farm Revenue Protection Program).
- Allow beginning farmers to access affordable and useful crop insurance policies in their first year of farming and not have to wait 3-6 years to establish yields, as it is now.

5. Please add any other thoughts or comments you have about federal crop insurance reform:

General Information (All survey information will be confidential)

Name: _____

E-mail: _____ Phone: _____

Address: _____

Age: ___ Under 25 ___ 25-34 ___ 35-44 ___ 45-54 ___ 55-64 ___ 65 and over

Do you use crop insurance? ___ Yes ___ No

If you do use crop insurance, what kind of policy do you have? _____

What are your main crops? Please circle all that apply.

Corn Soybeans Wheat Small Grains
Fruit Vegetables Other (please specify): _____

What livestock do you raise? Please circle all that apply.

Hogs Beef Dairy Sheep Poultry
I do not raise livestock Other (please specify): _____

Please add me to the Center for Rural Affairs mailing and action alert list.

Thank you for taking the time to fill out this survey!

Please return completed survey in the enclosed envelope to: Center for Rural Affairs, PO Box 136, Lyons, NE 68038