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United States Department of Agriculture

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Risk Management Agency

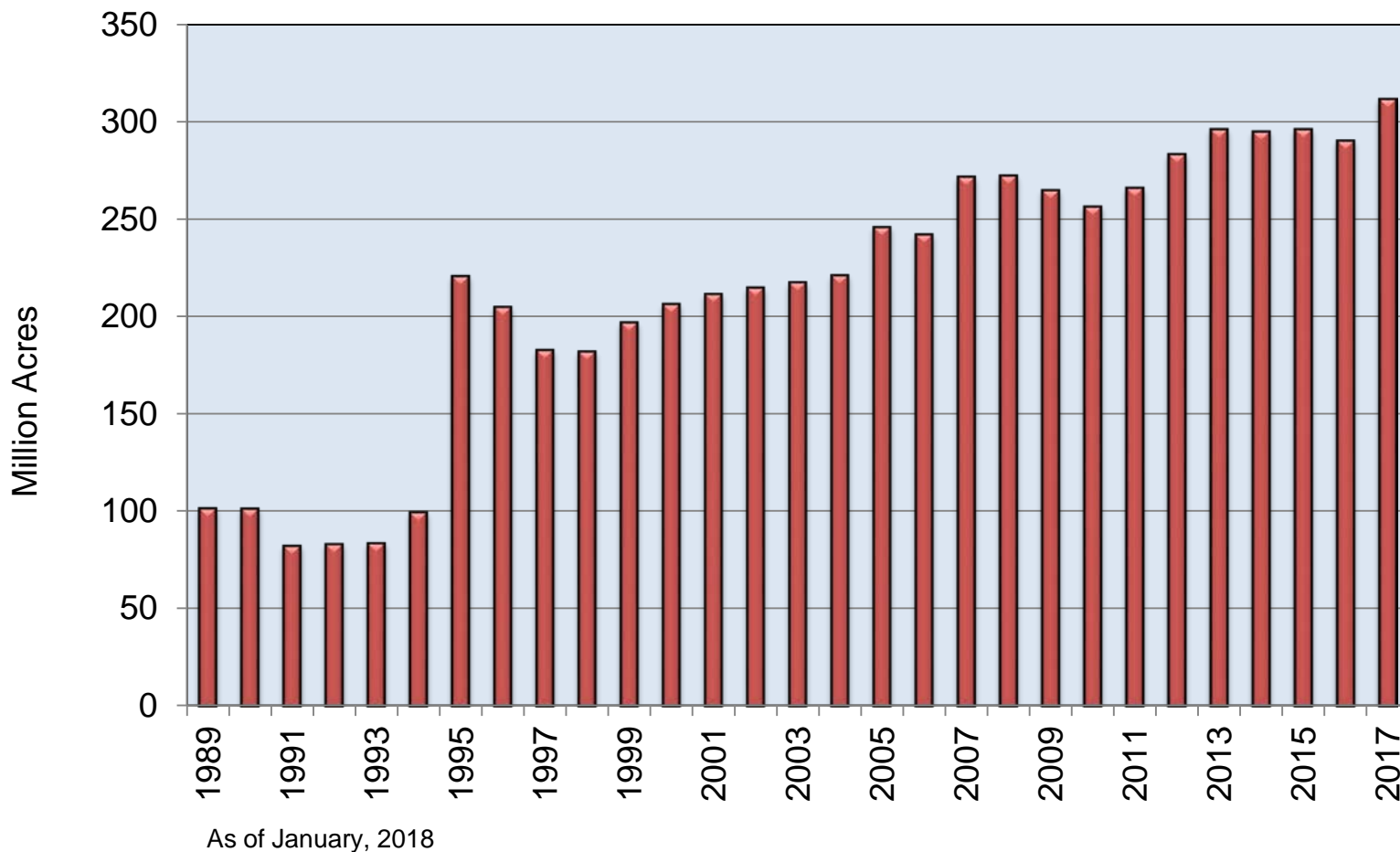
# Federal Crop Insurance: Update on 2014 Farm Bill Implementation

USDA Ag Outlook Forum

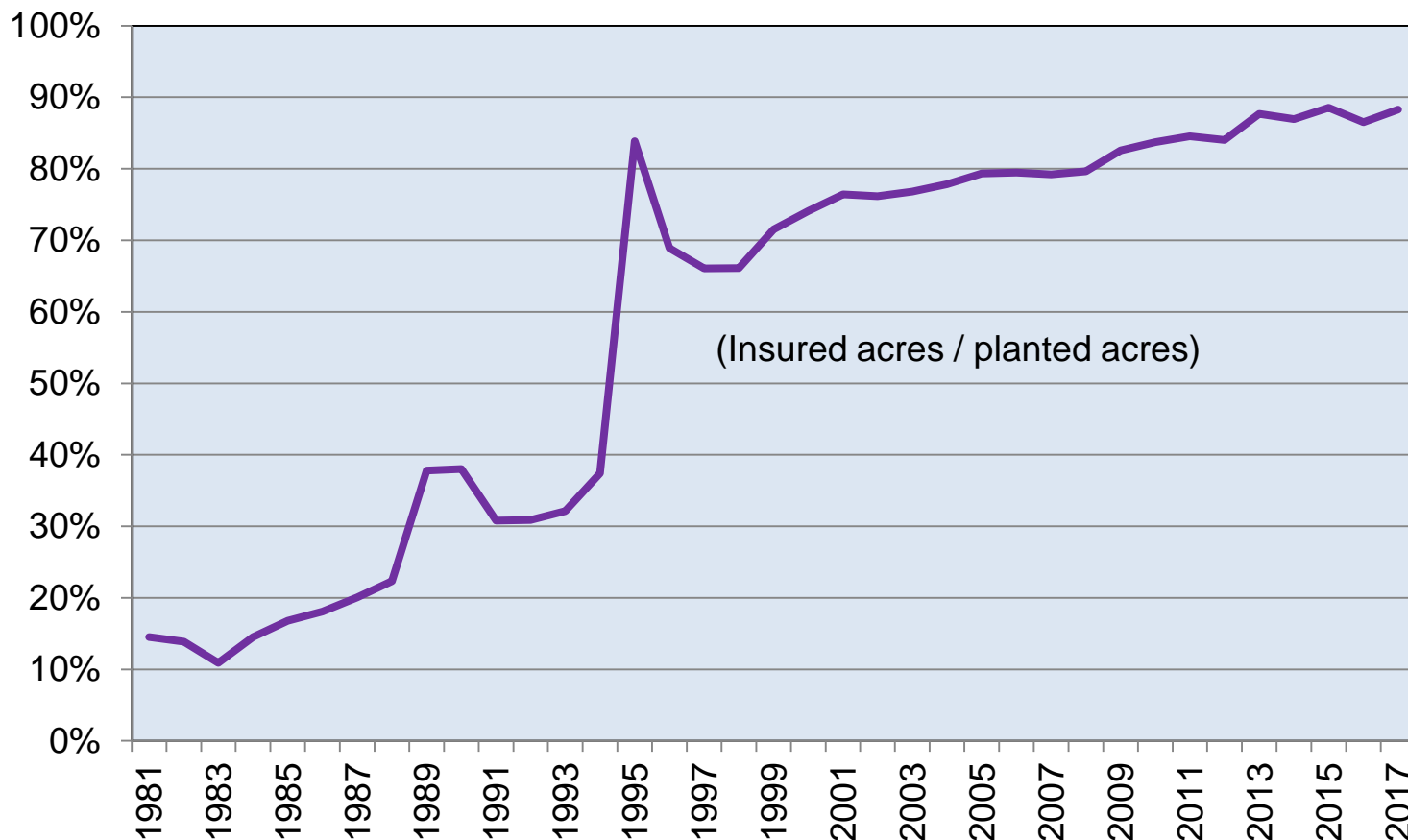
Kent Lanclos

February 23, 2018

# Insured Acreage



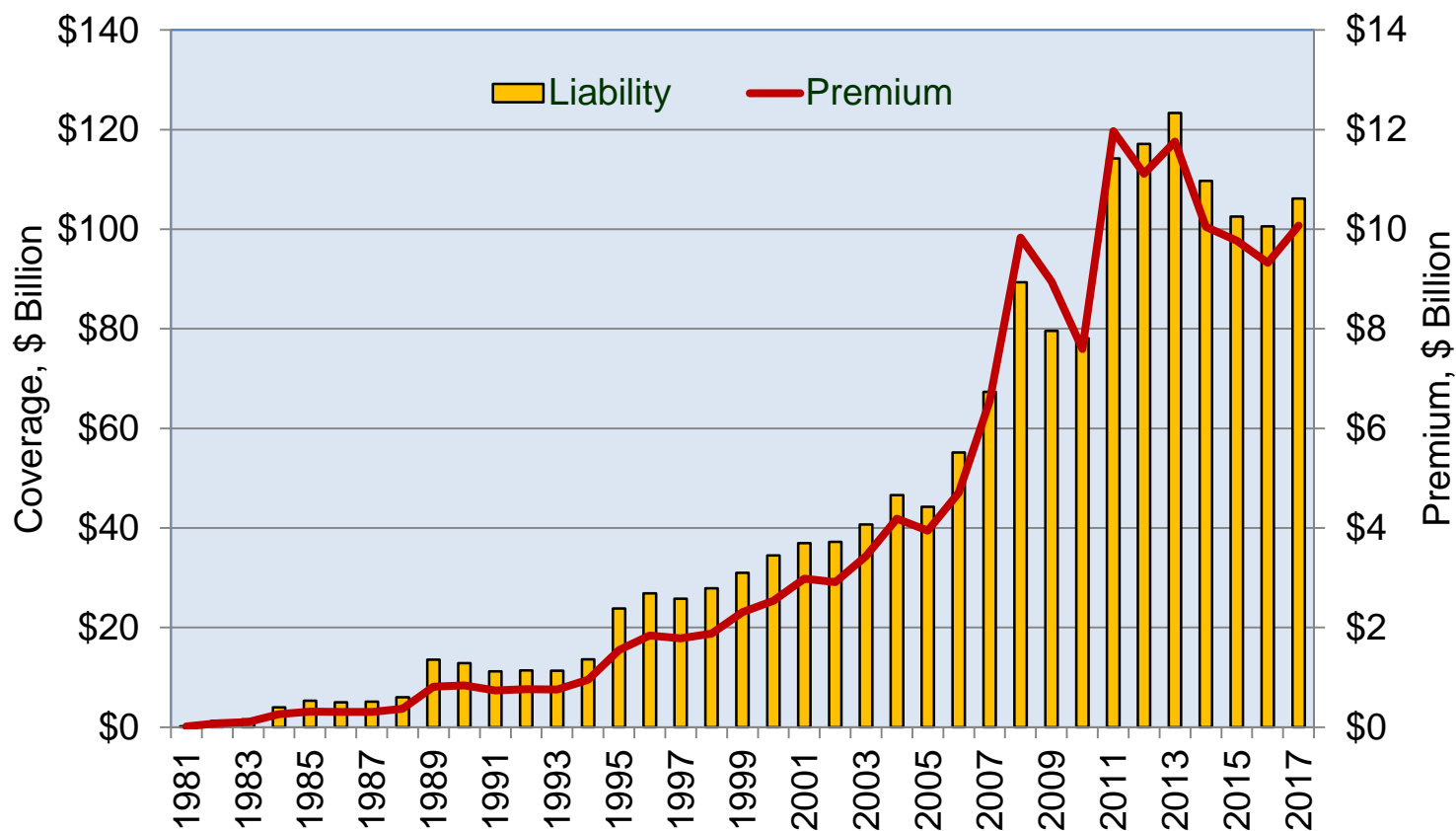
# Participation Rate\*



\*Barley, corn, cotton, grain sorghum, peanuts, potatoes, rice, soybeans, tobacco, and wheat

As of January, 2018

# Liability & Premium



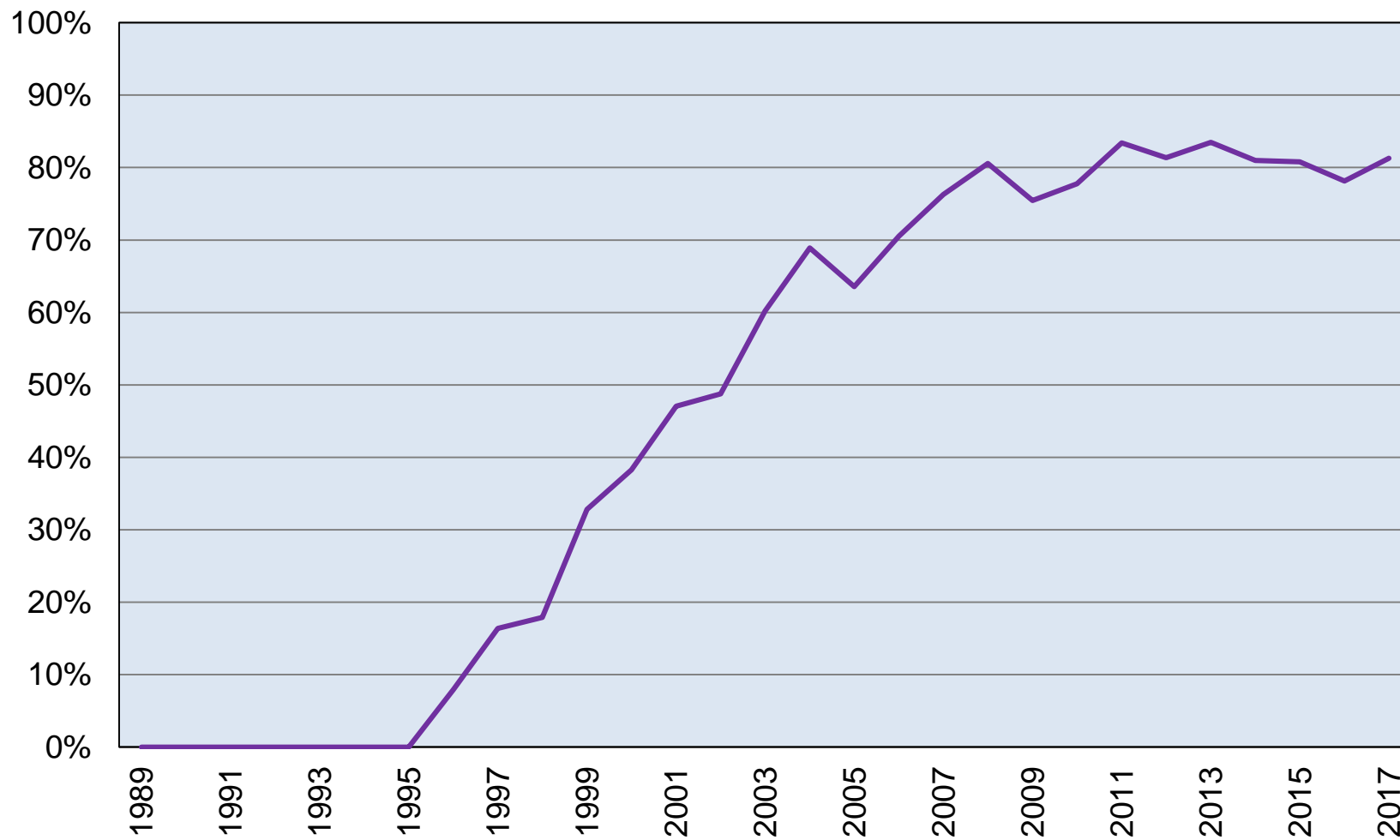
As of January, 2018

# 2017 Crop Ranking

Crop	Liability	Share
Corn	\$39.4 Billion	37.1%
Soybeans	\$28.4 Billion	26.7%
Wheat	\$5.9 Billion	5.5%
Cotton	\$5.2 Billion	4.9%
Nursery (FG&C)	\$1.4 Billion	1.3%
Rice	\$1.3 Billion	1.2%
Potatoes	\$1.1 Billion	1.0%
Citrus (incl trees)	\$2.5 Billion	2.4%
All Others	\$21.1 Billion	19.8%
<b>Total</b>	<b>\$106.3 Billion</b>	<b>100.0%</b>

As of January, 2018

# Revenue Share of Premium



As of January, 2018

# 2014 Farm Bill Update

- ☐ Beginning Farmer/Rancher
- ☐ Organic Price Elections
- ☐ Yield Exclusion

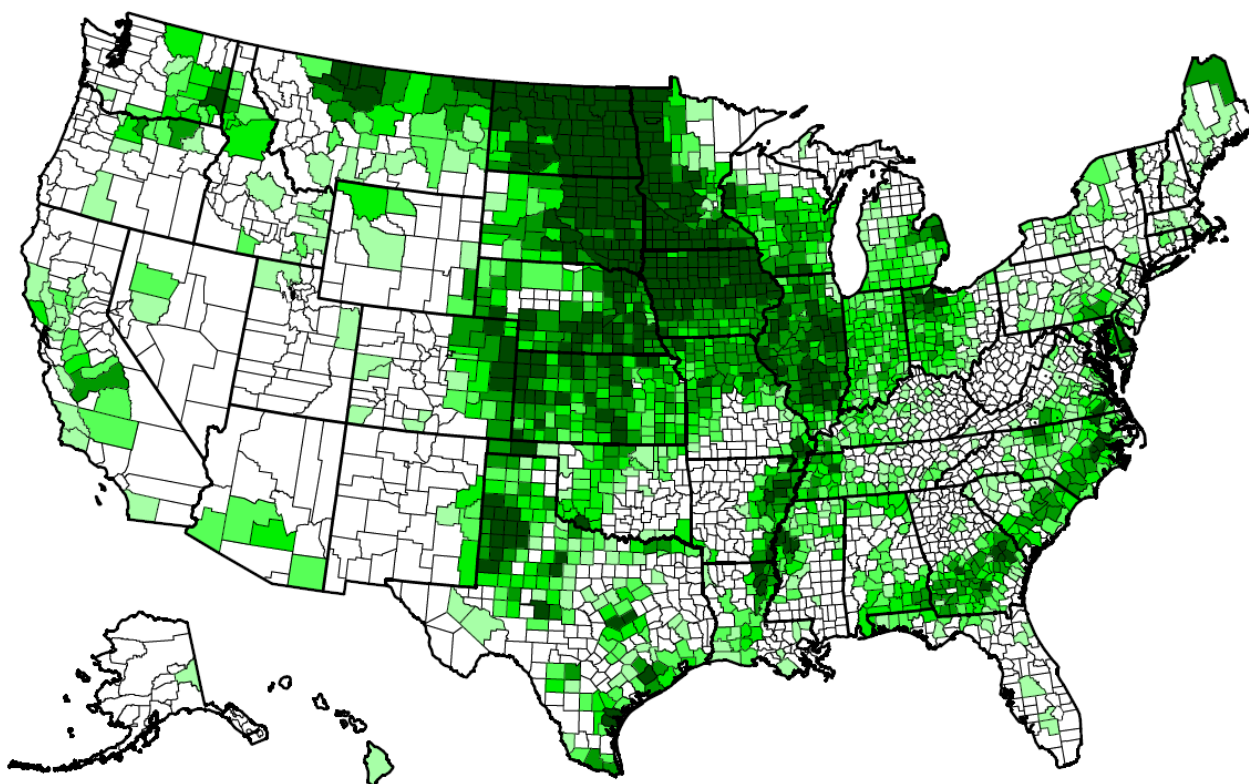


# Beginning Farmer and Rancher

	2015	2016	2017*	'16 to '17 Change	'15 to '17 Change
Total RMA Producers	555,404	547,900	537,974	-1.8%	-3.1%
Primary Producers with BFR	13,693	15,467	16,132	4.4%	17.8%
BFR Additional Premium Subsidy	\$13.05M	\$13.79M	\$15.38M	10.9%	17.9%
Administrative Fees Waived	\$1.67M	\$1.95M	\$2M	2.6%	19.8%
BFR Producers Using Yields From a Previous Operator	1,242	1,927	2,634	36.7%	112.1%
BFR Producers with YA	4,931	5,702	5,518	-3.1%	12%
BFR Net Acres	3.5M	3.9M	4M	11%	14%

# Beginning Farmer and Rancher

## 2017 Policies by County



Policy Count: 1 - 3 4 - 10 11 - 25 26 - 50 51 - 615

**\$47+  
Million in  
Producer  
Savings  
(2015-2017)**

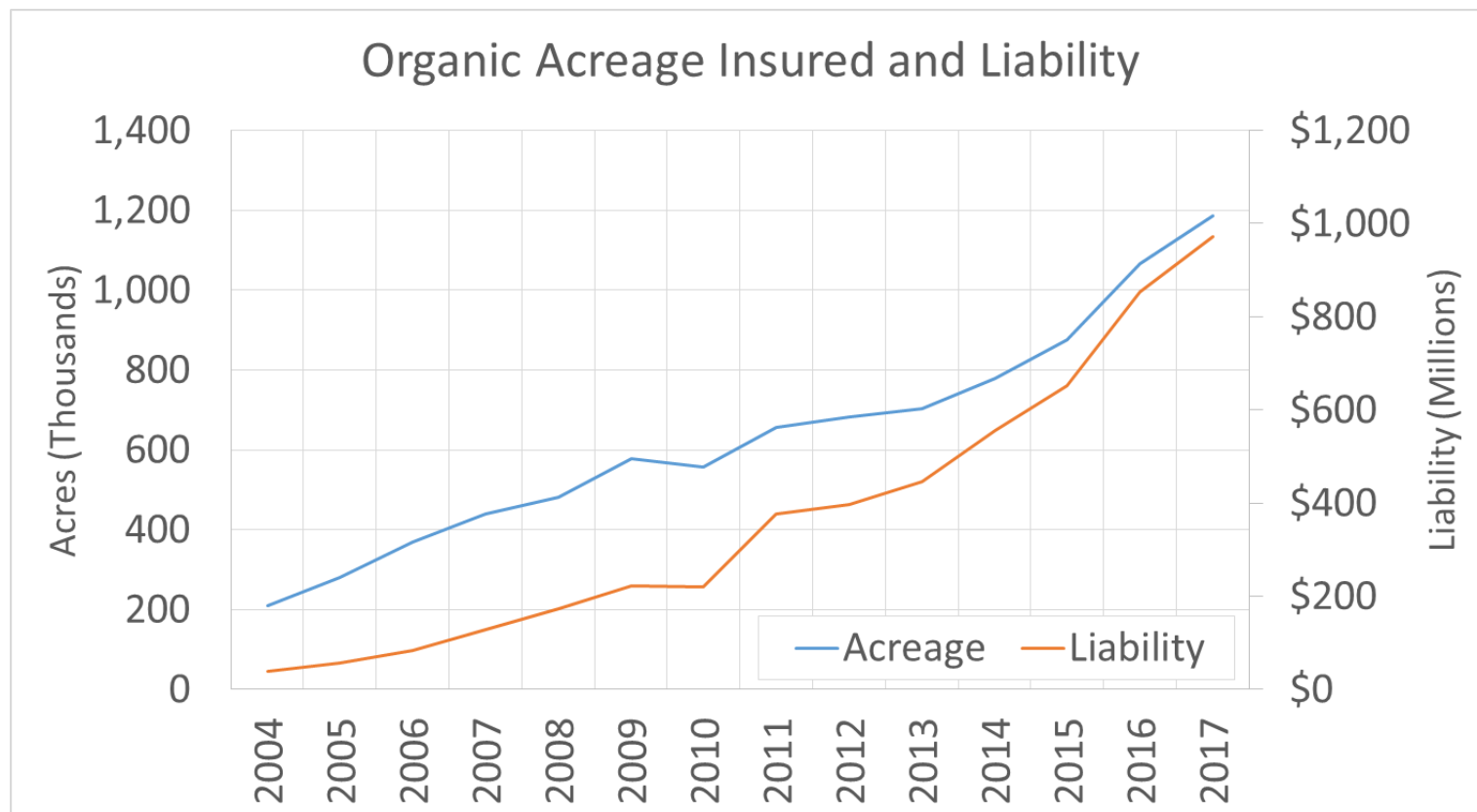
**16+  
Thousand  
Producers**

**4+ Million  
Acres**

# Expanding Organic Options

- ❑ **Organic Price Elections** have grown from 4 crops in 2011 to 79 crops in 2018
- ❑ **Contract Price Option** is available for 66 crops

# Organic – Participation, 2004-2017

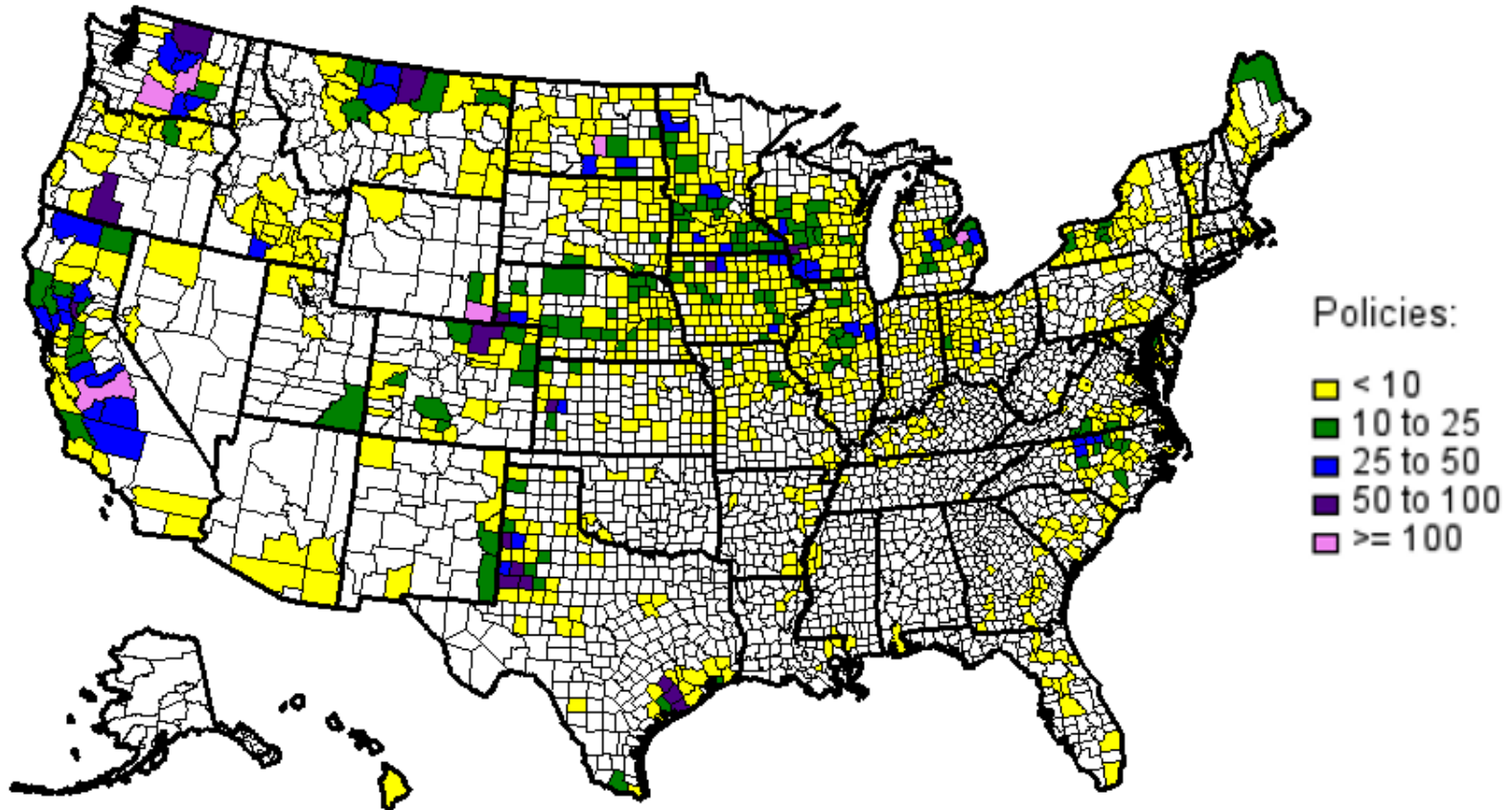




# 2017 Top Ten Organic Crops by Liability

Organic Crop	Acres Insured	Liability (\$ Mil)
Corn	259,392	\$189.5
Apples	16,731	\$147.8
Wheat	345,017	\$75.5
Soybeans	142,692	\$66.8
Tobacco	9,076	\$49.5
Rice	65,498	\$42.5
Grapes	11,650	\$41.7
Blueberries	3,634	\$35.3
Cotton	60,682	\$33.4
Potatoes	10,859	\$29.0

# Map of Organic Policies



# APH Yield Exclusion (YE)

	2015		2016		2017	
Crop	Total Acres	Percent w/ YE	Total Acres	Percent w/ YE	Total Acres	Percent w/ YE
Corn	38,953,904	34%	41,345,391	39%	40,616,627	34%
Soybeans	27,614,338	14%	27,399,121	16%	30,463,142	14%
Wheat**	7,213,168	16%	35,303,175	19%	31,619,909	21%
Cotton	6,960,009	29%	7,431,945	29%	9,131,156	27%
Grain Sorghum	6,185,665	19%	5,172,139	22%	4,049,635	23%
Barley	1,615,591	6%	1,506,797	8%	1,188,508	8%
Sunflowers	1,582,852	9%	1,384,516	10%	1,184,825	11%
Canola	617,753	3%	683,767	4%	894,601	4%
Peanuts	459,030	5%	463,966	5%	554,854	6%
Popcorn	88,066	9%	94,268	14%	84,675	15%
Rice	85,818	2%	158,686	2%	202,006	2%
All Others	N/A	N/A	6,805,293	5%	7,362,706	5%
<b>Total</b>	<b>91,376,193</b>	<b>24%</b>	<b>127,749,063</b>	<b>24%</b>	<b>127,352,644</b>	<b>22%</b>

**Total Acres:**

All acreage insured in counties eligible to exclude 1 year.

**Percent w/ YE:**

Percent of **Total Acres** that elected YE.

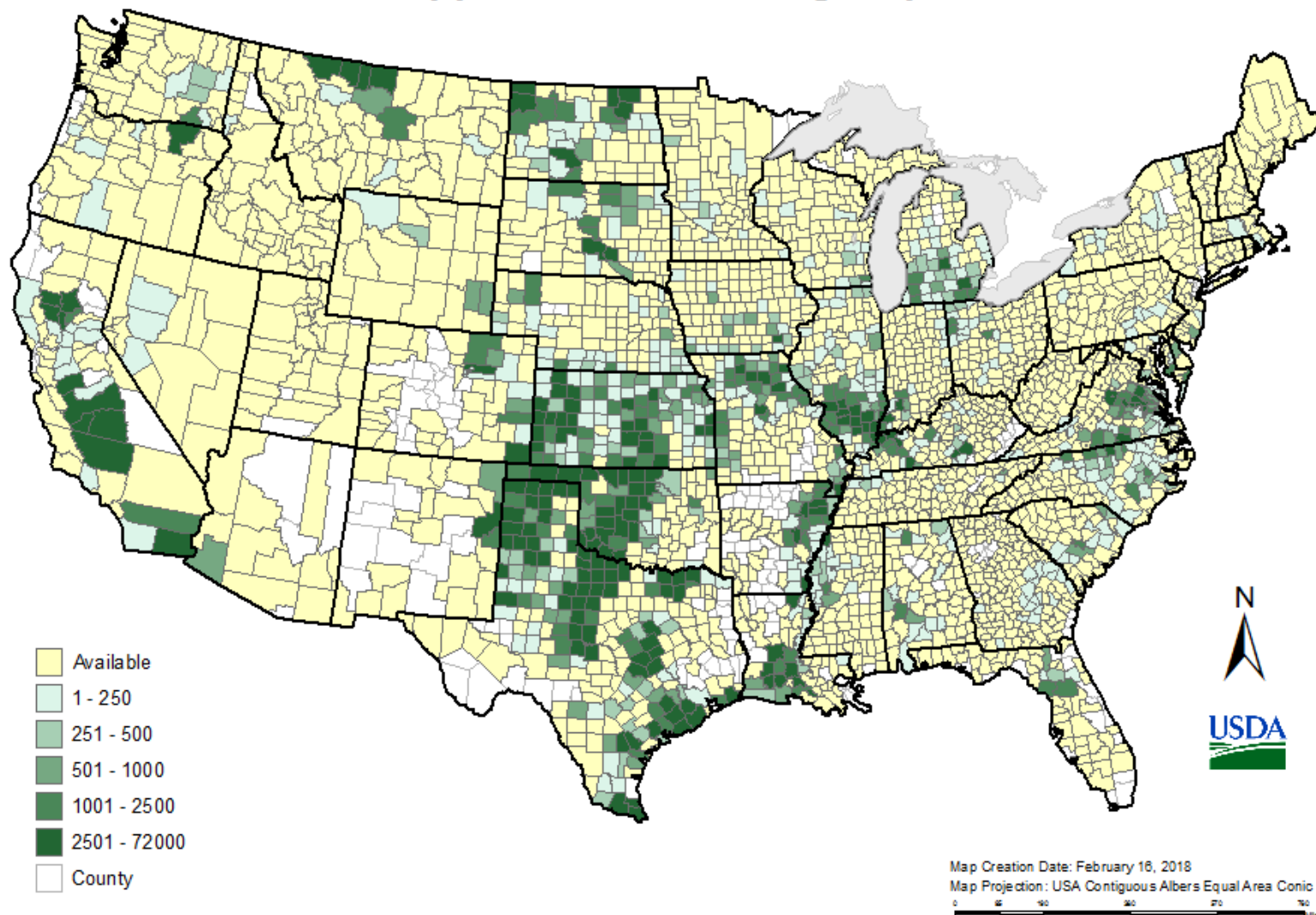
\*\*Spring wheat only for 2015.

# 2014 Farm Bill – New Coverage Plans

- ❑ Supplemental Coverage Option (SCO)
  - × Endorsement to underlying MPCl policy
  - × Grains, oilseeds, rice, peanuts, cotton, beans/peas, other
- ❑ Stacked Income Protection (STAX)
  - × Supplemental or standalone
  - × Cotton only
- ❑ Margin Protection (MP)
  - × Supplemental or standalone
  - × Corn, rice, soybeans, wheat
- ❑ Whole Farm Revenue Protection (WFRP)



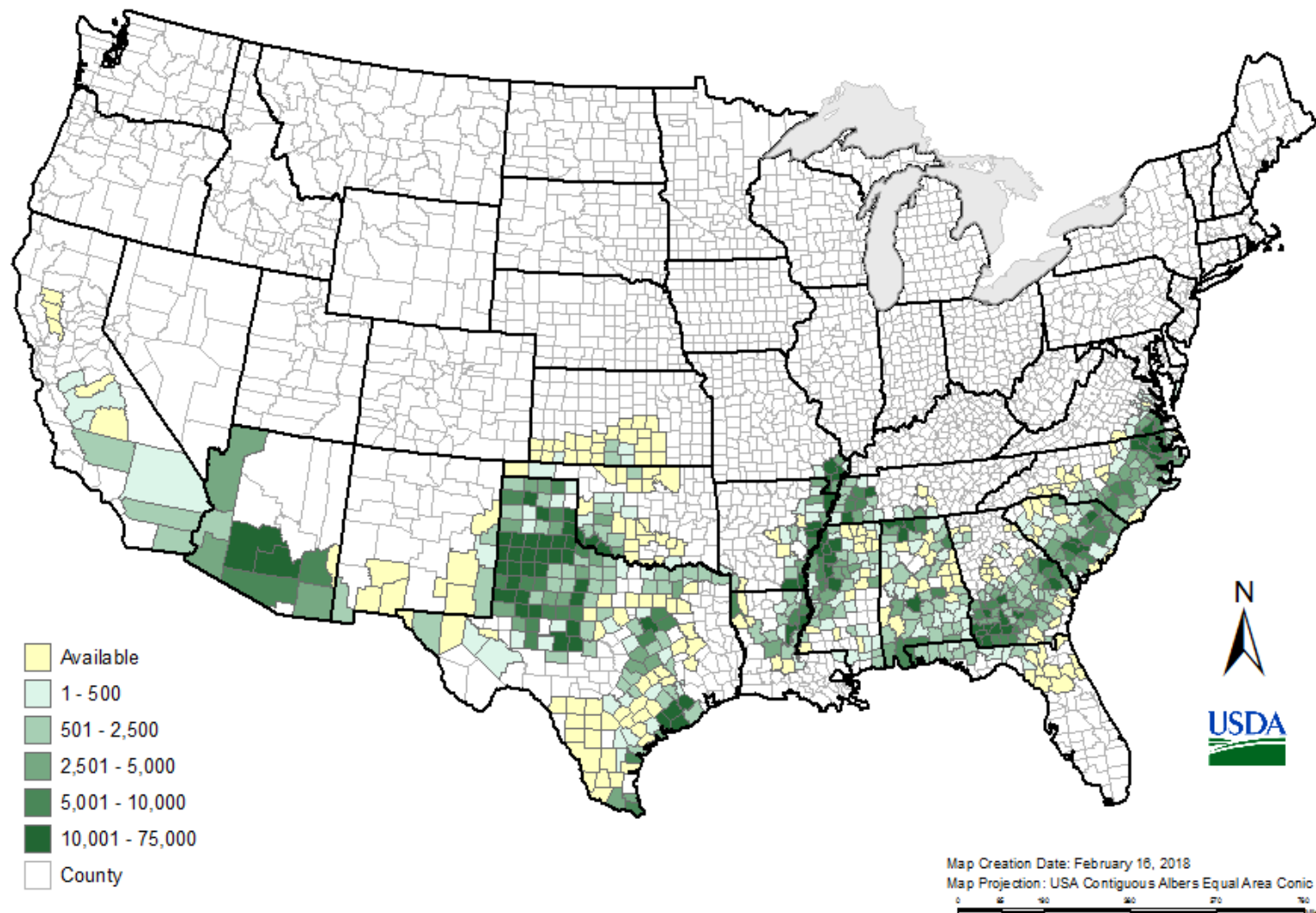
## 2017 Supplemental Coverage Option Acres



Map depicts data for the Summary of Business from the USDA Risk Management Agency Reinsurance Year 2017.

The information displayed in this map is intended to serve as an aid in displaying data provided or stored by the Risk Management Agency. It does not modify, replace or supersede any USDA published policy provisions or procedures.

## 2017 Cotton STAX Acres



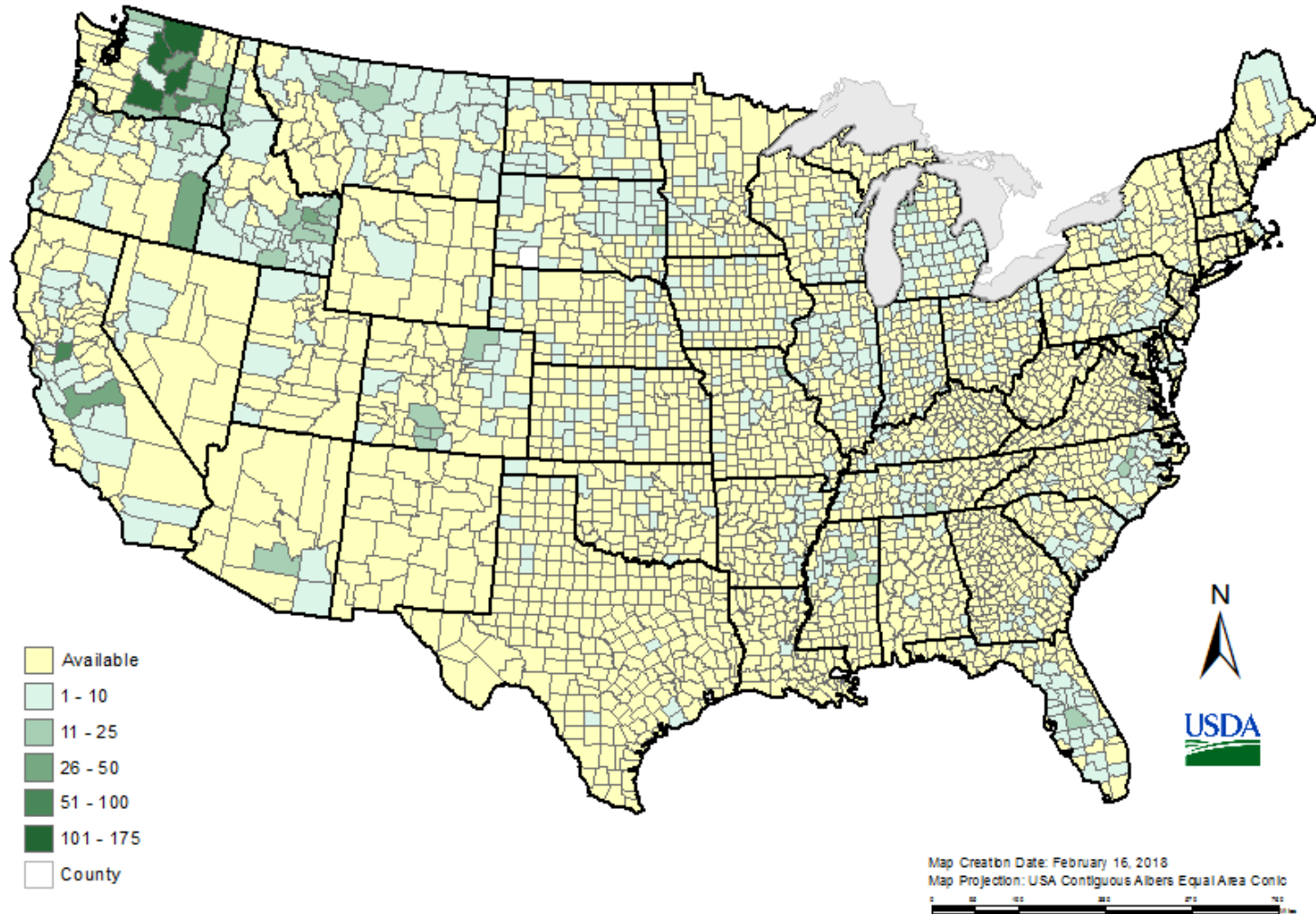
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# 2014 Farm Bill: Margin Protection

Crop	Policy Count	Acres – Stand Alone	Acres – Supplemental	Premium	Liability
<b>2016 Total</b>	<b>134</b>	<b>0</b>	<b>45,439</b>	<b>\$605,956</b>	<b>\$3,5345,756</b>
Corn	26	0	4,938	\$119,663	\$4,802,819
Rice	35	0	11,991	\$184,805	\$19,000,520
Soybeans	35	0	4,322	\$46,522	\$2,536,457
Wheat	38	0	24,188	\$254,966	\$9,005,960
<b>2017 Total</b>	<b>38</b>	<b>0</b>	<b>14,059</b>	<b>\$183,017</b>	<b>\$9,604,286</b>
Corn	4	0	682	\$15,206	\$650,382
Rice	8	0	3,868	\$102,615	\$4,796,970
Soybeans	8	0	1,049	\$8,399	\$691,874
Wheat	18	0	8,460	\$56,797	\$3,465,060

## 2017 Whole Farm Policies



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# Questions?