

Crop Insurers: OMB Proposed Budget Harms Rural America

WASHINGTON – The Office of Management and Budget (OMB) today released a proposed Fiscal Year 2020 budget that includes steep cuts to the Department of Agriculture and federal crop insurance program. OMB's budget proposal is not expected to receive serious consideration by Congress.

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:

“We are disappointed that OMB has targeted the federal crop insurance program for budget cuts just months after its importance was reaffirmed by the passage of the 2018 Farm Bill. This is a shortsighted proposal that, if adopted, would undermine a critical safety net for farmers when they need it most during this time of increasing economic difficulties and challenges in rural America.

“In the midst of a prolonged rural recession and crop damage from devastating weather events, we should be having a conversation about how to strengthen and improve crop insurance, not weaken the policies that so many of America's farmers rely on.

“The crop insurance program is an important risk management tool that works for farmers and taxpayers alike:

- *Farmers help share the cost by spending \$3.5 to \$4 billion per year to purchase crop insurance and bear a significant portion of losses through deductibles.*
- *Crop insurance protects over \$110 billion of agricultural commodities, providing 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 crop insurance program to protect the world's most affordable and dynamic food and fiber supply.*

“OMB's proposed budget cuts will make crop insurance unaffordable and unavailable for many farmers. We cannot balance the federal budget on the backs of America's farmers and ranchers. We urge Congress to reject these destructive cuts.”

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