



Federal Crop
Insurance
Corporation

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February 26, 2025

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Heather Manzano /signed/
Acting Manager

SUBJECT: Manager's Report
Exhibit No. 4835

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) meeting on February 26, 2025.

Program Update

Apple Tree Crop Insurance Program Modifications for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-009](#)) The Risk Management Agency (RMA) announced modifications to the Apple Tree Crop Insurance Program effective for the 2026 and succeeding crop years. The changes include: allowing optional units by type; reducing the number of practices in the actuarial documents by removing tree density and age-based stages to organic practices only; and expanding range classes from three to six to add density to the age-based stages.

Nursery Value Select Pilot Crop Insurance Program Modifications for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-008](#)) RMA announced modifications to the Nursery Value Select Pilot Crop Insurance Program for the 2026 and succeeding crop years. The changes include: allowing carryover policyholders to submit renewal documents at any time after the sales closing date, resulting in prorated premium for the remainder of the crop year; and adding a new Peak Endorsement Pilot, which allows producers to increase coverage during a designated peak period when the inventory value may be higher than the selected value.

Controlled Environment Pilot Crop Insurance Program Modifications for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-007](#)) RMA announced modifications to the Controlled Environment Pilot Crop Insurance program for the 2026 and succeeding crop years. The changes include: expanding to an additional 48 counties in 17 states; increasing the upper limit of coverage percentage from 75% to 85%; and providing coverage for quarantines, when certain qualifications are met.

Educational Tools for Hurricane Insurance Protection - Wind Index and the Tropical Storm Option (Product Management Bulletin [PM-24-087](#)) RMA reminded Approved Insurance Providers (AIP) about the Hurricane Insurance Protection – Wind Index educational resources available on the RMA website at www.rma.usda.gov/about-crop-insurance/highlighted-initiatives-plans/hurricane-insurance-protection-wind-index.

Flax Revenue and Expanded Unit Options for Crop Insurance Final Rule Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-082](#)) On November 27, 2024, FCIC published a final rule in the Federal Register that amended the Area Risk Protection Insurance, Basic Provisions, and various Crop Provisions. Changes effective for the 2025 and succeeding crop years include: adding revenue coverage for flax; allowing enterprise and optional units by organic farming practice for green peas and processing sweet corn; and other various clarifications.

Weaned Calf Risk Protection Crop Insurance Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-081](#)) RMA announced modifications to the Weaned Calf Risk Protection Crop Insurance Program effective for the 2025 and succeeding crop years. The changes include: extending the calving period from 60 days to 90 days; modifying the projected price discovery period end date from January 15th to January 14th; clarifying that only 1 county should be listed on each policy application; clarifying notice and reporting requirements for backgrounding, moving, and weaning calves; and extending the deadline for insurance companies to complete the Pre-Acceptance Inspection Report from 30 days to 60 days.

Sesame Crop Provisions Change Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-078](#)) RMA announced modifications to the Sesame Crop Insurance Program effective for the 2025 and succeeding crop years, which include allowing the contract price to be derived from a formula and other non-substantive editorial revisions to the Crop Provisions.

Tobacco Contracting Entity Eligibility (Product Management Bulletin [PM-24-077](#)) One of the requirements for tobacco to be considered grown under contract is that the producer have a contract with an entity that meets the definition of processor in the tobacco crop insurance policy. Part of this definition is a requirement that the processor possesses all required permits and licenses for the processing and manufacture of tobacco. In response to questions, RMA has revised the definition of processor in the Special Provisions to clarify that it is the producer's responsibility to determine if an entity offering a contract possesses all required permits and licenses.

Processing Pumpkin Crop Provisions Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-076](#)) RMA announced modifications to the Processing Pumpkin Crop Insurance Program effective for the 2025 and succeeding crop years. The changes include conversion of the program from pilot to permanent, increasing the maximum coverage level from 80% to 85%, clarifying optional unit provisions, allowing enterprise units, and allowing written agreements.

Hemp Crop Insurance Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-075](#)) RMA announced modifications to the Hemp Crop Insurance Program effective for the 2025 and succeeding crop years, including clarifying that smoke damage is not a covered cause of loss and removing a restriction that will make hemp insurable if planted following soybeans in select states.

Downed Rice Endorsement Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-072](#)) RMA announced modifications to the Downed Rice Endorsement for the 2025 and succeeding crop years. The changes include updating the formatting for consistency with the Crop Provisions and other plain language and non-substantive editorial revisions.

Research, Contracts, Studies, and Workgroups

Grass Seed – RMA staff are planning to visit grass seed operations in Oregon in the spring of 2025, to assess potential for crop insurance coverage.

Turfgrass Sod – RMA staff met with turfgrass sod producers from the Southeast in January 2025, to discuss ongoing efforts to develop improved insurance coverage options.

Production and Revenue History (PRH) – RMA staff are reviewing contracted data gathering reports received in December 2024, to assess the feasibility of expanding PRH coverage to Plums and Fresh Market Beans.

Compliance

RMA Compliance has issued final findings to reinsured companies for the period of November 1, 2024, through February 3, 2025:

- Premium overstatements of \$4,274,948;
- Indemnity overpayments \$3,243,493;
- Premium understatements of \$203,441; and
- Indemnity underpayments of \$3,270,617.

Improper Payment Elimination and Recovery Improvement Act (IPERIA) Reviews-Payment Integrity Information Act

RMA Regional Compliance Offices (RCOs) are currently issuing Final Findings for any IPR policy in which an Initial Finding was submitted to AIPs. The Final Findings process will continue through March 1, 2025. Of the 388 policies sampled, approximately 338 reviews have been completed and the case policies closed.

AIPs Performance Reviews (APRs)

RCOs initiated their offsite review activities of the AIP Reinsurance Year 2023 performance in November 2024. Review Plans were completed and approved as of December 20, 2024. The RCOs will conduct onsite reviews at the AIPs' headquarters and field offices between February through March 2025.

Audits

OIG audit 05801-0001-24 RMA's Accessibility of Crop Insurance Policies entrance conference was on November 5, 2024.

OIG audit 05403-0001-11 FCIC/RMA FY24 Financial Statement Audit exit conference was on November 7, 2024.

OIG Audit #50401-0023-11 - USDA's Consolidated Financial Statements for Fiscal Years (FY) 2024 and 2023 Exit Conference was on November 14, 2024.

OIG audit 50024-0001-11 USDA Compliance with Improper Payment Requirements for FY2024 entrance conference was on January 16, 2025.

GAO audit 107988 Adjusted Gross Income – Analysis of USDA Data on Program Participants entrance conference was on January 21, 2025.

Personnel Announcements

None.