



Federal Crop  
Insurance  
Corporation

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February 17, 2023

**TO:** Board of Directors  
Federal Crop Insurance Corporation

**FROM:** Marcia Bunger */signed/*  
Manager

**SUBJECT:** Manager's Report  
Exhibit No. 4694

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) meeting on February 17, 2023.

### **Program Update**

**2023 Crop Year County Spring Crop Program Expansions** (Manager's Bulletin MGR-22-010) The Risk Management Agency (RMA) announced expansion of crop insurance programs to new counties for 2023 crop year.

**Relay Cropping Practice Insurable by Written Agreement for Soybeans Seeded into a Small Grain Crop for the 2023 and Succeeding Crop Years** (Manager's Bulletin MGR-22-09) RMA reauthorized for the 2023 crop year the use of written agreements for a new relay cropping practice for soybeans seeded into a small grain crop, initially authorized for the 2022 crop year through Manager's Bulletin MGR-22-002. This expanded insurance opportunity is to address climate change, soil degradation, and depletion of natural resources which are challenges for crop productivity and environmental sustainability.

**Following Another Crop Written Agreement Guidance for 2023** (Insurance Services Informational Memorandum IS-22-003) As part of a broader set of commitments made earlier this year by President Biden and Secretary Vilsack to increase domestic food production amid potential global food shortages related to the invasion of Ukraine, the U.S. Department of Agriculture simplified sign-up and expanded double cropping coverage availability for the 2023 crop year. The efforts will help enable agricultural producers to produce two crops on the same land each year, such as spring planted soybeans or grain sorghum following the harvest of a crop such as winter wheat. For the 2023 crop year, producers intending to plant soybeans or grain sorghum after wheat and other fall seeded crops (double cropping) in counties where the Following Another Crop (FAC) practice is not available, may have the option to request coverage in select counties through their crop insurance agent.

**Post-Application Coverage Endorsement (PACE) Changes Effective for the 2023 and Succeeding Crop Years** (Product Management Bulletin PM-22-075) RMA

announced the expansion of the PACE insurance option for corn has been expanded to most counties in Iowa, Illinois, Minnesota, and Wisconsin where non-irrigated corn is insurable. Additionally, clarifications were made to the definitions and/or explanations for units, prevented post-application, split application, PACE nitrogen report, total nitrogen application rate, notice of loss, and written agreement, where applicable.

**Burley, Dark Air, Fire Cured, and Maryland Type Tobacco Changes Effective for the 2023 and Succeeding Crop Years** (Product Management Bulletin PM-22-073)

RMA announced the expansion of contract provisions to the burley, dark air, fire cured, and Maryland tobacco types. The changes include separate price elections for contracted and non-contracted tobacco, and quality adjustment will only be available for the amount of tobacco grown under contract. These changes will help improve the integrity of the program for the additional tobacco types and make it more sustainable going forward.

**Small Grains Crop Provisions and Processing Sweet Corn Changes Effective for the 2023 and Succeeding Crop Years** (Product Management Bulletin PM-22-072) RMA

amended the Small Grains Crop Provisions and the Processing Sweet Corn Crop Provisions in a Final Rule published in the Federal Register on November 25, 2022, with a comment period that ended on January 24, 2023, as follows:

- Small Grains Crop Provisions were revised to expand revenue coverage to oats and rye, matching available coverage for barley and wheat. The changes will be effective for spring oats for the 2023 and succeeding crop years and for winter oats and rye for the 2024 and succeeding crop years.
- Processing Sweet Corn Crop Provisions were revised to extend the end of insurance period from September 20 to September 30 in Illinois, Minnesota, and Wisconsin. This will benefit the producers in those states by providing them with an additional 10 days of coverage, consistent with the existing coverage for producers in Iowa. The changes will be effective for the 2023 and succeeding crop years.

**Sugar Beet Crop Insurance Changes Effective for the 2023 and Succeeding Crop Years** (Product Management Bulletin PM-22-071) RMA

amended the Sugar Beet Crop Provisions for the 2023 and succeeding crop years in states with a November 30 contract change date and for the 2024 and succeeding crop years in Imperial County, California. The amendment incorporates stages guarantees and Stage Removal Option. A Final Rule with these changes was published in the Federal Register on November 28, 2022, with a comment period that ended on January 27, 2023.

**Stacked Income Protection Plan (STAX) Policy Effective for the 2023 and**

**Succeeding Crop Years** (Product Management Bulletin PM-22-069) RMA announced updates to the STAX provisions to correct a reference in section 4(g) of the policy document.

**Silage Sorghum Endorsement Changes Effective for the 2023 and Succeeding Crop Years** (Product Management Bulletin PM-22-068) RMA announced changes to the Silage Sorghum Endorsement, which includes conversion from pilot to a permanent program and allowing written agreements.

### **Research, Contracts, Studies, and Workgroups**

**Apple Workgroup:** RMA issued a proposed rule to revise the Apple Crop Provisions on December 16, 2021, with a public comment period initially ending on February 14, 2022. On January 27, 2022, RMA extended the comment period by an additional 60 days to April 15, 2022. The intended effect of this action is to provide policy changes to better meet the needs of the apple producers. RMA received 1,200 comments from about 200 commenters. Based on the comments received, RMA will conduct additional outreach before finalizing the changes. The outreach would be in-person and virtual listening sessions in Spring 2023.

**Contract Pricing Workgroup:** RMA has initiated a workgroup with National Crop Insurance Services (NCIS) and representatives from each approved insurance provider (AIP) to research the feasibility of expanding Contract Price Addendum and other contract pricing options to additional crops, types, and practices. The workgroup will also develop consistent procedures for concerns related to contract pricing. The workgroup anticipates having recommended changes available for the 2025 crop year.

### **Compliance**

RMA Compliance has issued final findings to reinsured companies for the period of October 27, 2022, through January 27, 2023:

- Premium overstatements of \$2,528,222;
- Indemnity overpayments \$2,715,802;
- Premium understatements of \$1,167,471; and
- Indemnity underpayments of \$132.

### **IPERIA Reviews**

Regional Compliance Offices (RCOs) are currently issuing Final Findings for any IPERIA policy in which an Initial Finding was submitted to the Approved Insurance Providers (AIPs). The Final Findings process will continue through March, 2023. Of the 445 policies sampled, approximately 401 reviews have been completed and the case policies closed.

### **AIP Performance Reviews**

Regional Compliance Offices continued their off-site reviews of the AIPs' RY 2021 performance and submitted their final Review Plans in December 2022. The on-site reviews have been scheduled and will begin as follows:

- ACE American Insurance Company (Rain and Hail) – 30 January 2023;
- Farmers Mutual Hail Insurance Company of Iowa – 27 February 2023; and
- Greenwich Insurance Company (Global Ag) – 27 February 2023.

### **Audits**

OIG Audit Number 50024-0003-24 USDA's Compliance with Improper Payment Requirements for Fiscal Year 2022 entrance conference was on December 21, 2022.

### **Personnel Announcements**

None.