



Federal Crop
Insurance
Corporation

1400 Independence
Avenue, S.W.
Stop 0801
Washington, DC
20250-0801

September 20, 2023

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Marcia Bunger */signed/*
Manager

SUBJECT: Manager's Report
Exhibit No. 4742

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) meeting on September 20, 2023.

Program Update

Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance and Micro Farm Changes Effective for the 2024 and Succeeding Policy Years (Product Management Bulletin [PM-23-049](#)) The Risk Management Agency (RMA) announced program enhancements to the WFRP crop insurance program for the 2024 and succeeding crop years that were a result of stakeholder engagement.

Pomegranate Crop Insurance Changes Effective for the 2024 and Succeeding Crop Years (Product Management Bulletin [PM-23-048](#)) RMA revised the Pomegranate crop insurance program effective for the 2024 and succeeding crop years to add optional units by type.

Florida Citrus Fruit Crop Provisions Changes Effective for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-23-046](#)) RMA revised the Florida Citrus Fruit Actual Production History Crop Provisions for the 2025 and succeeding crop years. The changes include revisions to the insurable causes of loss and revisions to the price calculations due to a discontinued dataset.

Kiwifruit Crop Insurance Program Effective for the 2024 and Succeeding Crop Years (Product Management Bulletin [PM-23-045](#)) RMA announced the implementation of the new Kiwifruit crop insurance program effective for the 2024 and succeeding crop years.

Grapevine Crop Insurance Program Effective for the 2024 and Succeeding Crop Years (Product Management Bulletin [PM-23-044](#)) RMA announced the implementation of the new Grapevine crop insurance program effective for the 2024 and succeeding crop years.

Pistachio Crop Insurance Changes Effective for the 2024 and Succeeding Crop Years (Product Management Bulletin [PM-23-042](#)) RMA revised the Pistachio Crop Provisions for the 2024 and succeeding crop years to expand insurance coverage to producers with less than 4 years of production history.

Research, Contracts, Studies, and Workgroups

On May 18, 2023, RMA awarded a contract to provide recommendations for updating replant payment factors for coarse and small grains. Some stakeholders reported current replant payment factors do not reflect the current replanting costs.

On September 5, 2023, RMA awarded a contract to determine the feasibility of, and issues related to insuring production of lambs. This effort is in response to received interest in a lamb insurance program.

Insurance Services

Risk Management Education Partnerships RMA is awarding approximately \$6.5 million to 22 organizations covering 24 projects (11 state specific, 10 multi-regional, and three national) to educate underserved, small-scale, and organic producers on farm risk management and climate-smart farm practices. RMA partners with nonprofits, universities, community-based organizations, and other entities to develop training and resources for producers about risk management options.

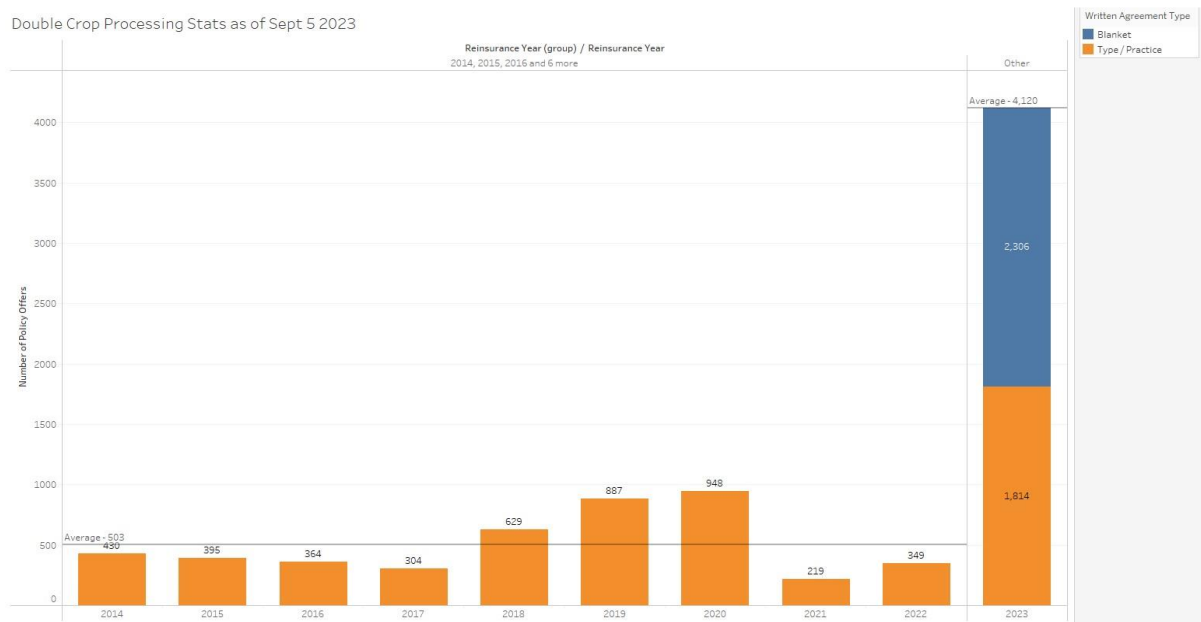
The Administrator made a public announcement of the partnerships on September 14 at the University of Nevada, Reno. The university is working with RMA to help historically underserved, livestock, Native American, urban, and specialty crop producers understand existing and emerging Federal insurance programs in Nevada and throughout the West.

This \$6.5 million investment builds on \$6.5 million that RMA has already provided in partnerships since 2021. This funding and these partnerships allow RMA to reach communities that historically lacked access to training and resources. These new cooperative agreements serve all regions of the country and traditional, as well as specialty, organic, and livestock producers. Audiences served include Native farmers, African American producers, Hispanic growers, Veterans, Women, and the Youth, among others.

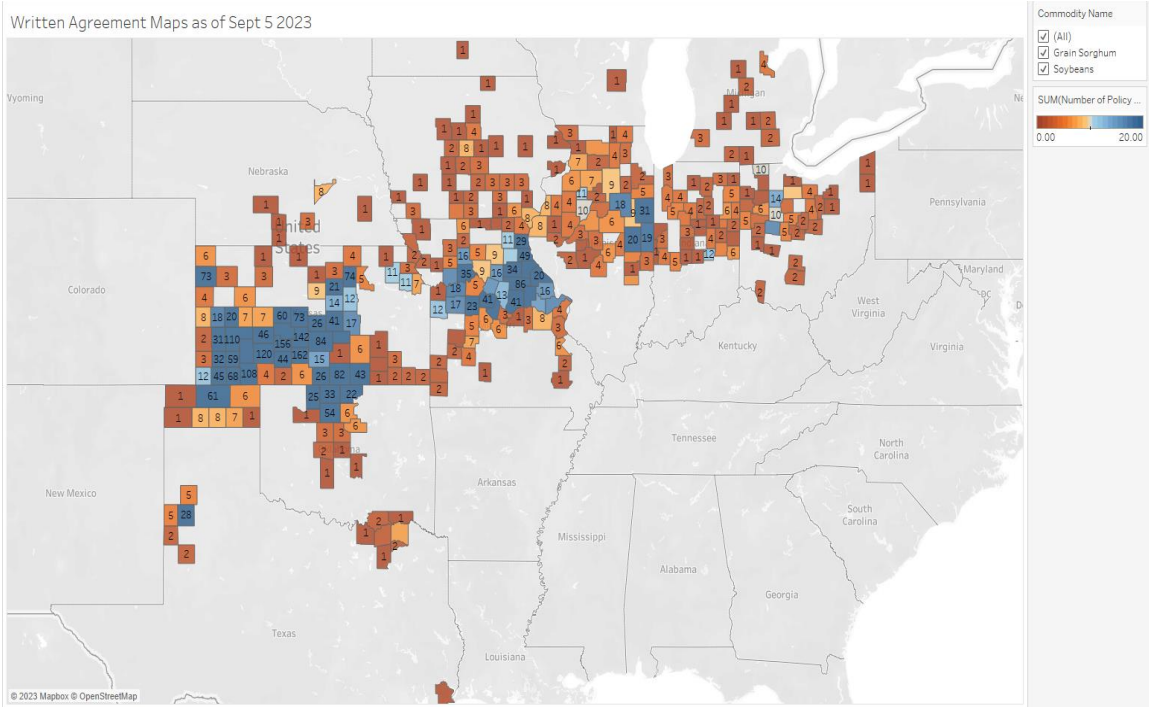
Double Cropping Expansion and Flexibility Progress Update On May 11, 2022, the U.S. Department of Agriculture announced administrative actions to address global food insecurity and to boost domestic production in the midst challenges related to the pandemic, supply chains, and the war in Ukraine. As a part of the effort, RMA completed an extensive review of current policy and procedures along with over 100 outreach activities to producers and the crop insurance industry with the goal of making it easier for producers to obtain coverage for double cropping.

These reforms, which are for the 2023 crop year, provide administrative flexibilities and expansion impacting almost 1500 crop/counties for grain sorghum and soybean double cropping when compared to 2022. Some of these flexibilities include the permanent expansion of counties that allow soybeans or grain sorghum to be planted following a crop such as winter wheat, as well as the expansion of where written agreements are available, and simplifying requirements to qualify for a written agreement to obtain coverage.

The 2023 written agreement season has been very busy for regional offices and is close to wrapping up with only a few left to complete. As of Sept 5, 2023, RMA has provided offers for coverage on approximately 4,120 policies. Acreage is also starting to be reported and early indications are showing a significant increase in insured acres for following another crop (FAC) soybeans and grain sorghum. Attached are updated historical processing stats, FAC acreage totals, locations of where RMA has been receiving applications for coverage for 2023.



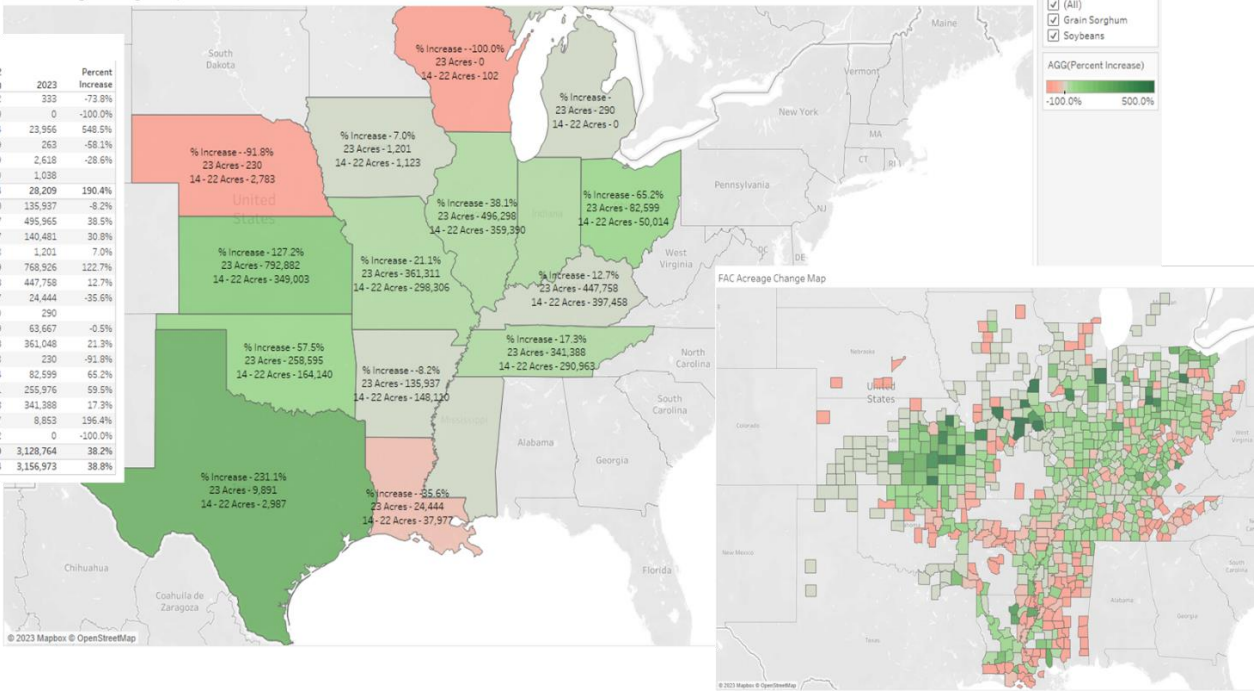
Written Agreement Maps as of Sept 5 2023



FAC Acreage Change Map

FAC Acreage Increase

Crop1	State1	2014 - 2022 Avg	2023	Percent Increase
Grain Sorghum	Illinois	1,272	333	-73.8%
	Indiana	450	0	-100.0%
	Kansas	3,694	23,956	648.5%
	Missouri	629	263	-58.1%
	Oklahoma	3,669	2,618	-28.6%
	Texas	0	1,038	
	Total	9,714	28,209	190.4%
Soybeans	Arkansas	148,110	135,937	-8.2%
	Illinois	358,117	495,965	38.5%
	Indiana	107,407	140,481	30.8%
	Iowa	1,123	1,201	7.0%
	Kansas	345,309	768,926	222.7%
	Kentucky	397,458	447,758	12.7%
	Louisiana	37,977	24,444	-35.6%
	Michigan	0	290	
	Mississippi	63,999	63,667	-0.5%
	Missouri	297,678	361,048	21.3%
	Nebraska	2,783	230	-91.8%
	Ohio	50,014	82,599	65.2%
	Oklahoma	160,471	255,976	59.5%
	Tennessee	290,963	941,388	17.3%
	Texas	2,987	8,853	196.4%
	Wisconsin	102	0	-100.0%
	Total	2,264,500	3,128,764	38.2%
Grand Total	2,274,214	3,156,973	38.8%	



Compliance

RMA Compliance has issued final findings to reinsured companies for the period of August 1, 2023, through August 31, 2023:

- Premium overstatements of \$537,776;
- Indemnity overpayments \$371,758;
- Premium understatements of \$110,219; and
- Indemnity underpayments of \$177.

Improper Payments Elimination and Recovery Improvement Act (IPERIA) Reviews

Regional Compliance Offices (RCOs) continue to conduct IPERIA reviews to determine if any improper payments were made. Of the 326 policies included in the fiscal year (FY) 2024 (Reinsurance Year 2022) IPERIA sample, 116 have been closed with no improper payments identified. RCOs will continue conducting reviews through the end of October.

Approved Insurance Provider (AIP) Performance Reviews

FY 2024 AIP Performance Reviews will assess the performance of the following AIPs for their compliance with the Reinsurance Year 2022 Standard Reinsurance Agreement (SRA): Country Mutual Insurance Company, Church Mutual Insurance Company, Hudson Insurance Company, NAU Country Insurance Company, Producers Agriculture Insurance Company, and Stratford Insurance Company. All AIPs were notified through a Notice of Review letter submitted on August 10, 2023.

Criminal Recoveries, Indictments, Convictions, and Guilty Pleas:

- RMA managers and compliance officials participated in a settlement conference in Fargo, North Dakota on August 15, 2023. Two policyholders and the U.S. Department of Justice entered a settlement agreement to resolve a lawsuit. The defendants agreed to a 10-year voluntary exclusion from most Federal programs and pay RMA \$10,000 in restitution.
- A False Claims Act judgment in the amount of \$607,284 was obtained against a Washington wheat policyholder on August 21, 2023. The policyholder hid wheat production and submitted false claims that resulted in an indemnity overpayment of \$180,428. The False Claims Act calls for treble damages as well as additional penalties for each false claim submitted.

Audits

- GAO Audit 106086 Efficiency and Equity of Private Delivery exit conference was on August 3, 2023.
- GAO Audit 106084 Crop Insurance: Distribution of Premium Subsidies exit conference was on August 29, 2023.

Personnel Announcements

Heather Manzano is the new Associate Administrator.

Shelly Bilderback is the new Management and Program Analyst in the Product Administration and Standards Division.

Tim Staton is the new Senior Program Analyst in the Product Analysis and Accounting Division.

Megan Heyns is the new Senior Actuarial Data Coordinator in the Actuarial, Prices, and Filing Division.