

U.S. Durum Growers Association Annual Meeting

November 12, 2019 | RMA Administrator Martin Barbre

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Listening to you



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Secretary Perdue's Vision

USDA will continue our efforts to be the most effective, efficient, and customer-focused department in the entire federal government.



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Accomplishments

- **Improved customer service**
- **Expanded options**
- **Better stewardship of the taxpayer's dollar**
- **Challenging few years for farmers, RMA paid over \$7 billion in indemnities for the 2018 Crop Year**

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Farm Bill Complete

- **Specialty Crops Liaisons in each RMA
Regional Office & Specialty Crop website**
- **Multi-County Enterprise Unit**
- **CAT Fee**
- **Yield Cups**
- **SCO with ARC/PLC**

Farm Bill Complete

- **Native Sod Guidelines**
 - Native sod acreage tilled after the 2018 Farm Bill will have reduced benefits
 - Reductions will apply for only four cumulative crop years
- **Cover Crop – Good Farming Practice**
 - It is critical to terminate the cover crop so the subsequent cash crop may make normal progress
 - For crops planted in the 2020 crop year and later, insurance will now attach at time of planting

Farm Bill Complete

- **Whole Farm Revenue Protection**
 - Beginning Farmers – eligibility extended to 10 years
 - Hemp
- **Veteran Farmers or Ranchers**
 - Now included for all policies including WFRP

Other Policy Changes

- **Whole-Farm Revenue Protection**
 - NAP and Federal Disaster Payments
 - Adjustment of Livestock and Nursery limits
 - Addition of provisions specific to hemp
 - New history smoothing options
 - Adjustment to indexing calculations

2020 and Beyond

- **Acreage Crop Reporting Streamlining Initiative (ACRSI)**
 - Requires consistent methods to determine acreage, etc.
 - Requires allowance of 3rd party precision agriculture data for acreage reporting without harm to the producer
 - Grants agent access to FSA data on request
 - Limits agent/AIP liability when using FSA data

Prevented Planting

- **Roughly \$4.13 billion in total PP claims for the 2019 crop year (as of Nov. 4)**
- **93% (\$3.86 billion) of the total claims were associated with flood and excess moisture (as of Nov. 4)**

Prevented Planting

- **'Top Up' payments provided automatically through AIPs**
 - Producers with PP claims related to flooding or excess moisture in 2019 receive another 10% of total indemnity
 - Additional 5% for those who have Harvest Price Option (for a total of 15%)

Prevented Planting

- **Interest Deferral**
 - USDA extended the time producers have to pay premium associated with policies that have an August 15 billing date
 - Provides producers two additional months to pay crop insurance premiums without interest accruing

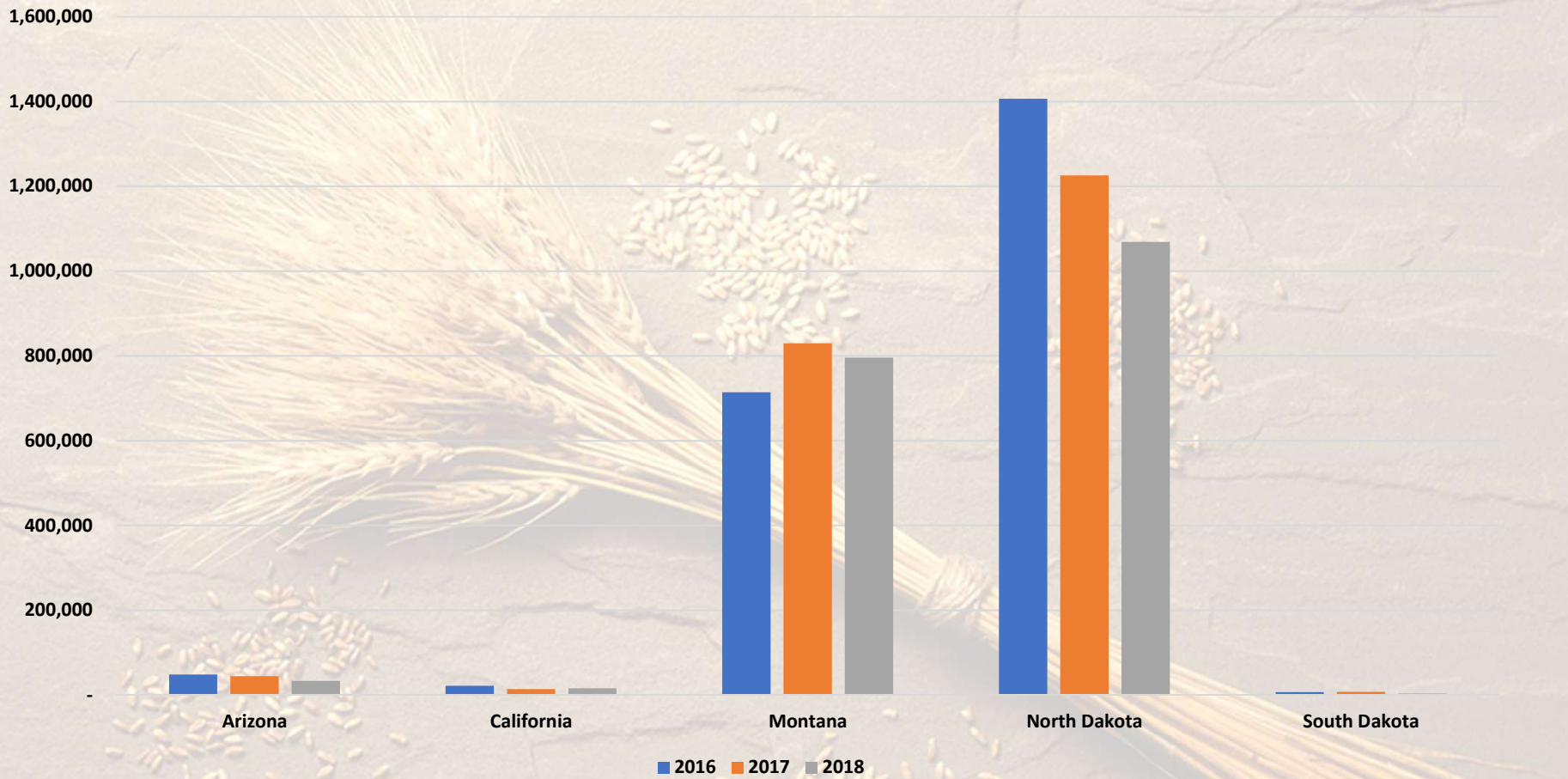
Prevented Planting

- **Haying and Grazing Date**
 - Changed haying and grazing date from November 1st to September 1st
 - RMA is currently looking into whether to make this a permanent change.

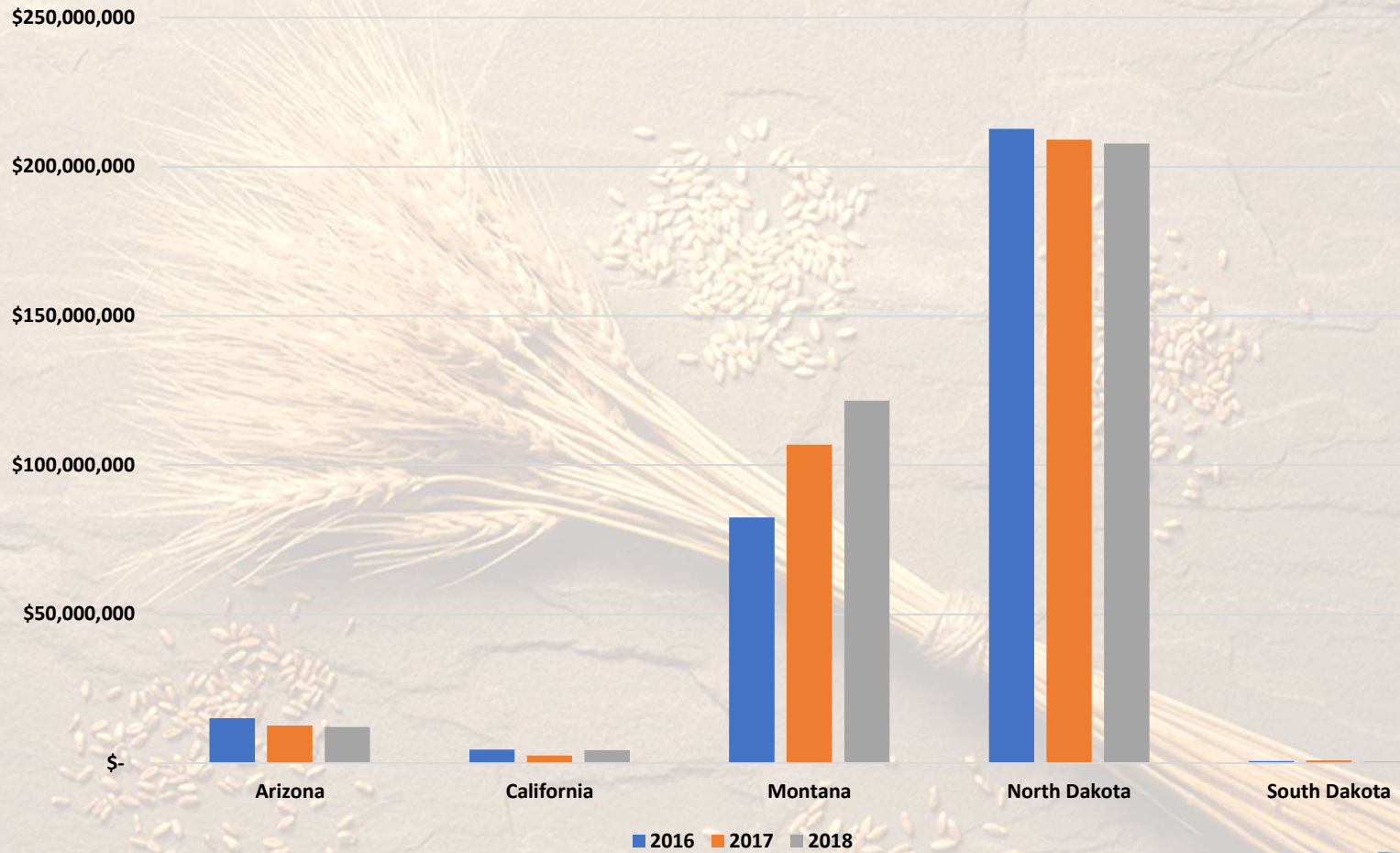
Prevented Planting

- **Extended deadline to file crop acreage reports in 13 states:**
 - Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Missouri, Minnesota, North Dakota, Ohio, Tennessee and Wisconsin

Durum Insured Acreage by State and Crop Year (2016-2018)



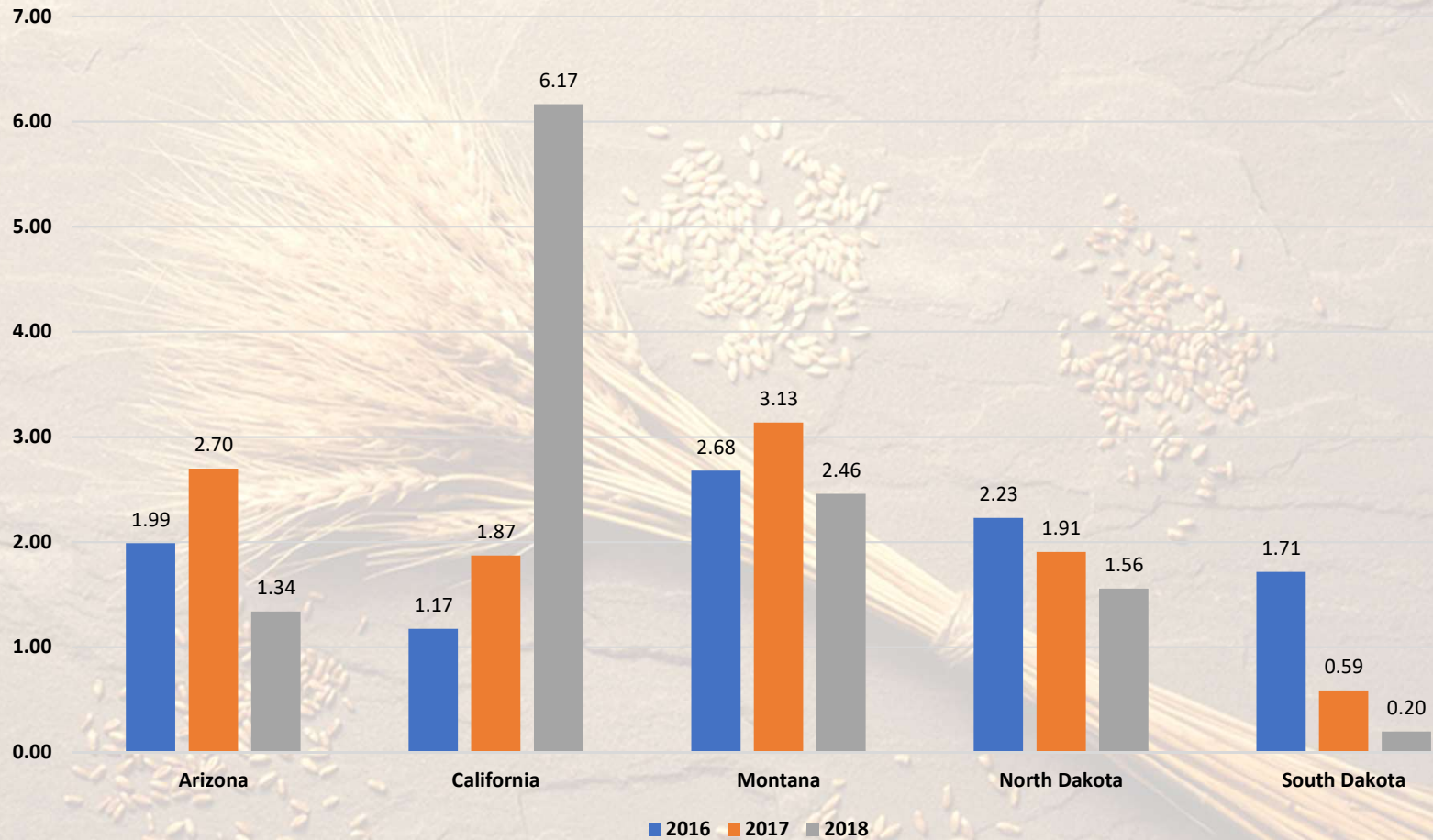
Durum Insured Liability by State and Crop Year (2016-2018)



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Durum Average Loss Ratio by State and Crop Year (2016-2018)

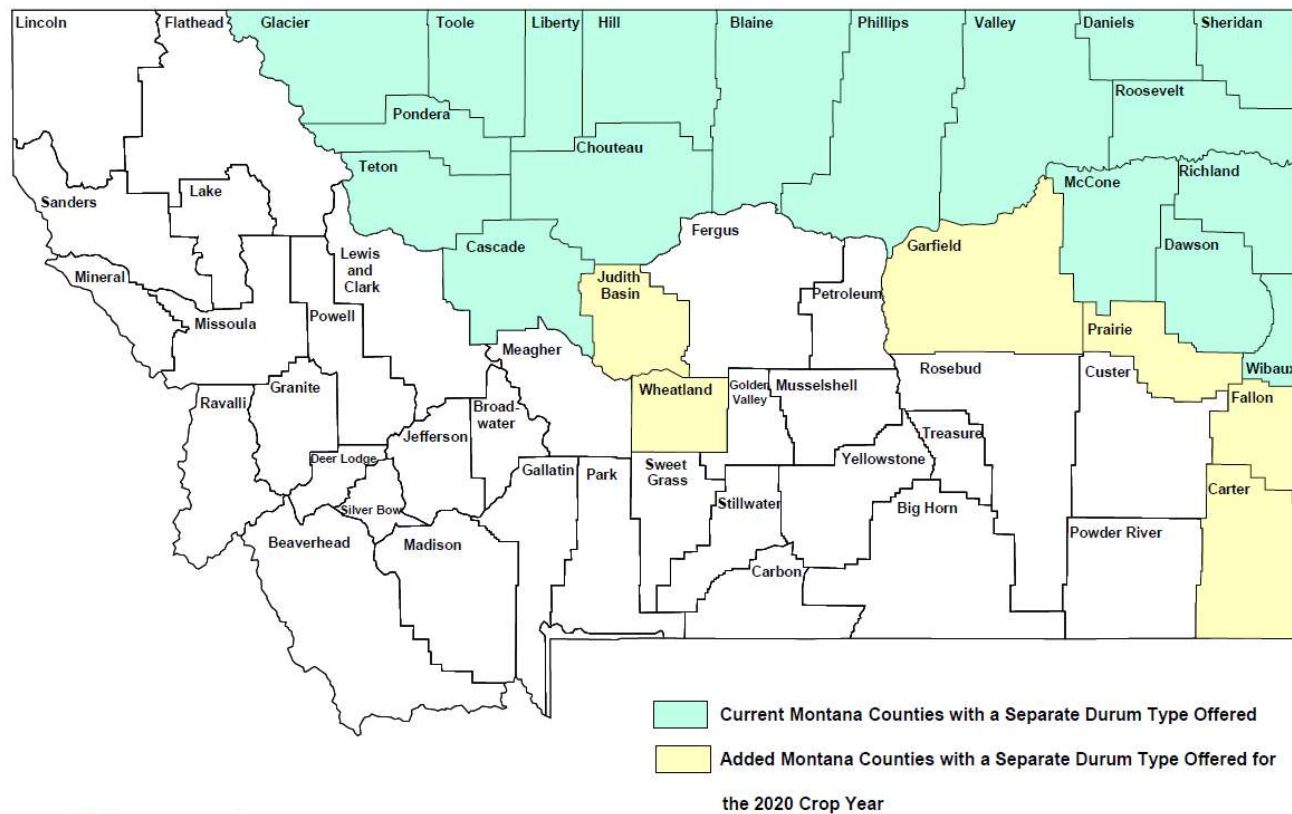


Durum Quality Adjustment

- **For the 2020 crop year, there will be a new falling number quality discount table specifically for durum**
- **To align with FSA loan program quality discounts**

Durum Type Expansion in Montana

Montana Counties with a Separate Durum Type Offered



NOTE: This map serves as a reference only. It does not alter the content of any Actual Document.

Enterprise Units

- **RMA was asked to consider allowing separate durum and spring wheat enterprise units**
 - RMA will likely look at the potential impacts of various changes to the enterprise unit structure
 - It will take time to adequately research and assess the potential actuarial impacts

Delayed Harvest Issues

- **AIPs may allow additional time to harvest when all of these conditions are met:**
 - The producer gives timely notice of loss to his or her crop insurance agent
 - The AIP determines and documents that the delay in harvest was due to an insured cause of loss
 - The producer demonstrates that harvest was not possible due to insured causes
 - The delay in harvest was not because the producer did not have sufficient equipment or manpower to harvest the crop

Delayed Harvest Issues

- **When the AIP authorizes additional time to harvest:**
 - The end of the insurance period is not extended
 - Any additional damage to the insured crop during the extension period is covered provided it is due to an insurable cause of loss
 - The producer's crop insurance policy will cover loss of quality (as specified in the crop provisions), reduced yields, and revenue losses if revenue coverage was chosen
 - The cost of drying the harvested crop is not covered

Thank You!



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