

2017 President's Budget
Risk Management Agency

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RISK MANAGEMENT AGENCY

Purpose Statement

The Risk Management Agency (RMA) was established under provisions of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127, enacted April 4, 1996. This Act required that the Secretary establish within the Department an independent office responsible for supervision of the Federal Crop Insurance Corporation (FCIC). RMA provides administration and oversight of programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), including a variety of actuarially sound crop and livestock insurance products and funding for risk management education programs.

Over the past seven decades, Federal crop insurance has been the primary product provided by the FCIC/RMA and consists of various alternatives designed to improve the economic stability of agriculture. Legislation, including the recent Farm Bill, has prompted significant program growth and the development of many large and complex new programs. RMA continuously strives to provide adequate risk protection for our Nation's agricultural producers and to identify and address concerns about Federal crop insurance.

RMA monitors, evaluates, reviews and updates risk management products; reviews and implements private sector products approved by the FCIC Board of Directors to be reinsured by FCIC; and ensures delivery of these products to agricultural producers. Risk management products can help producers protect themselves from yield risks, market risks, or both. Examples of recent enhancements to the crop insurance program include the Supplemental Coverage Option, the Stacked Income Protection Program, expanded Whole Farm Revenue Protection, new and expanded beginning farmer and rancher provisions, Actual Production History Yield Exclusion Options, coverage level and enterprise units by irrigation practice provisions, improved and expanded coverage for organic producers, expanded forage options, conservation compliance requirements, and trend adjusted Actual Production History. Education and non-insurance risk management assistance initiatives and tools further contribute to the producers' ability to protect their financial stability. Through the use of these tools, agricultural producers have available, a cost-effective means of managing their risk and are able to contribute to a rural economy that is self-sustaining, repopulating, and economically thriving.

RMA employees are located at the Headquarters office in Washington, D.C.; the National office in Kansas City, MO; ten Regional Offices (ROs); and six Regional Compliance Offices (RCOs). As of September 30, 2015, RMA had 438 full-time permanent employees with staff located throughout the Nation as follows: 72 in Washington, D.C.; 166 in Kansas City, MO; 130 in ROs; and 70 in RCOs.

Major RMA functional areas include: 1) Program Administration including the FCIC Board of Directors; 2) Product Management; 3) Insurance Services including ROs located in: Billings, Montana; Jackson, Mississippi; Oklahoma City, Oklahoma; Raleigh, North Carolina; Davis, California; St. Paul, Minnesota; Spokane, Washington; Springfield, Illinois; Topeka, Kansas; and Valdosta, Georgia; and 4) Compliance including RCOs located in: Dallas, Texas; Indianapolis, Indiana; Kansas City, Missouri; Raleigh, North Carolina; Davis, California; and St. Paul, Minnesota.

Office of Inspector General (OIG)/Government Accountability Office (GAO) Reports:

The following tables provide a list of RMA audits completed during 2015.

OIG/GAO AUDITS COMPLETED IN FISCAL YEAR 2015		
REPORT TITLE	IDENTIFYING NUMBER	DATE ISSUED
Crop Insurance: In Areas with Higher Crop Production Risks, Costs Are Greater, and Premiums May Not Cover Expected Losses- GAO was asked to identify the costs to the federal government for insuring crops in areas with higher production risks. The objective was to examine, for these areas, (1) the government's cost of the crop insurance program and (2) the extent to which RMA's premium rates, as implemented, cover expected losses.	GAO 361542 15-215	3/11/2015
Crop Insurance: Reducing Subsidies for Highest Income Participants Could Save Federal Dollars with Minimal Effect on the Program- The objective was to examine the potential effects of reducing premium subsidies for the highest income crop insurance participants.	GAO 361541 15-356	3/18/2015
Assessment of USDA's Contracting Officers Representatives- The report presents the results of the Department of Agriculture's (USDA) Contracting Officer's Representatives (COR) assessment performed by Jefferson Solutions (Jefferson). USDA's Office of Inspector General (OIG) contracted with Jefferson to assess the current perceptions and practices of USDA's CORs. The COR plays a critical role in the outcome of the contract administration process and functions as the "eyes and ears" of the contracting officer, monitoring technical performance and reporting any potential or actual problems to the contracting officer. Jefferson conducted a comprehensive assessment and prepared the attached report for OIG containing observations and best practices. This information should be beneficial to USDA in strengthening its current and future contracting activities.	OIG 50099-0002-12	4/28/2015
RMA: Rainfall and Vegetation Index Pilot Program - Pasture, Rangeland, Forage - OIG's primary objective was to evaluate RMA's methodology for setting county base values for the PRF program covered under the Rainfall and Vegetation Index Pilot. We also evaluated the controls over setting county base values and policy provisions that pertain to the intended use of acreage for PRF.	OIG 05601-0003-31	4/28/2015
Risk Management Agency National Program Operations Reviews - The objectives are to assess whether RMA NPORs reasonably determine if the Approved Insurance Providers are substantially in compliance with laws, regulations, the Standard Reinsurance Agreement, associated Appendices, and approved Federal Crop Insurance Corporation policies and procedures.	OIG 50501-0004-12	5/7/2015
USDA Beginning Farmers and Ranchers Program- The objective was to evaluate the effectiveness of the Department's activities related to providing assistance to beginning farmers and ranchers. We focused on program coordination and measurement of performance across the Department and not on the implementation of the beginning farmers and ranchers activities by the USDA agencies.	OIG 50601-0003-31	5/19/2015
Executive Order 13520-Reducing Improper Payments-Fiscal Year 2014 High Dollar Overpayments Report Review- The objectives were to review USDA's quarterly high-dollar overpayments reports to assess the level of risk associated with the applicable programs, determine the extent of oversight warranted, and provide the Secretary of Agriculture with recommendations, if any, for modifying USDA's recovery and corrective action plans.	OIG 50024-0007-11	8/31/2015
Federal Crop Insurance Corporation/ Risk Management Agency's Financial Statements for Fiscal Year 2015 and 2014- The objectives were to determine whether (1) the financial statements present information fairly, in all material respects, and in accordance with generally accepted accounting principles; (2) internal control objectives over financial reporting were met; (3) FCIC/RMA complies with applicable laws and regulations; and (4) information was materially consistent with other sources.	OIG 05401-0005-11	11/10/2015
US Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2015 Federal Information Security Modernization Act- The objectives were to evaluate USDA's overall IT security program, compliance with FISMA, and the effectiveness of controls over configuration management, incident response, IT training, remote access management, identity and access management, continuous monitoring, contingency planning, and contractor systems.	OIG 50501-0008-12	11/10/2015
Federal Crop Insurance Corporation/ Risk Management Agency's Financial Statements for Fiscal Year 2014 and 2013- The objectives were to determine whether (1) the financial statements present information fairly, in all material respects, and in accordance with generally accepted accounting principles; (2) internal control objectives over financial reporting were met; (3) FCIC/RMA complies with applicable laws and regulations; and (4) information was materially consistent with other sources.	OIG 05401-0004-11	12/24/2015

OIG/GAO AUDITS IN PROGRESS DURING FISCAL YEAR 2015		
REPORT TITLE	IDENTIFYING NUMBER	START DATE
Federal Disaster Assistance Expenditures: Issue(s) under review/Objective(s)/Key question(s): Identify key federal disaster assistance programs across all relevant federal departments and agencies and the related appropriations for the disaster assistance these programs may provide; Describe the laws, regulations, and guidance underpinning these varied programs; Determine how federal departments and agencies budget for disasters; and Provide information on how the federal government might budget more effectively for future disasters.	GAO 441286	5/15/2015
Crop Insurance Delivery Costs: Administrative Expense Fees and Underwriting Gains- The objective is 1. How do A&O expense fees to deliver crop insurance policies differ by state and by type and size of farming operations and to what extent do these fees reflect actual expenses? 2. How does the rate of return for crop insurance compare to private property and casualty insurance? 3. What changes, if any, could be made to A&O fees, or the target rate of return, that would reduce costs without adversely affecting the program.	GAO 361639	6/2/2015
Coordination of Efforts to Collect Information from Farmers by the U.S. Department of Agriculture's Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Risk Management Agency (RMA)- The objective is (1) To what extent, if at all, do FSA, NRCS, and RMA collect the same or similar information from farmers; and (2) What actions have FSA, NRCS, and RMA taken to streamline and coordinate their information collection efforts and how, if at all, have those actions affected the amount and type of information that farmers have to report.	GAO 361647	6/2/2015
Do Not Pay- The objectives are to determine: (1) the extent to which DNP and agencies have access to relevant data, including the six databases required by law, and (2) the extent to which agencies have used DNP and developed policies and procedures to help identify ineligible recipients before or after payments are made.	GAO 197248	6/12/2015
Enterprise Risk Management (ERM) practice in the federal government- The objectives are to(1) identify ERM leading practices and assess the extent to which federal agencies use ERM leading practices; (2) describe case examples of how selected agencies are using ERM to manage risks; and (3) evaluate how lessons learned from selected case study agencies can apply to other agencies government-wide.	GAO 451159	9/23/2015
IPERA FY15/16- OIG's objective will be to review the Department of Agriculture's (USDA) fiscal year 2015 Annual Financial Report and accompanying information to determine whether the agency is compliant with the improper payment requirements.	OIG 50024-0009-11	12/9/2015
Executive Order 13520, Reducing Improper Payments, Fiscal Year 2015 High Dollar Overpayment Report Review- OIG audit objectives are to review the Department of Agriculture's (USDA) fiscal year 2015 quarterly high-dollar overpayments reports and to assess the level of risk associated with the applicable programs, determine the extent of oversight warranted, and provide the Secretary of Agriculture with recommendations, if any, for modifying USDA's recovery and corrective action plans.	OIG 50024-0010-11	12/9/2015
USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations- OIG audited NRCS' and FSA's controls for generating datasets for annual reviews of HEL and Wetlands conservation compliance.	OIG 50601-0005-31(1)	3/13/2015

RISK MANAGEMENT AGENCY

Available Funds and Staff Years (SYs)

(Dollars in thousands)

Item	2014 Actual		2015 Actual		2016 Enacted		2017 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Salaries and Expenses:								
Discretionary Appropriations.....	\$71,496	429	\$74,829	381	\$74,829	405	\$66,615	399
Federal Crop Insurance Fund								
Mandatory Appropriations.....	8,760,384	-	7,779,452	57	7,871,330	57	8,849,090	63
Sequestration.....	-2,772	-	-3,978	-	-3,774	-	-	-
Transfers In.....	5,606	-	9,575	-	11,905	-	22,134	-
Transfers Out.....	-5,168	-	-10,537	-	-12,908	-	-23,114	-
Balance Available, SOY.....	565,000	-	570,000	-	570,000	-	570,000	-
Other Adjustments (Net).....	4,043,343	-	3,487,443	-	3,447,862	-	3,886,383	-
Total Available.....	13,437,889	429	11,906,784	438	11,959,244	462	13,371,108	462
Lapsing Balances.....	-463	-	-925	-	-	-	-	-
Balance Available, EOY.....	-568,000	-	-570,000	-	-570,000	-	-570,000	-
Obligations.....	12,869,426	429	11,335,859	438	11,389,244	462	12,801,108	462
Total, RMA.....	12,869,426	429	11,336,996	438	11,379,709	462	12,812,245	462

RISK MANAGEMENT AGENCY
Permanent Positions by Grade and Staff Year Summary

Item	2014 Actual			2015 Actual			2016 Enacted			2017 Estimate		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	3	1	4	5	1	6	5	1	6	5	1	6
GS-15.....	8	4	12	10	4	14	9	5	14	9	5	14
GS-14.....	7	35	42	10	35	45	11	35	46	11	35	46
GS-13.....	27	140	167	27	156	183	32	170	202	32	170	202
GS-12.....	9	114	123	7	96	103	8	98	106	8	100	108
GS-11.....	2	10	12	1	21	22	4	19	23	4	18	22
GS-10.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-9.....	2	23	25	2	18	20	4	20	24	4	20	24
GS-8.....	5	5	10	5	3	8	5	3	8	5	3	8
GS-7.....	3	15	18	3	19	22	4	18	22	4	17	21
GS-6.....	-	9	9	-	7	7	-	6	6	-	6	6
GS-5.....	-	1	1	1	3	4	1	-	1	1	-	1
GM-14.....	-	1	1	-	1	1	-	1	1	-	1	1
Ungraded Positions.....	-	2	2	-	2	2	-	2	2	-	2	2
Total Perm. Positions.....	67	360	427	72	366	438	84	378	462	84	378	462
Total, Perm. Full-Time Employment, EOY.....	67	360	427	72	366	438	84	378	462	84	378	462
Staff Year Est....	70	359	429	74	364	438	84	378	462	84	378	462

RISK MANAGEMENT AGENCY
Size, Composition, and Operating Costs of Vehicle Fleet

Fiscal Year	Number of Vehicles by Type *							Annual Operating Costs (\$ in 000) **	
	Sedans and Station Wagons	Light Trucks, SUVs, and Vans		Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles		Total Number of Vehicles
		4x2	4x4						
2014	-	2	3	-	-	-	-	5	\$29
Change	-	-	-	-	-	-	-	-	-1
2015	-	2	3	-	-	-	-	5	28
Change	-	-	-	-	-	-	-	-	+1
2016	-	2	3	-	-	-	-	5	29
Change	-	-	-	-	-	-	-	-	
2017	-	2	3	-	-	-	-	5	29

(* Numbers include vehicles owned by the agency and leased from commercial sources or GSA.)

NOTES:

These vehicles are assigned in RMA field structure to the Regional and Compliance Field Offices. Each Regional and Compliance office is assigned a geographical area within the United States to perform monitoring and oversight of the Federal crop insurance program. These vehicles are used to perform site visits of crops and/or inspections of crop losses. Also, they are used to attend conferences and meetings related to the agency's mission. For these vehicles leased from GSA, RMA relies upon GSA to supply the agency with alternative-fueled vehicles as required by law.

RISK MANAGEMENT AGENCY
SALARIES AND EXPENSES ACCOUNT

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[Salaries and Expenses] RMA Salaries and Expenses:

For necessary expenses of the Risk Management Agency,[\$74,829,000] \$66,615,000: *Provided* , That not to exceed \$20,000,000 of the funds made available under section 508(b)(5)(D) of the Federal Crop Insurance Act (7 U.S.C 1508(b)(5)(D)) may be transferred to the Risk Management Agency Salaries and Expense Account: *Provided further* , That not to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).(Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2016.)

RISK MANAGEMENT AGENCY
SALARIES AND EXPENSES

Lead-Off Tabular Statement

Budget Estimate, 2017.....	\$66,615,000
2016 Enacted.....	<u>74,829,000</u>
Change in Appropriation.....	<u><u>-8,214,000</u></u>

Summary of Increases and Decreases
(Dollars in thousands)

Program	2014 Actual	2015 Change	2016 Change	2017 Change	2017 Estimate
Discretionary Appropriations:					
Total Appropriation.....	\$71,496	+\$3,333	-	-\$8,214	\$66,615

RISK MANAGEMENT AGENCY
SALARIES AND EXPENSES

Project Statement
Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2014 Actual		2015 Actual		2016 Enacted		Inc. or Dec.		2017 Estimate		
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	
Discretionary Appropriations:											
Total Appropriation.....	\$71,496	429	\$74,829	381	\$74,829	399	-\$8,214	(1)	-	\$66,615	399
Total Adjusted Approp.....	71,496	429	74,829	381	74,829	399	-8,214	-	-	66,615	399
Rescissions, Transfers, and Seq. (Net).....											
	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	71,496	429	74,829	381	74,829	399	-8,214	-	-	66,615	399
Transfers In:											
Cong. Relations.....	38	-	38	-	-	-	-	-	-	-	-
FCIA Farm Bill.....	-	-	5,537	-	7,908	-	+1,092	-	-	9,000	-
CAT Fees.....	-	-	-	-	-	-	+20,000	-	-	20,000	-
Subtotal.....	38	-	5,575	-	7,908	-	+21,092	-	-	29,000	-
Transfers Out:											
Departmental WCF.....	-600	-	-	-	-	-	-	-	-	-	-
Total Available.....	70,934	429	80,404	381	82,737	399	+12,878	-	-	95,615	399
Lapsing Balances.....	-463	-	-925	-	-	-	-	-	-	-	-
Total Obligations.....	70,471	429	79,479	381	82,737	399	+12,878	-	-	95,615	399

Project Statement
Obligations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2014 Actual		2015 Actual		2016 Enacted		Inc. or Dec.		2017 Estimate		
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	
Discretionary Obligations:											
Total Appropriation.....	\$70,471	429	\$79,479	381	\$82,737	399	+\$12,878	(1)	-	\$95,615	399
Subtotal.....	70,471	429	79,479	381	82,737	399	+12,878	-	-	95,615	399
Total Obligations.....	70,471	429	79,479	381	82,737	399	+12,878	-	-	95,615	399
Lapsing Balances.....											
	463	-	925	-	-	-	-	-	-	-	-
Total Available.....	70,934	429	80,404	381	82,737	399	+12,878	-	-	95,615	399
Transfers In.....	-38	-	-5,575	-	-7,908	-	-21,092	-	-	-29,000	-
Transfers Out.....	600	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	71,496	429	74,829	381	74,829	399	-8,214	-	-	66,615	399

RISK MANAGEMENT AGENCY
SALARIES AND EXPENSES

Justification of Increases and Decreases

- (1) A net decrease of \$8,214,000 in administrative and operating and activities directed at achieving the RMA mission, goals, and objectives (\$74,829,000 and 399 staff years available in FY 2016).

Base funds will allow RMA to continue serving America's agricultural producers through effective, market-based risk management tools and solutions to strengthen the economic stability of agricultural producers and rural communities. RMA will continue to provide world class agricultural risk management products, tools, education, and outreach. In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

Farmers and ranchers rely upon crop insurance to protect them from the inherently risky business of agricultural production. America relies on the Federal crop insurance program assists in keeping an abundant supply of food, fiber, and fuel flowing from farms and ranches, and to help ensure food security for the Nation. RMA also works to ensure the actuarial soundness of current agricultural insurance products and enhance ongoing efforts to prevent and uncover waste, fraud, and abuse in the program.

The funding change is requested for the following items:

- a) An increase of \$921,000 for pay costs (\$178,000 for annualization of the 2016 pay increase and \$557,000 for the 2017 pay increase).
- b) A decrease of 9,135,000 in operating expenses.

The budget proposes to reduce discretionary funds for RMA salaries and expenses by \$9.1 million while enhancing the annual appropriations by a transfer of up to \$20 million from mandatory offsetting collections generated from crop insurance administrative fees. Language is included to allow this transfer from the Federal Crop Insurance Corporation Fund account to the S&E account. This authority will allow RMA to use all funds more efficiently and flexibly.

In addition to the fee transfer, RMA will continue to use FCIC mandatory funds to support reviews, compliance, and integrity activities pursuant to section 516(b)(2)(C) of the Federal Crop Insurance Act (FCIA). These funds are also transferred to the S&E account to reimburse the account for expenses incurred for the operations and review of policies, plans of insurance, and related materials; and to maintain program actuarial soundness and financial integrity.

RISK MANAGEMENT AGENCY

Geographic Breakdown of Obligations and Staff Years
(Dollars in thousands and Staff Years (SYs))

State/Territory	2014 Actual		2015 Actual		2016 Enacted		2017 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
California.....	\$ 2,872	24	\$ 2,961	24	\$ 3,082	25	\$ 3,562	25
District of Columbia.....	27,831	67	36,699	76	38,203	78	44,149	78
Florida.....	107	1	107	1	111	1	128	1
Georgia.....	1,227	12	1,227	12	1,277	13	1,476	13
Illinois.....	1,621	15	1,621	15	1,687	16	1,950	16
Indiana.....	1,192	12	1,192	12	1,241	13	1,434	13
Kansas.....	1,767	15	1,767	15	1,839	18	2,125	18
Louisiana.....	167	1	167	1	174	1	201	1
Minnesota.....	3,469	25	3,469	25	3,611	31	4,173	31
Mississippi.....	1,494	13	1,494	13	1,555	15	1,797	15
Missouri.....	18,993	160	18,993	160	19,771	164	22,848	164
Montana.....	1,615	13	1,615	13	1,681	13	1,943	13
North Carolina.....	3,332	31	3,332	31	3,469	33	4,009	33
North Dakota.....	107	1	107	1	111	1	128	1
Oklahoma.....	863	8	914	8	955	8	1,104	8
Texas.....	2,106	16	2,106	16	2,192	17	2,533	17
Virginia.....	140	1	140	1	146	1	169	1
Washington.....	1,568	14	1,568	14	1,632	14	1,886	14
Obligations.....	70,471	429	79,479	438	82,737	462	95,615	462
Lapsing Balances.....	463	-	925	-	-	-	-	-
Total, Available.....	70,934	429	80,404	438	82,737	462	95,615	462

RISK MANAGEMENT AGENCY

Classification by Objects

(Dollars in thousands)

	2014	2015	2016	2017
	Actual	Actual	Enacted	Estimate
Personnel Compensation:				
Washington D.C.....	\$7,855	\$7,816	\$8,000	8,000
Field.....	31,818	33,384	\$35,000	44,000
11 Total personnel compensation.....	39,673	41,200	43,000	52,000
12 Personal benefits.....	11,766	12,937	13,000	15,000
13.0 Benefits for former personnel.....	24	13	13	13
Total, personnel comp. and benefits.....	51,463	54,150	56,013	67,013
Other Objects:				
21.0 Travel and transportation of persons.....	1,027	1,452	1,000	3,000
22.0 Transportation of things.....	40	38	40	40
23.1 Rental payments to GSA.....	170	2,863	2,909	2,937
23.2 Rental payments to others.....	251	251	250	250
23.3 Communications, utilities, and misc. charges.....	837	800	800	800
24.0 Printing and reproduction.....	7	15	22	22
25.1 Advisory and assistance services.....	3,068	2,500	3,000	4,005
25.3 Other purchases of goods and services from Federal sources.....	1,535	4,250	2,000	2,000
25.4 Operation and maintenance of facilities.....	107	142	200	200
25.7 Operation and maintenance of equipment.....	11,314	12,137	9,091	15,063
25.8 Subsistence and support of persons.....	320	250	250	250
26.0 Supplies and materials.....	244	171	170	170
31.0 Equipment.....	88	460	500	500
Total, Other Objects.....	19,008	25,329	20,232	29,237
99.9 Total, new obligations.....	70,471	79,479	76,245	96,250
DHS Building Security Payments (included in 25.3).....	-	350	376	380
Position Data:				
Average Salary (dollars), ES Position.....	\$170,625	\$165,946	\$167,605	\$169,282
Average Salary (dollars), GS Position.....	\$89,204	\$88,175	\$89,057	\$89,947
Average Grade, GS Position.....	11.9	12.1	12.1	12.1

RISK MANAGEMENT AGENCY

Shared Funding Projects

(Dollars in thousands)

	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>
Working Capital Fund:				
Administration:				
HR Enterprise System Management.....	\$ 0	\$ 0	\$4	\$4
Beltsville Service Center.....	16	11	16	16
Mail and Reproduction Management.....	45	39	54	62
Integrated Procurement System.....	14	12	16	16
Procurement Operations Division.....		9		
Subtotal.....	<u>75</u>	<u>71</u>	<u>90</u>	<u>98</u>
Communications:				
Creative Media & Broadcast Center.....	20	33	48	27
Finance and Management:				
NFC/USDA.....	71	69	115	107
Financial Systems.....	308	319	331	331
Internal Control Support Services.....	139	114	132	145
Subtotal.....	<u>518</u>	<u>504</u>	<u>578</u>	<u>582</u>
Information Technology:				
NITC/USDA.....	348	75	93	109
International Technology Services.....	121	217	156	155
Telecommunications Services.....	95	78	104	84
Subtotal.....	<u>564</u>	<u>369</u>	<u>353</u>	<u>348</u>
Correspondence Management.....	29	27	29	36
Total, Working Capital Fund.....	<u>1,206</u>	<u>1,004</u>	<u>1,098</u>	<u>1,092</u>
Departmental Shared Cost Programs:				
1890 USDA Initiatives.....	13	12	13	13
Classified National Security Information.....	-	4	5	5
Continuity of Operations Planning.....	9	9	9	9
Emergency Operations Center.....	10	10	10	10
Facility and Infrastructure Review and Assessment.....	2	2	2	2
Faith-Based & Neighborhood Partnerships.....	1	2	2	2
Federal Biobased Products Preferred Procurement Program...	2	-	-	0
Hispanic-Serving Institutions National Program.....	9	8	9	9
Honor Awards.....	-	-	0	0
Human Resources Transformation.....	7	8	8	8
Identity & Access Management (HSPD-12).....	29	30	30	30
Medical Services.....	2	5	6	6
People's Garden.....	3	3	3	3
Personnel Security Branch (was PDSD).....	5	5	5	5
Preauthorized Funding.....	16	17	16	16
Retirement Processor Web Application.....	2	3	3	3
Sign Language Interpreter.....	4	-	-	0
TARGET Center.....	4	6	6	6
USDA 1994 Program.....	3	3	3	3
Virtual University.....	8	9	9	9
Visitor Information Center.....	1	-	-	-
Total, Departmental Shared Cost Programs.....	<u>130</u>	<u>136</u>	<u>139</u>	<u>139</u>

RISK MANAGEMENT AGENCY

Shared Funding Projects

(Dollars in thousands)

	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>
E-Gov:				
Disaster Assistance Improvement Plan.....	2	2	5	3
Enterprise Human Resources Intigration.....	10	9	8	8
E-Rulemaking.....	4	4	23	11
E-Training.....	12	12	-	12
Financial Management Line of Business.....	1	1	-	1
Geospatial Line of Business.....	-	-	13	7
GovBenefits.gov.....	6	6	12	9
Grants.gov.....	3	2	-	0
Human Resources Line of Business.....	1	1	1	1
Integrated Acquisition Environment - Loans and Grants.....	8	8	-	0
Integrated Acquisition Environment.....	3	3	1	6
Total, E-Gov.....	<u>50</u>	<u>48</u>	<u>64</u>	<u>59</u>
Agency Total.....	<u>\$ 1,386</u>	<u>\$ 1,189</u>	<u>\$ 1,301</u>	<u>\$ 1,290</u>

RISK MANAGEMENT AGENCY
FEDERAL CROP INSURANCE CORPORATION FUND

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Federal Crop Insurance Corporation Fund:

For payments as authorized by section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516), such sums as may be necessary, to remain available until expended.

RISK MANAGEMENT AGENCY
FEDERAL CROP INSURANCE CORPORATION FUND

Lead-Off Tabular Statement

Current Law

Budget Estimate, 2017.....	\$8,849,090,000
2016 Enacted.....	<u>7,870,934,000</u>
Change in Appropriation.....	<u>+ 978,156,000</u>

Proposed Legislation

Budget Request, Current Law 2017.....	\$8,849,090,000
Change Due to Proposed Legislation.....	<u>-1,259,500,000</u>
Net Request, 2017 Request.....	<u>7,589,590,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

Program	2014 Actual	2015 Change	2016 Change	2017 Change	2017 Estimate
Mandatory Appropriations:					
Premium Subsidy.....	6,643,000	-1,442,134	+251,134	+811,517	6,263,517
Delivery Expense.....	1,409,818	+3,447	-61,865	+1,000	1,352,400
Underwriting Gain.....	646,566	+458,408	-93,440	+145,639	1,157,173
Federal Crop Insurance Act Initiatives.....	61,000	-653	-4,347	-	56,000
Subtotal.....	8,760,384	-980,932	+91,482	+958,156	8,829,090
Cat. / Administrative Fees.....				+20,000	20,000
Total	8,760,384	-980,932	+91,482	+978,156	8,849,090

RISK MANAGEMENT AGENCY
FEDERAL CROP INSURANCE CORPORATION FUND

Project Statement
Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2014 Actual		2015 Actual		2016 Enacted		Inc. or Dec.		2017 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Mandatory Appropriations:										
Premium Subsidy.....	6,643,000	-	5,200,866	-	5,452,000	-	+811,517	-	6,263,517	-
Delivery Expense.....	1,409,818	-	1,413,265	-	1,351,400	-	+1,000	-	1,352,400	-
Underwriting Gain.....	646,566	-	1,104,974	-	1,011,534	-	+145,639	-	1,157,173	-
Federal Crop Insurance Act Initiatives...	61,000	-	60,347	57	56,000	63	-	-	56,000	63
Subtotal.....	8,760,384	-	7,779,452	57	7,870,934	63	+958,156	-	8,829,090	63
Cat /Adm Usage Fees.....	-	-	-	-	-	-	+20,000	-	20,000	-
Total Adjusted Approp.....	8,760,384	-	7,779,452	57	7,870,934	63	+978,156 (1)	-	8,849,090	63
Rescissions, Transfers, and Seq. (Net).....										
	-1,772	-	-10,559	-	-13,134	-	-16,866	-	-30,000	-
Total Appropriation.....	8,758,612	-	7,768,893	57	7,857,800	63	+961,290	-	8,819,090	63
Transfers In:										
AMA Funding.....	5,568	-	4,000	-	4,000	-	-	-	4,000	-
Total.....	5,568	-	4,000	-	4,000	-	-	-	4,000	-
Transfers Out:										
NIFA.....	-4,568	-	-5,000	-	-5,000	-	-	-	-5,000	-
RMA S&E.....	-	-	-5,537	-	-7,908	-	-21,092	-	-29,000	-
Subtotal.....	-4,568	-	-10,537	-	-12,908	-	-21,092	-	-34,000	-
Rescission.....	-	-	-	-	-	-	-	-	-	-
Sequestration.....	-2,772	-	-3,978	-	-3,774	-	+3,774	-	-	-
Bal. Available, SOY.....	565,000	-	570,000	-	570,000	-	-	-	570,000	-
Recoveries, Other (Net).....	4,043,343	-	3,487,443	-	3,447,862	-	+438,521	-	3,886,383	-
Total Available.....	13,366,955	-	11,826,336	57	11,875,662	63	+1,399,811	-	13,275,473	63
Lapsing Balances.....										
Bal. Available, EOY.....	-568,000	-	-570,000	-	-570,000	-	-10,000	-	-580,000	-
Total Obligations.....	12,798,955	-	11,256,336	57	11,305,662	63	+1,389,811	-	12,695,473	63

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Project Statement
Obligations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2014 Actual		2015 Actual		2016 Enacted		Inc. or Dec.		2017 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Mandatory Obligations:										
Indemnities.....	10,675,968	-	8,678,015	-	8,867,000	-	+1,262,900 (1)	-	10,129,900	-
Delivery Expense.....	1,409,818	-	1,413,265	-	1,351,400	-	+1,000 (2)	-	1,352,400	-
Underwriting Gain.....	646,566	-	1,104,974	-	1,011,534	-	+145,639 (3)	-	1,157,173	-
Federal Crop Insurance Act Initiatives...	61,000	-	59,257	57	56,000	63	-	-	56,000	63
Program Related IT.....	5,603	-	825	-	19,728	-	-19,728 (4)	-	-	-
Subtotal.....	12,798,955	-	11,256,336	57	11,305,662	63	+1,389,811	-	12,695,473	63
Total Obligations.....	12,798,955	-	11,256,336	57	11,305,662	63	+1,389,811	-	12,695,473	63
Bal. Available, EOY.....	568,000	-	570,000	-	570,000	-	10,000	-	580,000	-
Total Available.....	13,366,955	-	11,826,336	57	11,875,662	63	+1,399,811	-	13,275,473	63
Transfers In.....										
	5,568	-	4,000	-	4,000	-	-	-	4,000	-
Transfers Out.....										
	-4,568	-	-10,537	-	-12,908	-	-1,092	-	-34,000	-
Sequestration.....	2,772	-	3,978	-	3,774	-	-3,774	-	-	-
Bal. Available, SOY.....	-565,000	-	-570,000	-	-569,000	-	-	-	-570,000	-
Other Adjustments (Net).....	-4,043,343	-	-3,487,443	-	-3,443,728	-	-416,919	-	-3,856,383	-
Total Appropriation.....	8,758,612	-	7,768,893	57	7,857,800	63	+961,290	-	8,819,090	63

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RISK MANAGEMENT AGENCY
FEDERAL CROP INSURANCE CORPORATION FUND
Justification of Increases and Decreases

- (1) An increase of \$978,156,000 is estimated for the Federal Crop Insurance Corporation (FCIC) Fund, (\$7,870,330,000 available in 2016).

Base funding supports RMA's mission to serve America's agricultural producers through effective, market-based risk management tools and solutions to strengthen the economic stability of agricultural producers and rural communities. Funding also supports the achievement of USDA Strategic Goal to assist rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving. Continuation of the program is critical if the agency is to continue to provide an actuarially sound risk management program.

The FCIC provides an actuarially sound risk management program that protects against agricultural production losses due to multi-peril risks such as drought, excessive moisture, hail, wind, hurricane, tornado, lightning, and insects.

The funding change is requested for the following items:

- a. An increase of \$811,517,000 for premium subsidy (\$5,446,896,000 available in 2016).

Premium subsidy is the amount of total premium paid by FCIC on behalf of producers. The cost to FCIC is driven by the price of commodities it insures. Commodity price is expected to increase in 2017, which increases the value of insurance and in turn increases premium subsidies paid by FCIC.

- b. An increase of \$1,000,000 for delivery expense (\$1,351,400,000 available in 2016).

Delivery expenses are administrative and operating reimbursements provided to approved insurance providers (AIPs). They cover the cost of selling and servicing crop insurance products to American producers and are based on a percentage of estimated total premium. The 2011 Standard Reinsurance Agreement (SRA) allows for annual adjustments of delivery expenses paid to AIPs, primarily due to the annual inflation cap which accounts for the increase in this fiscal year.

- c. An increase of \$145,639,000 for underwriting gains (\$1,011,534,000 available in 2016).

Underwriting gains are a reinsured company's share of net book premium that exceeds their share of net losses (indemnities). Underwriting gains are expected to increase based on higher estimated retained premium in fiscal year 2017, which is premium retained by companies after FCIC reinsurance.

RISK MANAGEMENT AGENCY
FEDERAL CROP INSURANCE CORPORATION FUND

Summary of Increases and Decreases - Proposed Legislation
(Dollars in thousands)

<u>Item of Change</u>	<u>Current Law</u>	<u>Program Changes</u>	<u>President's Request</u>
Federal Crop Insurance Corporation Fund.....	\$8,849,090	-\$1,259,500	\$7,589,590

Explanation of Proposed Legislation:

The 2017 Budget proposes two crop insurance proposals that will save an estimated \$18.011 billion over 10 years.

The proposals include programmatic changes that:

1. Reduce premium subsidy by 10 percentage points for revenue coverage that provides protection for upward price movements at harvest time. Producers will be able to continue to purchase affordable revenue coverage for potential upward price changes that may occur at time of harvest. This type of revenue coverage is the most expensive and provides producers with coverage that can fluctuate depending on price movement at time of harvest. The ability to have increased harvest price coverage seamlessly integrated into a crop insurance policy presents a convenience to producers that approximate certain revenue protection available through private sector markets, and this proposal would shift more of the cost of this enhanced coverage from the taxpayer to the producer, while still maintaining the availability and integrity of the policy. Under this coverage, farmers pay an out-of-pocket premium which more closely matches the market price of the coverage purchased. As a result, the number of farmers choosing the more expensive harvest price coverage may decrease and some farmers will likely choose a lower coverage level, thus lowering overall premium. Over 10 years the government will save \$16.9 billion, of which 7.6 percent will be from subsidies the government pays the insurance companies.

2. Reform the prevented planting program eliminating prevented planting optional coverage, and requiring a 60 percent transitional yield be applied to the producer's actual production history (APH) who receives a prevented planting payment. This reform also eliminates the ability to purchase an optional 5 percent or 10 percent higher level than that provided by the base prevented planting coverage. Currently, if a producer receives a prevented planting payment, they do not receive a yield for that year; however, if they plant a second crop, they automatically receive 60 percent of the transitional yield applied to their APH. This presents a disincentive for farmers to try and plant a crop, so this reform provides that a producer will have a lower approved yield if they utilize prevented planting. This proposal is expected to save about \$1.1 billion over 10 years and improve the accuracy of the prevented planting coverage as well as promote additional food production.

RISK MANAGEMENT AGENCY
Geographic Breakdown of Obligations and Staff Years
(Dollars in thousands and Staff Years (SYs))

State/Territory	2014 Actual		2015 Actual		2016 Estimate		2017 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Alabama.....	\$ 30,683	-	\$ 37,499	-	10,000	-	17,206	-
Alaska.....	85	-	56	-	-	-	-	-
Arizona.....	20,298	-	18,510	-	5,000	-	11,603	-
Arkansas.....	161,635	-	129,085	-	10,000	-	11,206	-
California.....	241,294	-	427,012	4	4,500	4	11,043	4
Colorado.....	288,191	-	134,678	-	10,000	-	11,206	-
Connecticut.....	6,019	-	1,229	-	2,000	-	8,241	-
Delaware.....	6,649	-	1,124	-	-	-	6,000	-
District of Columbia.....	-	-	-	8	-	8	-	8
Florida.....	45,036	-	37,864	-	2,000	-	6,241	-
Georgia.....	111,615	-	151,066	-	5,000	1	8,603	1
Hawaii.....	2,045	-	394	-	-	-	50	-
Idaho.....	42,945	-	78,756	-	-	-	6,000	-
Illinois.....	626,523	-	331,499	-	13,000	-	20,568	-
Indiana.....	168,474	-	165,271	3	2,000	5	8,241	5
Iowa.....	1,778,851	-	1,430,749	-	15,000	-	19,653	-
Kansas.....	870,178	-	457,270	-	-	-	6,000	-
Kentucky.....	65,135	-	136,260	-	-	-	6,000	-
Louisiana.....	32,157	-	50,946	-	5,000	-	11,603	-
Maine.....	11,688	-	2,727	-	-	-	6,000	-
Maryland.....	15,702	-	7,273	-	-	-	6,000	-
Massachusetts.....	4,018	-	2,543	-	-	-	6,000	-
Michigan.....	105,324	-	122,709	-	-	-	6,000	-
Minnesota.....	1,198,739	-	1,247,698	6	10,000	6	17,206	6
Mississippi.....	89,824	-	93,479	-	4,000	-	10,482	-
Missouri.....	391,825	-	324,201	29	15,000	31	22,809	31
Montana.....	113,065	-	103,725	-	4,000	1	10,482	1
Nebraska.....	510,476	-	518,791	-	4,350	-	4,875	-
Nevada.....	11,021	-	25,194	-	-	-	6,000	-
New Hampshire.....	362	-	299	-	-	-	50	-
New Jersey.....	3,623	-	2,930	-	75	-	484	-
New Mexico.....	49,961	-	16,434	-	4,000	-	10,482	-
New York.....	3,944	-	40,835	-	4,000	-	10,482	-
North Carolina.....	147,521	-	111,841	4	5,000	4	6,603	4
North Dakota.....	914,797	-	471,655	-	20,000	-	22,412	-
Ohio.....	98,470	-	141,829	-	-17,000	-	-13,050	-
Oklahoma.....	399,769	-	170,353	-	20,000	-	18,487	-
Oregon.....	42,050	-	49,680	-	2,000	-	8,241	-
Pennsylvania.....	28,027	-	26,730	-	-	-	6,000	-
Rhode Island.....	83	-	59	-	4	-	4	-
South Carolina.....	61,632	-	51,509	-	9,000	-	16,086	-
South Dakota.....	298,404	-	245,193	-	9,000	-	10,086	-
Tennessee.....	52,995	-	55,273	-	3,000	-	3,362	-
Texas.....	998,478	-	751,935	3	9,000	3	86	3
Utah.....	3,754	-	1,943	-	-	-	1,000	-
Vermont.....	7,032	-	2,056	-	3,000	-	4,362	-
Virginia.....	31,639	-	28,607	-	-	-	6,000	-
Washington.....	156,522	-	192,495	-	9,000	-	-3,165	-
West Virginia.....	874	-	1,238	-	-	-	1,000	-
Wisconsin.....	411,987	-	263,137	-	10,000	-	24,206	-
Wyoming.....	14,549	-	14,376	-	184	-	585	-
Undistributed a/.....	-10,675,968	-	-8,678,015	-	11,085,547	-	12,260,082	-
Obligations.....	-	-	-	57	11,296,660	63	12,659,203	63
Lapsing Balances.....	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-	-	-	-	580,000	-	588,000	-
Total, Available.....	-	-	-	57	11,876,660	63	13,247,203	63

a/ Undistributed includes, Delivery Expenses, FCIA Initiatives, Interest, and Underwriting Gains or Losses that cannot be distributed by State. These estimates are based on prior year indemnities.

RISK MANAGEMENT AGENCY
Classification by Objects

(Dollars in thousands)

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Other Objects:				
25	1,409,818	1,413,265	1,351,400	1,352,000
25.1	61,000	59,257	56,500	56,000
25.2	646,566	1,104,974	1,011,534	1,157,173
25.3	5,603	825	19,728	0
42	10,675,968	8,678,015	8,867,000	10,130,000
	<u>12,798,955</u>	<u>11,256,336</u>	<u>11,306,162</u>	<u>12,695,173</u>
99.9	<u>12,798,955</u>	<u>11,256,336</u>	<u>11,306,162</u>	<u>12,695,173</u>

RISK MANAGEMENT AGENCY
FEDERAL CROP INSURANCE CORPORATION

STATUS OF PROGRAMS

The primary responsibility of the Risk Management Agency (RMA) is to administer the Federal Crop Insurance Program in accordance with the 1938 Federal Crop Insurance Act (FCIA) (7 U.S.C. 1501 et seq.) as amended. The Risk Management Agency was established in 1996 within the United States Department of Agriculture (USDA) to improve the economic stability of agriculture through a sound system of crop insurance and to provide the means for the research and experience that is helpful in devising and establishing such insurance. RMA's mission is to serve America's agricultural producers through effective, market-based risk management tools and solutions to strengthen the economic stability of agricultural producers and rural communities. RMA directly supports the achievement of the USDA Strategic Goal to "Assist rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving".

The Federal Crop Insurance Corporation (FCIC) is a wholly owned government corporation created on February 16, 1938 to carry out the FCIA (7 U.S.C. 1503); RMA is the agency of USDA that effectively carries out the initiatives of the FCIC. RMA relies on the legal authority given by the FCIA to FCIC in carrying out crop insurance initiatives. The FCIA provides for nationwide comprehensive plans of crop insurance. FCIC, through RMA, provides an actuarially sound risk management program that protects against agricultural production losses due to unavoidable causes such as drought, excessive moisture, hail, wind, hurricane, tornado, lightning, and insects. In addition to these causes, revenue insurance programs protect producers against loss of revenue stemming from low prices, low yields, or a combination of both. For livestock, price coverage is available that protects producers against price or margin decreases.

Federal crop insurance is available to producers through Approved Insurance Providers (AIPs) that sell and service policies and also share in the risk. Thus, program delivery is a partnership between the Federal Government and the private insurance industry. RMA continues to pursue initiatives to make higher levels of crop insurance protection more affordable and useful to producers, provide better protection to farmers experiencing multi-year losses, expand risk management education opportunities, stimulate development of new risk management products, and improve program integrity.

Current Activities:

Studies - The Agricultural Act of 2014 (2014 Farm Bill) directed RMA to contract for three crop insurance feasibility studies and three research and development projects. Contracts for feasibility studies included: (1) Food safety to determine whether offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers; (2) Poultry Catastrophic Event Loss; and (3) Swine Catastrophic Event Loss. All three feasibility studies have been completed. The Food Safety study indicated that it is not feasible to develop a program due to a lack of data and limited interest in a program. The Poultry and Swine Catastrophic Event Loss studies also indicated that it is not feasible to develop programs because the contract growers do not have an insurable interest in their animals/birds. The three research and development projects are: (1) Biomass and Sweet Sorghum; (2) Poultry Business Interruption Due To Integrator Bankruptcy; and; (3) Catfish Margin Coverage. Data collection reports have been completed for all three research and development projects. The Biomass and Sweet Sorghum report indicated that it is not feasible to develop a program due to limited grower interest and a lack of data to develop adequate premium rates. The Poultry Business Interruption report indicated that integrator bankruptcy is not an insurable cause of loss allowable under the FCIA, and therefore a program cannot be developed. The Catfish Margin Coverage study indicated that there would be difficulties in developing a price expectation for catfish and lack of data to establish adequate premium rates; therefore, a program cannot be developed.

Actual Production History (APH) Yield Exclusion - The APH Yield Exclusion allows eligible producers who farm in counties where they have been hit with unusually high losses to receive a higher approved yield on their insurance policies through the Federal Crop Insurance Program. Crop years are eligible when the average per planted acreage yield for the county was at least 50 percent below the simple average for the previous 10

consecutive crop years. APH Yield Exclusion program details were made available nationwide for farmers of select crops starting in spring 2015.

National Agricultural Statistics Service (NASS) Organic Production and Price Survey - RMA has collaborated with NASS to develop a survey to collect 2015 production and price data from certified organic growers. The 2015 USDA Certified Organic Production Survey will gather detailed production and price information by surveying all certified organic farming operations. Where sufficient data is available, the additional detailed information will allow RMA to expand availability of organic prices.

New Crop Insurance Programs - There are currently 18 RMA contracted pilot programs and 40 privately developed insurance programs operating. New crop insurance programs for 2016 are High Amylose corn, Sprinkler Irrigated Rice, Hybrid Rice Seed, Margin Protection, Malt Barley Endorsement and Clary Sage. There are two additional privately developed products currently under the FCIC Board of Directors review process. The FCIC Board has approved four Concept Proposals for reimbursement which are a portion of research and development expenses that are targeted to be available to producers in 2016.

Acreage Crop Reporting Streamlining Initiative (ACRSI) - RMA notified Congress that substantial completion of the ACRSI work had been achieved, meeting the 2014 Farm Bill requirement to develop and implement streamlined acreage reporting processes that provide the option of electronic or conventional acreage reporting for producers participating in USDA programs and sharing the report to applicable stakeholders. The ACRSI framework continues to provide for improved policy integration and advancements in data sharing capabilities between USDA agencies. Agencies participating in the ACRSI include RMA, Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and NASS.

Land Reporting - RMA has implemented 100 percent policy reporting by Common Land Unit (CLU) for major insurance plans where CLU's are available. Additionally, to aid AIPs in meeting this requirement, RMA has developed technology and processes providing the capability of accepting AIP and producer generated Geographic Information System data for policy reporting where gaps exist in the CLU data. This completes RMA's 7-year plan (2010-2016) to implement field level reporting and works in conjunction with updates of data standards for Legal Descriptions using section and section equivalents based off the Public Land Survey System and 90 other approved land surveys.

Updated Legal Descriptions with Geographical Information System (GIS) - RMA has implemented a new set of allowable legal descriptions (or equivalents) for reporting land location. Additionally, the agency released a GIS file covering most of the western and central United States to the AIPs for reporting land location to aid in crop insurance unit determinations. This file represents a multi-year effort to combine 89 different surveys (the largest being the Public Land Survey System) into a unified data set that will enhance RMA's operational effectiveness.

Data Mining and Compliance - RMA uses data mining to detect and deter fraud, waste, and abuse in the crop insurance program by identifying policies that exhibit anomalous outcomes as compared to comparable policies in the geographic region. The product most associated with the data mining program is the annual "Spot-Check List," which is a list of approximately 3,000 policies found to be most anomalous. The policies placed on the Spot-Check List tend to exhibit particular loss patterns and/or have more frequent and larger losses relative to similar policies in the area. The cost avoidance that results from data mining and the Spot-Check List process is measured by the reduction in the amount of indemnities claimed after the inspections are conducted. The data mining and Spot-Check List efforts have been successful. The cumulative direct cost avoidance from the Spot-Check List process from 2001 through 2014 is estimated to be approximately \$1.1 billion.

Risk Management Education Program - During 2015, RMA partnered with qualified applicants to provide education, outreach assistance and related tools and information on crop insurance programs and risk management strategies. RMA partners with organizations working with Women, Hispanics, African Americans, Asian Americans, Native Americans, Immigrants, Military Veterans, Organic Crops, New and Beginning Farmers and Ranchers, Specialty Crop Producers, Local Food Markets, Livestock Farmers, Limited Resource, Retiring-Transitioning, Strikeforce, Socially Disadvantaged, Sustainable Producers, Established, Value-Added and Small Farms & Ranches. Specifically, RMA provided \$2.6 million in cooperative agreements in 32 states that provided training to U.S. farmers and ranchers in managing production, marketing, financial, legal, and human risk. The

program gives priority to educating producers of crops currently not insured under Federal crop insurance, specialty crops, and underserved commodities, including livestock and forage. Additionally, RMA awarded \$4.9 million in cooperative agreements in 16 states designated as historically underserved with respect to crop insurance. These targeted states include: Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

Select Examples of Recent Progress:

Interim Rule for Farm Bill Changes - RMA published an Interim Final rule that implemented many of the changes resulting from the passage of the 2014 Farm Bill in the Federal Register on July 1, 2014. Changes to the Federal Crop Insurance Program include: highly-erodible land and wetland conservation, enterprise units for irrigated and non-irrigated crops, adjustment in Actual Production History, crop production on native sod, coverage levels by irrigated and non-irrigated practice, beginning farmer and rancher provisions and the authority to correct errors. The rule revises the Common Crop Insurance Policy Basic Provisions, the Catastrophic Coverage Basic Provisions and the Area Risk Protection Insurance Basic Provisions. Implementation of these provisions provides producers with more insurance choices, coverage and options to better meet their risk management needs. The Final Rule is scheduled to be published in March 2016.

Supplemental Coverage Option (SCO) Product Release - SCO was first made available for the 2015 crop year for barley, corn, soybeans, cotton, cottonseed, rice, sorghum and wheat. Changes were made for 2016 to expand SCO to additional counties for barley and winter wheat and to add SCO for alfalfa seed, canola, cultivated wild rice, dry peas, forage production, grass seed, mint, oats, onions, potatoes and rye in select counties. The SCO policy provides coverage for a portion of the producer's deductible from the underlying policy. A subsidy rate of 65 percent applies to the SCO policy.

Stacked Income Protection (STAX) Product Release - STAX was first made available for the 2015 crop year for cotton. RMA made modifications to the STAX program for the 2016 crop year. The changes made will allow producers to elect a zero percent coverage range by practice, allow written agreements that affect insurable acreage to apply to STAX, and make STAX coverage available for cottonseed through an optional endorsement. This product enables upland cotton growers to purchase an area-based insurance policy in addition to, or instead of, their individual or area coverage insurance policy. The STAX policy insures up to the first 20 percent of county losses, after a 10 percent deductible, and has a premium subsidy rate of 80 percent.

Whole-Farm Revenue Protection (WFRP) Product Updates - The WFRP insurance product was modified for the 2016 insurance year in response to stakeholder input and was also expanded to all 50 states beginning with the 2016 insurance year. WFRP provides revenue coverage for the whole farm under one policy. This policy was designed to meet the needs of highly diverse farms that are growing a wide range of commodities, and for farms selling commodities to wholesale markets. The policy was specifically developed for farms that tend to sell to direct, local or regional, and farm-identity preserved markets and grow specialty or organic crops and animals or animal products. The WFRP will serve farms with up to \$8.5 million of insured revenue, offers replant coverage for annual crops, and recognizes farm diversification with premium rate discounts, eligibility for the two highest coverage levels, and whole-farm subsidy.

Since November 2014, RMA has performed 89 training sessions on WFRP that has reached over 6,000 producers. WFRP in the Spokane Region (Washington, Oregon, Idaho and Alaska) compared to the entire program nationwide makes up 73 percent of the policies sold, 76 percent of the policies earning premium, and 82 percent of the total liability. As of November 2015, a total of 1,094 WFRP policies are earning premium with over \$1.1 billion in liability.

Premium Rate Revisions - Premium rates were revised for 28 crops for 2016. This is part of RMA's ongoing effort to improve Federal crop insurance premium rating. The revisions take into consideration recommendations of an independent study completed in 2011 to better incorporate information from insurance experience over time.

Organic Specific Price Elections - The number of organic price elections has increased in the last few years. RMA provided 11 additional organic price elections in the 2014 crop year: almonds, blueberries (CA, OR, & WA), peppermint, juice grapes (WA), oats, apples (WA), pears (WA & OR), fresh apricots (CA, ID, OR, & WA), fresh

nectarines & plums, and freestone peaches (ID, OR, & WA). For the 2015 crop year, millet, figs, walnuts, flax, popcorn, corn silage, hybrid corn seed, grain sorghum, silage sorghum, raisins, and hybrid seed sorghum gained organic price elections. For the 2016 crop year, avocados (FL), barley, blueberries (all remaining states), various citrus (grapefruit, lemons, mandarins, oranges, and tangelos (AZ, & CA)), dry peas (select locations), pinto beans (select locations), cabbage, cranberries, cultivated wild rice, dry peas, forage production, fresh market sweet corn, grass seed, onions, pears (CA), potatoes, rye, safflower, processing clingstone peaches (CA), sugarcane, table grapes (CA), tobacco, and wheat received organic price elections.

The contract price option allows organic producers to insure their crops at the price specified in a guaranteed contract. It is now available for 73 different crop types. Producers who are transitioning to certified organic will have the ability to use the contract price option beginning in 2016.

Improper Payment Rate - The 2015 improper payment rate for the Federal Crop Insurance Program was 2.20 percent far surpassing the target error rate of 5.75 percent. The agency's FY 2015 measurement plan changed from the previous years' plan and was approved by OMB as a statistically valid estimate of the improper payment rate and of the dollar amount of improper payments for FCIC. The improper payment reviews included all payment categories (premium subsidies, Administrative and Operating (A&O) subsidies, and indemnity payments) and considered how an improper payment can occur. A simple random sample was used to select the policies for review.

USDA Climate Hubs - During 2015, RMA provided 8 Regional Vulnerability Assessments for each of the Climate Hub Regions and Sub-Hub Regions located within RMA's 10 Regional Offices. Regional Offices participated in 7 Climate Hub Workshops held in Davis, California; Oklahoma City, Oklahoma; Springfield, Illinois; and Topeka, Kansas and will continue to attend other scheduled workshops in FY 2016.

RISK MANAGEMENT AGENCY
Summary of Budget and Performance
Statement of Department Goals and
Objectives

The primary responsibility of the Risk Management Agency (RMA) is to administer the Federal crop insurance program in accordance with the 1938 Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) as amended. RMA was established in 1996 within USDA to improve the economic stability of agriculture and rural communities through a sound system of crop insurance and to provide the means for the research and experience that is helpful in devising and establishing crop insurance. The mission of the agency is serving America's agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities. RMA provides an actuarially sound risk management program that protects against agricultural production losses due to unavoidable causes such as drought, excessive moisture, hail, wind, hurricane, tornado, lightning, and insects. In addition to these causes, revenue insurance programs are available under which producers of certain crops are protected against loss of revenue stemming from low prices, poor yields, or a combination of both. Federal crop insurance is available to producers through private insurance companies that market and service policies and also share in the risk. Thus, the program delivery is a joint effort between the Federal government and the private insurance industry.

RMA will continue its efforts to increase the availability and effectiveness of risk management solutions and will continue to strengthen program integrity and compliance. In order to meet the requirements of the Improper Payments Elimination and Recovery Act (IPERA), establish and update a program error rate, and enhance the Federal crop insurance delivery system, RMA is improving a system of recurring reviews of insurance provider operations, while at the same time continuing with other compliance initiatives to provide greater assurance in the integrity of crop insurance delivery. Additionally, RMA continues investing in the data analysis tools of data mining and remote sensing of crop insurance data that have proved to be extremely useful in detection of possible instances of fraud, waste, and abuse.

To enhance program delivery systems, decision-making, and performance budgeting capabilities, RMA is in Phase II of modernizing its information technology systems and creating a more corporate style database and communication system to provide automated, timely and complete data for decision making and information sharing while enhancing data security. Initiatives in the administrative infrastructure contribute significantly to supporting the Agency's mission and strategic goals.

RMA has five strategic goals that contribute to two of the Secretary's Strategic Goals.

USDA Strategic Goal 1: *Assist rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving.*

USDA Strategic Objective 1.2: *Increase agricultural opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system.*

RMA exceeded its Target for this Strategic Objective (Performance Goal 1.2.5). While the total number of insured acres held steady, the amount of coverage per acre generally increased. The increase in coverage was due to continued use of an option to adjust yield upwards to reflect long term trends and also due to the implementation of the Yield Exclusion option from the 2014 Farm Bill. The 2014 Farm Bill also created two new insurance programs, the Supplemental Coverage Option (SCO) and the Stacked Income Protection Program (STAX), which also helped improve this performance measure.

Agency Strategic Goals	Agency Objectives	Programs that Contribute	Key Outcome
<p><u>Goal 1:</u> Increase the availability and effectiveness of Federal crop insurance as a risk management tool while enhancing and protecting the soundness of the program.</p>	<p><u>Objective 1.1:</u> Ensure that Federal crop insurance products are fundamentally & actuarially sound.</p>	Federal Crop Insurance	Increase the value of risk protection provided to agricultural producers through the Federal crop insurance program.
	<p><u>Objective 1.2:</u> Facilitate & foster development of new insurance products.</p>		Increase the availability and market penetration for Pasture, Rangeland and Forage insurance products.
<p><u>Goal 2:</u> Ensure a fair and effective risk management product delivery system.</p>	<p><u>Objective 2.1:</u> Identify and address barriers to the use of crop insurance.</p>	Federal Crop Insurance Regional Offices	Increase the actual value of risk protection to agricultural producers in underserved states through FCIC sponsored crop insurance.
	<p><u>Objective 2.2:</u> Provide producers customized insurance offers through a written agreement that makes available insurance coverage for unique regional needs tailored to distinctive types and practices.</p>		Provision of customized insurance offers issued through written agreement from the Regional Offices.
<p><u>Goal 3:</u> Education and Outreach to stakeholders to ensure access to risk management tools and products.</p>	<p><u>Objective 3.1:</u> Continue providing risk management education and other tools for producers, especially for targeted states and beginning, small, and limited resource farmers and ranchers.</p>	Federal Crop Insurance Risk Management Education	Producers provided with crop insurance and other risk management education.
<p><u>Goal 4:</u> Safeguard the integrity of the Federal crop insurance program.</p>	<p><u>Objective 4.1:</u> Ensure Approved Insurance Providers comply with all FCIC regulations.</p>	Federal Crop Insurance Regional Compliance Offices	Approved Insurance Providers comply with all FCIC regulations.
	<p><u>Objective 4.2:</u> Ensure large claims are valid and good farming practices are followed.</p>		Large claims are valid and good farming practices are followed.
	<p><u>Objective 4.3:</u> Reduce the rate of improper payments.</p>		Improper Payments are reduced.

USDA Strategic Goal 5: Create a USDA for the 21st century that is High-Performing, Efficient, and Adaptable.

USDA Strategic Objective 5.1: Develop a customer-centric, inclusive, and high-performing workforce by investing in and engaging employees to improve service delivery.

USDA Strategic Objective 5.2: Build a safe, secure, and efficient workplace by leveraging technology and shared solutions across organizational boundaries.

Agency Strategic Goals	Agency Objectives	Programs that Contribute	Key Outcome
Goal 5: Create a RMA for the 21st century that is high performing, efficient, and adaptable	Objective 5.1: Complete the work of the USDA Acreage Crop Reporting Streamlining Initiative (ASCRI) and implement the identified program simplification changes to allow producers to report common USDA program data one time through the reporting	Federal Crop Insurance	Fewer producer identity discrepancies between RMA & Farm Service Agency Comprehensive Information Management System (CIMS)
	Objective 5.2: Ensure civil rights compliance within the agency and with the Approved Insurance Providers, their Agents and Loss Adjusters.		The Agency and the Approved Insurance Providers, their Agents and Loss Adjusters comply with civil rights laws & regulations.

Key Performance Measure

Annual Performance Goals, Indicators, and Targets	Actual				Target	Actual	Result	Estimate/Target	Target
	2011	2012	2013	2014		2015		2016	2017
1.2.5 Annual normalized value of risk protection provided to agricultural producers through the Federal crop insurance program. (in Billions)	\$56.3	\$62.1	\$66.0	\$67.9	\$63.0	\$68.7	Exceeded	\$63.3	\$63.6

Allowable Data Range for Met Annual targets for this measure have generally had a variation of +/- \$5.0 billion

Assessment of Performance Data
Data Source – The data used provided by Approved Insurance Providers (AIPs) and is subject to regulations, policies and procedures developed by RMA, USDA, and other Federal agencies. AIPs are required to collect, maintain and submit to FCIC data that FCIC reasonably determines is necessary to the operation of the Federal crop insurance program. Data the AIP is required to submit to FCIC is certified as accurate, detailed and submitted to FCIC in accordance with FCIC procedures. Appendix III to the Standard Reinsurance Agreement provides standards, procedure and instructions for reporting AIP data to RMA/FCIC through our Policy Acceptance Storage System (PASS). PASS provides a means of validating data to provide reasonable assurance that reimbursements are made based on accurate and timely information and maintains detailed contract information at RMA.
Completeness of Data – The data used in conjunction with performance information are based on actual results. Analysis has shown that normally 99 percent of the final actual data will be reported to USDA during the first quarter of the next fiscal year.
Reliability of Data – USDA deems this information to be reliable. The insurance companies receive data from the producers and transmit them to the Department. Once received, USDA takes extensive steps to verify the data's accuracy and validity.
Quality of Data – USDA receives the actual data from insurance companies. It then maintains data through two integrated processing systems that validate the information. The data then are sent through the system to generate all accounting functions. These processing systems ensure that data received are accurate, errors are corrected quickly, and timely monthly accounting reports are provided.

Analyst of Results

Selected Past Accomplishments towards the Achievement of the Key Outcome FY15:

- The Supplemental Coverage Option (SCO) is now available for over 85 percent of the crop insurance program liability – meaning that all major crops are covered along with some specialty crops. RMA will continue to expand options as more data becomes available. In addition, Stacked Income Protection Plan for Producers of Upland Cotton (STAX) is available for over 99 percent of cotton acreage nationwide. 28 percent of insured upland cotton acres are covered by STAX, which represents 14 percent of upland cotton policies sold.
- New Whole Farm Policy: RMA's Whole Farm Revenue Protection (WFRP) insurance product combines Adjusted Gross Revenue (AGR) and AGR-Lite with improvements to target both (1) Highly diversified farms and (2) Farms selling 2-5 commodities to wholesale markets. The new product takes into consideration direction provided in the 2014 Farm Bill. WFRP is available for the 2015 crop year and covers all commodities on the farm including specialty crops.
- The Acreage Crop Reporting Streamlining Initiative (ACRSI) project continued to progress towards developing streamlined acreage reporting solutions across USDA programs, including on-line self-service tools. Agencies participating in the ACRSI include RMA, FSA, Natural Resources Conservation Service, and National Agricultural Statistics Service.

Selected Accomplishments Expected at the FY 2017 Proposed Resource Level/Challenges for the Future

- Maintain the actuarial soundness of the Federal crop insurance program.
- Premium rate revisions of the crop insurance programs will continue in 2017.
- New products will continue to be developed and brought to market.

As the average level of coverage increases, continued increases will become more difficult to attain. Should commodity prices decrease, as has been recent experience and current forecast, there could potentially be a decrease in acres planted, which would reduce the size of the market to be insured. Falling prices also directly affect coverage values. While provisions in the 2014 Farm Bill will help participation, it is expected to be balanced out by projected falling commodity prices. Therefore, the overall normalized value of risk protection is forecast to remain relatively stable with small increases.

Additional Performance Information

Key Outcome: Provision of customized insurance offers issued through written agreements from the Regional Offices and other underwriting activities completed by the Regional Offices.

Key Performance Measure and Targets:

Written agreements provide producers customized insurance offers that make available insurance coverage for unique local/regional needs tailored to distinctive crops, types, and practices. In addition to these written agreements, Regional Offices also participate in the following underwriting activities: large claims determinations/reconsiderations, good farming practice determinations/reconsiderations, determined yield requests, added land requests, updates to mapping, updates to the special provisions including updating T-yields, and underwriting guides issued.

Measure	2013 Actual	2014 Actual	2015 Actual	2016 Target	2017 Target	2018 Target
Number of underwriting activities completed by the Regional Offices.	16,506	18,805	23,941	23,403	25,702	28,000

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Provided crop insurance risk coverage in areas where production of a particular crop is not of significant size for a "county program".
- Provided crop insurance risk coverage in high risk area such as flood plains where individual farm rates are different than the "county program".
- Provided crop insurance risk coverage for specialty crops without 'county program' so that fresh markets can thrive in these locations.
- Implemented the RMA 2013 Signature Process Improvement project, Regional Office Exceptions (ROE) – Electronic Written Agreements. This IT app is streamlining and eliminating the costs and errors of processing approximately 20,000 annual requests for exceptions to the standard crop insurance offer and validating the resulting policies consistent with all other crop insurance policies.

Selected Accomplishments Expected at the FY 2017 Proposed Resource Level:

- By utilizing the RMA 2013 Signature Process Improvement project, Regional Office Exceptions (ROE) – Electronic Written Agreements, RMA will continue to provide the following to producers while reducing costs, reducing waste, reducing errors, and improving program integrity.
- Crop insurance risk coverage in areas where production of a particular crop is not of significant size for a "county program".
- Crop insurance risk coverage in areas such as flood plains where individual farm rates are different than the "county program".
- Crop insurance risk coverage for specialty crops without "county programs" so that fresh markets can thrive in these locations.

Key Outcome: Producers provided with crop insurance and other risk management education.

Key Performance Measure and Targets:

RMA provides grants to other entities to help provide risk management education and other tools for producers, especially for targeted states and beginning, small, and limited resource farmers and ranchers. RMA Insurance Services Regional Offices also provide Risk Management education.

Measure	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Target	2017 Target
Number of producers reached with crop insurance education and risk education training through the Risk Management Education Partnerships Program and the Targeted States Program.	79,531	81,000	48,403	112,734*	89,799	49,300	49,600
The number of producer and program stakeholders provided information on crop insurance and other risk management tools and products by Regional Offices not through partnership agreements.	92,293	33,395	104,373	156,581	55,195	110,500	113,000

*2014 Farm Bill Outreach resulted in the increase from 2013 to 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- For FY 2014, Cooperative Agreements totaling approximately \$8.6 million in 46 States were awarded from two Risk Management Education programs: (1) Commodity Partnership for Small Agricultural Risk Management Education Sessions and (2) Community Outreach Assistance Partnership Program.
- RMA partnered with qualified entities such as Universities (including 1862, 1890, 1994 land grant colleges and universities), Hispanic Serving Institutions (HSIs), not-for-profit organizations, for-profit small businesses, producer groups, faith based community organizations, and agricultural technical schools to provide training, information and outreach activities.
- Projects funded include, but not limited to, crop insurance education and risk management training to minority producers, women, veteran producers; livestock education to tribal producers; crop insurance education and financial planning to small, limited resource producers; and, crop insurance education and good agricultural practices to Hispanic producers growing specialty crops (which includes translating RMA materials into Spanish).

Selected Accomplishments Expected at the FY 2017 Proposed Resource Level:

- Increased awareness of crop insurance participation to address financial and production risk.
- Continued translation of crop insurance information into Spanish and Hmong languages.
- Increased emphasis of educational activities in the areas of specialty crops, organic production, and farm benchmarking
- Continued educational efforts through the USDA StrikeForce for rural growth and opportunity.

Key Outcome: Improper Payments are reduced.

Key Performance Measure and Targets:

Beginning with fiscal year 2015, RMA used an OMB approved statistical sampling methodology that provided a more refined estimate of the amount of improper payments in the Federal crop insurance program. In fiscal year 2015, FCIC had an improper payment rate of 2.2% which far surpassed the reduction target of 5.75%. This was a change from fiscal year 2014, when the FCIC program did not comply with IPERIA because it did not use a statistically valid sampling plan and did not meet the error rate reduction target for improper payments. Specifically, the fiscal year 2014 error rate of 5.58% was greater than the 5.15% published annual reduction target.

Measure	2011	2012	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Actual	Target	Target
Improper Payment Rate for the Federal crop insurance program	4.72%	4.08%	5.23%	5.58%	2.20%	5.10%	5.00%

Selected Past Accomplishment toward Achievement of the Key Outcome:

- Data mining activities continue to show significant cost avoidance savings each year by identifying and spot checking the crop insurance program most anomalous participants based on their history of filing claims.
- RMA, the Farm Service Agency, and other USDA agencies, as well as approved insurance providers are now using the Comprehensive Information Management System to identify common and unique producer and crop information reported to both RMA and FSA; aid in information reconciliation; and reduce the reporting burdens of farmers, ranchers, producers, RMA, FSA, and crop insurance providers.
- RMA is following the Corrective Action Plan and is working with an independent contractor to analyze the improper payment process; and fraud prevention and detection activities.

Selected Accomplishments Expected at the FY 2017 Proposed Resource Level:

- Continue implementation of the RMA’s IT Modernization initiative to allow the agency to more easily accommodate potential changes or initiatives with the crop insurance program and provide improved edits and controls on company provided program data to further control improper payments.
- Continue to expand the agency’s strategic data acquisition and analysis efforts by incorporating additional remote sensing and geospatial analyses to its data warehouse and data mining initiative. This will allow the use of data and analysis tools to be expanded to include underwriting and additional program integrity issues throughout the program.
- Continue to build the RMA database of randomly reviewed polices to evaluate trends in the RMA program error rate. RMA is working with an independent contractor to redesign its sampling plan.
- RMA will continue with the Corrective Action Plan.

RISK MANAGEMENT AGENCY
Strategic Goal Funding Matrix
(Dollars in thousands)

Program / Program Items	2014 Actual	2015 Actual	2016 Estimate	Inc. or Dec.	2017 Estimate
Department Strategic Goal 1: Assist Rural Communities to Create Prosperity So They Are Self Sustaining, Repopulating, and Economically Thriving					
Salaries and Expenses.....	\$70,471	\$79,479	\$82,737	+2,013	\$84,750
Staff Years.....	429	381	399	-	399
Federal Crop Insurance Corporation Fund.....	12,798,955	11,256,336	11,296,660	+1,362,543	12,659,203
Staff Years.....		57	63		63
Total Costs, Strategic Goal.....	12,869,426	11,335,815	11,379,397	+1,364,556	12,743,953
Total Staff Years, Strategic Goal.....	429	438	462	-	462
Total Costs, All Strategic Goals.....	12,869,426	11,335,815	11,379,397	+1,364,556	12,743,953
Total FTEs, All Strategic Goals.....	429	438	462	-	462

RISK MANAGEMENT AGENCY

Full Cost by Department Strategic Goal

(Dollars in thousands)

Department Strategic Goal 1: Assist Rural Communities to Create Prosperity So They Are Self Sustaining, Repopulating, and Economically Thriving

<u>Program / Program Items</u>	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Estimate</u>	<u>2017</u> <u>Estimate</u>
<u>Salaries and Expenses</u>				
Salaries and Expenses				
Total Costs, Strategic Goal.....	70,471	79,479	82,737	84,750
Total Staff Years, Strategic Goal.....	429	381	399	399
<u>Federal Crop Insurance Corporation Fund</u>				
Total Costs.....	12,798,955	11,256,336	11,296,660	12,659,203
Total Staff Years, Strategic Goal.....	-	57	63	63
Performance Measure:				
Annual normalized value of risk protection provided to agricultural producers through the Federal Crop Insurance program.	67,900,000	68,700,000	63,300,000	63,600,000
Cost per measure (unit cost).....	12,870,000	12,980,000	11,790,000	11,710,000
Total Costs, All Strategic Goals.....	12,869,426	11,335,815	11,379,397	12,743,953
Total FTEs, All Strategic Goals.....	429	438	462	462