

2025 USDA EXPLANATORY NOTES – RISK MANAGEMENT AGENCY

Table of Contents

Preface	1
Agency-Wide.....	1
Purpose Statement.....	1
OIG and GAO Reports	2
Available Funds and FTEs.....	3
Permanent Positions by Grade and FTEs.....	4
Vehicle Fleet.....	4
Shared Funding Projects	5
Advertising Expenditures.....	6
Account 1: Salaries and Expenses	7
Appropriations Language.....	7
Lead-Off Tabular Statement	7
Project Statements.....	7
Justification of Changes.....	8
Geographic Breakdown of Obligations and FTEs	8
Classification by Objects	9
Account 2: Federal Crop Insurance Corporation.....	11
Appropriations Language.....	11
Lead-Off Tabular Statement	11
Project Statements.....	11
Justification of Changes.....	12
Funding Details.....	14
Risk Management Education	14
Proposed Legislation.....	14
Geographic Breakdown of Obligations and FTEs	14
Classification by Objects	15
Status of Programs	16
Agency-Wide Performance	20
Summary of Performance	20

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PREFACE

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2025 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2022 and 2023, annualized Continuing Resolution levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill through 2023 were extended through 2024 via the one-year Farm Bill extension within the Further Continuing Appropriations and Other Extensions Act, 2024 (P.L. 118-22). Amounts shown in 2025 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2022, 2023, 2024 and 2025.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

AGENCY-WIDE**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. The Mission of the Risk Management 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.

Over the past eight decades, Federal crop insurance has been the primary product provided by the FCIC/RMA and consists of various risk management products designed to support the economic stability of agriculture. Legislation, including the current 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 opportunities for our Nation’s agricultural producers as well as 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. Federal crop insurance provides an effective financial safety net for farmers and ranchers to sustain economically viable agricultural production, support rural jobs and economic growth by providing protection from both yield and market risks. Examples of recent enhancements to the Federal crop insurance program include new programs for shellfish, kiwifruit, grapevines, controlled environment, weaned calf, and expansion of enterprise units to specialty crops. Using these tools, agricultural producers have available a cost-effective means of managing their risk and are better able to help sustain the rural economy.

Major RMA functional areas include: 1) Program Administration including the FCIC Board of Directors; 2) Product Management; 3) Insurance Services; and 4) Compliance.

As of September 30, 2023, RMA had 398 full-time permanent employees located throughout the Nation as follows: 72 supporting Washington, D.C. Headquarters; 129 supporting the Kansas City, MO national office; with the remaining 197 serving producers in ten regions and protecting the integrity of the crop insurance program in six regions.

OIG AND GAO REPORTS**Table RMA-1. Closed, Implemented OIG Reports**

ID	Date	Title	Result
50024-0003-24	5/22/2023	USDA's Compliance with Improper Payment Requirements for Fiscal Year 2022	There were no recommendations for RMA.
05601-0002-41	05/09/2023	RMA Apiculture Pilot Insurance Program	Recommendation 5- Consider whether the issues identified regarding the \$200,000 Indemnity Reviews are applicable to other states, and if so, expand the review accordingly. RMA implemented this recommendation by reviewing the 200k process and found it is adequate and no revision to current guidance and procedures are required.
05601-0002-41	05/09/2023	RMA Apiculture Pilot Insurance Program	Recommendation 6- Develop written procedures to ensure quality control reporting records for \$200,000 Indemnity Reviews are routinely reviewed and follow up with AIPs that are noncompliant with requirements. RMA's evaluation during the most recent APR Cycle disclosed no issues or outcomes related specifically to quality control review process for apiculture policies or the quality control review process as a whole. In view of this, RMA feels that our overall \$200K Review process is adequate and no revision to current guidance and procedures are required.
3702-0003-31	03/24/2023	Wildfires and Hurricanes Indemnity Program – Puerto Rico	There are no recommendations for RMA.
05401-0014-11	11/09/2022	Federal Crop Insurance Corporation/Risk Management Agency's Financial Statements for Fiscal Years 2022 and 2021	There are no recommendations for RMA.

Table RMA-2. Closed, Implemented GAO Reports

ID	Date	Title	Result
106228	0/202023	Farm Bill: Reducing Crop Insurance Costs Could Fund Other Priorities	There are no recommendations for RMA.
104557	01/17/2023	Climate Change Options to Enhance the Resilience of Agricultural Producers and Reduce Federal Fiscal Exposure	There are no recommendations to RMA.

AVAILABLE FUNDS AND FTES

Table RMA-3. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2022 Actual		2023 Actual		2024 Estimated		2025 Estimated	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Salaries and Expense:								
Discretionary Appropriations.....	\$62,707	394	\$66,870	399	\$66,870	410	\$65,950	418
Federal Crop Insurance Fund:								
DE-GP771 (CHIMP).....	-	-	-	-	25,000	-	-	-
Mandatory Appropriations.....	12,340,000	-	15,365,000	-	15,469,000	-	14,695,000	-
Total Discretionary Appropriations.....	62,707	394	66,870	399	91,870	410	65,950	418
Total Mandatory Appropriations.....	12,340,000	-	15,365,000	-	15,469,000	-	14,695,000	-
Sequestration.....	-2,000	-	-2,000	-	-2,000	-	-2,000	-
Transfers In.....	11,000	-	11,000	-	11,000	-	11,000	-
Transfers Out.....	-17,200	-	-17,300	-	-17,000	-	-17,000	-
Total Adjusted Appropriation.....	12,394,507	394	15,423,570	399	15,552,870	410	14,752,950	418
Balance Available, SOY.....	591,000	-	592,000	-	594,000	-	597,000	-
Recoveries, Other.....	6,307,000	-	7,214,000	-	6,951,000	-	6,576,000	-
Total Available.....	19,292,507	394	23,229,570	399	23,097,870	410	21,925,950	418
Lapsing Balances.....	-767	-	-472	-	-	-	-	-
Balance Available, EOY.....	-591,000	-	-594,000	-	-597,000	-	-600,000	-
Total Obligations, RMA.....	18,700,740	394	22,635,098	399	22,500,870	410	21,325,950	418
Total Available RMA.....	19,292,507	394	23,229,570	399	23,097,870	410	21,925,950	418

Table RMA-4. Administrative Funding (thousands of dollars)

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Salaries and Expense:				
Discretionary Appropriations.....	\$53,151,000	\$57,068,000	\$60,831,469	\$62,134,000
Federal Crop Insurance Corporation.....	6,000,000	6,000,000	6,000,000	6,000,000
Total, personnel comp. and benefits, Table RMA-15.....	59,151,000	63,068,000	66,831,469	68,134,000
All Other Discretionary.....				
Discretionary -Travel, Rent Contracts, Supplies, Equipment.....	7,774,386	6,311,000	6,038,531	3,816,000
Working Capital (Non-IT).....	130,140	-	-	-
Shared Cost (Greenbook Non-IT).....	85,474	-	-	-
Discretionary – IT.....	599,000	2,719,000	-	-
FCIC- Contracts.....	1,000,000	1,000,000	1,000,000	1,000,000
All Other Discretionary ^{3/}	9,589,000	10,030,000	7,038,531	4,816,000
Subtotal, Discretionary ^{1/}	68,740,000	73,098,000	73,870,000	72,950,000
RMA Total FTEs.....	394	399	410	418
IT Mandatory Fees ^{2/}				
Contracts/Agreements-Fees.....	34,999,968	27,734,324	33,031,720	33,031,720
Working Capital (IT) ^{5/}	7,006,471	11,863,691	8,024,535	7,639,418
Shared Cost (Greenbook IT) ^{5/}	75,129	44,731	51,173	51,173
E-Gov.....	69,940	68,387	35,476	29,521
Subtotal, IT Mandatory Fees.....	42,151,508	39,711,133	41,142,904	40,751,832
Non-IT Mandatory Fees ^{2/}				
Contracts/Agreements ^{4/}	1,936,966	4,502,052	2,503,934	3,782,000
Working Capital (Non IT).....	-	146,274	154,556	142,600
Shared Cost (Greenbook Non-IT).....	-	104,524	115,400	115,400
Subtotal, Non-IT Mandatory Fees.....	1,936,966	4,575,368	2,773,890	4,040,000
Fees TBD.....	-	-	1,347,206	472,168
Subtotal, Total Mandatory IT and Non-IT Fees.....	44,088,474	44,463,983	45,264,000	45,264,000
Total Administrative Funding.....	112,828,474	117,561,983	119,134,000	118,214,000

^{1/}Discretionary funds reflect transfer from FCIC. FCIC \$7M transfer is for salaries & benefits that supports reviews, compliance, and integrity.

^{2/}IT Fees and Non-IT Fees reflect Sequestration.

^{3/}FCIC Initiatives reflect Sequestration and transfers to Salaries and Expenses and NIFA.

^{3/}Travel and All Other amounts as reflected in the Object Class Table.

^{4/}Includes Pilot Programs and WCF/Greenbook.

^{5/}The 2024 and 2025 numbers for WCF/Greenbook are currently unknown and are based on estimates.

PERMANENT POSITIONS BY GRADE AND FTES

Table RMA-5. Permanent Positions by Grade and FTES

Item	2022 Actual			2023 Actual			2024 Estimated			2025 Estimated		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES	4	1	5	2	1	3	2	1	3	2	1	3
SL	-	3	3	-	3	3	-	3	3	-	3	3
GS-15.....	6	8	14	2	12	14	2	13	15	2	13	15
GS-14.....	4	42	46	2	45	47	2	47	49	2	47	49
GS-13.....	12	162	174	2	183	185	2	184	186	2	187	189
GS-12.....	1	109	110	-	115	115	-	117	117	-	118	118
GS-11.....	-	19	19	-	16	16	-	15	15	-	19	19
GS-10.....	1	-	1	-	1	1	-	1	1	-	1	1
GS-9.....	1	15	16	1	8	9	1	12	13	1	12	13
GS-8.....	2	-	2	-	-	-	-	1	1	-	1	1
GS-7.....	-	6	6	-	4	4	-	6	6	-	6	6
GS-2.....	-	1	1	-	1	1	-	1	1	-	1	1
Total Permanent	31	366	397	9	389	398	9	401	410	9	409	418
Total Perm. FT EOY	31	366	397	9	389	398	9	401	410	9	409	418
FTE.....	30	364	394	9	390	399	9	401	410	9	409	418

VEHICLE FLEET

Motor Vehicle Fleet

RMA uses vehicles assigned to Regional Office (RO) and Regional Compliance Office (RCO) locations in the field to deliver mission critical services. Each field office is assigned a geographical area within the United States to perform monitoring, oversight, and underwriting activities of the Federal crop insurance program. The primary use of these vehicles is to perform site visits of crops and/or inspections of crop losses, including for program or other compliance reviews. In addition, they are used to engage with producers, and perform outreach, education and meetings related to the agency’s mission. For GSA-leased vehicles, RMA relies upon GSA to supply with alternative-fueled vehicles as required by law. RMA requires operation and maintenance logs for all its vehicles. Periodic reviews ensure optimal use of each vehicle in the fleet.

Replacement Criteria

RMA retires or replaces vehicles based upon age, utilization, operating costs, and maintenance costs. RMA always replaces vehicles with the most efficient and cost-effective model available that will meet the mission need.

Reduction to Fleet

RMA plans to maintain the current vehicle fleet of four thru 2025. Maintaining the fleet size is made possible by following utilization standards and Vehicle Allocation Methodology (VAM).

Table RMA-6. Size, Composition, and Annual Costs of Motor Vehicle Fleet

Item	Sedans and Station Wagons			Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
	Vans	SUVs								
2018 End of Year Operating Inventory	-	-	4	-	-	-	-	-	4	\$31,039
2022 End of Year Operating Inventory	-	-	4	-	-	-	-	-	4	25,530
2023 Actual Acquisitions.....	-	-	2	-	-	-	-	-	2	
2023 Actual Disposals	-	-	2	-	-	-	-	-	2	
2023 End of Year Operating Inventory	-	-	4	-	-	-	-	-	4	28,938
2024 Planned Acquisitions	-	-	-	-	-	-	-	-	-	
2024 Planned Disposals	-	-	-	-	-	-	-	-	-	
2024 End of Year Operating Inventory	-	-	4	-	-	-	-	-	4	29,806
2025 Planned Acquisitions	-	-	2	-	-	-	-	-	2	
2025 Planned Disposals	-	-	2	-	-	-	-	-	2	
2025 End of Year Operating Inventory	-	-	4	-	-	-	-	-	4	30,700

Note: Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or GSA. Annual Operating Costs excludes acquisition costs and gains from sale of vehicles as shown in FAST.

Table RMA-7. Statement of Proposed Purchase of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-

SHARED FUNDING PROJECTS

Table RMA-8. Shared Funding Projects (thousands of dollars)

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Working Capital Fund:				
Administrative Services:				
AskUSDA Contact Center	-	\$16	\$24	\$25
Human Resources Enterprise Management Systems	\$6	6	4	4
Integrated Procurement Systems.....	29	34	35	-
Mail and Reproduction Services	69	59	47	47
Materiel Management Service center.....	9	9	10	10
Procurement Operations Services	56	159	261	310
Subtotal.....	169	283	381	396
Communications:				
Creative Media & Broadcast Center	29	25	42	29
Finance and Management:				
Financial Shared Services	433	468	489	460
Internal Control Support Services	107	109	98	94
National Finance Center	101	111	112	106
Personnel and Document Security Program.....	-	18	21	21
Subtotal.....	641	706	720	681
Information Technology:				
Client Experience Center	4,793	4,931	3,588	3,532
Department Administration Information Technology Office.....	18	17	17	17
Digital Infrastructure Services Center.....	584	1,739	1,891	1,786
Enterprise Cybersecurity Services	-	121	227	250
Enterprise Data and Analytics Services	-	3,294	206	197
Enterprise Network Services.....	880	840	1,052	839
Subtotal.....	6,275	10,942	6,981	6,621
Correspondence Management Services	23	53	56	58

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Office of the Executive Secretariat	-	-	-	-
Total, Working Capital Fund	7,137	12,009	8,180	7,785
Department-Wide Shared Cost Programs:				
Agency Partnership Outreach	24	27	29	29
Diversity, Equity, Inclusion and Accessibility	-	7	10	10
Human Resources Priority Goals Program	-	-	-	-
Medical Services	8	8	9	9
National Capital Region Interpreting Services	2	3	3	3
Office of Customer Experience	32	12	12	12
Personnel and Document Security Program	18	-	-	-
Physical Security	16	17	18	18
Security Detail	17	18	21	21
Security Operations Program	23	26	30	30
Talent Group	-	13	13	13
TARGET Center	5	6	7	7
TARGET Center NCR Interpreting Services	-	-	-	-
USDA Enterprise Data Analytics Services	16	-	-	-
Employee Experience	-	13	14	14
Total, Department-Wide Reimbursable Programs	161	150	166	166
E-Gov:				
Disaster Assistance Improvement Plan	7	7	7	7
E-Rulemaking	40	40	6	8
Financial Management Line of Business	1	1	1	1
Geospatial Line of Business	13	13	13	13
Gov Benefits	8	7	8	-
Grants.gov	-	-	-	-
Hiring Assessment Tool	1	-	-	-
Human Resources Line of Business	1	1	1	1
Integrated Acquisition Environment	-	-	-	-
Total, E-Gov	71	69	36	30
Agency Total	7,369	12,228	8,382	7,981

ADVERTISING EXPENDITURES

There are no advertising expenditures to report.

ACCOUNT 1: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses

1 For necessary expenses of the Risk Management Agency, [~~\$77,897,000~~]\$65,950,000; of which \$2,000,000 shall
 2 be available to research, review, and ensure actuarial soundness of new products addressing climate change:
 3 Provided, That \$1,000,000 of the amount appropriated under this heading shall be available for compliance and
 4 integrity activities required under section 516(b)(2)(C) of the Federal Crop Insurance Act of 1938 (7 U.S.C.
 5 1516(b)(2)(C)), and shall be in addition to amounts otherwise provided for such purpose: Provided further, That
 6 not to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7
 7 U.S.C. 1506(i)

LEAD-OFF TABULAR STATEMENT

Table RMA-9. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2024	\$66,870,000
Change in Appropriation	- 920,000
Budget Estimate, 2025	<u>65,950,000</u>

PROJECT STATEMENTS

Table RMA-10. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

Item	2022 Actual	FTEs	2023 Actual	FTEs	2024 Estimated	FTEs	2025 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Appropriations:											
Salaries and Expenses.....	\$69,507	394	\$73,570	399	\$73,870	410	\$72,950	418	-\$920	+8	(1)
Add back:											
Transfers In and Out, Rescissions.	-6,800	-	-6,700	-	-7,000	-	-7,000	-	-	-	-
Total Appropriation	62,707	394	66,870	399	66,870	410	65,950	418	-920	+8	
Transfers In:											
FCIC Farm Bill.....	7,000	-	7,000	-	7,000	-	7,000	-	-	-	-
Total Transfers In.....	7,000	-	7,000	-	7,000	-	7,000	-	-	-	-
Transfers Out:											
WCF IT Modernization.....	-200	-	-300	-	-	-	-	-	-	-	-
Total Transfers Out.....	-200	-	-300	-	-	-	-	-	-	-	-
Total Available	69,507	394	73,570	399	73,870	410	72,950	418	-920	+8	
Lapsing Balances	-767	-	-472	-	-	-	-	-	-	-	-
Bal. Available, EOY	-	-	-	-	-	-	-	-	-	-	-
Total Obligations	68,740	394	73,098	399	73,870	410	72,950	418	-920	+8	

Table RMA-11. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2022 Actual	FTEs	2023 Actual	FTEs	2024 Estimated	FTEs	2025 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Salaries and Expenses.....	\$68,740	394	\$73,098	399	\$73,870	410	\$72,950	418	-\$920	+8
Subtotal Disc Obligations	68,740	394	73,098	399	73,870	410	72,950	418	-920	+8
Total Obligations	68,740	394	73,098	399	73,870	410	72,950	418	-920	+8
Add back:										
Lapsing Balances	767	-	472	-	-	-	-	-	-	-
Total Available	69,507	394	73,570	399	73,870	410	72,950	418	-920	+8
Less:										
Total Transfers In	-7,000	-	-7,000	-	-7,000	-	-7,000	-	-	-
Total Transfers Out.....	200	-	300	-	-	-	-	-	-	-
Total Appropriation	62,707	394	66,870	399	66,870	410	65,950	418	-920	+8

JUSTIFICATION OF CHANGES

Risk Management Agency Salaries and Expenses: A net decrease of \$920,000 (\$66,870,000 and 410 FTE available in 2024).

The proposed funding level is needed to cover pay cost and benefit cost increases. This will ensure adequate resources are available for RMA to carry out its full range of the responsibilities in administering the Federal Crop Insurance Program.

(1) A net decrease of \$920,00 in salaries and expenses.

The funding change is requested for the following items:

A) An increase of \$1,862,000 in pay cost (\$48,118,000 available in 2024).

This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. If this funding is not provided, Risk Management Agency (RMA) will have to utilize funds realized through attrition to offset increases in pay cost and to support operating expenses. This will diminish resources needed to restore staffing levels hindering the agency’s ability to provide adequate services to customers due to an absence of staff required for delivery of products and services.

B) A decrease of \$3,782,00 in Rent.

RMA will shift rent cost from the Salaries and Expense account to the Federal Crop Insurance Program fees account.

C) An increase of \$1,000,000 for Programmatic Compliance and Oversight.

This \$1 million increase will enable RMA to ensure Federal crop insurance functions efficiently, meets customer needs, and is available to as many producers as possible, while protecting the integrity of the program. Producers need to know how to access Federal crop insurance and to understand how it works, therefore, outreach continues to be an agency priority. RMA will also leverage program maintenance and compliance reviews to identify ways to improve access to crop insurance. By providing opportunities for stakeholder engagement and education, we aide program growth and expansion, and further strengthen the farm safety net for all agricultural producers.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table RMA-4. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Arizona	\$156	1	\$253	1	\$266	1	\$271	1
Arkansas	156	1	158	1	166	1	169	1
California	4,690	30	4,500	27	4,734	27	4,829	27
Colorado	156	1	165	1	174	1	177	1
Connecticut	-	-	141	1	148	1	151	1
Delaware	-	-	174	1	183	1	187	1
District of Columbia	9,180	13	1,454	9	1,529	9	1,560	9
Florida	469	3	959	6	1,009	6	1,029	6
Georgia	1,563	10	1,585	12	1,667	12	1,700	12
Idaho	469	3	530	4	558	4	569	4
Illinois	2,032	13	1,848	13	1,944	13	1,983	13
Indiana	2,658	17	2,519	16	2,650	16	2,703	16
Iowa	469	3	403	4	424	4	432	4
Kansas	7,816	50	7,480	46	7,869	46	8,026	46
Kentucky	469	3	845	5	889	5	907	5
Louisiana	156	1	441	2	464	2	473	2
Maryland	1,563	10	2,022	12	2,127	12	2,170	12
Michigan	-	-	122	1	128	1	131	1
Minnesota	5,471	35	4,395	27	4,624	27	4,716	27
Mississippi	1,720	11	1,584	11	1,666	11	1,699	11
Missouri	15,636	100	15,775	93	16,595	93	16,927	93
Montana	2,189	14	1,911	14	2,010	14	2,050	14
Nebraska	156	1	351	2	369	2	376	2

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
New Jersey.....	156	1	206	1	217	1	221	1
New York	-	-	306	2	322	2	328	2
North Carolina	3,595	23	3,382	23	3,558	23	3,629	23
North Dakota	156	1	158	1	166	1	169	1
Oklahoma	1,876	12	2,215	13	2,330	13	2,377	13
Oregon	-	-	79	1	83	1	85	1
Tennessee	-	-	154	1	162	1	165	1
Texas.....	2,814	18	3,278	20	3,448	20	3,517	20
Virginia.....	1,094	7	1,403	7	1,476	7	1,506	7
Washington.....	1,563	10	1,612	12	1,696	12	1,730	12
West Virginia.....	156	1	160	1	168	1	171	1
Wisconsin	-	-	1,135	8	1,194	8	1,218	8
Wyoming.....	156	1	-	-	-	-	-	-
Distribution Unknown	-	-	9,395	-	6,857	11	4,599	19
Obligations.....	68,740	394	73,098	399	73,870	410	72,950	418
Lapsing Balances.....	767	-	472	-	-	-	-	-
Total, Available	69,507	394	73,570	399	73,870	410	72,950	418

CLASSIFICATION BY OBJECTS

Table RMA-5 Classification by Objects (thousands of dollars)

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Personnel Compensation:					
	Washington D.C.....	\$4,693	\$1,454	\$1,529	\$1,560
	Personnel Compensation, Field.....	37,972	44,163	46,589	47,812
11	Total personnel compensation.....	42,665	45,617	48,118	49,372
12	Personal benefits.....	16,476	17,451	18,713	18,762
13.0	Benefits for former personnel	10	-	-	-
	Total, personnel comp. and benefits.....	59,151	63,068	66,831	68,134
Other Objects:					
21.0	Travel and transportation of persons.....	477	1,468	1,550	2,550
22.0	Transportation of things.....	1	13	15	5
23.1	Rental payments to GSA.....	3,962	1,352	-	-
23.2	Rental payments to others.....	145	146	148	151
23.3	Communications, utilities, and misc. charges	63	45	27	17
24.0	Printing and reproduction.....	8	-	7	-
25.1	Advisory and assistance services	1,030	3,533	2,508	568
25.2	Other services from non-Federal sources.....	244	709	1,000	400
25.3	Other goods and services from Federal sources.....	2,676	2,275	1,175	950
25.4	Operation and maintenance of facilities.....	330	-	-	-
25.7	Operation and maintenance of equipment.....	79	200	25	25
26.0	Supplies and materials	139	141	194	100
31.0	Equipment.....	398	108	100	10
32.0	Land/Structure	-	-	250	-
42.0	Insurance Claims and Indemnities	37	40	40	40
	Total, Other Objects.....	9,589	10,030	7,039	4,816
99.9	Total, new obligations.....	68,740	73,098	73,870	72,950
	DHS Building Security Payments (included in 25.3).....	\$598	\$583	\$566	\$566
Information Technology Investments:					
25.1	Outside Services (Consulting)	-	\$2,719	-	-
	Total Major Investment 1.....	-	2,719	-	-
	Total IT Investments	-	2,719	-	-
Cybersecurity:					
	Identify.....	n/a	\$206	\$135	\$138
	Protect.....	n/a	406	263	265
	Detect.....	n/a	101	66	68
	Respond	n/a	44	28	30
	Recover.....	n/a	100	66	67
	Sector Risk Management	n/a	-	31	32
	Total Cybersecurity	-	857	589	600
Position Data:					

2025 USDA EXPLANATORY NOTES – RISK MANAGEMENT AGENCY

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
	Average Salary (dollars), ES Position.....	\$191,037	\$206,966	\$212,140	\$213,175
	Average Salary (dollars), GS Position	\$108,533	\$112,182	\$114,987	\$115,547
	Average Grade, GS Position	12.8	12.4	12.7	12.8

ACCOUNT 2: FEDERAL CROP INSURANCE CORPORATION

APPROPRIATIONS LANGUAGE

The appropriations language follows:

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.

LEAD-OFF TABULAR STATEMENT

Table RMA-14. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2024	\$15,509,000
Change in Appropriation	-774,000
DE-GP771 (CHIMP)	-25,000
Budget Estimate, 2025	<u>14,710,000</u>
Budget Estimate, 2025	\$14,710,000
Change Due to Proposed Legislation	+ 60,000
Net 2025 Request	<u><u>14,770,000</u></u>

PROJECT STATEMENTS

Table RMA-15. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Discretionary Appropriations:											
DE-GP771 (CHIMP).....	-	-	-	-	\$25,000	-	-	-	-\$25,000	-	
Subtotal.....	-	-	-	-	25,000	-	-	-	-25,000	-	
Mandatory Appropriations:											
Mandatory Appropriations	\$12,340,000	-	\$15,340,000	-	15,469,000	-	\$14,695,000	-	-774,000	-	(1)
Delivery Expenses - GP771	-	-	25,000	-	-	-	-	-	-	-	
Subtotal.....	12,340,000	-	15,365,000	-	15,469,000	-	14,695,000	-	-774,000	-	
Total Adjusted Approp.....	12,340,000	-	15,365,000	-	15,494,000	-	14,695,000	-	-799,000	-	
Add back:											
Transfers In and Out, Rescissions..	1,866	-	931	-	-36	-	-	-	+36	-	
Sequestration	770	-	442	-	442	-	442	-	-	-	
Total Appropriation.....	83,900	649	80,160	616	88,900	676	87,141	646	-1,759	-30	
Transfers In:											
AMA Funding	4,000	-	4,000	-	4,000	-	4,000	-	-	-	
Total Transfers In	4,000	-	4,000	-	4,000	-	4,000	-	-	-	
Transfers Out:											
NIFA.....	-10,000	-	-10,000	-	-10,000	-	-10,000	-	-	-	
S & E	-7,000	-	-7,000	-	-7,000	-	-7,000	-	-	-	
Total Transfers Out	-17,000	-	-17,000	-	-17,000	-	-17,000	-	-	-	
Sequestration	-2,000	-	-2,000	-	-2,000	-	-2,000	-	-	-	
Recoveries, Other	6,307,000	-	7,214,000	-	6,951,000	-	6,576,000	-	-375,000	-	
Bal. Available, SOY.....	591,000	-	592,000	-	594,000	-	597,000	-	+3,000	-	
Total Available.....	19,238,000	-	23,171,000	-	23,039,000	-	21,868,000	-	-1,171,000	-	
Bal. Available, EOY.....	-591,000	-	-594,000	-	-597,000	-	-600,000	-	-3,000	-	
Total Obligations.....	18,647,000	-	22,577,000	-	22,442,000	-	21,268,000	-	-1,174,000	-	

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

Table RMA-16. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs		
Discretionary Obligations:										
DE-GP771 (CHIMP)	-	-	-	-	\$25,000	-	-	-	-\$25,000	-
Subtotal Disc Obligations	-	-	-	-	25,000	-	-	-	-\$25,000	-
Mandatory Obligations:										
Mandatory Obligations.....	\$18,647,000	-	\$22,552,000	-	22,417,000	-	\$21,268,000	-	-1,149,000	-
Delivery Expense - GP771	-	-	25,000	-	-	-	-	-	-	-
Subtotal Mand Obligations	18,647,000	-	22,577,000	-	22,417,000	-	21,268,000	-	-1,149,000	-
Total Obligations.....	18,647,000	-	22,577,000	-	22,442,000	-	21,268,000	-	-1,174,000	-
Add back:										
Balances Available, EOY:										
Balances Available, EOY	591,000	-	594,000	-	597,000	-	600,000	-	+3,000	-
Total Bal. Available, EOY	591,000	-	594,000	-	597,000	-	600,000	-	+3,000	-
Total Available.....	19,238,000	-	23,171,000	-	23,039,000	-	21,868,000	-	-1,171,000	-
Less:										
Total Transfers In	-4,000	-	-4,000	-	-4,000	-	-4,000	-	-	-
Total Transfers Out	17,000	-	17,000	-	17,000	-	17,000	-	-	-
Sequestration	2,000	-	2,000	-	2,000	-	2,000	-	-	-
Recoveries, Other	-6,307,000	-	-7,214,000	-	-6,951,000	-	-6,576,000	-	+375,000	-
Bal. Available, SOY.....	-591,000	-	-592,000	-	-594,000	-	-597,000	-	-3,000	-
Total Appropriation.....	12,355,000	-	15,380,000	-	15,509,000	-	14,710,000	-	-799,000	-

JUSTIFICATION OF CHANGES

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

Federal Crop Insurance Corporation

Funding supports RMA’s mission to maximize the ability of American agricultural producers to prosper by feeding and clothing the world. Continuation of the program is critical if the agency is to continue to provide an actuarially sound crop insurance program.

Federally crop insurance protects against agricultural losses due to drought, excessive moisture, hail, wind, hurricane, tornado, lightning, and insects. These estimates include current law and do not assume any proposed legislative changes.

- 1) Federal Crop Insurance Corporation (FCIC) Fund: An estimated net decrease of \$799,000,000 (\$15,494,000,000 estimated in 2024). The project statement reflects changes for 2024 and 2025 for the Premium Subsidy, Administrative and Operating Expense Subsidy (also called Delivery Expense), Underwriting Gain, and Federal Crop Insurance Initiatives due to projections being updated using the World Agricultural Outlook Board (WAOB) estimates from November 2022. In addition, the use of an updated budget model allows projections to be based on more accurate calculations.

The funding changes for 2025 is requested for the following items:

- a) A decrease of \$626,000,000 for premium subsidy (\$10,790,000,000 available in 2024).
Premium subsidy is the amount of total premium paid by FCIC on behalf of producers. The decrease in premium subsidy for 2025 is a direct result of an increase in producer paid premium collected in 2024.
- b) A decrease of \$18,000,000 for mandatory delivery expense (\$2,325,000,000 available in 2024).
Delivery expenses are reimbursements provided to Approved Insurance Providers (AIPs). They cover the cost of selling and servicing crop insurance products to producers and are based on a percentage of estimated total premium. The 2011 Standard Reinsurance Agreement 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) A decrease of \$130,000,000 for underwriting gains (\$2,311,000,000 available in 2024).
Underwriting gains are a reinsured company's share of net book premium that exceeds their share of net losses (indemnities). The decrease is due to Underwriting Gain and Losses normalizing in future years based on a projected loss ratio of 1.0 for 2025 and the out years.

- d) A decrease of \$25,000,000 for discretionary Delivery Expenses – GP 771 (\$25,000,000 available in 2024).
The 2025 budget does not propose continuing this funding beyond 2024.

FUNDING DETAILS

Table RMA-17. Change in Funding (thousands of dollars)

Allocations	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc. or Dec.
PPA:					
Discretionary:					
DE-GP771 (CHIMP)	-	-	\$25,000	-	-\$25,000
Subtotal, Discretionary Appropriation	-	-	25,000	-	-25,000
Mandatory:					
Indemnities Net of Producer Paid in Premiums ...	\$7,381,000	\$11,557,000	10,790,000	\$10,164,000	-626,000
Delivery expense	2,207,000	2,406,000	2,343,000	2,325,000	-18,000
Underwriting Gains.....	2,731,000	1,354,000	2,311,000	2,181,000	-130,000
FCIA Initiatives ^{1/}	19,000	19,000	21,000	21,000	-
Subtotal, Mandatory Appropriation	12,338,000	15,336,000	15,465,000	14,691,000	-774,000
Delivery Expense - GP771.....	-	25,000	-	-	-
Total Appropriation	12,338,000	15,361,000	15,490,000	14,691,000	-799,000

^{1/} Reflects transfer of \$17M and sequestration from FCIA Initiatives.

RISK MANAGEMENT EDUCATION

Table RMA-18. Funding (thousands of dollars)

Spending	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc. or Dec.
Total.....	\$8,739	\$10,596	\$6,772	\$6,772	-

Note: Total spending for RMED includes funding for pilot programs, partnerships, and outreach.

PROPOSED LEGISLATION

Cover Crop Incentive Program

Current Legislative Authority to be Amended: Federal Crop Insurance Act

This proposal would make the pandemic funded cover crop incentive program permanent. Cover cropping systems benefit the environment and improve climate resilience for agriculture by reducing soil erosion and compaction, increasing soil organic matter, and limiting nutrient runoff. Using pandemic funding, the Administration offered a \$5 per acre premium subsidy for acres planted with cover crop in 2021 and 2022, with 12 million and 10 million acres, respectively enrolled in this program pilot.

Table RMA-19. Change in Funding and Outlays (thousands of dollars)

Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Total
Budget Authority	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000	\$105,000	\$825,000
Outlays.....	60,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	825,000

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table RMA-20. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Alabama.....	48,883	-	96,582	-	96,582	-	96,582	-
Alaska	154	-	218	-	218	-	218	-
Arizona	167,369	-	131,094	-	131,094	-	131,094	-
Arkansas	238,352	-	305,796	-	305,796	-	305,796	-
California.....	828,235	-	1,469,686	-	1,469,686	-	1,469,686	-
Colorado	316,793	-	494,032	-	494,032	-	494,032	-
Connecticut.....	19,755	-	5,329	-	5,329	-	5,329	-
Delaware.....	1,688	-	5,602	-	5,602	-	5,602	-
Florida.....	247,276	-	701,458	-	701,458	-	701,458	-
Georgia	187,765	-	287,280	-	287,280	-	287,280	-
Hawaii.....	1,285	-	4,711	-	4,711	-	4,711	-
Idaho.....	180,548	-	202,123	-	202,123	-	202,123	-
Illinois.....	148,186	-	126,659	-	126,659	-	126,659	-
Indiana	78,962	-	101,018	-	101,018	-	101,018	-
Iowa	133,952	-	533,710	-	533,710	-	533,710	-

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Kansas.....	575,919	-	2,555,514	-	2,095,720	-	1,659,873	-
Kentucky.....	74,306	-	174,943	-	174,943	-	174,943	-
Louisiana.....	109,740	-	177,288	-	177,288	-	177,288	-
Maine.....	4,631	-	5,157	-	5,157	-	5,157	-
Maryland.....	5,742	-	13,906	-	13,906	-	13,906	-
Massachusetts.....	9,843	-	9,680	-	9,680	-	9,680	-
Michigan.....	95,564	-	117,370	-	117,370	-	117,370	-
Minnesota.....	634,715	-	383,963	-	383,963	-	383,963	-
Mississippi.....	114,606	-	201,152	-	201,152	-	201,152	-
Missouri.....	244,261	-	324,785	-	324,785	-	324,785	-
Montana.....	504,005	-	454,145	-	454,145	-	454,145	-
Nebraska.....	320,625	-	1,521,271	-	1,521,271	-	1,521,271	-
Nevada.....	179,176	-	128,418	-	128,418	-	128,418	-
New Hampshire.....	214	-	1,092	-	1,092	-	1,092	-
New Jersey.....	1,468	-	24,257	-	24,257	-	24,257	-
New Mexico.....	217,933	-	213,523	-	213,523	-	213,523	-
New York.....	43,813	-	68,687	-	68,687	-	68,687	-
North Carolina.....	165,515	-	240,868	-	240,868	-	240,868	-
North Dakota.....	2,068,438	-	931,341	-	931,341	-	931,341	-
Ohio.....	55,362	-	94,127	-	94,127	-	94,127	-
Oklahoma.....	389,089	-	780,640	-	780,640	-	780,640	-
Oregon.....	139,708	-	208,135	-	208,135	-	208,135	-
Pennsylvania.....	28,399	-	85,123	-	85,123	-	85,123	-
Rhode Island.....	169	-	299	-	299	-	299	-
South Carolina.....	38,122	-	186,208	-	186,208	-	186,208	-
South Dakota.....	863,321	-	1,251,644	-	1,251,644	-	1,251,644	-
Tennessee.....	43,973	-	150,633	-	150,633	-	150,633	-
Texas.....	3,506,815	-	3,313,682	-	2,717,476	-	2,152,323	-
Utah.....	70,017	-	40,535	-	40,535	-	40,535	-
Vermont.....	2,264	-	3,893	-	3,893	-	3,893	-
Virginia.....	35,067	-	55,425	-	55,425	-	55,425	-
Washington.....	409,369	-	375,176	-	375,176	-	375,176	-
West Virginia.....	2,348	-	2,330	-	2,330	-	2,330	-
Wisconsin.....	89,497	-	190,155	-	190,155	-	190,155	-
Wyoming.....	43,763	-	47,337	-	47,337	-	47,337	-
Distribution Unknown ^{1/}	4,960,000	-	3,779,000	-	4,700,000	-	4,527,000	-
Obligations.....	18,647,000	-	22,577,000	-	22,442,000	-	21,268,000	-
Bal. Available, EOY.....	591,000	-	594,000	-	597,000	-	600,000	-
Total, Available.....	19,238,000	-	23,171,000	-	23,039,000	-	21,868,000	-

^{1/} Distribution Unknown amount includes Delivery Expenses, FCIA Initiatives, and Underwriting Gains or Losses that cannot be distributed by the State. (2024 estimate includes \$25M from Discretionary DE-GP771 CHIMP)

CLASSIFICATION BY OBJECTS

Table RMA-21 Classification by Objects (thousands of dollars)

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Other Objects:					
25.1	Advisory and assistance services.....	\$25,000	\$23,000	\$25,000	\$25,000
25.2	Other services from non-Federal sources.....	4,938,000	3,760,000	4,654,000	4,506,000
25.2	DE-GP771 (CHIMP).....	-	-	25,000	-
25.2	Delivery Expenses - GP771.....	-	25,000	-	-
25.3	Other goods and services from Federal sources.....	45,000	45,000	45,000	45,000
42.0	Insurance Claims and Indemnities.....	13,639,000	18,724,000	17,693,000	16,692,000
	Total, Other Objects.....	18,647,000	22,577,000	22,442,000	21,268,000
99.9	Total, new obligations.....	18,647,000	22,577,000	22,442,000	21,268,000
Information Technology Investments:					
Major Investment 1					
Related Mission Area PPA #2 (FCIC)					
25.2	Outside Services (Consulting).....	54,348	51,649	49,261	48,963
	Total Major Investment 1.....	54,348	51,649	49,261	48,963
	Total IT Investments.....	54,348	51,649	49,261	48,963

STATUS OF PROGRAMS

The Federal Crop Insurance Corporation (FCIC), through the Risk Management Agency (RMA), administers the Federal crop insurance program in accordance with the 1938 Federal Crop Insurance Act (FCIA) (7 U.S.C. 1501 et seq.) as amended. RMA was established in 1996 as an agency within the United States Department of Agriculture (USDA) to administer the programs of FCIC, which is tasked to improve the economic stability of agriculture through a sound system of crop insurance and provide the means for the research and experience that is helpful in devising and establishing crop insurance. RMA's mission, which follows that of FCIC, 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 Objective to "Foster Sustainable Economic Growth by Promoting Innovation, Building Resilience to Climate Change, and Expanding Renewable Energy."

Current Activities:**Maintaining Actuarial Soundness**

As required by FCIA, RMA engages in frequent and ongoing analysis to ensure that premiums cover expected losses. The loss ratio, the industry standard to measure performance of insurance programs, is calculated by dividing the total indemnity by the total premium, which is a measure of indemnity (loss) paid per dollar of premium (revenue) collected. The FCIA mandates the crop insurance program to operate in an actuarially sound manner, achieving a 1.0 loss ratio plus a reasonable reserve. Given annual variations in the local and regional impacts of disaster events, long-run program stability and actuarial soundness are measured based on averages not the results for any given year. The most recent 20-year average loss ratio for the crop insurance program is 0.80 while the 30-year average is 0.89. More recently, the 5-year average loss ratio is 0.88. These results support that the crop insurance program is overall operating in an actuarially sound manner as mandated by the FCIA.

National Financial Operational Reviews (NFOR)

Federal crop insurance is a public/private partnership. Approved Insurance Providers (AIPs) must meet statutory requirements and demonstrate the financial and operational capacity to be an AIP and enter into a Standard Reinsurance Agreement (SRA) with FCIC. RMA enhances program integrity and oversight by performing National Financial and Operational Reviews (NFORs) of the AIPs who sell and service crop insurance. These reviews are conducted once every three years for each AIP. The purpose of the NFORs is to evaluate the financial stability and operations of the AIPs in accordance with the SRA and policies and procedures of the Federal crop insurance program. This performance ties directly to RMA's goal "to safeguard the integrity of the Federal crop insurance program."

Acreage Crop Reporting Streamlining Initiative (ACRSI)

ACRSI common reporting continues to effectively reduce producer burden when reporting acreage. The program includes almost all crops for bi-directional data sharing between AIPs and Farm Service Agency (FSA). The third-party proof of concept which tested the capability of producers to submit acreage reports directly to USDA via external providers ended successfully and FSA undertook development of an interim system to accomplish the same tasks. This new system will enable greater utilization of AIP and third-party precision acreage data that could save producers and taxpayers tens of millions of dollars per year. RMA is also in the process of adding new third-party providers to continue progress.

Whole Farm Revenue Protection (WFRP)

RMA made multiple changes to the WFRP product since 2021. These changes were made in response to suggestions in the 2018 Farm Bill as well as producer feedback. The changes included streamlining paperwork requirements for direct-marketed commodities. By allowing direct marketed commodities to be grouped together, but still receive the subsidy benefit of multiple commodities, those producers should find WFRP much better tailored to their needs. Beginning in 2022, RMA made additional changes to support organics by increasing expansion limits and allowing more time for certification documentation as well as increasing limits for aquaculture. In 2022, a new version of WFRP known as the Micro Farm policy became available for producers with less than \$350,000 in gross revenue that further reduces paperwork requirements and allows for including post-harvest value-added revenue to be covered. This policy is specifically targeted at local foods producers and is a direct response to requirements for research and development from the 2018 Farm Bill. For 2024, additional improvements have been made to reduce

paperwork, increase coverage levels up to 85 percent for all producers, allow for Enterprise Unit (EU) subsidy rates in all cases, and combine Catastrophic (CAT) and WFRP coverages.

Risk Management Education

During 2023, RMA partnered with 22 qualified organizations to provide risk management training and educational tools aimed to assist historically underserved farmers and ranchers and to help producers effectively manage long-term risks and challenges. The projects offer a broad range of risk management training, including education on Federal crop insurance, climate smart agriculture, financial management, record keeping, and risk analysis. RMA awarded approximately \$3.3 million in cooperative agreements covering 50 states. Projects will cover all major demographic groups, historically underserved areas, specialty crop producers, those selling into local markets, and urban growers.

RMA also entered into two-year partnerships with the Custom Ag Solutions to improve beginning farmers and ranchers' awareness and understanding of risk management concepts across the nation and Daitaas Holdings to establish tailored personalized farm financial analysis and risk management tools to farmers in the southeastern US as well as Puerto Rico and the Virgin Islands. For 2023, RMA has launched its first RMA Ambassador with CA Elliott LLC to strengthen RMA's outreach, engagement, and impact within the traditional underserved agricultural communities in the southeastern US. These three agreements totaled approximately \$3.1 million.

RMA continues to leverage the two-year partnerships with Intertribal Agricultural Council (IAC) to establish a pipeline of crop insurance agents and adjusters within underserved communities across the nation and the University of Arkansas System Division of Agriculture (UADA) to strengthen outreach and technical assistance to farmers and ranchers through the development of risk management program navigators that will serve the southeastern U.S. The Building Resiliency Pilot Program with IAC is actively recruiting and training individuals to enter the workforce as crop insurance agents and loss adjusters. The Crop Insurance Navigator Pilot Program with UADA has onboarded an initial five navigators that continue to provide outreach on risk management education and tools throughout the southern US.

Agricultural Management Assistance

During 2023, RMA partnered with NRCS to provide financial assistance for producers who purchase or use high tunnels, micro irrigation, irrigation water management, sprinkler systems, and other specified irrigation and water related practices.

RMA provided \$3.77 million in mandatory funds to producers in the states of Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming as part of this effort. Interested producers will work with their local NRCS office and those eligible for the program can receive financial assistance totaling up to 75 percent of the cost of practice implementation and historically underserved producers can receive up to 90 percent of the cost of practice implementation.

FCIC's Improper Payment Rate

Table RMA-22 Improper Payments

FCIC Program Fund	2020	2021	2022	2023
Improper Payment (percent)	2.31	1.41	2.58	2.64
Improper Payments (\$millions)	\$247	\$169	\$305	\$370

RMA is the issuer of each Approved Insurance Provider's (AIPs) Standard Reinsurance Agreement. These agreements, in part, require AIPs to establish internal controls that, in return, reduce improper payments. Additionally, RMA provides a wealth of resources, as well as annual training to educate industry partners on the Federal Crop Insurance Corporation's (FCIC's) policies and procedures. At the end of the Improper Payment review cycle RMA conducts a comprehensive analysis of the review results in order to develop effective corrective action plans that focus on the root causes of improper payments. This strategic methodology aids in reducing improper payments. RMA also informs AIPs of the types of errors (i.e. acreage reporting, APH, claims, etc.) identified to raise awareness and promote collaboration in reducing improper payments.

Although RMA's improper payment rate and total improper payments, a combination of improper dollars associated with certification errors plus administrative/process errors, increased for 2023 the agency has maintained a tolerable improper payment rate for nine consecutive years. The downward shift in the amount of improper payments associated with certification errors compared to those associated with administrative/process errors indicates the successful implementation and execution of effective Corrective Action Plans (CAPs). Additionally, this shift provides RMA an opportunity to focus efforts on improper payments within the agency's control (i.e., administrative/process errors) as part of the 2023 CAP.

RMA's continuous analysis of root causes of errors and implementation of corrective action plans that help remediate improper payments has allowed the agency to maintain a tolerable error rate for multiple years, signifying the effectiveness of the measures taken to reduce improper payments.

Fraud, Waste, and Abuse

RMA continues to utilize data-mining, geospatial analysis and other advanced data analytics to identify potentially fraudulent activity and stem abuse in the crop insurance program. To augment the Agency's capabilities, RMA engages in research support contracts with the Center for Agribusiness Excellence (CAE) at Tarleton State University, the PRISM Climate Group at Oregon State University, and the University of Illinois at Urbana Champaign. In order to produce the congressionally mandated outcomes of this effort, RMA developed the Spot Check List (SCL) and the Agriculture Risk Protection Act (ARPA) list. The SCL is the most well-known, comprehensive, and routine application of data mining to the Federal crop insurance program, where RMA uses objective, data-driven criteria to develop a list of producers, agents, and adjusters whose crop insurance experience is historically anomalous relative to similarly situated producers in the geographic area. ARPA requires the annual production of the SCL and ARPA lists to support this effort. The SCL and ARPA products, and other advanced analytics efforts play an important and essential role in the delivery of the crop insurance program including claim determination, timely payment of indemnities, county rating effecting crop program availability and premium levels, and the meeting of time-based compliance with congressionally mandated reviews.

RMA works hand-in-hand with USDA's Office of the Inspector General (OIG) to address cases of potential fraud, waste, and abuse. RMA refers all allegations of fraud to OIG, as appropriate, and collaborates with OIG to develop the case for presentation to the Department of Justice.

SELECT EXAMPLES OF RECENT PROGRESS:

Cover Crops Additional Subsidies

RMA has maintained partnerships with the states of Iowa, Illinois, Indiana, and Wisconsin for a state-funded cover crop incentive. Each state contributes \$5 per acre of insured crop that was preceded by a cover crop as an additional subsidy for the crop insurance bill. The program has been in operation since 2017 and has increased in size each year. To date, over a million acres of cover crops have been incentivized. RMA continues to have discussions with additional states that may wish to join the effort.

AIP Performance Review (APR)

The purpose of the APR is to determine if AIPs are complying with the SRA requirements. These reviews are conducted once every three years for each AIP. In 2023, RMA completed three AIP Performance process reviews and identified deficiencies and vulnerabilities within AIPs Quality Control (QC) systems. AIP QC systems operate as the program's first line of defense in detecting errors so it is critical that these systems are monitored by RMA for effectiveness. A new review cycle begins in 2024.

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AGENCY-WIDE PERFORMANCE**Introduction**

The Farm Production and Conservation (FPAC) mission area is USDA’s focal point for the nation’s farmers and ranchers and other stewards of private agricultural lands and non-industrial private forest lands. FPAC agencies implement programs designed to mitigate the significant risks of farming through crop insurance services, conservation programs and technical assistance, and commodity, lending, and disaster programs. These agencies include the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, and the FPAC Business Center (FPAC BC).

FPAC BC’s Performance, Accountability, and Risk (PAR) division leads the mission area in Strategic Planning, Performance Management, Evidence and Evaluation, and Enterprise Risk Management (ERM). PAR works closely with each of the FPAC agencies to develop performance related practices and products. This office frequently works directly with USDA leadership and represents FPAC on the Department’s Performance, Evaluation, Evidence and Risk committee and the ERM Committee, which are facilitated by the USDA Office of Budget and Program Analysis. FPAC’s Enterprise Risk and Strategy Committee, comprised of executives from each of the FPAC agencies, oversees and provides accountability for performance functions across the mission area.

Alignment to USDA 2022 – 2026 Strategic Plan

FPAC RMA is responsible for achieving and measuring results within the following USDA Strategic Goals and Objectives:

GOAL 3: Foster an Equitable and Competitive Global Marketplace for All Agricultural Producers

- Objective 3.1: Foster Sustainable Economic Growth by Promoting Innovation, Building Resilience to Climate Change, and Expanding Renewable Energy

SUMMARY OF PERFORMANCE

A more detailed report of the performance plan can be found at <https://www.usda.gov/our-agency/about-usda/performance>. The following tables summarize the results for the Departmental Key Performance Indicators (KPIs) for which the RMA is responsible.

Table RMA-23 KPI-Research Studies

Strategic Objective 3.1	Item	2023	2024
RMA Improper Payment Rate	Results	-	-
Improper Payment Rate for All Categories of Payments	Target	2.38	2.38
Crop Insurance	Results	-	-
Annual Normalized Value of Risk Protection Provided to Agricultural Producers through the Federal Crop Insurance Program (Billions of Dollars)	Target	78.8	81.1

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Objective 3.1: Foster Sustainable Economic Growth by Promoting Innovation, Building Resilience to Climate Change, and Expanding Renewable Energy

RMA Improper Payment Rate: RMA utilizes KPI data from the prior year to add areas of focus for the upcoming year’s compliance review cycle. Focusing on prior year’s root causes of errors helps to ensure the agency addresses any deficiencies so that errors are less likely to be repeated. The adoption of new products and insurance options presents additional opportunities for errors and improper payments.

Crop Insurance: RMA utilizes KPI data from the prior year to add areas of focus for the upcoming year’s outreach efforts. RMA has identified two challenges to address in 2024 – training agents and farmers about new coverage to maximize participation. Ad hoc disaster assistance has been provided each year from 2017 through 2023. Farmers may consider reducing their crop insurance coverage if they believe similar types of assistance will continue in the future.