

2022 USDA EXPLANATORY NOTES – RISK MANAGEMENT AGENCY

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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 alternatives 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 Multi-County Enterprise Units, Dairy Revenue Protection, Supplemental Coverage Option, Hurricane Insurance Protection-Wind Index, Enhanced Coverage Option, expanded Whole Farm Revenue Protection, new and expanded beginning farmer and rancher provisions, Actual Production History Yield Exclusion Options, coverage levels 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. 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.

As of September 30, 2020, RMA had 374 full-time permanent employees located throughout the Nation as follows: 30 in Washington, D.C. Headquarters; 124 in Kansas City, MO national office; with the remaining 220 located in ten Regional Offices (ROs) and six Regional Compliance Offices (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.

OIG AND GAO REPORTS

Table RMA-1. Completed OIG Reports

ID	Date	Title
05601-0004-22	1/29/2020	Controls over Multiple Peril Crop Insurance (MPCI) Policies with Additional Coverage for Hail
50024-15-11	5/13/2020	U.S. Department of Agriculture’s Fiscal Year 2019 Compliance with Improper Payment Requirements
05601-0007-31	6/30/2020	Controls Over Crop Insurance Section 508 (h) Products
05601-0003-31	9/2/2020	Wildfires and Hurricanes Indemnity Program (WHIP)

Table RMA-2. In-Progress OIG Reports

ID	Title
05401-0012-11	Federal Crop Insurance Corporation/Risk Management Agency’s Financial Statements for Fiscal Years 2020 and 2019
50503-0004-12	RMA General and Applications Control Audit
50025-0001-23	USDA Coronavirus Disease 2019 Funding
03702-0003-31	Wildfires and Hurricanes Indemnity Program- Puerto Rico (WHIP)
05601-0005-22	Whole-Farm Revenue Protection Pilot Program

Table RMA-3. Completed GAO Reports

ID	Title
15-215	Crop Insurance: In areas with Higher Crop Production Risks, Costs are Greater, and Premiums Might Not Cover Expected Losses
17-501	Crop Insurance: Opportunities Exist to Improve Program Delivery and Reduced Costs

Table RMA-4. In-Progress GAO Reports

ID	Title
None.	None.

AVAILABLE FUNDS AND FTEs**Table RMA-5. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	2022 Budget	FTE
Salaries and Expenses:								
Discretionary Appropriations	\$58,361	363	\$58,361	355	\$60,131	380	\$69,207	414
Federal Crop Insurance Fund:								
Mandatory Appropriations	11,773,000	-	8,205,000	-	8,733,000	-	9,645,000	-
Rescission	13,000	-	13,000	-	13,000	-	13,000	-
Sequestration	3,000	-	2,000	-	2,000	-	2,000	-
Transfers In	13,753	-	11,779	-	11,000	-	11,000	-
Transfers Out	-17,200	-	-17,200	-	-17,000	-	-17,000	-
Total Adjusted Appropriation	11,843,914	363	8,272,940	355	8,802,131	380	9,723,207	414
Balance Available, SOY	578,000	-	584,000	-	595,000	-	595,000	-
Sequestration	-3,000	-	-2,000	-	-2,000	-	-2,000	-
Recoveries, Other	1,292,000	-	3,948,000	-	5,978,000	-	4,001,000	-
Total Available	13,710,914	363	12,802,940	355	15,373,131	380	14,317,207	414
Lapsing Balances	-875	-	-651	-	-	-	-	-
Balance Available, EOY	-584,000	-	-595,000	-	-595,000	-	-595,000	-
Total Obligations, RMA	13,126,039	363	12,207,289	355	14,778,131	380	13,722,207	414
Total Available, RMA	13,710,914	363	12,802,940	355	15,373,131	380	14,317,207	414

PERMANENT POSITIONS BY GRADE AND FTE'S*Table RMA-6. Permanent Positions by Grade and FTEs*

Item	2019			2020			2021			2022		
	D.C.	Field	Actual Total	D.C.	Field	Actual Total	D.C.	Field	Enacted Total	D.C.	Field	Budget Total
SES	3	1	4	4	1	5	4	1	5	4	1	5
SL	-	3	3	-	3	3	-	3	3	-	3	3
GS-15	7	6	13	6	7	13	6	7	13	6	7	13
GS-14	4	33	37	4	40	44	4	40	44	4	40	44
GS-13	11	146	157	9	144	153	9	144	153	13	167	180
GS-12	1	95	96	3	97	100	3	107	110	3	116	119
GS-11	-	17	17	-	20	20	-	20	20	-	20	20
GS-10	1	-	1	1	-	1	1	-	1	1	-	1
GS-9	1	9	10	1	14	15	1	14	15	1	14	15
GS-8	2	1	3	2	-	2	2	-	2	2	-	2
GS-7	-	7	7	-	16	16	-	16	16	-	16	16
GS-6	-	1	1	-	1	1	-	1	1	-	1	1
GS-5	-	1	1	-	1	1	-	1	1	-	1	1
Other												
Graded			-									
Ungraded			-									
Total												
Permanent	30	320	350	30	344	374	30	354	384	34	386	420
Unfilled, EOY	7	43	50	7	13	20	7	3	10	2	27	29
Total												
Perm. FT EOY	23	277	300	37	357	394	37	357	394	36	413	449
FTE	197	166	363	30	325	355	34	346	380	36	378	414

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 RO and RCO 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 large claims reviews or other compliance reviews. In addition, they are used to attend conferences and meetings related to the agency’s mission. For GSA-leased vehicles, RMA relies upon GSA to supply the agency with alternative-fueled vehicles as required by law.

Table RMA-7. Size, Composition, and Annual Costs of Motor Vehicle Fleet

Fiscal Year	Sedans and Station Wagons	Lt. Trucks, SUVs, and Vans (4x2)	Lt. Trucks, SUVs, and Vans (4x4)	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
2019	-	-	4	-	-	-	4	29
Change	-	-	-	-	-	-	-	+1
2020	-	-	4	-	-	-	4	30
Change	-	-	-	-	-	-	-	+2
2021	-	-	4	-	-	-	4	32
Change	-	-	-	-	-	-	-	+2
2022	-	-	4	-	-	-	4	34

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.

Statement of Proposed Purchase of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-

***RMA does not have any motor vehicle purchases planned for 2022**

SHARED FUNDING PROJECTS

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

Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Working Capital Fund:				
Administrative Services:				
Material Management Service.....	\$13	15	\$16	-
Mail and Reproduction Services.....	67	76	74	\$67
Integrated Procurement Systems.....	22	23	27	29
Human Resources Enterprise Management Systems.....	5	5	4	4
Subtotal.....	107	119	121	100
Communications:				
Creative Media & Broadcast Center.....	26	43	18	31
Finance and Management:				
National Finance Center.....	109	101	101	100
Financial Shared Services.....	-	-	420	420
Internal Control Support Services.....	127	160	105	105
Financial Management Support Services.....	379	424	-	-
Subtotal.....	615	685	626	626
Information Technology:				
Client Experience Center.....	1,991	931	4,465	4,456
Department Administration Information Technology Office.....	-	7	272	83
Digital Infrastructure Services Center.....	372	214	813	832
Enterprise Network Services.....	912	722	5,704	6,555
Subtotal.....	3,275	1,874	11,254	11,926
Correspondence Management Services.....	23	23	-	-
Office of the Executive Secretariat.....	-	-	18	18
Total, Working Capital Fund.....	4,046	2,744	12,037	12,701
Department-Wide Shared Cost Programs:				
Agency Partnership Outreach.....	31	31	26	-
Honor Awards.....	1	-	-	-
Human Resources Self-Service Dashboard.....	2	2	-	-
Medical Services.....	3	1	8	8
Office of Customer Experience.....	10	23	34	32
Personnel and Document Security Program.....	15	16	17	-
Physical Security.....	-	24	15	-
Security Detail.....	17	19	16	16
Security Operations Program.....	43	23	23	-
TARGET Center.....	5	5	4	-
USDA Enterprise Data Analytics Services.....	-	33	18	-
Total, Department-Wide Reimbursable Programs.....	127	177	161	56
E-Gov:				
Budget Formulation and Execution Line of Business.....				
Disaster Assistance Improvement Plan.....	5	5	5	5
Enterprise Human Resources Integration.....	8	-	-	-
E-Rulemaking.....	24	29	3	3
E-Training.....	-	-	-	-
Financial Management Line of Business.....	1	1	1	1
Geospatial Line of Business.....	13	13	13	13
Benefits.gov.....	13	8	8	8
Grants.gov.....	-	-	-	-
Human Resources Line of Business.....	1	1	1	1
Integrated Acquisition Environment.....	1	7	1	1
Total, E-Gov.....	66	64	32	32
Agency Total.....	4,239	2,964	12,225	12,883

ACCOUNT 1: SALARIES AND EXPENSES

LEAD-OFF TABULAR STATEMENT

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

Item	Amount
2021 Enacted	\$60,131,000
Change in Appropriation	+ 9,076,000
Budget Estimate, 2022	<u>69,207,000</u>
Budget Estimate, Current Law 2022	\$69,207,000
Change Due to Proposed Legislation	-
Net 2022 Request	<u>69,207,000</u>

APPROPRIATIONS LANGUAGE

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

For necessary expenses of the Risk Management Agency, \$[60,131,000] 69,207,000. Provided, That \$2,000,000 of the amount appropriated under this heading shall be available to research, review and ensure actuarial soundness of new products addressing climate change: Provided further, That \$4,500,000 of the amount appropriated under this heading shall be available to conduct research and development and carry out contracting and partnerships as described under subsections 522(c) and (d) of the Federal Crop Insurance Act of 1938 (7 U.S.C 1522(c) and (d)) in addition to amounts otherwise provided for such purposes: Provided further, That \$1,000,000 of the amount appropriated under this heading [in this Act] shall be available for compliance and integrity activities required under section 516(b)(2)(C) of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1516(b)(2)(C)), and shall be in addition to amounts otherwise provided for such purpose: 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, 2021.)

PROJECT STATEMENT***Table RMA-10. Project Statement (thousands of dollars, FTE)***

Item	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	Inc. or Dec.	FTE	2022 Budget	FTE
Discretionary Appropriations:										
Salaries and Expenses.....	\$58,361	363	\$58,361	355	\$60,131	380	+\$9,076	+34	\$69,207	414
Total Appropriation.....	58,361	363	58,361	355	60,131	380	9,076	34	69,207	414
Transfers In*:										
FCIC Farm Bill.....	7,000	-	7,000	-	7,000	-	-	-	7,000	-
Incidental Transfer.....	2,753	-	779	-	-	-	-	-	-	-
Total Transfers In.....	9,753	-	7,779	-	7,000	-	-	-	7,000	-
Transfers Out*:										
WCF IT Modernization.....	-200	-	-200	-	-	-	-	-	-	-
Total Transfers Out.....	-200	-	-200	-	-	-	-	-	-	-
Total Available.....	67,914	363	65,940	355	67,131	380	9,076	34	76,207	414
Lapsing Balances.....	-875	-	-651	-	-	-	-	-	-	-
Total Obligations.....	67,039	363	65,289	355	67,131	380	+9,076	+34	76,207	414

Table RMA-11. Project Statement (thousands of dollars, FTE)

Item	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	Inc. or Dec.	FTE	2022 Budget	FTE
Discretionary Obligations:										
Salaries and Expenses.....	\$67,039	363	\$65,289	355	\$67,131	380	+9,076	+34	\$76,207	414
Total Obligations.....	67,039	363	65,289	355	67,131	380	9,076	+34	76,207	414
Add back:										
Lapsing Balances.....	875	-	651	-	-	-	-	-	-	-
Total Available.....	67,914	363	65,940	355	67,131	380	9,076	34	76,207	414
Less:										
Total Transfers In.....	-9,753	-	-7,779	-	-7,000	-	-	-	-7,000	-
Total Transfers Out.....	200	-	200	-	-	-	-	-	-	-
Total Appropriation.....	58,361	363	58,361	355	60,131	380	9,076	34	69,207	414

Risk Management Agency

RMA's primary performance goal is to expand access to risk management products. There are several measures that demonstrate how this has been accomplished.

- The total number of insured acres as expand from 335 million in 2018 to nearly 400 million in 2020, for an increase of around 19 percent.
- The total number of county/crop insurance programs increased from 124 thousand in 2018 to 131 thousand in 2020, for an increase of around 6 percent.
- The total insured value of crops and livestock covered by an insurance product grew from \$111 billion in 2018 to \$127 billion in 2020, for an increase of around 15 percent.
- RMA's Regional Offices (ROs) have also been proactive in expanding existing crop policy availability. Since 2018, RMA ROs expanded crop policies to 661 counties where an insurance offer was not previously available. This expansion added nearly \$120 million in liability since 2018.
- RMA ROs also provided producers coverage through written agreements which are manually underwritten policies providing insurance or enhanced coverage where it is not available. RMA issued a total of 13,515 written agreements in 2020 that covered approximately \$950 million in liability.
- RMA conducted targeted outreach to stakeholders during FY 2020 and reached nearly 65,000 participants across 322 events using listening sessions, teleconferences, virtual meetings, and webinars. Through national outreach events, RMA was able to reach an additional 130,000 stakeholders.

JUSTIFICATIONS OF INCREASES/DECREASES

Risk Management Agency Salaries and Expenses: A net increase of \$9,076,000 (\$60,131,000 and 380 staff years available in FY 2021).

The proposed funding level is needed to cover pay and benefit cost increases for the existing staff. 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) An increase of \$9,076,000 and 34 FTE.

The funding change is requested for the following items:

- A) An increase of \$914,000 for pay costs (\$100,000 for annualization of the 2021 pay increase and \$814,000 for the 2022 pay increase).
- B) An increase of \$429,000 for the Department's increased contributions to Federal Employee Retirement System (FERS).
- C) An increase of \$2,000,000 for Climate Change. An increase of \$2,000,000 will provide RMA the ability to bring on additional employees with the skillsets necessary to ensure actuarial soundness of new policies as well as contract for additional resources to address climate change.
- D) An increase of \$1,233,000 for Racial/Economic Equality. An increase of \$1,233,000 will provide RMA with the flexibility to hire additional staff in offices solely devoted to underserved communities, with an emphasis on Strikeforce areas, enter into cooperative agreements for outreach with local non-profits or universities, and collect demographic data on program participants.
- E) An increase of \$4,500,000 for Product Development and Outreach. An increase of \$4,500,000 will provide RMA with resources to enter into contracts and agreements to develop new products for the FCIC Board consideration and to expand risk management education and outreach efforts. This would include providing some incentives to encourage Approved Insurance Providers (AIPs) and agents to sell complex policies to small producers like Whole Farm Revenue Protection.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE**Table RMA-12. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)**

State/Territory/Country	2019		2020		2021		2022	
	Actual	FTE	Actual	FTE	Enacted	FTE	Budget	FTE
California	\$3,032	24	\$3,689	24	\$3,627	24	\$3,769	24
District of Columbia	43,122	160	14,523	30	14,926	34	16,944	36
Georgia	1,340	12	1,623	10	1,662	11	1,884	12
Illinois	1,385	12	1,623	10	1,662	11	1,884	12
Indiana	1,638	14	2,361	15	2,418	16	2,513	16
Kansas	1,398	12	1,476	9	1,662	11	1,884	12
Louisiana	-	-	154	1	156	1	159	1
Minnesota	3,833	31	5,460	35	5,591	37	5,810	37
Mississippi	1,308	13	1,771	11	1,813	12	1,884	12
Missouri	1,657	14	21,326	136	22,065	146	27,329	174
Montana	1,526	13	1,623	10	1,662	11	1,884	12
Nebraska	-	-	134	1	136	1	136	1
North Carolina	2,750	24	3,542	23	3,627	24	3,769	24
North Dakota	-	-	114	1	115	1	117	1
Oklahoma	1,022	9	1,771	11	1,813	12	1,884	12
Texas	1,627	14	2,214	14	2,267	15	2,356	15
Washington	1,400	12	1,771	11	1,813	12	1,884	12
West Virginia	-	-	114	1	116	1	117	1
Distribution Unknown	-	-	-	-	-	-	-	-
Obligations	67,039	363	65,289	355	67,131	380	76,207	414
Lapsing Balances	875	-	651	-	-	-	-	-
Total, Available	67,914	363	65,940	355	67,131	380	76,207	414

CLASSIFICATION BY OBJECTS

Table RMA-13 Classification by Objects (thousands of dollars)

Item No.	Item	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
	Personnel Compensation:				
	Washington D.C.	\$20,444	\$3,900	\$4,356	\$4,672
	Personnel Compensation, Field	16,863	33,104	36,979	37,799
11	Total personnel compensation	37,307	37,004	41,335	42,471
12	Personal benefits	12,605	13,429	15,764	\$16,528
13.0	Benefits for former personnel	25	29	30	30
	Total, personnel comp. and benefits	49,937	50,462	57,129	59,029
	Other Objects:				
21.0	Travel and transportation of persons	1,471	631	56	1,499
22.0	Transportation of things	49	33	33	33
23.1	Rental payments to GSA	3,441	3,790	3,911	3,510
23.2	Rental payments to others	219	208	146	154
23.3	Communications, utilities, and misc. charges	1064	126	132	132
24.0	Printing and reproduction	34	8	8	8
25	Other contractual services				
25.1	Advisory and assistance services	1,467	323	323	4,850
25.2	Other services from non-Federal sources	447	5,834	1,019	2,077
25.3	Other goods and services from Federal sources	7,641	3,326	3,325	3,850
25.4	Operation and maintenance of facilities	50	337	337	350
25.7	Operation and maintenance of equipment	252	17	26	30
26.0	Supplies and materials	128	100	122	122
31.0	Equipment	839	95	563	563
	Total, Other Objects	17,102	14,827	10,002	17,178
99.9	Total, new obligations*	67,039	65,289	67,131	76,207
	DHS Building Security Payments (included in 25.3)	\$473	\$551	\$494	\$541
	Information Technology Investments:.....				
	RMA-13 Emerging Information Technology Architecture (EITA).....				
11	Internal Labor.....				
	External Labor (Contractors).....	7,909	6,530	3,500	7,034
25.2	Outside Services (Consulting).....				
	Mission Area Non-Major Investment Totals.				
	Mission Area Standard Investment Totals.				
25.3	Mission Area WCF Transfers.....	5,090	424	-	-
	Position Data:				
	Average Salary (dollars), ES Position	\$181,000	\$189,305	\$192,145	\$195,027
	Average Salary (dollars), GS Position	\$98,000	\$99,444	\$100,936	\$102,450
	Average Grade, GS Position	12.2	12.5	12.5	12.5

ACCOUNT 2: FEDERAL CROP INSURANCE CORPORATION

LEAD-OFF TABULAR STATEMENT

Table FCIC-1. Lead-Off Tabular Statement (In dollars)

Item	Amount
2021 President's Budget Level	\$8,748,000,000
Change in Appropriation	+ 912,000,000
Budget Estimate, 2022	<u>9,660,000,000</u>
Budget Estimate, Current Law 2022	\$9,660,000,000
Change Due to Proposed Legislation	-
Net 2022 Request	<u>9,660,000,000</u>

APPROPRIATIONS LANGUAGE

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

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.

(Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2021.)

PROJECT STATEMENT

Table FCIC-2. Project Statement (thousands of dollars, FTE)

Item	2019		2020		2021		Inc. or		Chg		2022	
	Actual	FTE	Actual	FTE	Estimate	FTE	Dec.	FTE	Key	Budget	FTE	
Mandatory Appropriations:												
Mandatory Appropriations:.....	11,773,000	-	8,205,000	-	8,733,000	-	+912,000	-		9,645,000	-	
Subtotal.....	11,773,000	-	8,205,000	-	8,733,000	-	+912,000	-		9,645,000	-	
Supplemental Appropriations:												
Discretionary Change.....	-	-	-	-	-	-	-	-		-	-	
Subtotal.....	-	-	-	-	-	-	-	-		-	-	
Total Adjusted Approp.....	11,773,000	-	8,205,000	-	8,733,000	-	912,000	-		9,645,000	-	
Add back:.....												
Rescission, Transfers In and Out.....	13,000	-	13,000	-	13,000	-	-	-		13,000	-	
Sequestration.....	3,000	-	2,000	-	2,000	-	-	-		2,000	-	
Total Appropriation.....	11,789,000	-	8,220,000	-	8,748,000	-	912,000	-		9,660,000	-	
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	-	
Rescission.....	-	-	-	-	-	-	-	-		-	-	
Sequestration.....	-3,000	-	-2,000	-	-2,000	-	-	-		-2,000	-	
Recoveries, Other.....	1,292,000	-	3,948,000	-	5,978,000	-	-1,977,000	-		4,001,000	-	
Bal. Available, SOY.....	578,000	-	584,000	-	595,000	-	-	-		595,000	-	
Total Available.....	13,643,000	-	12,737,000	-	15,306,000	-	-1,065,000	-		14,241,000	-	
Lapsing Balances.....	-	-	-	-	-	-	-	-		-	-	
Rescinded Balances.....	-	-	-	-	-	-	-	-		-	-	
Bal. Available, EOY.....	-584,000	-	-595,000	-	-595,000	-	-	-		-595,000	-	
Total Obligations.....	13,059,000	-	12,142,000	-	14,711,000	-	-1,065,000	-		13,646,000	-	

Table FCIC-3. Project Statement (thousands of dollars, FTE)

Item	2019		2020		2021		Inc. or Dec.	2022		
	Actual	FTE	Actual	FTE	Estimate	FTE		Budget	FTE	
Mandatory Obligations:										
Mandatory Obligations:	13,059,000	-	12,142,000	-	14,711,000	-	-1,065,000	-	13,646,000	-
Subtotal Mand Oblig.....	13,059,000	-	12,142,000	-	14,711,000	-	-1,065,000	-	13,646,000	-
Supplemental Obligations:										
Discretionary change....	-	-	-	-	-	-	-	-	-	-
Subtotal Supp Oblig.....	-	-	-	-	-	-	-	-	-	-
Total Obligations.....	13,059,000	-	12,142,000	-	14,711,000	-	-1,065,000	-	13,646,000	-
Add back:.....										
Lapsing Balances.....	-	-	-	-	-	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-	-	-	-	-	-
Balances Available, EOY:	584,000		595,000		595,000				595,000	
Estimated Unobligated B	-	-	-	-	-	-	-	-	-	-
Total Bal. Available, EOY..	584,000	-	595,000	-	595,000	-	-	-	595,000	-
Total Available.....	13,643,000	-	12,737,000	-	15,306,000	-	-1,065,000	-	14,241,000	-
Less:										
Rescission.....	-	-	-	-	-	-	-	-	-	-
Total Transfers In.....	-4,000	-	-4,000	-	-4,000	-	-	-	-4,000	-
Total Transfers Out.....	17,000	-	17,000	-	17,000	-	-	-	17,000	-
Sequestration.....	3,000	-	2,000	-	2,000	-	-	-	2,000	-
Recoveries, Other	-1,292,000	-	-3,948,000	-	-5,978,000	-	1,977,000	-	-4,001,000	-
Bal. Available, SOY.....	-578,000	-	-584,000	-	-595,000	-	-	-	-595,000	-
Total Appropriation.....	11,789,000	-	8,220,000	-	8,748,000	-	912,000	-	9,660,000	-

JUSTIFICATIONS OF INCREASES/DECREASES

Federal Crop Insurance Corporation Fund

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 increase of \$912,000,000 (\$8,748,000,000 available in FY 2021).

The project statement reflects changes for FY 2021 and FY 2022 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 2019. In addition, the use of a budget model (updated in April 2021) allows projections to be based on more accurate calculations.

The funding change for FY 2022 is requested for the following items:

A. An increase of \$710,000,000 for premium subsidy net of producer paid premiums (\$5,962,000,000 available in 2021).

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 prices are expected to increase in 2021, which increases the value of insurance and in turn, increases premium subsidies paid by FCIC. The fiscal year 2022 budget is based on a 1.0 loss ratio.

B. An increase of \$120,000,000 for delivery expense (\$1,599,000,000 available in 2021).

Delivery expenses are reimbursements provided to 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 Standard Reinsurance Agreement (SRA) allows for annual adjustments of delivery expenses paid to AIPs for certain types of policies, which accounts for the increase in this fiscal year.

C. An increase of \$82,000,000 for underwriting gains (\$1,147,000,000 available in 2021).

Underwriting gains are a reinsured company’s share of net book premium that exceeds their share of net losses (indemnities). The projection of underwriting gains is based on a loss ratio of 1.0 for 2022.

Allocations	2019 Actual	2020 Actual	2021 Appr.	2022 Budget Request
PPA:				
Indemnities Net of Producer Paid in Premiums..	\$8,022,000	\$5,936,000	\$5,962,000	\$6,672,000
Delivery Expense.....	1,567,000	1,686,000	1,599,000	1,719,000
Underwriting Gain.....	2,159,000	558,000	1,147,000	1,229,000
FCIC Initiatives.....	21,000	21,000	21,000	21,000
Subtotal, Mandatory Appropriation.....	\$11,769,000	\$8,201,000	\$8,729,000	\$9,641,000
Total Mandatory Funding.....	\$11,769,000	\$8,201,000	\$8,729,000	\$9,641,000

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE**Table FCIC-4. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)**

State/Territory/Country	2019 Actual	FTE	2020 Actual	FTE	2021 Estimate	FTE	2022 Budget	FTE
Alabama	\$59,709	-	\$59,709	-	\$59,709	-	\$59,709	-
Alaska	89	-	89	-	89	-	89	-
Arizona	63,614	-	63,614	-	63,614	-	63,614	-
Arkansas	250,814	-	250,814	-	250,814	-	250,814	-
California	358,291	-	358,291	-	358,291	-	358,291	-
Colorado	103,880	-	103,880	-	103,880	-	103,880	-
Connecticut	2,120	-	2,120	-	2,120	-	2,120	-
Delaware	7,813	-	7,813	-	7,813	-	7,813	-
Florida	111,295	-	111,295	-	111,295	-	111,295	-
Georgia	370,898	-	370,898	-	370,898	-	370,898	-
Hawaii	2,057	-	2,057	-	2,057	-	2,057	-
Idaho	36,384	-	36,384	-	36,384	-	36,384	-
Illinois	475,715	-	475,715	-	475,715	-	475,715	-
Indiana	282,913	-	282,913	-	282,913	-	282,913	-
Iowa	451,047	-	451,047	-	451,047	-	451,047	-
Kansas	367,117	-	367,117	-	367,117	-	367,117	-
Kentucky	118,448	-	118,448	-	118,448	-	118,448	-
Louisiana	136,763	-	136,763	-	136,763	-	136,763	-
Maine	5,448	-	5,448	-	5,448	-	5,448	-
Maryland	19,256	-	19,256	-	19,256	-	19,256	-
Massachusetts	1,956	-	1,956	-	1,956	-	1,956	-
Michigan	230,348	-	230,348	-	230,348	-	230,348	-
Minnesota	681,923	-	681,923	-	681,923	-	681,923	-
Mississippi	148,725	-	148,725	-	148,725	-	148,725	-
Missouri	486,863	-	486,863	-	486,863	-	486,863	-
Montana	102,841	-	102,841	-	102,841	-	102,841	-
Nebraska	244,588	-	244,588	-	244,588	-	244,588	-
Nevada	31,194	-	31,194	-	31,194	-	31,194	-
New Hampshire	339	-	339	-	339	-	339	-
New Jersey	10,223	-	10,223	-	10,223	-	10,223	-
New Mexico	46,007	-	46,007	-	46,007	-	46,007	-
New York	68,464	-	68,464	-	68,464	-	68,464	-
North Carolina	398,421	-	398,421	-	398,421	-	398,421	-
North Dakota	454,669	-	454,669	-	454,669	-	454,669	-
Ohio	365,054	-	365,054	-	365,054	-	365,054	-
Oklahoma	126,421	-	126,421	-	126,421	-	126,421	-
Oregon	39,506	-	39,506	-	39,506	-	39,506	-
Pennsylvania	46,804	-	46,804	-	46,804	-	46,804	-
Rhode Island	128	-	128	-	128	-	128	-
South Carolina	118,402	-	118,402	-	118,402	-	118,402	-
South Dakota	994,666	-	994,666	-	994,666	-	994,666	-
Tennessee	67,199	-	67,199	-	67,199	-	67,199	-
Texas	995,823	-	1,545,823	-	3,612,823	-	2,345,823	-
Utah	9,449	-	9,449	-	9,449	-	9,449	-
Vermont	2,558	-	2,558	-	2,558	-	2,558	-
Virginia	47,519	-	47,519	-	47,519	-	47,519	-
Washington	123,016	-	123,016	-	123,016	-	123,016	-
West Virginia	1,585	-	1,585	-	1,585	-	1,585	-
Wisconsin	226,169	-	226,169	-	226,169	-	226,169	-
Wyoming	13,472	-	13,472	-	13,472	-	13,472	-
Distribution Unknown	3,751,000	-	2,284,000	-	2,786,000	-	2,988,000	-
Obligations	13,059,000	-	12,142,000	-	14,711,000	-	13,646,000	-
Lapsing Balances	-	-	-	-	-	-	-	-
Rescinded Balances	-	-	-	-	-	-	-	-
Bal. Available, EOY	584,000	-	595,000	-	595,000	-	595,000	-
Total, Available	13,643,000	-	12,737,000	-	15,306,000	-	14,241,000	-

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

Classification by Objects*Table FCIC-5. Classification by Objects (thousands of dollars)*

Item No.	Item	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
	Other Objects:				
25.1	Advisory and assistance services	34,000	38,000	25,000	25,000
25.2	Other services from non-Federal sources	3,710,000	2,219,000	2,746,000	2,949,000
25.3	Other goods and services from Federal source	20,000	12,000	39,000	39,000
42.0	Insurance Claims and Indemnities	9,295,000	9,873,000	11,901,000	10,633,000
43.0	Interest and Dividends				
	Total, Other Objects	<u>13,059,000</u>	<u>12,142,000</u>	<u>14,711,000</u>	<u>13,646,000</u>
99.9	Total, new obligations	<u>13,059,000</u>	<u>12,142,000</u>	<u>14,711,000</u>	<u>13,646,000</u>

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 "provide an effective financial safety net for farmers and ranchers to sustain economically viable agricultural production and support rural jobs and economic growth."

CURRENT ACTIVITIES:

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. Given annual variations in loss ratios, long-run program stability and actuarial soundness are measured based on historical average. The 20-year average loss ratio for the crop insurance program is 0.84, which is within the 1.0 loss ratio mandated by the Federal Crop Insurance Act.

COVID-19 Relief

RMA took numerous actions to provide relief in the face of the pandemic to ensure crop insurance continued to provide a farm safety net under such unprecedented times. Relief included additional time to submit written agreement requests, production reports and Regional Office Yield requests, the deferral of interest on premiums, self-certification for replant inspections and delayed organic certifications, allowing dumped milk to count as marketing, and additional time for acreage report reconciliation.,

National Financial Operational Reviews (NFOR)

Federal crop insurance is a public/private partnership. 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 Operations 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 AIPs in accordance with the SRA, including all policies and procedures. This performance ties directly to RMA's Strategic Plan Goal #4 "to safeguard the integrity of the Federal crop insurance program."

Acreage Crop Reporting Streamlining Initiative (ACRSI)

RMA completed year four of nationwide ACRSI common reporting, which now includes 52 crops eligible 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 a permanent 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.

Whole Farm Revenue Protection (WFRP)

RMA made several changes to the WFRP product for 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.

Agricultural Management Assistance

During 2020, 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 \$3.77M in mandatory funds to producers in nine states (Connecticut, Delaware, Hawaii, Maryland, Massachusetts, Nevada, New Hampshire, Utah, and West Virginia,) as part of this effort. Eligible producers 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.

SELECT EXAMPLES OF RECENT PROGRESS:

The third year of Iowa Department of Agriculture and Land Stewardship’s (IDALS) cover crop program completed with over 190,000 acres eligible for benefits (funded by the State of Iowa) on land that had a cover crop. In addition, RMA entered into an agreement with the State of Illinois for a similar program for 2020 which ended up covering around 45,000 acres in the state. RMA implemented changes to make treatment of cover crops consistent with other practices to ensure that producers can get the benefits of both crop insurance and cover crops.

FCIC’s Improper Payment Rate

Table RMA-14 Improper Payments

FCIC Program Fund	FY 2017	FY 2018	FY 2019	FY 2020
Improper Payment (IP) %	1.96%	1.81%	2.95%	2.31%
Improper Payments	\$180M	\$184M	\$282M	\$247M

For each improper payment identified, RMA issues a finding to the AIP for resolution. Additionally, each year, RMA collects and analyzes data to identify the root causes for improper payments. Since 2015, RMA has relayed the types of errors (i.e., acreage reporting and production, records retention, invalid or missing signatures) identified during the Improper Payments Elimination and Recovery Improvement Act (IPERIA) reviews to the AIPs, to help them better identify and control the reasons for the errors.

The Standard Reinsurance Agreement (SRA) requires AIPs to conduct Actual Production History (APH) verification reviews. APH reviews are conducted to verify the accuracy of the approved APH yield which is used to determine the amount of insurance on a policy. As farming operations continue to grow in size APH reviews consequently consist of a larger amount of data that must be verified by the AIPs to assure accuracy of the crop insurance policy. APH keying errors, such as those found as the result of IPERIA, are inevitable with the amount of data that is transcribed to run a \$105 billion dollar program. Almost half of the Administrative or Process Errors were related Actual Production History (APH). These errors range from unacceptable production evidence to the accuracy of production certification. To clarify the APH procedures and corrective action when conducting an APH review RMA issued Manager's Bulletin MGR-19-005. The procedures outlined in MGR-19-005 were incorporated into the Crop Insurance Handbook for Reinsurance Year 2020. To address concerns specific to the Apple program, RMA entered into a contract to assess the program, address program vulnerabilities, and provide proposed program changes. As part of this review and specific to production reporting, RMA is in the process of developing guidelines for production reporting to include identifying the types of records and required entries on records for reporting apple production. The policy is expected to be updated to address these and other concerns for the 2022 crop year (August 31, 2021)

Almost one-third of the improper dollars associated with APH errors resulted from the policyholder's inability to support the selected unit structure. A majority of these policies dealt with enterprise unit (EU) structures certified below the EU level. The Basic Provisions of Insurance (BPOI) require producers to support their production certification when selected for APH Review, and The Crop Insurance Handbook (CIH) outlines the required consequences when unit structure cannot be supported. Based on IPERIA results, RMA will issue an Informational Memorandum reminding policyholders of the requirement to keep production separate by unit and to certify to the accuracy of their production evidence. Additionally, RMA will conduct and present an analysis of APH data to the Product Management division as a proactive measure to spearhead future APH issues.

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.

AIP Performance Review (APR) Process Improvement

The purpose of the APR is to determine if AIPs are complying with the SRA requirements. In 2020, RMA completed reviews of four AIPs – conducting three complete APR process reviews and one targeted review which focused on improper payment results. A new review cycle begins in FY 2021.

Multi-Year and Blanket Written Agreement Issuances

In 2016, RMA began an extensive review of the written agreement and determined yield processes. One area of improvement identified was to begin issuing multi-year written agreements when the Regional Office determined it would be appropriate. These agreements allow for RMA to monitor the performance of these manually underwritten policies but does not require them to be renewed year by year which requires a significant amount of time and review. For 2020, RMA had over 6,154 in effect which would equate to 5,130 staff hours of time savings and an estimated cost avoidance of about \$540,000.

In addition to the increase in the use of multi-year written agreements, RMA implemented a breached levee statement in the special provisions due to all the levee damage as a result of the 2019 flooding along the Missouri and Mississippi Rivers that impacted the 2020 crop. This statement allowed RMA to adjust the rates if the levees are not fixed by either the sales closing date or the earliest plant date. The Regional Offices (ROs) issued 14 Breached Levee offers which reduced the paperwork burden for producers and AIPs by allowing the AIPs to apply the offer directly to affected producers without requiring the producer to submit a written agreement request saving time for the RO, AIP, agents and producers. This process resulted in the savings of approximately 190 staff hours.

Prevented Planting Top-up Payments

Producers who had a 2019 payable prevented planting indemnity related to flooding, excess moisture or causes other than drought automatically received a “top-up” payment. Producers received the payment from their (AIPs) starting in mid-October of 2019 and ending October 2020.

Producers with Yield Protection and Revenue Protection with Harvest Price Exclusion received a 10 percent top-up payment on their indemnity, while producers with Revenue Protection Harvest Price Option will receive 15 percent. The total payments under this program were roughly \$596 million.

Agency-Wide Performance

The Risk Management Agency (RMA) was established in 1996 to administer the Federal crop insurance program, in accordance with the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) as amended. 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. Federal crop insurance is available to producers through private insurance companies (AIPs) that market and service policies and share in the risk. Thus, the program delivery is a joint venture between the Federal government and the private insurance industry. Activities of RMA align with the new USDA 2018-2022 Strategic Plan Goal 2, Strategic Objective 2.1: Provide an effective financial safety net for farmers and ranchers to sustain economically viable agricultural production and support rural jobs and economic growth.

SUMMARY OF PERFORMANCE

The following table summarizes the results for the Departmental Key Performance Indicators (KPIs) for which RMA is responsible.

Strategic Objective 2.1		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
2.1.1. The annual normalized value of risk protection provided to agricultural producers through the Federal Crop Insurance program (\$ Billion)	Results	74.0	74.6	76.8	78.2	84.1	TBD	TBD
	Target	63.3	63.6	64.0	77.3	77.6	77.9	78.3
	Status	Exceeds	Exceeds	Exceeds	Exceeds	Exceeds	TBD	TBD

Exceeds: Greater than target	Met: within 100 % of Target	Needs Improvement (NI): within 10% of target	Unmet: Greater than 10%
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PROGRESS Toward the Achievement of Strategic Objectives FY2020

Accomplishments towards objectives are highlighted within the Status of Programs section contained within this chapter. Additional information regarding performance can be located within the Annual Performance Plan and Report submitted in conjunction with our Congressional Justifications. A high-level summary of progress is provided below:

RMA continues enhanced risk management options for producers. In 2020, RMA implemented new coverage for losses due to hurricanes in response to the 2018 Farm Bill, which covers most of the deductible of the farmer’s underlying policy if the county is exposed to hurricane-strength winds from a named hurricane. The new policy is unique in that it promptly compensates producers within weeks of a hurricane. Through August 2020, approximately 27,000 policies were sold and producers who purchased this coverage have already received indemnities in areas impacted by hurricanes. This new hurricane coverage supports sustained agricultural production and the rural economy by promptly providing payments to farmers, which allows them and the rural economy to recover from the devastating impacts of hurricanes.

RMA is also implementing new coverage for hemp. It is a privately developed product approved by the Federal Crop Insurance Corporation (FCIC) Board and provides yield coverage for producers with a production contract. There are 746 policies sold.

Dairy Revenue Protection has grown to cover almost 30 percent of the milk production in the United States in only the second year since the inception of the program. In 2020, RMA implemented several changes to cattle and swine policies, which will make these policies more affordable and accessible to livestock producers. These initiatives help dairy and livestock producers weather the markets by providing vital protection against price declines. Of the more than one million policies in effect, RMA issued nearly 14,000 written agreements. Written agreements are manually underwritten policies that offer coverage not available in the county or offer specific improved coverage or terms. This process provides significant flexibility, which covered over \$743 million, of the total \$109 billion in liability for our nation’s farmers annually. This process also naturally identifies changing farming practices and crops grown in areas ensuring that our program is adaptive and effective. Over the last three years RMA has expanded crops to over 181 new counties, insuring approximately \$120 million during that three-year period through this process.

Expected Progress at the 2022 Proposed Resource Level

At the requested budget levels, RMA will be able to meet its projected performance target outlined in the table above.

RMA continues efforts to expand offerings for specialty crops using the new Production and Revenue History (PRH) product design. PRH utilizes individual revenue history to provide revenue protection for specialty crops that previously did not have this option. Initially offered for strawberries in 2021 crop year, RMA is engaging in both internal and contracted research and development for more crops that have traditionally been underserved.