Risk Management Agency

Federal Crop Insurance: Update on 2014 Farm Bill Implementation

USDA Ag Outlook Forum
Kent Lanclos
February 23, 2018
Insured Acreage

As of January, 2018
Participation Rate*

*Barley, corn, cotton, grain sorghum, peanuts, potatoes, rice, soybeans, tobacco, and wheat

As of January, 2018
# 2017 Crop Ranking

<table>
<thead>
<tr>
<th>Crop</th>
<th>Liability</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>$39.4 Billion</td>
<td>37.1%</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$28.4 Billion</td>
<td>26.7%</td>
</tr>
<tr>
<td>Wheat</td>
<td>$5.9 Billion</td>
<td>5.5%</td>
</tr>
<tr>
<td>Cotton</td>
<td>$5.2 Billion</td>
<td>4.9%</td>
</tr>
<tr>
<td>Nursery (FG&amp;C)</td>
<td>$1.4 Billion</td>
<td>1.3%</td>
</tr>
<tr>
<td>Rice</td>
<td>$1.3 Billion</td>
<td>1.2%</td>
</tr>
<tr>
<td>Potatoes</td>
<td>$1.1 Billion</td>
<td>1.0%</td>
</tr>
<tr>
<td>Citrus (incl trees)</td>
<td>$2.5 Billion</td>
<td>2.4%</td>
</tr>
<tr>
<td>All Others</td>
<td>$21.1 Billion</td>
<td>19.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$106.3 Billion</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

As of January, 2018
Revenue Share of Premium

As of January, 2018
2014 Farm Bill Update

- Beginning Farmer/Rancher
- Organic Price Elections
- Yield Exclusion
# Beginning Farmer and Rancher

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017*</th>
<th>‘16 to ‘17 Change</th>
<th>‘15 to ‘17 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total RMA Producers</td>
<td>555,404</td>
<td>547,900</td>
<td>537,974</td>
<td>-1.8%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Primary Producers with BFR</td>
<td>13,693</td>
<td>15,467</td>
<td>16,132</td>
<td>4.4%</td>
<td>17.8%</td>
</tr>
<tr>
<td>BFR Additional Premium Subsidy</td>
<td>$13.05M</td>
<td>$13.79M</td>
<td>$15.38M</td>
<td>10.9%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Administrative Fees Waived</td>
<td>$1.67M</td>
<td>$1.95M</td>
<td>$2M</td>
<td>2.6%</td>
<td>19.8%</td>
</tr>
<tr>
<td>BFR Producers Using Yields From a</td>
<td>1,242</td>
<td>1,927</td>
<td>2,634</td>
<td>36.7%</td>
<td>112.1%</td>
</tr>
<tr>
<td>Previous Operator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BFR Producers with YA</td>
<td>4,931</td>
<td>5,702</td>
<td>5,518</td>
<td>-3.1%</td>
<td>12%</td>
</tr>
<tr>
<td>BFR Net Acres</td>
<td>3.5M</td>
<td>3.9M</td>
<td>4M</td>
<td>11%</td>
<td>14%</td>
</tr>
</tbody>
</table>

16+ Thousand Producers

4+ Million Acres
Expanding Organic Options

- **Organic Price Elections** have grown from 4 crops in 2011 to 79 crops in 2018
- **Contract Price Option** is available for 66 crops

Organic Acreage Insured and Liability

- Acres (Thousands)
- Liability (Millions)

Graph showing the increase in acres and liability from 2004 to 2017.
### 2017 Top Ten Organic Crops by Liability

<table>
<thead>
<tr>
<th>Organic Crop</th>
<th>Acres Insured</th>
<th>Liability ($ Mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>259,392</td>
<td>$189.5</td>
</tr>
<tr>
<td>Apples</td>
<td>16,731</td>
<td>$147.8</td>
</tr>
<tr>
<td>Wheat</td>
<td>345,017</td>
<td>$75.5</td>
</tr>
<tr>
<td>Soybeans</td>
<td>142,692</td>
<td>$66.8</td>
</tr>
<tr>
<td>Tobacco</td>
<td>9,076</td>
<td>$49.5</td>
</tr>
<tr>
<td>Rice</td>
<td>65,498</td>
<td>$42.5</td>
</tr>
<tr>
<td>Grapes</td>
<td>11,650</td>
<td>$41.7</td>
</tr>
<tr>
<td>Blueberries</td>
<td>3,634</td>
<td>$35.3</td>
</tr>
<tr>
<td>Cotton</td>
<td>60,682</td>
<td>$33.4</td>
</tr>
<tr>
<td>Potatoes</td>
<td>10,859</td>
<td>$29.0</td>
</tr>
</tbody>
</table>
Map of Organic Policies

Policies:
- < 10
- 10 to 25
- 25 to 50
- 50 to 100
- >= 100

United States Department of Agriculture
## APH Yield Exclusion (YE)

<table>
<thead>
<tr>
<th>Crop</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Acres</td>
<td>Percent w/ YE</td>
<td>Total Acres</td>
</tr>
<tr>
<td>Corn</td>
<td>38,953,904</td>
<td>34%</td>
<td>41,345,391</td>
</tr>
<tr>
<td>Soybeans</td>
<td>27,614,338</td>
<td>14%</td>
<td>27,399,121</td>
</tr>
<tr>
<td>Wheat**</td>
<td>7,213,168</td>
<td>16%</td>
<td>35,303,175</td>
</tr>
<tr>
<td>Cotton</td>
<td>6,960,009</td>
<td>29%</td>
<td>7,431,945</td>
</tr>
<tr>
<td>Grain Sorghum</td>
<td>6,185,665</td>
<td>19%</td>
<td>5,172,139</td>
</tr>
<tr>
<td>Barley</td>
<td>1,615,591</td>
<td>6%</td>
<td>1,506,797</td>
</tr>
<tr>
<td>Sunflowers</td>
<td>1,582,852</td>
<td>9%</td>
<td>1,384,516</td>
</tr>
<tr>
<td>Canola</td>
<td>617,753</td>
<td>3%</td>
<td>683,767</td>
</tr>
<tr>
<td>Peanuts</td>
<td>459,030</td>
<td>5%</td>
<td>463,966</td>
</tr>
<tr>
<td>Popcorn</td>
<td>88,066</td>
<td>9%</td>
<td>94,268</td>
</tr>
<tr>
<td>Rice</td>
<td>85,818</td>
<td>2%</td>
<td>158,686</td>
</tr>
<tr>
<td>All Others</td>
<td>N/A</td>
<td>N/A</td>
<td>6,805,293</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>91,376,193</td>
<td>24%</td>
<td>127,749,063</td>
</tr>
</tbody>
</table>

**Total Acres:**
All acreage insured in counties eligible to exclude 1 year.

**Percent w/ YE:**
Percent of Total Acres that elected YE.

**Spring wheat only for 2015.**
2014 Farm Bill – New Coverage Plans

- Supplemental Coverage Option (SCO)
  - Endorsement to underlying MPCI policy
  - Grains, oilseeds, rice, peanuts, cotton, beans/peas, other

- Stacked Income Protection (STAX)
  - Supplemental or standalone
  - Cotton only

- Margin Protection (MP)
  - Supplemental or standalone
  - Corn, rice, soybeans, wheat

- Whole Farm Revenue Protection (WFRP)
## 2014 Farm Bill: Margin Protection

<table>
<thead>
<tr>
<th>Crop</th>
<th>Policy Count</th>
<th>Acres – Stand Alone</th>
<th>Acres – Supplemental</th>
<th>Premium</th>
<th>Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Total</td>
<td>134</td>
<td>0</td>
<td>45,439</td>
<td>$605,956</td>
<td>$3,534,5756</td>
</tr>
<tr>
<td>Corn</td>
<td>26</td>
<td>0</td>
<td>4,938</td>
<td>$119,663</td>
<td>$4,802,819</td>
</tr>
<tr>
<td>Rice</td>
<td>35</td>
<td>0</td>
<td>11,991</td>
<td>$184,805</td>
<td>$19,000,520</td>
</tr>
<tr>
<td>Soybeans</td>
<td>35</td>
<td>0</td>
<td>4,322</td>
<td>$46,522</td>
<td>$2,536,457</td>
</tr>
<tr>
<td>Wheat</td>
<td>38</td>
<td>0</td>
<td>24,188</td>
<td>$254,966</td>
<td>$9,005,960</td>
</tr>
<tr>
<td>2017 Total</td>
<td>38</td>
<td>0</td>
<td>14,059</td>
<td>$183,017</td>
<td>$9,604,286</td>
</tr>
<tr>
<td>Corn</td>
<td>4</td>
<td>0</td>
<td>682</td>
<td>$15,206</td>
<td>$650,382</td>
</tr>
<tr>
<td>Rice</td>
<td>8</td>
<td>0</td>
<td>3,868</td>
<td>$102,615</td>
<td>$4,796,970</td>
</tr>
<tr>
<td>Soybeans</td>
<td>8</td>
<td>0</td>
<td>1,049</td>
<td>$8,399</td>
<td>$691,874</td>
</tr>
<tr>
<td>Wheat</td>
<td>18</td>
<td>0</td>
<td>8,460</td>
<td>$56,797</td>
<td>$3,465,060</td>
</tr>
</tbody>
</table>
2017 Whole Farm Policies

Map depicts data for the Summary of Business from the USDA Risk Management Agency Reinsurance Year 2017.

The information displayed on the map is intended to showcase an area depicting data provided or stored by the Risk Management Agency. It does not modify, replace, or supersede any USDA published policy provisions or procedures.
Questions?