

Congress of the United States
Washington, DC 20515

February 28, 2013

Mr. William Murphy
Administrator
Risk Management Agency
U.S Department of Agriculture
1400 Independence Ave., SW
Washington, DC 20250

Dear Administrator Murphy,

We contact you today to share the serious concerns that have been brought to our attention by our farming constituents in Kentucky, North Carolina, and Virginia regarding the USDA Risk Management Agency's (RMA) revised Special Provisions of Insurance for Flue Cured and Burley Tobacco beginning in 2013. In doing so, we ask the RMA to strongly consider altering these new policies to accommodate the concerns mentioned below. Additionally, we would like to take this opportunity to schedule a meeting at your earliest convenience to discuss these policies and any potential revisions.

We commend the RMA for trying to reduce the loss ratio in the crop insurance industry; however, we believe the agency should not take sweeping actions that put the majority of those in the business, who are honest farmers that are trying to make a living, at severe risk. The RMA's revised provisions for 2013 place two sets of new restrictions on a producer's eligibility to acquire crop insurance.

First, the new proposed requirement for crop insurance eligibility requires farmers to rotate their tobacco crop after growing tobacco consistently for only two years. As stated by University of Kentucky Tobacco Specialists (see enclosed letter), tobacco crops can be grown productively beyond two years, remain healthy and avoid disease. *Given the common perception among producers that tobacco can grow beyond two years without disease, we believe many farmers will opt to grow tobacco for a third year without crop insurance coverage for disease, despite the new two year limit as proposed by the RMA.* We strongly believe that such producers, who willingly forgo coverage for disease, should still be covered for losses due to weather-related catastrophes. Producers should not be penalized for losses from a hailstorm because they failed to acquire an insurance policy based on disease-prevention. Given this concern, we ask the RMA to consider losses incurred from disease and losses incurred from catastrophic weather as two separate forms of risks while making any revisions to its Special Provisions of Insurance for Flue Cured and Burley Tobacco.

Additionally, the Special Provisions of Insurance for 2013 eliminate coverage for first year tobacco crops following three years of continuous cover, hay or forage crop. The above provision requires producers to rotate tobacco crops every two years. However, this second provision penalizes those farmers who, in good faith, comply with the first provision but would like to provide cover crop by making them ineligible for tobacco insurance after three years of continuous cover—a practice that is considered to be sound agronomic practice industry-wide.

Finally, the December 18, 2012, announcement of the special provisions has placed a significant economic burden on countless producers who had already rented land and possibly applied fertilizer in anticipation of growing a crop on those fields in 2013. The implication of this late announcement means that many farmers will be unable to adjust their crop rotations schedules because they lack the land resources to make such changes. Consequently, these farmers will be ineligible to secure crop insurance and, as a result, lenders are not likely to extend the operating loans necessary for these farmers produce their crops and maintain their livelihood.

With the March 15, 2013 deadline to secure crop insurance rapidly approaching, we appreciate your attention and cooperation in immediately addressing this serious situation. We would like to request a meeting at your earliest convenience to discuss this matter as well as any plans the RMA may have for implementing the Special Provisions of Insurance for Flue Cured and Burley Tobacco beginning this year.

We appreciate your hard work in helping U.S. producers effectively manage their business risks while providing our nation with an abundant food supply. Please contact Tate Bennett on Congressman Andy Barr's staff at (202) 225-4706 or Sean Brown on Congressman Robert Hurt's staff at (202) 225-4711 as soon as possible to schedule this meeting.

Sincerely,



Andy Barr
Member of Congress



Robert Hurt
Member of Congress



Howard Coble
Member of Congress



George Holding
Member of Congress



Renee Ellmers
Member of Congress



Richard Hudson
Member of Congress



Brett Guthrie
Member of Congress



Thomas Massie
Member of Congress



Harold Rogers
Member of Congress



Ed Whitfield
Member of Congress