Crop Insurance Professionals Association, LLC

June 23, 2015

Mr. Daniel McGlynn
Production, Emergencies and Compliance Division
Farm Service Agency (FSA)
United States Department of Agriculture
MAIL STOP 0517
1400 Independence Avenue SW, Washington, DC 20250-0517

In Re: Interim Rule on Conservation Compliance, RIN 0560–AI26, *Federal Register*, Vol. 80, No. 79, Page 22873, Friday, April 24, 2015

Dear Mr. McGlynn:

On behalf of the Crop Insurance Professionals Association (CIPA), thank you for this opportunity to provide comment in regard to the interim rule on conservation compliance in connection with premium support for producers under Federal Crop Insurance.

As an organization of agents committed to providing risk management education and products to our farmer customers to provide greater certainty and stability to their farms, ranches, or dairies, we did not support the inclusion of conservation compliance in the Farm Bill because it creates a duplicative paperwork burden in the vast majority of areas where participation in the Commodity Title to the Farm Bill already achieves conservation compliance, and a very significant barrier to crop insurance participation in areas where there is not significant Farm Bill participation.

Nevertheless, the conservation compliance provision was included in the conference report to the Agricultural Act of 2014 (the Farm Bill) under the assurance that it would be implemented in a fashion that would work to promote compliance rather than in a punitive manner that would deny farmers premium support and, thus, Federal Crop Insurance. Unfortunately for everybody involved, this assurance is being tested.

There are certain commitments that USDA has made in connection to conservation compliance that we believe are critically important. For instance, USDA has given assurances that "a person who participates in Title I programs for 2014 and is in compliance with the conservation compliance provisions for purposes of 2014 program benefits under Title I that are subject to the provisions is also in compliance with the provisions for purposes of eligibility for Federal crop insurance premium subsidy, absent any action by the person that would change that status." USDA has also given assurance that "there are procedures in place to correct good faith errors and omissions on certification forms" that are submitted on or before June 1, 2015.

Yet, while these assurances are very important, they are not comprehensive in addressing the host of current concerns. Above all, producers need certainty. As agents, we need certainty when selling a

crop insurance policy to know whether a farmer is or is not eligible for premium support. Thus, we strongly urge USDA to significantly improve its implementation of this provision of the Farm Bill in two critical ways: (1) by refining lists between FSA, the Risk Management Agency (RMA), and the Natural Resource Conservation Service (NRCS) to provide Approved Insurance Providers (AIPs) with exact information as to what farmers are eligible and what farmers are not; and (2) to provide a clear path by which a person or entity who is not in compliance, due either to certification or substantive reasons, may come into compliance prior to the applicable sales closing date without any future interruption in premium support.

Based on USDA press releases and other assurances, it appears that USDA will work to ensure that errors on an AD-1026 will not work to disqualify a producer from premium support under Federal Crop Insurance, but it is not clear how this will happen. Separate from the issue of errors made in an AD-1026 form are the situations where farmers attempted to file an AD-1026 in a timely fashion, by June 1, 2015, but the local Farm Service Agency (FSA) either did not accept the form or did not record the form when it was received. We trust that these issues will be fairly and quickly resolved before the first sales closing dates for the 2016 crop year, which are fast approaching with some beginning in July. An agent cannot sell a policy in good conscience without knowing for certain whether the farmer is eligible for premium support.

Concerning substantive compliance, CIPA is primarily concerned with three areas. First, it must be USDA's responsibility, and not an approved insurance provider or agent, to inform farmers if and when they are not in compliance. As agents, we have worked hard to assist farmers in making the decisions and meeting the deadlines required under the Farm Bill but informing farmers of USDA compliance determinations is not a duty properly performed by anyone other than those making those determinations.

Second, and very importantly, the promise of conservation compliance proponents must be kept: ensuring compliance rather than punitively denying farmers premium support must be the objective. If a farmer is found to be out of compliance for whatever reason, there should be a clear path to come into compliance before the applicable sales closing without loss of premium support. Farmers will have little or no incentive to take the actions necessary to come into compliance in a timely manner if there is little or nothing they can do to effectively salvage their premium support for the current or succeeding crop years. CIPA believes that correcting this aspect of the interim rule is an integral part to the success or failure of the conservation compliance provision.

Finally, if the aforementioned steps to cure any certification or substantive problems are not taken and a farmer is notified of non-compliance after the applicable sales closing date, then there should be procedures in place to allow farmers to cancel or otherwise reduce coverage levels under Federal Crop Insurance.

On behalf of CIPA, we thank you for the opportunity to provide comment in regard to the interim rule concerning conservation compliance linkage to Federal Crop Insurance.

Sincerely,

William Cole Jr.

William Cole
Chairman