

June 4, 2015

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Farm Service Agency
US Department of Agriculture
MS 0517
1400 Independence Avenue SW
Washington, DC 20250-0517
Attention: RIN 0560-AI26

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

The agriculture, lending, crop insurance and conservation communities are committed to a successful implementation of the provisions of the 2014 Farm Bill that impact the Federal crop insurance program. Because of this commitment and the importance of the Federal crop insurance program to rural America, we respectfully submit the following comments on the interim rule on conservation compliance for the crop insurance program.

Across the agricultural value chain one of the most consistent concerns raised about the implementation of these new conservation compliance requirements is the alignment of AD-1026 records with the records for Federal crop insurance policies. Simple differences such as the use of a personal tax identification number versus a business tax identification number could potentially flag a producer for additional scrutiny under this rule. We appreciate USDA's comments that these issues will be remedied in a timely manner, but we would be remiss if we did not utilize this comment period to specify and expand on some of the concerns related to resolving differences between Farm Service Agency (FSA) and Risk Management Agency (RMA) records.

- It will be critical for FSA and RMA to reconcile these differences in a timely manner. Different crops have different sales closing dates for crop insurance policies, and some crops such as strawberries have a sales closing date within a month of the June 1 deadline for filing an AD-1026. It will be critical for producers to know their status and have confidence that issues are worked out as they purchase their crop insurance policies.
- Communication between parties – FSA, RMA, Approved Insurance Providers (AIPs) and producers - will be absolutely essential throughout this process. We are aware that some FSA offices, for example, are not inputting AD-1026 forms when they are delivered by a producer. This only serves to delay the transmission of accurate information about producer eligibility. Clear standards and procedures for the timely transmission of data will be key to a successful implementation of this policy.
- It is unclear from the rule who is ultimately responsible for communicating eligibility status with producers. Clearly the onus of this final communication should rest with

USDA, but it is unclear which agency within USDA is the ultimate authority for communicating eligibility to producers and to the AIPs responsible for the policies.

The rule fails to outline whether or not producers will be allowed to cancel or reduce their crop insurance coverage if they are informed of their ineligibility after the sales closing date for a crop insurance policy. The rule notes that USDA will attempt to determine eligibility for a time that “is as close to the beginning of the next reinsurance year (July 1) as practical,” but particularly in this first year of the new compliance program, it seems quite possible that reconciling data between FSA and RMA could slip into the 2016 reinsurance year and leave producers, lenders and the private sector delivery system without definitive answers about eligibility for crops with early sales closing dates. It is also imperative that if a producer becomes compliant during the reinsurance year any time before the sales closing date that they continue to be eligible for crop insurance premium assistance. As we’ve heard many times from USDA, the rule is not meant to be punitive, and if producers are in compliance before a policy is purchased there is no reason the producer should not be eligible for premium assistance.

The rule also fails to provide clarity around situations where producers may purchase land after the June 1 deadline but before the sales closing date for the crop. Clearly this producer could not possibly have met the deadline for the AD-1026 because the producer didn’t even own the land at the time, yet under this rule it appears they would be ineligible for premium assistance for a crop insurance policy on that land for the first year they own it. A lack of clarity could impact land sales and management decisions, and the intent of Congress does not appear to be punitive in dealing with this type of situation.

It is also possible that new types of crop insurance policies and/or expanded regional offerings for already existing policies could become available after the June 1 deadline for filing an AD-1026. The rule, however, offers no ability for a producer to file the AD-1026 after the June 1 deadline in this instance, which seems to imply that a producer would not be eligible for premium assistance for these new policies in the first year, even though there is no possible way a producer could have met the requirements of this rule. If this is the intent of the rule, it could hinder the success of these new or expanded policy options. Again, such punitive interpretations of the compliance provision do not appear to be the intent of Congress, but clarification now will provide business certainty for producers, AIPs, agents and lenders.

Finally, the rule discusses specific exceptions for producers who “began farming for the first time after June 1,” but does not provide additional clarity as to what that means. Some additional clarifications may be needed in some instances where non-insurable commodities were produced on a farm or ranch, but where producers are expanding into a new, insurable crops. Clarification around the treatment of succession plans could also be useful.

We would like to thank you for this opportunity to provide our thoughts on how to successfully implement the conservation compliance provisions of the 2014 Farm Bill. We all have a vested interest in ensuring the implementation of this provision allows for the continued success of the

Federal crop insurance program while meeting the conservation goals intended, and we look forward to working with USDA towards this goal.

Agricultural Retailers Association
American Agri-Women
American Association of Crop Insurers
American Bankers Association
American Farm Bureau Federation
American Farmland Trust
American Malting Barley Association
American Sesame Growers Association
American Soybean Association
Association of Fish & Wildlife Agencies
California Association of Winegrape Growers
Crop Insurance and Reinsurance Bureau
Crop Insurance Professionals Association
Ducks Unlimited
Farm Credit Council
Farmer Mac
Independent Community Bankers of America
Independent Insurance Agents & Brokers of America
National Association of Conservation Districts
National Association of Mutual Insurance Companies
National Association of Professional Insurance Agents
National Association of Wheat Growers
National Barley Growers Association
National Black Growers Council
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Farmers Union
National Peach Council
National Sorghum Producers
National Sunflower Association
National Wildlife Federation
North American Equipment Dealers Association
Pheasants Forever
Quail Forever
Rural and Agriculture Council of America
Specialty Crop Farm Bill Alliance
Theodore Roosevelt Conservation Partnership
US Canola Association
US Cattlemen's Association
US Dry Bean Council
US Rice Producers Association
USA Dry Pea & Lentil Council

USA Rice Federation
Wildlife Mississippi
Women Involved in Farm Economics