

United States Senate

WASHINGTON, DC 20510

October 16, 2018

The Honorable Sonny Perdue
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Perdue:

We write to request the reconsideration of drastic, sudden reductions in county base values used by the Risk Management Agency (RMA) to calculate policy protection amounts in the Pasture, Rangeland, and Forage (PRF) crop insurance program. This change, which came without warning and in contravention of assurances provided to cattlemen that no major changes would be made to the program for Crop Year 2019, puts 32,000 ranchers throughout the country at great financial risk.

USDA's justifications for the reductions—that they are necessary to ensure the policies' actuarial soundness and reduce improper payments—are not furthered by the new base values. It is our understanding that the reduction in county base values has the effect of lowering coverage, premiums, and benefits by the same proportion, thus having minimal impact on loss ratio and actuarial soundness. Similarly, if RMA seeks to reduce improper payments, they should prioritize strict enforcement of the rules against fraudulent activity, not punish producers who have followed the rules.

Policyholders inform us that these reductions are especially harmful because, in planning for the coming year, they relied on RMA's assurances made last month that no significant changes would be made to the program. While government agencies need not disclose their policies to stakeholders before they are officially announced, misleading statements are another matter entirely. While we recognize that policy planning may be changed as deliberations proceed, the failure to notify affected producers that previous assurances were no longer operative is an unacceptable way for the government to interact with the public.

We hope that you will take these concerns into account before RMA implements the reduced county base values for Crop Year 2019. Rather than implementing these significant changes on such short notice, maintaining 2018 levels for the coming year while conducting a thorough and inclusive deliberative process to determine county base values for Crop Year 2020 would be appropriate. The tens of thousands of American producers who rely on this program deserve much better.

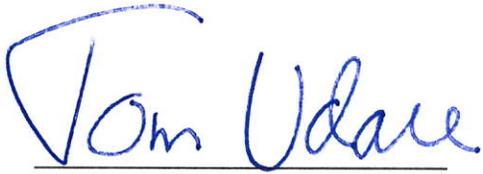


Heidi Heitkamp
United States Senator

Sincerely,



Martin Heinrich
United States Senator



Tom Udall
United States Senator



Catherine Cortez Masto
United States Senator