



Federal Crop
Insurance
Corporation

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February 22, 2024

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Marcia Bunger */signed/*
Manager

SUBJECT: Manager's Report
Exhibit No. 4767

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) meeting on February 22, 2024.

Program Update

Whole-Farm Revenue Protection (WFRP) and Micro Farm Agents (Manager's Bulletin [MGR-24-001](#)) The Risk Management Agency (RMA) periodically receives inquiries from producers who are interested in WFRP and Micro Farm but are unable to find an agent willing to sell and service these policies. To ensure producers can find agents willing to sell and service WFRP and Micro Farm, starting for the 2024 crop year, RMA is allowing agents to voluntarily identify as a "WFRP and Micro Farm" agent. A listing to highlight "WFRP and Micro Farm" agents is posted on the RMA website. The list will be updated periodically through April 15, 2024.

Relay Cropping Practice Insurable by Written Agreement for Soybeans Seeded into a Small Grain Crop or Camelina for the 2024 and Succeeding Crop Years (Manager's Bulletin [MGR-23-007](#)) Beginning in February 2022, RMA allowed written agreements for a new relay cropping practice for soybeans seeded into a small grain crop for the 2023 crop year. For the 2024 and succeeding crop years, RMA will allow soybeans relay cropped into an established small grain or camelina crop (insured or uninsured) to be insurable via written agreement in accordance with section 9(a)(2)(iii) of the Common Crop Insurance Policy Basic Provisions. This expanded insurance opportunity addresses climate change, soil degradation, and depletion of natural resources, all of which are challenges for crop productivity and environmental sustainability.

2024 Crop Year County Spring Crop Program Expansion (Manager's Bulletin [MGR-23-006](#)) RMA announced the expansion into new counties where certain crops having a November 30 contract change date are insurable for the 2024 crop year.

Shellfish Crop Insurance Program – Modification of Initial Crop Year Sales Closing Date to December 15, 2023 (Manager’s Bulletin [MGR-23-005](#)) To provide better information to producers who could benefit from the new Shellfish program, RMA modified the sales closing date to be December 15, 2023, for the initial 2024 crop year. The sales closing date will be November 30 for the 2025 and succeeding crop years.

Nursery Value Select Expansion for the 2025 and Succeeding Crop Years (Product Management Bulletin [PM-24-007](#)) RMA announced expansion of the Nursery Value Select crop insurance program for the 2025 and succeeding crop years. In addition, the Crop Provisions are being updated to include small clarifications for consistency with the Basic Provisions.

Sesame Crop Provisions Changes Effective for the 2024 and Succeeding Crop Years (Product Management Bulletin [PM-23-071](#)) RMA announced changes to the Sesame pilot crop insurance program applicable to the 2024 and succeeding crop years. The changes include:

- Allow written agreements for sesame without geographical restrictions;
- Update the cancellation and termination dates to be reflective of written agreements being expanded nationwide; and
- Allow enterprise units in the actuarial documents.

Hemp Crop Insurance Changes Effective for the 2024 and Succeeding Crop Years (Product Management Bulletin [PM-23-069](#)) RMA announced expansion of the Hemp crop insurance program to 171 new counties in Missouri and South Dakota beginning with the 2024 crop year.

Sugar Beet Crop Insurance Changes Effective for the 2024 and Succeeding Crop Years (Product Management Bulletin [PM-23-068](#)) RMA announced changes to the Sugar Beet Crop Provisions beginning with the 2024 crop year in states with a November 30 contract change date. The changes include:

- Convert Early Harvest Adjustment to an option;
- Increase the acreage threshold to trigger an adjustment for early harvest; and
- Increase the Early Harvest Adjustment cap to accommodate a limited situation where the actual yield from early harvested acreage (prior to any adjustment) was already higher than the previous cap.

Research, Contracts, Studies, and Workgroups

Research and Development of a Date Palm Federal Crop Insurance Program - RMA is researching the potential for development of a date palm Federal crop insurance program. RMA representatives plan to attend and present at the at the 2024 California Date Palm Workshop on May 22 in Indio, California.

Enterprise Units for Specialty and Perennial Crops – RMA is assessing the feasibility of adding Enterprise Units to additional specialty, perennial, and organic crops.

Grain Bag Measurements – RMA has issued a contract to review current procedure related to the measurement of production stored in grain bags. A research report is expected Spring of 2024.

Island Outreach – RMA has been conducting outreach in the Virgin Islands, Guam, and Puerto Rico to provide education to the targeted producers.

Lamb Feasibility Study – RMA has issued a contract to research the feasibility of, and issues related to, insuring the production of lambs. Listening sessions were held in December 2023 and January 2024. The final data gathering report is due in February 2024.

Tribal Wild Rice Study – RMA issued a contract to gather data, perform analysis and develop a marketable and viable pilot crop insurance policy for non-cultivated wild rice production, if deemed feasible. The focus of this effort will be tribal lands in the state of Minnesota. RMA is reviewing the draft Data Gathering Report prepared by the contractor.

Replant Payment Factor Study – RMA issued a contract to review existing factors, recommend updates if appropriate, and recommend methodology for future factor updates. Study focuses on coarse and small grains: buckwheat, barley, corn, grain sorghum, flax, oats, soybeans, and wheat. The final research report is due in April 2024.

Compliance

RMA Compliance has issued final findings to reinsured companies for the period of November 1, 2023 through February 2, 2024:

- Premium overstatements of \$186,019;
- Indemnity overpayments \$197,622;
- Premium understatements of \$70,320; and
- Indemnity underpayments of \$0.

Improper Payments Elimination and Recovery Improvement Act (IPERIA) Reviews

Regional Compliance Offices (RCOs) are currently issuing Final Findings for any IPERIA policy in which an Initial Finding was submitted to the Approved Insurance Providers (AIPs). The Final Findings process will continue through April 2024. Of the 326 policies sampled, approximately 289 reviews have been completed and the case policies closed.

AIPs Performance Reviews (APRs)

Regional Compliance Offices (RCOs) completed their review of documents submitted by the AIPs and submitted their final Review Plans to the Deputy Administrator for Compliance (DAC) for approval as of December 20, 2023. All plans were approved and the RCOs scheduled the onsite review dates with the AIPs. The onsite review schedule is as follows:

<u>Regional Compliance Office</u>	<u>Approved Insurance Provider</u>	<u>Onsite Review Date</u>
Central	Crop Risk Services	January 29 - 2 February 2024
Eastern	Church Mutual Insurance Company (Precision Risk Management LLC)	February 12- 16 2024
Midwest	NAU Country Insurance Company	February 12 - 16 2024
Northern	Hudson Insurance Company	February 20 - 23 2024
Southern	Producers Agriculture Insurance Company (ProAg Management Inc.)	February 12 – 16 2024
Western	Country Mutual Insurance Company	March 5 - 8 2024

Criminal Recover, Indictments, Convictions, and Guilty Pleas

- A Federal court sentenced a Nebraska producer to 36 months of incarceration followed by 5 years of supervised release and ordered to pay \$5,059,035 restitution to a lender. The producer pleaded guilty to bank fraud following an indictment charging three counts of bank fraud and one count of conversion of mortgaged property for defrauding the Commodity Credit Corporation.
- A North Dakota producer signed a plea agreement to plead guilty to a felony for making false statements to an AIP and RMA following an indictment charging three counts of crop insurance fraud.
- A North Dakota producer signed a plea agreement to plead guilty to felony crop insurance fraud following an indictment charging crop insurance fraud.
- A Federal judge sentenced two Minnesota producers after they pleaded guilty to crop insurance fraud and wire fraud. One received 36 months imprisonment with 2 years supervised release and ordered to pay a \$19.7M judgement. The other received time served with 2 years supervised release, 100 hours of community service, and ordered to pay \$69,380 restitution to RMA.

Audits

- OIG Audit 05401-0015-11 FY23 Exit Conference FCIC/RMA Financial Statement Audit was on November 8, 2023.
- OIG Audit 05601-0008-31 Prevented Planting Exit Conference was on December 7, 2023.
- OIG Audit 50401-0022-11 - FY23 USDA Consolidated Financial Statements Audit Exit Conference was on January 16, 2024.
- OIG Audit 50024-0004-24 USDA's Compliance with Improper Payment Requirements for Fiscal Year 2023 Entrance Conference was on February 2, 2024.

Personnel Announcements

None.