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CIPA Comments on Third SRA Draft

WASHINGTON (June 11, 2010)— The U.S. Department of Agriculture (USDA) released its third draft of the Standard Reinsurance Agreement (SRA) yesterday, and with it, the latest set of cuts to crop insurance.

The Crop Insurance Professionals Association (CIPA) released the following statement about the newest SRA proposal:

“Upon our initial reading of the document, the USDA made a few strides in the right direction, but crop insurance agents remain disappointed by the proposal as a whole because it would cut \$6 billion out of crop insurance.

“From the beginning of this process, we have stressed the importance of putting the farmer first, and, unfortunately, a \$6 billion hole in the farm safety net could harm farmers, harm rural economies, and cost jobs.

“Whether or not crop insurance companies will accept the latest proposal is unclear, but what is clear is that agents remain focused on protecting farmers in this process. We continue to believe that the focus of the SRA should be on making policies more accessible while expanding coverage. We remain hopeful that positive changes to the SRA can still happen.”

The \$6 billion proposed cut is nearly three times as large as one overwhelmingly rejected by Congress in the 2008 Farm Bill debate for being too crippling to the safety net.

The SRA is a contract between the government and crop insurers that dictates the crop insurance business for five years.

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CIPA represents independent agents who run small businesses and support jobs in rural towns from coast to coast. Learn more at www.cipatoday.org.