

**2024 USDA EXPLANATORY NOTES – RISK MANAGEMENT AGENCY**

*Table of Contents*

Preface ..... 3

Agency-Wide ..... 3

    Purpose Statement ..... 3

    OIG and GAO Reports ..... 4

    Available Funds and FTEs ..... 5

    Permanent Positions by Grade and FTEs ..... 6

    Vehicle Fleet ..... 7

    Shared Funding Projects ..... 8

Account 1: Salaries and Expenses ..... 11

    Appropriations Language ..... 11

    Lead-Off Tabular Statement ..... 11

    Project Statements ..... 12

    Justifications for Increases/Decreases ..... 13

    Geographic Breakdown of Obligations and FTE ..... 15

    Classification by Objects ..... 16

Account 2: Federal Crop Insurance Corporation (FCIC) ..... 17

    Appropriations Language ..... 17

    Lead-Off Tabular Statement ..... 17

    Project Statements ..... 17

    Justifications of Increases/Decreases ..... 18

    Proposed Legislation ..... 19

    Geographic Breakdown of Obligations and FTE ..... 19

    Classification by Objects ..... 21

    Status of Programs ..... 23

Agency-Wide Performance ..... 27

    Summary of Performance ..... 27

This page was intentionally left blank.

**PREFACE**

This publication summarizes the fiscal year (FY) 2024 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2024 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2021 and 2022, enacted levels for 2023, and the President’s Budget request for 2024. Amounts for 2023 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2021, 2022, 2023 and 2024.

**AGENCY-WIDE****PURPOSE STATEMENT**

The Risk Management Agency (RMA) was established under provisions of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127, enacted April 4, 1996. This Act required that the Secretary establish within the Department an independent office responsible for supervision of the Federal Crop Insurance Corporation (FCIC). RMA provides administration and oversight of programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), including a variety of actuarially sound crop and livestock insurance products. The Mission of the Risk Management Agency is serving America’s agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities.

Over the past eight decades, Federal crop insurance has been the primary product provided by the FCIC/RMA and consists of various risk management products designed to support the economic stability of agriculture. Legislation, including the current Farm Bill, has prompted significant program growth and the development of many large and complex new programs. RMA continuously strives to provide adequate risk protection opportunities for our Nation’s agricultural producers as well as identify and address concerns about Federal crop insurance.

RMA monitors, evaluates, reviews, and updates risk management products; reviews and implements private sector products approved by the FCIC Board of Directors to be reinsured by FCIC; and ensures delivery of these products to agricultural producers. Federal crop insurance provides an effective financial safety net for farmers and ranchers to sustain economically viable agricultural production, support rural jobs and economic growth by providing protection from both yield and market risks. Examples of recent enhancements to the Federal crop insurance program include Post-Application Coverage Endorsement, Micro Farm, Multi-County Enterprise Units, Dairy Revenue Protection, Supplemental Coverage Option, Hurricane Insurance Protection-Wind Index, Enhanced Coverage Option, expanded Whole Farm Revenue Protection, new and expanded beginning farmer and rancher provisions, improved and expanded coverage for organic producers, expanded forage options, and conservation compliance requirements. Using these tools, agricultural producers have available a cost-effective means of managing their risk and are better able to help sustain the rural economy.

Major RMA functional areas include: 1) Program Administration including the FCIC Board of Directors; 2) Product Management; 3) Insurance Services including ROs located in: Billings, Montana; Jackson, Mississippi; Oklahoma City, Oklahoma; Raleigh, North Carolina; Davis, California; St. Paul, Minnesota; Spokane, Washington; Springfield, Illinois; Topeka, Kansas; and Valdosta, Georgia; and 4) Compliance including RCOs located in: Dallas, Texas; Indianapolis, Indiana; Kansas City, Missouri; Raleigh, North Carolina; Davis, California; and St. Paul, Minnesota.

As of September 30, 2022, RMA had 397 full-time permanent employees located throughout the Nation as follows: 30 in Washington, D.C. Headquarters; 144 in Kansas City, MO national office; with the remaining 223 located throughout the ten Regional Offices (ROs) and six Regional Compliance Offices (RCOs).

**OIG AND GAO REPORTS**

***Table RMA-1. Completed OIG Reports***

<b>ID</b>	<b>Date</b>	<b>Title</b>
50024-0002-24	06/28/2022	USDA’s Compliance with Improper Payment Requirements for Fiscal Year 2021

***Table RMA-2. In-Progress OIG Reports***

<b>ID</b>	<b>Title</b>
05601-0008-31	Prevented Planting Program
05601-0002-41	Apiculture Pilot Insurance Program
05601-0009-31	Hemp Crop Provisions
05401-0014-11	Federal Crop Insurance/Risk Management Agency’s Financial Statements for Fiscal Years 2022 and 2021

***Table RMA-3. Completed GAO Reports***

<b>ID</b>	<b>Date</b>	<b>Title</b>	<b>Result</b>
15-215	01/06/2014	Crop Insurance: In Areas with higher Crop Production Risks, Costs are Greater, and Premiums Might Not Cover Expected Losses	RMA has revised premium rates as appropriate and consistent with generally accepted actuarial practices. RMA is working with GAO on follow-up questions for closure.
17-501	11/08/2017	Crop Insurance: Opportunities Exist to Improve Program Delivery and Reduce Costs	RMA will examine the potential to reduce variations in administrative and operating payments the next time the Standard Reinsurance Agreement is renegotiated. There is no set data for renegotiations.

***Table RMA-4. In-Progress GAO Reports***

<b>ID</b>	<b>Title</b>
106084	Distribution of Premium Subsidies
106086	Equity of Private Delivery
106144	U.S. Sugar Program

**AVAILABLE FUNDS AND FTEs**

**Table RMA-5. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE
Salaries and Expenses:								
Discretionary Appropriations .....	\$60,131	385	\$62,707	394	\$66,870	410	\$77,897	452
Federal Crop Insurance Fund: .....								
Deliveries Expenses-GP 771 .....	-	-	-	-	25,000	-	-	-
Mandatory Appropriations.....	7,720,000	-	12,355,000	-	15,410,000	-	14,710,000	-
Total Discretionary Appropriations .....	60,131	385	62,707	394	66,870	410	77,897	452
Total Mandatory Appropriations.....	7,720,000	-	12,355,000	-	15,435,000	-	14,710,000	-
Sequestration .....	-2,000	-	-2,000	-	-2,000	-	-2,000	-
Transfers In .....	11,000	-	11,000	-	11,000	-	11,000	-
Transfers Out.....	-18,000	-	-17,200	-	-17,000	-	-17,000	-
Total Adjusted Appropriation.....	7,771,131	385	12,409,507	394	15,493,870	410	14,779,897	452
Balance Available, SOY .....	595,000	-	591,000	-	591,000	-	591,000	-
Recoveries, Other .....	4,288,000	-	6,307,000	-	5,840,000	-	6,655,000	-
Total Available .....	12,654,131	385	19,307,507	394	21,924,870	410	22,025,897	452
Lapsing Balances .....	-708	-	-767	-	-	-	-	-
Balance Available, EOY .....	-591,000	-	-591,000	-	-591,000	-	-592,000	-
Total Obligations, RMA.....	12,062,423	385	18,715,740	394	21,333,870	410	21,433,897	452
Total Available, RMA .....	12,654,131	385	19,307,507	394	21,924,870	410	22,025,897	452

**Table RMA-6. Administrative Funding (thousands of dollars)**

CATEGORY	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
<b>Salary and Benefits</b>				
Discretionary	\$49,312,000	\$53,151,000	\$57,992,269	\$66,967,955
FCIC	6,000,000	6,000,000	6,000,000	6,000,000
<b>Total, personnel comp. and benefits, Table RMA-14</b>	<b>55,312,000</b>	<b>59,151,000</b>	<b>63,992,269</b>	<b>72,967,955</b>
<b>All Other Discretionary</b>				
Discretionary - Travel, Rent Contracts, Supplies, Equipment	7,236,000	7,990,000	8,877,731	10,929,045
Discretionary - IT	1,875,000	599,000	-	-
FCIC - Contracts	1,000,000	1,000,000	1,000,000	1,000,000
<b>All Other Discretionary</b>	<b>10,111,000</b>	<b>9,589,000</b>	<b>9,877,731</b>	<b>11,929,045</b>
<b>Subtotal, Discretionary, Table RMA-14</b>	<b>65,423,000</b>	<b>68,740,000</b>	<b>73,870,000</b>	<b>84,897,000</b>
<b>RMA Total FTEs</b>	<b>385</b>	<b>394</b>	<b>410</b>	<b>452</b>
<b>IT Mandatory Fees (1)</b>				
Contracts/Agreements-Fees	27,410,834	34,999,968	35,229,863	33,090,955
WCF/Greenbook-Fees	9,849,815	7,566,519	8,572,321	8,232,280
<b>Subtotal, IT Mandatory Fees</b>	<b>37,260,649</b>	<b>42,566,487</b>	<b>43,802,184</b>	<b>41,323,235</b>
<b>Non-IT Mandatory Fees (1)</b>				
Contracts/Agreements (2)	-	1,936,966	-	-
<b>Subtotal, Non-IT Mandatory CAT Fees</b>	<b>-</b>	<b>1,936,966</b>	<b>-</b>	<b>-</b>
Fees TBD	-	-	1,461,816	3,940,765
<b>Subtotal, Total Mandatory IT and Non-IT Fees</b>	<b>37,260,649</b>	<b>44,503,453</b>	<b>45,264,000</b>	<b>45,264,000</b>
<b>Total Administrative Funding</b>	<b>102,683,649</b>	<b>113,243,453</b>	<b>119,134,000</b>	<b>130,161,000</b>

- (1) IT Fees and Non-IT Fees reflect Sequestration.
- (2) Underserved Training Pilot and Agronomic Data Validation.

**PERMANENT POSITIONS BY GRADE AND FTEs**

**Table RMA-7. Permanent Positions by Grade and FTEs**

Item	2021 Actual			2022 Actual			2023 Estimated			2024 Estimated		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES .....	2	1	3	4	1	5	4	1	5	4	1	5
SL.....	-	2	2	-	3	3	-	3	3	-	3	3
GS-15.....	7	5	12	6	8	14	6	8	14	6	8	14
GS-14.....	3	43	46	4	42	46	3	42	45	3	42	45
GS-13.....	14	152	166	12	162	174	11	174	185	16	206	222
GS-12.....	-	107	107	1	109	110	1	115	116	1	123	124
GS-11.....	-	21	21	-	19	19	-	20	20	-	20	20
GS-10.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-9.....	1	15	16	1	15	16	1	10	11	1	10	11
GS-8.....	2	-	2	2	-	2	2	-	2	2	-	2
GS-7.....	-	14	14	-	6	6	2	4	4	-	4	4
GS-6.....	-	1	1	-	-	-	-	1	1	-	1	1
GS-5.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-2.....	-	-	-	-	1	1	1	-	1	-	-	-
Other Graded.....	-	-	-	-	-	-	-	-	-	-	-	-
Ungraded.....	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Permanent.....</b>	<b>30</b>	<b>361</b>	<b>391</b>	<b>31</b>	<b>366</b>	<b>397</b>	<b>32</b>	<b>378</b>	<b>410</b>	<b>34</b>	<b>418</b>	<b>452</b>
Unfilled, EOY.....	-	3	3	-	-	-	-	-	-	-	-	-
<b>Total Perm. FT EOY.</b>	<b>30</b>	<b>364</b>	<b>394</b>	<b>31</b>	<b>366</b>	<b>397</b>	<b>32</b>	<b>378</b>	<b>410</b>	<b>34</b>	<b>418</b>	<b>452</b>
<b>FTE .....</b>	<b>30</b>	<b>355</b>	<b>385</b>	<b>30</b>	<b>364</b>	<b>394</b>	<b>30</b>	<b>380</b>	<b>410</b>	<b>30</b>	<b>422</b>	<b>452</b>

**VEHICLE FLEET****Motor Vehicle Fleet**

RMA uses vehicles assigned to Regional Office (RO) and Regional Compliance Office (RCO) locations in the field to deliver mission critical services. Each RO and RCO is assigned a geographical area within the United States to perform monitoring, oversight, and underwriting activities of the Federal crop insurance program. The primary use of these vehicles is to perform site visits of crops and/or inspections of crop losses, including for large claims reviews or other compliance reviews. In addition, they are used to attend conferences and meetings related to the agency's mission. For GSA-leased vehicles, RMA relies upon GSA to supply the agency with alternative-fueled vehicles as required by law. RMA requires operation and maintenance logs for all its vehicles. Periodic reviews ensure optimal use of each vehicle in the fleet.

**Replacement Criteria**

RMA retires or replaces vehicles based upon age, utilization, operating costs, and maintenance costs. RMA always replaces vehicles with the most efficient and cost-effective model available that will meet the mission need.

**Reductions to Fleet**

RMA plans to maintain the current vehicle fleet of four thru 2024. Maintaining the fleet size is made possible by following utilization standards and Vehicle Allocation Methodology (VAM).

**Table RMA-8. Size, Composition, and Annual Costs of Motor Vehicle Fleet**

Note: Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or GSA.

Annual Operating Costs excludes acquisition costs and gains from sale of vehicles as shown in FAST.

	Sedans and Station Wagons	Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicle s	Annual Operating Costs
<b>2018 End of Year Operating Inventory...</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>\$31,039</b>
<b>2021 End of Year Operating Inventory...</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>18,919</b>
2022 Planned Acquisitions.....	0	0	0	0	2	0	0	0	2	
2022 Planned Disposals .....	0	0	0	0	2	0	0	0	2	
<b>2022 End of Year Operating Inventory...</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>19,865</b>
2023 Planned Acquisitions.....	0	0	0	0	0	0	0	0	0	
2023 Planned Disposals .....	0	0	0	0	0	0	0	0	0	
<b>2023 End of Year Operating Inventory...</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>21,851</b>
2024 Planned Acquisitions.....	0	0	0	0	0	0	0	0	0	
2024 Planned Disposals .....	0	0	0	0	0	0	0	0	0	
<b>2024 End of Year Operating Inventory...</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>24,037</b>

\*RMA does not have any motor vehicles planned for 2024.

## SHARED FUNDING PROJECTS

Table RMA-9. Shared Funding Projects (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
<b>Working Capital Fund:</b>				
Administrative Services:				
Material Management Service .....	\$16	\$9	\$9	\$9
Mail and Reproduction Services .....	69	59	61	61
Integrated Procurement Systems.....	27	29	34	35
Procurement Operations Systems.....	-	56	159	257
Human Resources Enterprise Management Systems.....	4	6	7	7
AskUSDA Contract Center.....	-	-	16	16
Personnel and Document Security Program.....	-	-	18	19
Subtotal.....	116	159	304	404
Communications:				
Creative Media & Broadcast Center .....	13	17	45	50
Finance and Management:				
National Finance Center.....	102	101	115	120
Financial Shared Services .....	-	440	466	501
Internal Control Support Services .....	105	106	109	111
Financial Management Support Services .....	423	-	-	-
Subtotal.....	630	647	690	732
Information Technology:				
Client Experience Center .....	4,504	4,528	4,006	4,014
Department Administration Information Technology Office.....	10	18	18	18
Digital Infrastructure Services Center.....	338	702	609	525
Enterprise Cybersecurity Services .....	-	-	121	127
Enterprise Data Services Foundation .....	-	-	5,571	104
Enterprise Network Services.....	2,045	882	816	724
Subtotal.....	6,897	6,449	11,141	5,512
Correspondence Management Services.....	18	23	-	-
Correspondence Management Systems .....	-	-	-	23
Total, Working Capital Fund .....	7,674	7,295	12,180	6,721
<b>Department-Wide Shared Cost Programs:</b>				
Agency Partnership Outreach .....	24	24	30	30
Diversity, Equity, Inclusion and Accessibility .....	-	-	8	8
Human Resources Priority Goals Program .....	-	-	15	15
Medical Services.....	8	8	8	8
National Capital Region Interpreting Services.....	-	2	5	5
Office of Customer Experience.....	34	32	12	12
Personnel and Document Security Program.....	17	18	-	-
Physical Security.....	15	16	17	17
Security Detail .....	16	17	19	19
Security Operations Program.....	23	23	26	26
Talent Group.....	-	-	13	13
TARGET Center .....	4	5	6	6
USDA Enterprise Data Analytics Services .....	19	16	-	-
Total, Department-Wide Reimbursable Programs .....	160	161	159	159
<b>E-Gov:</b>				
Disaster Assistance Improvement Plan .....	5	7	7	7
E-Rulemaking .....	3	40	40	33
Financial Management Line of Business .....	1	1	1	1
Geospatial Line of Business.....	13	13	12	12
Benefits.gov .....	8	8	7	8



2024 USDA EXPLANATORY NOTES – RISK MANAGEMENT AGENCY

<b>Item</b>	<b>2021 Actual</b>	<b>2022 Actual</b>	<b>2023 Estimated</b>	<b>2024 Estimated</b>
Human Resources Line of Business .....	1	1	1	1
Integrated Acquisition Environment .....	1	-	-	-
Total, E-Gov .....	32	70	68	62
Agency Total.....	7,866	7,427	12,407	6,942

This page was intentionally left blank.

**ACCOUNT 1: SALARIES AND EXPENSES**

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

1 For necessary expenses of the Risk Management Agency, [~~\$75,443,000~~]\$77,897,000; of which \$2,000,000 shall be  
 2 available to research, review, and ensure actuarial soundness of new products addressing climate change [and of  
 3 which \$4,500,000 shall be available to conduct research and development and carry out contracting and partnerships  
 4 as described under subsections 522(c) and (d) of the Federal Crop Insurance Act, as amended (7 U.S.C. 1522(c) and  
 5 (d)), in addition to amounts otherwise provided for such purposes]: *Provided*, That \$1,000,000 of the amount  
 6 appropriated under this heading shall be available for compliance and integrity activities required under section  
 7 516(b)(2)(C) of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1516(b)(2)(C)), and shall be in addition to  
 8 amounts otherwise provided for such purpose: *Provided further*, That not to exceed \$1,000 shall be available for  
 9 official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

**Change Description**

This change (lines 2 through 5) deletes language specifying requested appropriation to maximize agency flexibility.

**LEAD-OFF TABULAR STATEMENT**

**Table RMA-10. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2023	\$66,870,000
Change in Appropriation	+ 11,027,000
Budget Estimate, 2024	<u>\$77,897,000</u>

**PROJECT STATEMENTS**

**Table RMA-11. Project Statement on Basis of Appropriations (thousands of dollars, FTE)**

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Appropriations:											
Salaries and Expenses.....	\$66,131	385	\$69,507	394	\$73,870	410	\$84,897	452	+\$11,027	+42	(1)
Add back:											
Rescission, Transfers In and Out.....	-6,000	-	-6,800	-	-7,000	-	-7,000	-	-	-	
Sequestration.....	-	-	-	-	-	-	-	-	-	-	
Total Appropriation.....	60,131	385	62,707	394	66,870	410	77,897	452	+11,027	+42	
Transfers In:											
FCIC Farm Bill.....	7,000	-	7,000	-	7,000	-	7,000	-	-	-	
Total Transfers In.....	7,000	-	7,000	-	7,000	-	7,000	-	-	-	
Transfers Out:											
WCF IT Modernization..	-1,000	-	-200	-	-	-	-	-	-	-	
Total Transfers Out.....	-1,000	-	-200	-	-	-	-	-	-	-	
Total Available.....	66,131	385	69,507	394	73,870	410	84,897	452	+11,027	+42	
Lapsing Balances.....	-708	-	-767	-	-	-	-	-	-	-	
Total Obligations.....	65,423	385	68,740	394	73,870	410	84,897	452	+11,027	+42	

**Table RMA-12. Project Statement on Basis of Obligations (thousands of dollars, FTE)**

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Salaries and Expense.....	\$65,423	385	\$68,740	394	\$73,870	410	\$84,897	452	+\$11,027	+42
Subtotal Disc Obligations.....	65,423	385	68,740	394	73,870	410	84,897	452	+11,027	+42
Total Obligations.....	65,423	385	68,740	394	73,870	410	84,897	452	+11,027	+42
Add back:										
Lapsing Balances.....	708	-	767	-	-	-	-	-	-	-
Total Available.....	66,131	385	69,507	394	73,870	410	84,897	452	+11,027	+42
Less:										
Total Transfers In.....	-7,000	-	-7,000	-	-7,000	-	-7,000	-	-	-
Total Transfers Out.....	1,000	-	200	-	-	-	-	-	-	-
Total Appropriation.....	60,131	385	62,707	394	66,870	410	77,897	452	+11,027	+42

**JUSTIFICATIONS FOR INCREASES/DECREASES**

Risk Management Agency Salaries and Expenses: A net increase of \$11,027,000 (\$66,870,000 and 410 FTEs available in 2023).

The proposed funding level is needed to cover pay cost and benefit cost increases. This will ensure adequate resources are available for RMA to carry out its full range of the responsibilities in administering the Federal Crop Insurance Program.

(1) An increase of \$11,027,000 and 42 FTEs.

The funding change is requested for the following items:

A) An increase of \$5,256,000 for 36 FTEs to support key RMA initiatives:

The additional FTE will be hired to support key RMA initiatives. This will ensure adequate resources are available for RMA to carry out its full range of the responsibilities in administering the Federal Crop Insurance Program. Although staffing levels for program areas have remained reasonably constant over the past decade, varieties of crops insured have nearly doubled, from 325 to 604 since 2020 and RMA has implemented over 50 insurance products through the 508(h) private submission process. The number of crop insured has increased by nearly 20 percent, from 112 to 134 since 2020 and RMA is working more efficiently and effectively in the same time period. RMA will hire additional staff to conduct reviews and investigations to ensure adequate oversight of the Federal Crop Insurance Program, which is essential to maintain an improper payment rate of under 3 percent, which has been the case for the last consecutive 8-years. Program expansion, developing and implementing new products, and maintenance of existing products is critical in meeting the demands of our customers. Without additional resources, it will be nearly impossible for RMA to continue these efforts at the current pace or to ensure a robust, actuarially sound safety net.

B) An increase of \$1,000,000 for 6 FTEs to support Equity:

An increase of \$1,000,000 will provide RMA with the flexibility to hire additional staff that will conduct outreach and stakeholder engagement efforts, focusing on underserved producers, specialty crop growers, and crops that are underserved by the crop insurance program. These staff members will leverage existing core functions to educate, inform, and obtain feedback from stakeholders on a variety of topics, but most importantly, barriers to the crop insurance program. The additional staff will be instrumental in rolling out partnerships with community-based organizations, local non-profits, and universities. Staff will provide producers with training and informational opportunities so that the producers will be better able to use financial management, farm financial benchmarking, crop insurance, marketing contracts, and other existing and emerging risk management tools. In 2022, RMA engaged over 700,000 stakeholders through engagement efforts such as the Micro Farm roadshow. Additional funding would allow RMA to continue this critical work.

C) An increase of \$3,219,000 for 2024 Pay:

This increase will support the annualization of the 2023 4.6 percent Cost of Living pay increase and the 2024 5.2 percent Cost of Living pay increase. Without an increase, RMA will need to reduce operational expenses, resulting in fewer program reviews and mission essential travel, as well as contracts and agreements toward mandatory initiatives and other shared costs. RMA will be unable to purchase any equipment or supplies which will negatively impact maintenance of operational equipment.

D) An increase of \$1,209,000 in Travel:

The increase will ensure RMA's ability to travel for outreach and stakeholder engagement efforts, program reviews, and compliance activities. RMA is expanding outreach staff and will attend more events to interact with producers and deliver risk management education to limited resource communities. Outreach includes more direct interaction and local outreach efforts for communities that have historically lacked access to opportunities, resources, and training; and urban agriculture outreach to strengthen RMA programs and the farm safety net. RMA will increase participation at agriculture and livestock events. RMA will also increase diversity outreach through additional recruitment and information-sharing events at Minority Serving Institutions and other outreach forums. More travel funding will allow RMA to educate producers and organizations on new crop insurance products and risk management practices at small farmer's markets, and to local nonprofits and stakeholders to address food security, farmer viability, and affordable access. Additional travel will ensure RMA programs improve equity for limited resource

communities and urban agriculture. Impact on Performance Targets: Without additional travel funding, RMA will be limited in the amount of education, outreach, and training to underserved producers and communities, and program reviews and compliance activities conducted that are essential to RMA's mission.

E) An increase of \$343,000 in Operating Expenses:

With the increase in operating expenses, RMA will be able to use resources to enter into contracts and/or agreements to expand risk management education and outreach efforts and ensure that actuarial soundness of new policies. If this funding is not provided, this will impact RMA's ability to enter into contracts or agreements to provide adequate actuarial soundness and limit expansion of risk management education and outreach efforts.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE****Table RMA-13. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)**

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Arizona.....	-	-	\$156	1	\$156	1	\$161	1
Arkansas.....	-	-	156	1	156	1	161	1
California.....	\$5,092	32	4,690	30	4,584	29	4,744	29
Colorado.....	-	-	156	1	156	1	161	1
Connecticut.....	-	-	-	-	156	1	161	1
Delaware.....	-	-	-	-	156	1	161	1
District of Columbia.....	8,850	30	9,180	13	11,320	13	13,428	13
Florida.....	-	-	469	3	468	3	484	3
Georgia.....	1,697	11	1,563	10	1,730	11	1,790	11
Idaho.....	-	-	469	3	468	3	484	3
Illinois.....	1,697	11	2,032	13	2,093	13	2,107	13
Indiana.....	2,829	18	2,658	17	2,602	16	2,621	16
Iowa.....	-	-	469	3	468	3	484	3
Kansas.....	1,697	11	7,816	50	7,876	49	7,932	49
Kentucky.....	-	-	469	3	468	3	484	3
Louisiana.....	159	1	156	1	156	1	161	1
Maryland.....	-	-	1,563	10	1,560	10	1,614	10
Minnesota.....	5,657	36	5,471	35	4,384	27	4,543	27
Mississippi.....	1,697	11	1,720	11	1,903	12	1,953	12
Missouri.....	22,559	139	15,636	100	15,457	98	15,986	98
Montana.....	2,263	14	2,189	14	2,193	14	2,268	14
Nebraska.....	159	1	156	1	156	1	161	1
New Jersey.....	-	-	156	1	156	1	161	1
New York.....	-	-	-	-	156	1	161	1
North Carolina.....	3,960	25	3,595	23	3,769	24	3,898	24
North Dakota.....	159	1	156	1	156	1	161	1
Oklahoma.....	1,697	11	1,876	12	1,887	12	1,952	12
Texas.....	2,829	18	2,814	18	3,470	22	3,589	22
Virginia.....	-	-	1,094	7	1,093	7	1,130	7
Washington.....	2,263	14	1,563	10	1,884	12	1,949	12
West Virginia.....	159	1	156	1	156	1	161	1
Wisconsin.....	-	-	-	-	936	6	969	6
Wyoming.....	-	-	156	1	156	1	161	1
Distribution Unknown.....					1,717	11	8,556	53
Obligations.....	65,423	385	68,740	394	73,870	410	84,897	452
Lapsing Balances.....	708	-	767	-	-	-	-	-
Rescinded Balances	-	-	-	-	-	-	-	-
Bal. Available, EOY	-	-	-	-	-	-	-	-
Total, Available.....	66,131	385	69,507	394	73,870	410	84,897	452

**CLASSIFICATION BY OBJECTS**

*Table RMA-14 Classification by Objects (thousands of dollars)*

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Personnel Compensation:					
	Washington D.C. ....	\$4,419	\$4,693	\$ 5,068	\$ 5,779
	Personnel Compensation, Field .....	35,752	37,972	40,006	46,758
11	Total personnel compensation .....	40,171	42,665	46,074	52,537
12	Personal benefits.....	15,128	16,476	17,918	20,431
13.0	Benefits for former personnel.....	13	10	-	-
	Total, personnel comp. and benefits .....	55,312	59,151	63,992	72,968
Other Objects:					
21.0	Travel and transportation of persons .....	89	477	1,609	2,818
22.0	Transportation of things.....	1	1	15	15
23.1	Rental payments to GSA .....	3,999	3,962	3,962	3,782
23.2	Rental payments to others.....	145	145	167	323
23.3	Communications, utilities, and misc. charges.....	89	63	27	27
24.0	Printing and reproduction .....	-	8	7	7
25	Other contractual services .....	-	-	-	-
25.1	Advisory and assistance services.....	264	1,030	1,762	2,531
25.2	Other services from non-Federal sources .....	708	244	331	452
25.3	Other goods and services from Federal sources.....	3,509	2,676	1,175	1,411
25.4	Operation and maintenance of facilities .....	2	-	-	-
25.7	Operation and maintenance of equipment .....	458	330	25	25
26.0	Supplies and materials .....	55	79	194	233
31.0	Equipment .....	15	139	14	15
32.0	Land/Structure .....	695	398	550	250
42.0	Insurance Claims and Indemnities.....	80	37	40	40
43.0	Interest and Dividends .....	2	-	-	-
	Total, Other Objects .....	10,111	9,589	9,898	11,929
99.9	Total, new obligations .....	65,423	68,740	73,870	84,897
	DHS Building Security Payments (included in 25.3) .....	\$494	\$598	\$639	\$650
Information Technology Investments:					
RMA-13 Emerging Information Technology Architecture (EITA).....					
11	Internal Labor .....	-	-	-	-
	External Labor (Contractors).....	3,500	-	-	-
25.2	Outside Services (Consulting).....	-	-	-	-
	Total Major Investment 1 .....	3,500	-	-	-
25.3	Mission Area WCF Transfers.....	1,000	-	-	-
	Total Non-Major Investment .....	1,000	-	-	-
	<b>Total IT Investments .....</b>	<b>4,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Position Data:					
	Average Salary (dollars), ES Position .....	\$192,445	\$191,037	\$195,813	\$201,687
	Average Salary (dollars), GS Position.....	\$100,803	\$105,886	\$108,533	\$111,789
	Average Grade, GS Position.....	12.6	12.6	12.8	12.9



**ACCOUNT 2: FEDERAL CROP INSURANCE CORPORATION (FCIC)**

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets)

- 1 For payments as authorized by section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516), such sums as may
- 2 be necessary, to remain available until expended.

**LEAD-OFF TABULAR STATEMENT**

**Table RMA-15. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2023 (Mandatory)	\$15,410,000,000
Estimate 2023 (Delivery Expenses – GP 771)	+25,000,000
Change in Appropriation	-725,000,000
Budget Estimate, 2024	<u>14,710,000,000</u>
Budget Estimate, Current Law 2023	\$14,710,000,000
Change Due to Proposed Legislation	+75,000,000
Net 2024 Request	<u><u>14,785,000,000</u></u>

**PROJECT STATEMENTS**

**Table RMA-16. Project Statement by Appropriations Details (thousands of dollars, FTE)**

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Chg Dec. Key
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE		
Mandatory Appropriations:										
Mandatory Appropriations .....	\$7,705,000	-	\$12,340,000	-	\$15,395,000	-	\$14,695,000	-	-\$700,000	-
Delivery Expenses – GP 771.....	-	-	-	-	25,000	-	-	-	-25,000	-
Subtotal .....	<u>7,705,000</u>	<u>-</u>	<u>12,340,000</u>	<u>-</u>	<u>15,420,000</u>	<u>-</u>	<u>14,695,000</u>	<u>-</u>	<u>-725,000</u>	<u>-</u>
Total Adjusted Approp.....	7,705,000	-	12,340,000	-	15,420,000	-	14,695,000	-	-725,000	(1)
Add back:										
Rescission, Transfers In and Out....	13,000	-	13,000	-	13,000	-	13,000	-	-	-
Sequestration.....	2,000	-	2,000	-	2,000	-	2,000	-	-	-
Total Appropriation .....	<u>7,720,000</u>	<u>-</u>	<u>12,355,000</u>	<u>-</u>	<u>15,435,000</u>	<u>-</u>	<u>14,710,000</u>	<u>-</u>	<u>-725,000</u>	<u>-</u>
Transfers In:										
AMA Funding .....	4,000	-	4,000	-	4,000	-	4,000	-	-	-
Total Transfers In .....	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers Out:										
NIFA.....	-10,000	-	-10,000	-	-10,000	-	-10,000	-	-	-
S & E .....	-7,000	-	-7,000	-	-7,000	-	-7,000	-	-	-
Total Transfers Out.....	<u>-17,000</u>	<u>-</u>	<u>-17,000</u>	<u>-</u>	<u>-17,000</u>	<u>-</u>	<u>-17,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sequestration.....	-2,000	-	-2,000	-	-2,000	-	-2,000	-	-	-
Recoveries, Other.....	4,288,000	-	6,307,000	-	5,840,000	-	6,655,000	-	+815,000	-
Bal. Available, SOY .....	595,000	-	591,000	-	591,000	-	591,000	-	-	-
Total Available .....	<u>12,588,000</u>	<u>-</u>	<u>19,238,000</u>	<u>-</u>	<u>21,851,000</u>	<u>-</u>	<u>21,941,000</u>	<u>-</u>	<u>+90,000</u>	<u>-</u>
Bal. Available, EOY .....	-591,000	-	-591,000	-	-591,000	-	-592,000	-	-1,000	-
Total Obligations .....	<u><u>11,997,000</u></u>	<u><u>-</u></u>	<u><u>18,647,000</u></u>	<u><u>-</u></u>	<u><u>21,260,000</u></u>	<u><u>-</u></u>	<u><u>21,349,000</u></u>	<u><u>-</u></u>	<u><u>+89,000</u></u>	<u><u>-</u></u>

**Table RMA-17. Project Statement by Obligations Details (thousands of dollars, FTE)**

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE		
Mandatory Obligations:										
Mandatory Obligations .....	\$11,997,000	-	\$18,647,000	-	\$21,235,000	-	\$21,349,000	-	+\$114,000	-
Delivery Expenses – GP 771 ....	-	-	-	-	25,000	-	-	-	-25,000	-
Subtotal Mand. Oblig .....	11,997,000	-	18,647,000	-	21,260,000	-	21,349,000	-	+89,000	-
Total Obligations .....	11,997,000	-	18,647,000	-	21,260,000	-	21,349,000	-	+89,000	-
Add back:										
Balances Available, EOY: .....										
Balances Available, EOY .....	591,000	-	591,000	-	591,000	-	592,000	-	+1,000	-
Total Bal. Available, EOY .....	591,000	-	591,000	-	591,000	-	592,000	-	+1,000	-
Total Available .....	12,588,000	-	19,238,000	-	21,851,000	-	21,941,000	-	+90,000	-
Less:										
Total Transfers In.....	-4,000	-	-4,000	-	-4,000	-	-4,000	-	-	-
Total Transfers Out.....	17,000	-	17,000	-	17,000	-	17,000	-	-	-
Sequestration.....	2,000	-	2,000	-	2,000	-	2,000	-	-	-
Recoveries, Other.....	-4,288,000	-	-6,307,000	-	-5,840,000	-	-6,655,000	-	-815,000	-
Bal. Available, SOY .....	-595,000	-	-591,000	-	-591,000	-	-591,000	-	-	-
Total Appropriation.....	7,720,000	-	12,355,000	-	15,435,000	-	14,710,000	-	-725,000	-

**JUSTIFICATIONS OF INCREASES/DECREASES**

Funding supports RMA’s mission to maximize the ability of American agricultural producers to prosper by feeding and clothing the world. Continuation of the program is critical if the agency is to continue to provide an actuarially sound crop insurance program.

Federally crop insurance protects against agricultural losses due to drought, excessive moisture, hail, wind, hurricane, tornado, lightning, and insects. These estimates include current law and do not assume any proposed legislative changes.

- 1) Federal Crop Insurance Corporation (FCIC) Fund: An estimated net decrease of \$725,000,000 (\$15,416,000,000 estimated in 2023). The project statement reflects changes for 2023 and 2024 for the Premium Subsidy, Administrative and Operating Expense Subsidy (also called Delivery Expense), Underwriting Gain, and Federal Crop Insurance Initiatives due to projections being updated using the World Agricultural Outlook Board (WAOB) estimates from November 2022. In addition, the use of an updated budget model allows projections to be based on more accurate calculations.

The funding changes for 2024 is requested for the following items:

- a) A decrease of \$871,000,000 for premium subsidy (\$11,580,000,000 available in 2023).  
Premium subsidy is the amount of total premium paid by FCIC on behalf of producers. The decrease in premium subsidy for 2024 is a direct result of an increase in producer paid premium collected in 2023.
- b) An increase of \$17,000,000 for mandatory delivery expense (\$1,736,000,000 available in 2023).  
Delivery expenses are reimbursements provided to Approved Insurance Providers (AIPs). They cover the cost of selling and servicing crop insurance products to producers and are based on a percentage of estimated total premium. The 2011 Standard Reinsurance Agreement allows for annual adjustments of delivery expenses paid to AIPs, primarily due to the annual inflation cap, which accounts for the increase in this fiscal year.
- c) A decrease of \$25,000,000 for Delivery Expenses – GP 771 (\$25,000,000 available in 2023). The 2024 budget does not propose continuing this funding beyond 2023.

- d) An increase of \$154,000,000 for underwriting gains (\$2,054,000,000 available in 2023).  
 Underwriting gains are a reinsured company’s share of net book premium that exceeds their share of net losses (indemnities). The increase is due to Underwriting Gain and Losses normalizing in future years based on a projected loss ratio of 1.0 for 2024 and the out years.

**Table RMA-18. Funding Detail (thousands of dollars)**

The table below provides funding detail of the mandatory appropriation.

Allocations	2021 Actual	2022 Actual	2023 Appropriation	2024 Budget Request	Change from 2023 President's Budget
<b>PPA:</b>					<b>-\$700,000</b>
Indemnities Net of Producer Paid in Premiums....	\$4,257,000	\$7,376,000	\$11,580,000	\$10,709,000	-871,000
Delivery Expense.....	1,907,000	2,208,000	1,736,000	1,753,000	17,000
Underwriting Gain.....	1,516,000	2,731,000	2,054,000	2,208,000	154,000
*FCIA Initiatives .....	21,000	21,000	21,000	21,000	-
<b>Subtotal, Mandatory Appropriation .....</b>	<b>7,701,000</b>	<b>12,336,000</b>	<b>15,391,000</b>	<b>14,691,000</b>	<b>-700,000</b>
Delivery Expense-GP 771 .....	-	-	25,000	-	-25,000
<b>Total Appropriation .....</b>	<b>7,701,000</b>	<b>12,336,000</b>	<b>15,416,000</b>	<b>14,691,000</b>	<b>-725,000</b>

\*Reflects transfer of \$17M and sequestration from FCIA Initiatives.

**PROPOSED LEGISLATION**

**Make permanent the cover crop incentive program**

This proposal would make the pandemic funded cover crop incentive program permanent. Cover cropping systems benefit the environment and improve climate resilience for agriculture by reducing soil erosion and compaction, increasing soil organic matter, and limiting nutrient runoff. Using pandemic funding, the Administration offered a \$5 per acre premium subsidy for acres planted with cover crop in 2021 and 2022, with 12 million and 10 million acres, respectively enrolled in this program pilot.

**Table RMA-19. Change in Funding and outlays (thousands of dollars)**

Item	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	10 Year Total
Budget Authority.	\$75,000	\$79,000	\$83,000	\$87,000	\$91,000	\$97,000	\$102,000	\$107,000	\$112,000	\$117,000	\$950,000
Outlays ...	75,000	79,000	83,000	87,000	91,000	97,000	102,000	107,000	112,000	117,000	950,000

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE**

**Table RMA-20. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)**

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alabama.....	61,342	-	48,883	-	48,883	-	48,883	-
Alaska.....	29	-	154	-	154	-	154	-
Arizona.....	186,799	-	167,369	-	167,369	-	167,369	-
Arkansas.....	166,173	-	238,352	-	238,352	-	238,352	-
California.....	740,419	-	828,235	-	828,235	-	828,235	-
Colorado.....	238,324	-	316,793	-	316,793	-	316,793	-
Connecticut.....	3,268	-	19,755	-	19,755	-	19,755	-
Delaware.....	2,852	-	1,688	-	1,688	-	1,688	-
Florida.....	133,553	-	247,276	-	247,276	-	247,276	-

2024 USDA EXPLANATORY NOTES – RISK MANAGEMENT AGENCY

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Georgia .....	139,784	-	187,765	-	187,765	-	187,765	-
Hawaii.....	2,756	-	1,285	-	1,285	-	1,285	-
Idaho .....	91,986	-	180,547	-	180,547	-	180,547	-
Illinois.....	132,179	-	148,186	-	148,186	-	148,186	-
Indiana .....	67,674	-	78,962	-	78,962	-	78,962	-
Iowa .....	583,268	-	133,952	-	133,952	-	133,952	-
Kansas.....	219,407	-	575,919	-	575,919	-	575,919	-
Kentucky.....	89,089	-	74,306	-	74,306	-	74,306	-
Louisiana .....	81,484	-	109,740	-	109,740	-	109,740	-
Maine .....	8,585	-	4,631	-	4,631	-	4,631	-
Maryland.....	12,536	-	5,742	-	5,742	-	5,742	-
Massachusetts.....	3,643	-	9,843	-	9,843	-	9,843	-
Michigan.....	85,624	-	95,564	-	95,564	-	95,564	-
Minnesota .....	193,402	-	634,715	-	634,715	-	634,715	-
Mississippi.....	84,672	-	114,606	-	114,606	-	114,606	-
Missouri.....	137,989	-	244,260	-	244,260	-	244,260	-
Montana.....	184,733	-	504,005	-	504,005	-	504,005	-
Nebraska.....	190,112	-	320,625	-	320,625	-	320,625	-
Nevada.....	128,120	-	179,175	-	179,175	-	179,175	-
New Hampshire.....	267	-	214	-	214	-	214	-
New Jersey.....	2,318	-	1,468	-	1,468	-	1,468	-
New Mexico .....	176,437	-	217,933	-	217,933	-	217,933	-
New York .....	51,926	-	43,813	-	43,813	-	43,813	-
North Carolina.....	284,801	-	165,515	-	165,515	-	165,515	-
North Dakota .....	533,231	-	2,068,438	-	2,068,438	-	2,068,438	-
Ohio .....	68,684	-	55,362	-	55,362	-	55,362	-
Oklahoma .....	81,469	-	389,089	-	389,089	-	389,089	-
Oregon.....	141,158	-	139,708	-	139,708	-	139,708	-
Pennsylvania.....	65,453	-	28,399	-	28,399	-	28,399	-
Rhode Island.....	342	-	169	-	169	-	169	-
South Carolina.....	50,807	-	38,122	-	38,122	-	38,122	-
South Dakota .....	191,792	-	863,321	-	863,321	-	863,321	-
Tennessee .....	42,923	-	43,973	-	43,973	-	43,973	-
Texas.....	2,335,354	-	3,506,815	-	7,243,815	-	7,186,815	-
Utah .....	69,767	-	70,017	-	70,017	-	70,017	-
Vermont.....	4,505	-	2,264	-	2,264	-	2,264	-
Virginia.....	61,534	-	35,067	-	35,067	-	35,067	-
Washington.....	320,391	-	409,369	-	409,369	-	409,369	-
West Virginia.....	2,485	-	2,348	-	2,348	-	2,348	-
Wisconsin .....	64,491	-	89,497	-	89,497	-	89,497	-
Wyoming.....	33,062	-	43,763	-	43,763	-	43,763	-

2024 USDA EXPLANATORY NOTES – RISK MANAGEMENT AGENCY

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Distribution Unknown* ...	3,444,000	-	4,960,000	-	3,836,000	-	3,982,000	-
Obligations .....	11,997,000	-	18,647,000	-	21,260,000	-	21,349,000	-
Bal. Available, EOY.....	591,000	-	591,000	-	591,000	-	592,000	-
Total, Available.....	12,588,000	-	19,238,000	-	21,851,000	-	21,941,000	-

\*Distribution Unknown amount includes Delivery Expenses, FCIA Initiatives, and Underwriting Gains or Losses that cannot be distributed by the State.

**CLASSIFICATION BY OBJECTS**

*Table RMA-21 Classification by Objects (thousands of dollars)*

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
	Other Objects:				
25.1	Advisory and assistance services .....	\$23,000	\$25,000	\$25,000	\$25,000
25.2	Other services from non-Federal sources .....	3,425,000	4,938,000	3,790,000	3,961,000
25.2	Other services - Delivery Expenses - GP771 .....	-	-	25,000	-
25.3	Other goods and services from Federal sources .....	37,000	45,000	45,000	45,000
42.0	Insurance Claims and Indemnities .....	8,512,000	13,639,000	17,375,000	17,318,000
	Total, Other Objects .....	11,997,000	18,647,000	21,260,000	21,349,000
99.9	Total, new obligations .....	11,997,000	18,647,000	21,260,000	21,349,000
	<b>Information Technology Investments:</b>				
	<b>Major Investment 1</b>				
	<b>Related Mission Area PPA #2 (FCIC)</b>				
25.2	Outside Services (Consulting) .....	42,000	54,994	46,381	46,381
	Total Major Investment 1 .....	42,000	54,994	46,381	46,381
	<b>Total IT Investments.....</b>	<b>42,000</b>	<b>54,994</b>	<b>46,381</b>	<b>46,381</b>

This page was intentionally left blank.

**STATUS OF PROGRAMS**

The Federal Crop Insurance Corporation (FCIC), through the Risk Management Agency (RMA), administers the Federal crop insurance program in accordance with the 1938 Federal Crop Insurance Act (FCIA) (7 U.S.C. 1501 et seq.) as amended. RMA was established in 1996 as an agency within the United States Department of Agriculture (USDA) to administer the programs of FCIC, which is tasked to improve the economic stability of agriculture through a sound system of crop insurance and provide the means for the research and experience that is helpful in devising and establishing crop insurance. RMA's mission, which follows that of FCIC, is to serve America's agricultural producers through effective, market-based risk management tools and solutions to strengthen the economic stability of agricultural producers and rural communities. RMA directly supports the achievement of the USDA Strategic Objective to "provide an effective financial safety net for farmers and ranchers to sustain economically viable agricultural production and support rural jobs and economic growth."

**CURRENT ACTIVITIES:****Maintaining Actuarial Soundness**

As required by FCIA, RMA engages in frequent and ongoing analysis to ensure that premiums cover expected losses. The loss ratio, the industry standard to measure performance of insurance programs, is calculated by dividing the total indemnity by the total premium, which is a measure of indemnity (loss) paid per dollar of premium (revenue) collected. Given annual variations in loss ratios, long-run program stability and actuarial soundness are measured based on historical average. The 20-year average loss ratio for the crop insurance program is 0.82, which is within the 1.0 loss ratio mandated by the Federal Crop Insurance Act.

**National Financial Operational Reviews (NFOR)**

Federal crop insurance is a public/private partnership. Approved Insurance Providers (AIPs) must meet statutory requirements and demonstrate the financial and operational capacity to be an AIP and enter into a Standard Reinsurance Agreement (SRA) with FCIC. RMA enhances program integrity and oversight by performing National Financial Operations Reviews (NFORs) of the AIPs who sell and service crop insurance. These reviews are conducted once every three years for each AIP. The purpose of the NFORs is to evaluate the financial stability and operations of AIPs in accordance with the SRA, including all policies and procedures. This performance ties directly to RMA's goal "to safeguard the integrity of the Federal crop insurance program."

**Acreage Crop Reporting Streamlining Initiative (ACRSI)**

RMA completed year six of nationwide ACRSI common reporting, which now includes almost all crops eligible for bi-directional data sharing between AIPs and Farm Service Agency (FSA). The third-party proof of concept which tested the capability of producers to submit acreage reports directly to USDA via external providers ended successfully and FSA undertook development of a permanent system to accomplish the same tasks. This new system will enable greater utilization of AIP and third-party precision acreage data that could save producers and taxpayers tens of millions of dollars per year. RMA is also in the process of adding two new third-party providers to continue progress.

**Whole Farm Revenue Protection (WFRP)**

RMA made multiple changes to the WFRP product since 2021. These changes were made in response to suggestions in the 2018 Farm Bill as well as producer feedback. The changes included streamlining paperwork requirements for direct-marketed commodities. By allowing direct marketed commodities to be grouped together, but still receive the subsidy benefit of multiple commodities, those producers should find WFRP much better tailored to their needs. Beginning in 2022, RMA made additional changes to support organics by increasing expansion limits and allowing more time for certification documentation as well as increasing limits for aquaculture. Last, a new version of WFRP known as the Micro Farm policy will be available for producers with less than \$100,000 in gross revenue that future reduces paperwork requirements and allows for including post-harvest value-added revenue to be covered. This policy is specifically targeted at local foods producers and is a direct response to requirements for research and development from the 2018 Farm Bill. Finally, for 2023, product limits were raised for both products, to \$17,000,000 for WFRP and \$350,000 for Micro Farm.

**Risk Management Education**

During 2022, RMA partnered with 16 qualified organizations to provide risk management training and educational tools aimed to assist historically underserved farmers and ranchers and to help producers effectively manage long-term risks and challenges. The projects offer a broad range of risk management

training, including education on Federal crop insurance, wildfire preparedness, financial management, record keeping, and risk analysis. RMA awarded approximately \$2.2 million in cooperative agreements covering over 20 states and one nationwide project reaching beginning, specialty crop and women producers. Projects will cover all major demographic groups, historically underserved areas, specialty crop producers, those selling into local markets, and urban growers.

During 2022, RMA also entered into partnerships with the Intertribal Agricultural Council to establish a pipeline of crop insurance agents and adjusters within underserved communities across the nation and the University of Arkansas System Division of Agriculture to strengthen outreach and technical assistance to farmers and ranchers through the development of risk management program navigators that will serve the southeastern U.S. These two-year agreements totaled about \$3.4 million.

### **Agricultural Management Assistance**

During 2022, RMA partnered with NRCS to provide financial assistance for producers who purchase or use high tunnels, micro irrigation, irrigation water management, sprinkler systems, and other specified irrigation and water related practices.

RMA provided \$3.77M in mandatory funds to producers in the states (Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming,) as part of this effort. Eligible producers for the program can receive financial assistance totaling up to 75 percent of the cost of practice implementation and underserved producers can receive up to 90 percent of the cost of practice implementation.

### **SELECT EXAMPLES OF RECENT PROGRESS:**

#### **Cover Crops Additional Subsidies**

RMA has maintained partnerships with the States of Iowa, Illinois, and Indiana for a state-funded cover crop incentive. Each state contributes \$5 per acre of insured crop that was preceded by a cover crop as an additional subsidy for the crop insurance bill. The program has been in operation since 2017 and has increased in size each year. For 2023, the State of Wisconsin has been funded to join the effort. To date, over a million acres of cover crops have been incentivized.

Building upon this, RMA launched the Pandemic Cover Crop Program (PCCP) which provided a benefit modeled after the state programs nationwide. Given the financial hardships of the pandemic and costs associated with maintaining cover crop systems, PCCP provided support to those producers of about \$110M in premium reductions over the 2021 and 2022 crop years. The program also spurred 26M acres of cover crops to be reported to FSA over that time, well above the typical 2M-3M reported in most years, which will be invaluable for future research.

RMA is the issuer of each Approved Insurance Provider's (AIPs) Standard Reinsurance Agreement. These agreements, in part, require AIPs to establish internal controls that, in return, reduce improper payments. Additionally, RMA issues a large number of resources and provides annual training as a means of educating stakeholders on Federal Crop Insurance Corporation's (FCIC's) policies and procedures. At the end of the Improper Payment review cycle RMA conducts an extensive data analysis to identify root causes and develop a corrective action plan to assist in reducing improper payments. RMA also informs AIPs of the types of errors (i.e. acreage reporting, APH, claims, etc.) identified to raise awareness and promote collaboration in reducing improper payments. These initiatives contribute to RMA maintaining a tolerable improper payment rate.

RMA's analyses of the IPERIA survey data identified the root causes of improper payments and contributed to the development of effective corrective action plans. RMA's continuous focus on reducing improper payments related to certification errors was reflected in the agency's 2022 results. As a result of this focus, in 2022 RMA saw the improper dollars associated with certification errors decline to be smaller than the improper dollars associated with administrative type errors, which was not the case in previous years. RMA will continue focusing on certification errors, in addition to implementing the activities delineated in the 2022 Corrective Action Plan.

#### **Fraud, Waste, and Abuse**

RMA continues to utilize data-mining, geospatial analysis and other advanced data analytics to identify potentially fraudulent activity and stem abuse in the crop insurance program. To augment the Agency's capabilities, RMA engages in research support contracts with the Center for Agribusiness Excellence (CAE) at Tarleton State University, the PRISM Climate Group at Oregon State University, and the University of



Illinois at Urbana Champaign. In order to produce the congressionally mandated outcomes of this effort, RMA developed the Spot Check List (SCL) and the Agriculture Risk Protection Act (ARPA) list. The SCL is the most well-known, comprehensive, and routine application of data mining to the Federal crop insurance program, where RMA uses objective, data-driven criteria to develop a list of producers, agents, and adjusters whose crop insurance experience is historically anomalous relative to similarly situated producers in the geographic area. ARPA requires the annual production of the SCL and ARPA lists to support this effort. The SCL and ARPA products, and other advanced analytics efforts play an important and essential role in the delivery of the crop insurance program including claim determination, timely payment of indemnities, county rating effecting crop program availability and premium levels, and the meeting of time-based compliance with congressionally mandated reviews.

RMA works hand-in-hand with USDA's Office of the Inspector General (OIG) to address cases of potential fraud, waste, and abuse. RMA refers all allegations of fraud to OIG, as appropriate, and collaborates with OIG to develop the case for presentation to the Department of Justice.

#### **AIP Performance Review (APR) Process Improvement**

The purpose of the APR is to determine if AIPs are complying with the SRA requirements. In 2022, RMA completed reviews of four AIPs and one Insurance Agency (nationwide). RMA conducted four complete AIP APR process reviews and one targeted review of an Insurance Agency with a footprint across the nation. Concerns with this insurance agency were brought to light as a result of a criminal investigation that highlighted the need for a nationwide monitoring program of this agency in all locations. A new review cycle begins in 2023.

This page was intentionally left blank.

**AGENCY-WIDE PERFORMANCE**

**Introduction**

The Farm Production and Conservation (FPAC) mission area is USDA’s focal point for the nation’s farmers and ranchers and other stewards of private agricultural lands and non-industrial private forest lands. FPAC agencies implement programs designed to mitigate the significant risks of farming through crop insurance services, conservation programs and technical assistance, and commodity, lending, and disaster programs. These agencies include the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), the Risk Management Agency (RMA), and the FPAC Business Center (FPAC BC).

FPAC BC’s Performance, Accountability, and Risk (PAR) division leads the mission area in Strategic Planning, Performance Management, Evidence and Evaluation, and Enterprise Risk Management (ERM). PAR works closely with each of the FPAC agencies to develop performance related practices and products. This office frequently works directly with USDA leadership and represents FPAC on the Department’s Performance, Evaluation, Evidence Committee and the ERM Committee, which are facilitated by the USDA Office of Budget and Program Analysis. FPAC’s Enterprise Risk and Strategy Committee, comprised of executives from each of the FPAC agencies, oversees and provides accountability for performance functions across the mission area.

**Alignment to USDA 2022 – 2026 Strategic Plan**

RMA contributes to Goal 3 of the Department’s Strategic Goals in the current 2022 – 2026 USDA Strategic Plan. Departmental KPIs are performance indicators that are aligned to the Strategic Objectives laid out in the USDA’s Strategic Plan.

- Strategic Goal 3: Foster an Equitable and Competitive Marketplace for All Agricultural Producers
  - Objective 3.1: Foster Sustainable Economic Growth by Promoting Innovation, Building Resilience to Climate Change, and Expanding Renewable Energy

**SUMMARY OF PERFORMANCE**

*A more detailed report of the performance plan can be found at <https://www.usda.gov/our-agency/about-usda/performance>. The following table summarizes the results for the Departmental Key Performance Indicators (KPIs) for which RMA is responsible.*

**Table RMA-22 KPI-Research Studies**

<b>Strategic Objective 3.1</b>		<b>2023</b>	<b>2024</b>
<b>RMA Improper Payment Rate</b>	Results	-	-
Improper Payment Rate for All Categories of Payments	Target	2.26	2.58
<b>Crop Insurance</b>	Results	-	-
Annual Normalized Value of Risk Protection Provided to Agricultural Producers through the Federal Crop Insurance Program (Billions of Dollars)	Target	78.5	78.8

**Expected Performance Progress Towards the Achievement of Strategic Objectives:**

Objective 3.1: Foster Sustainable Economic Growth by Promoting Innovation, Building Resilience to Climate Change, and Expanding Renewable Energy

**RMA Improper Payment Rate:** RMA utilizes KPI data from the prior year to add areas of focus for the upcoming year’s compliance review cycle. Focusing on prior year’s root causes of errors helps to ensure the agency addresses any deficiencies so that errors are less likely to be repeated. The adoption of new products and insurance options presents additional opportunities for errors and improper payments.

**Crop Insurance:** RMA utilizes KPI data from the prior year to add areas of focus for the upcoming year’s outreach efforts. RMA has identified two challenges to address in 2024 -- training agents and farmers about new coverage to maximize participation. Ad hoc disaster assistance has been provided each year from 2017 through 2021. Farmers may consider reducing their crop insurance coverage if they believe similar types of assistance will continue in the future.