



Federal Crop
Insurance
Corporation

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July 22, 2025

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Patricia Swanson /S/ **Signed**
Manager

SUBJECT: Manager’s Report
Exhibit No. 4856

This is the Manager’s Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) on August 13, 2025.

Program Update

2026 Crop Year County 6-30 Crop Program Expansion (Manager’s Bulletin [MGR-25-005](#)) RMA announced expansion of the Soybeans crop insurance program to Belmont, Monroe, and Noble counties in Ohio for the 2026 and succeeding crop years.

Production Reporting Relief for the 2025 Crop Year for Transferred Policies (Manager’s Bulletin [MGR-25-004](#)) RMA waived the requirement to report crop production to the ceding Approved Insurance Provider (AIP) when an insured transfers their policy to a different AIP. This waiver reduces the punitive impact on insureds who transfer policies to a different AIP and decreases the resulting burden on all parties.

New Breaking Relief for the 2025 Crop Year (Manager’s Bulletin [MGR-25-003](#)) RMA provided relief for the 2025 crop year by rescinding the new breaking Special Provisions statement that placed an undue burden on insureds to provide soil classification documentation.

2026 Crop Year County 4-30 Crop Program Expansion (Manager’s Bulletin [MGR-25-002](#)) RMA announced expansion of the cabbage insurance program to Cook and Mitchell Counties in Georgia for the 2026 and succeeding crop years.

Fire Insurance Protection - Smoke Index Endorsement (FIP-SI) Effective for the 2026 and Succeeding Crop Years (Product Management Bulletin PM-25-045) RMA announced expansion of the FIP-SI crop insurance program to Idaho, Oregon, and Washington for the 2026 and succeeding crop years.

Camelina Pilot Crop Provisions Changes Effective for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-040](#)) RMA announced changes to the Camelina crop insurance program effective for the 2026 and succeeding crop years that include: expanding the use of written agreements; adding a fallback pricing mechanism; and adding organic transitional and organic conventional practices.

Grass Seed Changes Effective for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-039](#)) RMA announced changes to the Grass Seed crop insurance program effective for the 2026 and succeeding crop years that include: an extended insurance period for producers with earlier planting practices; simplified record reporting requirements; insuring perennial rye grass during the year of establishment; and allowing production agreements for producers who have contracts lacking a pricing mechanism.

Triticale Crop Insurance Program Modifications for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-037](#)) RMA announced changes to the Triticale crop insurance program effective for the 2026 and succeeding crop years that include expansion to 257 counties and allowing producers in counties with both winter and spring sales closing dates to revise their coverage until the spring sales closing date when there is no winter-planted acreage.

Research, Contracts, Studies, and Workgroups

Grain Bag Measurements – RMA contracted research for the development of methods to accurately measure production stored in grain bags. The contractor delivered a research report and oral presentation of their findings. The contractor provided the final research report on July 14, 2025.

Quality Adjustment Factor Study – RMA contracted research for the review and potential update of the current methodology used to calculate discount factors used in loss adjustment for eligible crops. The contractor delivered the draft research report and oral presentation. The final research report will be delivered by July 28, 2025.

Insurance Services

Written Agreement Processing

As of July 17, 2025, Insurance Services reviewed and processed 11,400 requests for actuarial change, including 1,491 determined yields for the 2025 reinsurance year. This number includes rollover multi-year written agreements for both the Fall and Spring seasons. The majority of 2025 written agreement requests have been submitted, so this number should resemble end of year reporting numbers for 2025.

With the implementation of the Regional Office Exception (ROE) log, the processing of written agreements has improved considerably in just a few short years. This technology has allowed Insurance Services to better track the accuracy of submissions of requests

from the Approved Insurance Providers (AIPs) and helped to shorten the response turnaround times to producers. Since 2023, the accuracy of submissions from AIPs has decreased from an error rate of just above 11% (2023) down to 8.28% (2025), nearly a 25% improvement. In turn, RMA lowered turnaround time for processing of written agreements from 9.5 days (2023) down to 5.8 days (2025), a 38.9% improvement. This is a win for producers, as they are receiving a response back on their requests in almost half the time from 2023. Additionally, we are also issuing more multi-year written agreements than in the past, which further alleviates the burden for many producers, agents, and companies from having to request a written agreement each year to obtain coverage.

2026 Standard Reinsurance Agreement (SRA) and Livestock Price Reinsurance Agreement (LPRA)

RMA approved 12 Approved Insurance Providers (AIPs) for participation in the Federal Crop Insurance program for reinsurance year 2026, which begins July 1. There were no significant changes in AIPs from the prior year, as these were largely renewals of what was approved in reinsurance year 2025. All AIPs executed an SRA, though only 11 executed a LPRA. Clear Blue/Precision Risk is the lone AIP to not execute a LPRA.

Crop Expansion

As detailed in Manager’s Bulletin MGR-25-005 2026 Crop Year County 6-30 Crop Program Expansion, the Federal Crop Insurance Corporation has expanded the number of counties where certain crops are insurable for the 2026 crop year with a June 30 contract change date. The following chart lists the expansion by crop, state, and county:

| <u>Permanent Crop</u> | <u>State</u> | <u>Counties</u> |
|------------------------------|---------------------|------------------------|
| Soybeans | Ohio | Belmont, Monroe, Noble |

Education

Nursery Value Select (NVS) Webinar – On August 7, 2025, the Risk Management Agency hosted an NVS webinar for stakeholders across the nation. NVS is a pilot program that allows nursery producers to select the dollar amount of coverage that best fits their risk management needs. Beginning with crop year 2026, NVS will replace the Nursery Field Grown and Container (FG&C) crop insurance program, offering comparable and improved risk management options. The sales closing date for all Gulf Coast states, East Coast states, and West Virginia is May 1, 2025. The sales closing date for all other states is September 1, 2025.

Specialty Crops – RMA is currently in the process of hosting five roundtable discussions for agents on ways to improve the specialty crop program for producers, agents, and companies. We have held discussions with agents in Davis, California (August 7), and Urbandale, Iowa (August 12). Our 3 additional in-person roundtable discussions will be

held in Edinburg, Texas (August 21), Amherst, Massachusetts (September 3), and Gainesville, Florida (September 9). In addition to the five in-person roundtable discussions, we will be hosting a virtual option on September 12 for agents not able to attend the in-person sessions. A leader from the RMA Administrator's office, an Insurance Services Regional Office Director, and members of the Product Management Division will attend each session. Once all sessions have been completed, we will compile the agents' feedback and research ways to implement the suggested action items.

Compliance

RMA Compliance has issued final findings to reinsured companies for the period of May 6, 2025, through July 15, 2025.

- Premium overstatements of \$3,013,109
- Indemnity overpayments of \$1,211,649
- Premium understatements of \$74,543
- Indemnity underpayments of \$267,858

Improper Payment Reviews- PIIA (Payment Integrity Information Act)

The Fiscal Year (FY) 2025 Improper Payment Review (IPR) is complete with RMA reporting an error rate of 3.29%. The FY2026 IPR has commenced and consists of 356 policies. In early May, IPR notification letters, policyholder notification letters, and document request lists were sent to the Approved Insurance Providers (AIPs). AIPs were given a deadline of July 8, 2025, to have all requested documents submitted to the Regional Compliance Offices (RCOs) or request an extension. RCOs are currently conducting reviews of the requested documents to determine if any improper payments were made.

AIP Performance Reviews (APRs)

Regional Compliance Offices (RCOs) issued the Preliminary APR Reports in May 2025 and presented the outcomes to the Approved Insurance Providers (AIPs) at exit conferences. The AIPs had 30 calendar days to provide a response to the outcomes, and as of July 21, 2025, all Final APR Reports were issued to the AIPs.

Audits

- OIG 05601-0003-41 Assessment of Risk Management Agency's Oversight of High Dollar Indemnities exit conference was May 22, 2025.
- OIG 50024-0001-11 USDA's Compliance with Improper Payment Requirements for Fiscal Year 2024 exit conference was May 27, 2025.

- OIG 05801-0001-24 Accessibility of Crop Insurance Policies exit conference was June 30, 2025.

Prosecutions, Indictments, Convictions, and Guilty Pleas

The following represent guilty pleas involved in the ongoing OIG/RMA Kentucky Tobacco Investigation:

Kentucky Insured Pleads Guilty to Money Laundering Charges. A Kentucky insured pled guilty to money laundering charges to commit crop insurance fraud from 2014 through 2022 crop years. The insured along with a local Kentucky tobacco market, a tobacco buyer, and other individuals engaged in a check swapping scheme designed to hide several thousand pounds of tobacco production. In the plea agreement, the insured agreed to asset forfeiture penalties and to pay restitution to RMA. His sentencing and restitution hearing is scheduled for August 22, 2025.

Kentucky Loss Adjuster Pleads Guilty to State Fraud Charges. A Kentucky loss adjuster agreed to plead guilty to Kentucky State Statute 304.47-020(2) charges for fraudulent insurance acts. The loss adjuster agreed to plead guilty to a reduced misdemeanor charge. The loss adjuster and the associated policy holder received a 12-month probation, community service, and are jointly and severally liable for \$30,000. In 2015, the loss adjuster admitted to falsifying claim records for private hail claims. Additionally, the loss adjuster signed an “Acknowledgement of Notice of Collateral Consequence” that the plea may result in disqualification from engaging in insurance business pursuant to KRS 304.9-440.

Kentucky Insured Pleads Guilty to State Fraud Charges. A Kentucky insured agreed to plead guilty to Kentucky State Statute 304.47-020(2) charges for fraudulent insurance acts. The insured agreed to plead guilty to a reduced misdemeanor charge. In 2015, the insured reported hail damage on their tobacco crop on their private hail policy, when in fact, there was little to no damage to the crop. The insured did not report a loss on his MPCCI and recorded excellent yields. The Policyholder received a 12-month probation, community service, and is jointly and severally liable for \$30,000 with the associated loss adjuster.