



Federal Crop
Insurance
Corporation

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September 9, 2025

TO: Board of Directors
Federal Crop Insurance Corporation

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

SUBJECT: Manager's Report
Exhibit No. 4867

This is the Manager's Report to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) on September 17, 2025.

Program Update

One Big Beautiful Bill Act Amendment (Manager's Bulletin [MGR-25-006](#))
The Risk Management Agency (RMA) announced implementation of legislative changes from the One Big Beautiful Bill Act that include: additional benefits for Beginning Farmer or Rancher (BFR); area-based coverage affordability changes; Area Risk Coverage and Supplemental Coverage Option interaction allowances; and additional premium support.

Rainfall Index – Pasture, Rangeland, Forage Crop Provisions and Rainfall Index Plan Common Policy, Basic Provisions Changes Effective for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-054](#)) RMA announced changes to the Rainfall Index (RI) Common Policy Basic Provisions and the Pasture Rangeland, and Forage (PRF) Crop Provisions for the 2026 and succeeding crop years for the August 31, 2025, contract change date and for the 2027 year for insurance plans with a contract change date prior to August 31, 2025. The PRF Crop Provision changes include clarifying insured contiguous acres that cross into an adjoining state must be insured in the state where most of the contiguous acres are located, unless the contiguous acres are separated out. The RI Basic Provisions Changes include: clarifying insurability requirements for land that is leased; revising the definition of beginning farmer and rancher and updating subsidy percentages to conform with the One Big Beautiful Bill Act; allowing single payee for assignment of indemnity; and clarifying consequences when policy and acreage report information cannot be verified or is false or inaccurate. Examples and clarifications were also added to the RI Handbook.

Whole-Farm Revenue Protection Pilot Policy and Micro Farm Program Changes Effective for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-053.1](#)) RMA announced changes to the Whole-Farm Revenue Protection (WFRP) and Micro Farm pilot policy for the 2026 and

succeeding crop years to conform with the One Big Beautiful Bill Act. The changes include: updating the beginning farmers and ranchers' additional subsidy percentages; increasing subsidy percentages on 75% to 85% coverage levels for single commodity WFRP policies; and allowing all eligible producers to qualify for a 90% coverage level.

Florida Citrus Fruit Crop Provisions Changes Effective for the 2027 and Succeeding Crop Years (Product Management Bulletin [PM-25-052](#)) RMA announced changes to the Florida Citrus Fruit Crop Provisions effective for the 2027 and succeeding crop years that include: reducing the minimum production requirement to 75 boxes per acre; adding two new insurable tangerine varieties; and modifying the price factors to annually establish an "on tree" price basis.

Pistachio Crop Provisions Changes Effective for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-051](#)) RMA announced changes to the Pistachio Crop Provisions effective for the 2026 and succeeding crop years that include allowing optional units by organic farming practice and policy clarifications.

Shellfish Pilot Crop Insurance Program Changes Effective for the 2026 and Succeeding Crop Years (Product Management Bulletin [PM-25-050](#)) RMA announced changes to the Shellfish Pilot Crop Insurance Program effective for the 2026 and succeeding crop years that include expansion and cause of loss language clarification.

Research, Contracts, Studies, and Workgroups

RMA has contracted for the development of the Date Palm Fruit loss adjustment methodology to be used in an Actual Production History (APH) Date Palm Fruit crop insurance program which is currently under development. RMA scheduled a kickoff meeting to discuss project expectations with the contractor on September 9, 2025.

Compliance

RMA Compliance has issued final findings to reinsured companies for the period of July 16 through September 4, 2025:

- Premium overstatements of \$521,668
- Indemnity overpayments of \$664,156
- Premium understatements of \$10,073
- Indemnity underpayments of \$83,674

Improper Payment Reviews- PIIA (Payment Integrity Information Act)

Pursuant to the Payment Integrity Information Act of 2019, the RMA Regional Compliance Offices (RCOs) continue to conduct IPR reviews on randomly selected policies for the purpose of establishing and reporting the program's improper payment rate to the Office of Management and Budget. RCOs will continue conducting reviews through the end of October.

AIP Performance Reviews (APRs)

Two Approved Insurance Providers (AIPs) will undergo a review of their performance and compliance with the Standard Reinsurance Agreement (SRA) for the 2024 Reinsurance Year. The AIPs were sent formal notification of the review on August 28, 2025. The Fiscal Year 2026 APR will begin on November 3, 2025.

Audits

Closeout activities are being conducted for OIG Audits 05601-0003-41 (Assessment of Risk Management Agency's Oversight of High Dollar Indemnities) and 05601-0002-41 (Apiculture Pilot Insurance Program).

OIG 05801-0001-24 Accessibility of Crop Insurance Policies official *draft* report was received on August 8, 2025.

OIG provided RMA notification on September 4, 2025, of a new audit engagement OIG Audit No. 05601-0001-21 Risk Management Agency's Rate Making of Selected Crops for Crop Year 2024.

U.S. Government Accountability Office (GAO) provided RMA notification on September 3, 2025, of a new audit engagement (108614) on the root causes of improper payments and fraud and associated corrective actions in programs designated as high priority by the Office of Management and Budget. The entrance conference is scheduled for September 16, 2025.

Prosecutions, Indictments, Convictions, and Guilty Pleas

The following represent crop insurance associated indictments, plea agreements, and judgments:

Nebraska Policyholder Indicted on False Statement Charges. On July 22, 2025, a grand jury in Omaha NE returned an indictment for making False

Statements (18 USC § 1014). The producer is alleged to have concealed crop production to obtain a fraudulent crop insurance indemnity.

Federal Judge Issued a Judgement on False Claims Act Case. On August 27, 2025, a Chief U.S. District Court Judge entered a judgment against two defendants previously criminally convicted of multiple crop insurance fraud charges after an order granting Summary Judgment was issued on July 17, 2025. The Chief Judge in the District of South Dakota granted judgment for three False Claims Act violations of crop insurance fraud totaling \$4,019,820 in favor of the United States and granted the United States' Motion for Voluntary Dismissal of five other allegations in the complaint.