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Congress of the United States
House of Representatives
Washington, DC 20515-1503

January 13, 2010

COMMITTEES:
AGRICULTURE
CHAIRMAN, SUBCOMMITTEE ON GENERAL FARM
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SUBCOMMITTEE ON RAILROADS, PIPELINES
AND HAZARDOUS MATERIALS

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, D.C. 20250

Dear Secretary Vilsack:

Thank you for your leadership to our farmers and ranchers during this difficult time in agriculture. I appreciated Administrator William Murphy taking the time to brief me on the first draft of the Standard Reinsurance Agreement (SRA).

As the SRA renegotiation continues over the next few months it is my hope that you will thoroughly consider the impact of the SRA on American farmers and ranchers and the entire crop insurance industry. I ask that you are mindful of the cuts and reforms the 2008 farm bill put in place during this process. I am concerned by the level of cuts proposed in the SRA and look forward to a continuing dialogue on the impact on the industry and the safety net of the producers.

Farmers in the Third Congressional District and across Iowa rely on the Federal Crop Insurance Program (FCIP) to provide a safety net and to manage their risk. During these tough economic times, the jobs that private crop insurance companies and independent agents bring to the state are more valuable than ever. Ensuring a successful crop insurance program is vital to Iowa's economy.

I would ask that as you continue the SRA renegotiation that you do not undermine the availability of crop insurance and the financing for producers.

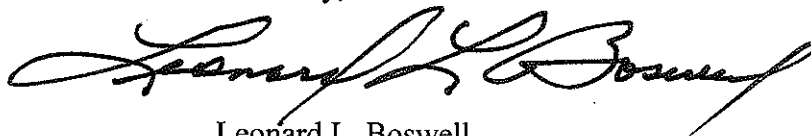
Furthermore, it has come to my attention from the crop insurance industry in my district that the new proposed rate of return on capital will not allow them to properly conduct business when all expenses are considered. It is their concern without a competitive rate of return, capital will exit and producer choices and access may be limited.

In 2008, Iowa farmers suffered losses after statewide flooding in the summer and the collapse of commodity prices in the fall. The crop insurance program paid Iowa farmers indemnities of \$1,086,594,627 and actively managed producers' risk and kept many of them afloat.

I appreciate all of your hard work during the SRA renegotiation and look forward to reviewing the second draft.

Thank you for your time and effort on this important matter. Should you have any questions please feel to contact me or my staff, Alexis Taylor at (202) 225-3806.

Sincerely,

A handwritten signature in black ink, appearing to read "Leonard L. Boswell". The signature is fluid and cursive, with a large initial "L" and "B".

Leonard L. Boswell
Chairman
General Farm Commodities and
Risk Management Subcommittee