Congress of the United States

Washington, DC 20515

November 6, 2026

Ms. Pat Swanson
Administrator
Risk Management Agency
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Administrator Swanson:

Farmers face record costs for farm inputs, including diesel, fertilizer, seed, and equipment. As policymakers explore options for relief, we ask USDA to begin a targeted review as soon as possible of the counties and crops that have consistently been overcharged in the Federal Crop Insurance Program, and to accordingly reduce those crop insurance premiums. We also request that once an adjustment has been made, that USDA consider refunds to those farmers for the current crop year, and make the full correction at once to avoid prolonging this overcharging.

USDA is required by law to target a 1.0 loss ratio for federal crop insurance, which means total insurance premiums should roughly equal indemnity payouts over the long-term. Unfortunately, this has not been the case for Illinois and Midwestern corn and soybean farmers, who are systematically overcharged for crop insurance premiums and have been for years. This has been substantially documented by several economic reports by the University of Illinois at Urbana-Champaign. Another recent analysis from North Dakota State University (NDSU) again shows that 10 Midwestern states have long-term loss ratios far below 0.80, which means that for every dollar that Midwestern farmers paid in premiums, less than 80 cents has gone back to them in indemnities over time. An NDSU simulation to bring these extremely low loss ratios closer to 0.80—still below the target of 1.0—and starting with the lowest counties first, would cut what farmers are being overcharged by $762 million per year, including more than $10 million in each of the 12 Midwestern states. A USDA adjustment of this nature would provide an 11% decrease in premium costs for Midwestern farmers, including a 22% decrease for corn and a 19% reduction for soybeans.

USDA has the authority to undertake this review and adjustment. Section 508(i) of the Federal Crop Insurance Act directs the Federal Crop Insurance Corporation to periodically review its rating methodologies, analyze rating and loss history by area, and adjust premium rates it determines are excessive for an agricultural commodity in an area. While the USDA Risk Management Agency (RMA) reviews premium rates on a rotating schedule across crops, this process has not been enough to prevent this significant overcharging of Illinois and Midwestern corn and soybean farmers.

As most farm groups have repeatedly said, crop insurance is the most important risk management tool. Farmers appreciated USDA's decision to delay the due date for premiums this year to give farmers temporary relief. Yet, the real issue within crop insurance affordability and

cash flow, is that farmers of certain crops and farmers in certain regions are being systematically overcharged.

Farmers are facing the prospect of future years of economic harm. There is a major drop in agricultural export demand due to tariffs and international conflicts. On-farm diesel costs are up by 80% over the past year, more than the on-the-road diesel prices at the pump. USDA's own September Farm Sector Income Forecast shows that the aggregate cost of production is up $21.2 billion to nearly $493 billion. Analysis by the American Farm Bureau Federation found, despite increased prices for some commodities, that farmers are expected to operate below breakeven and could potentially be underwater into the 2027 crop year as the disruptions continue.

We urge you to help farmers confronting this affordability crisis by addressing this long-standing issue of better aligning crop insurance premiums with risk, which would have the effect of cutting premium costs for thousands of farmers. Thank you for your consideration of this request.

Sincerely,

Richard J. Durbin
United States Senator

Tammy Duckworth
United States Senator

Eric Sorensen
Member of Congress

Nikki Budzinski
Member of Congress