July 17, 2023

Environmental Working Group comments to the Federal Crop Insurance Corporation and Risk Management Agency, U.S. Department of Agriculture Docket ID FCIC-23-0001; Request for Information and Stakeholder Listening Sessions on Prevented Planting.

The Environmental Working Group, or EWG, thanks you for hosting listening sessions and requesting public input about the prevented planting provisions of the Common Crop Insurance Policy, Basic Provisions. EWG offers the following comments on the above USDA docket.

EWG, a nonprofit research and policy organization with offices in Washington, D.C., Minneapolis, Minn. and Sacramento, Calif., has conducted research into federal farm policy programs for three decades. Our expertise focuses on the environmental and climate impacts of agricultural practices and farm policy programs.

In 2015, we conducted a geospatial and data analysis of the geographic locations of prevented planting payments.[i] We found that a major portion of all prevented planting payments are made in the Prairie Pothole Region of Iowa, Minnesota, Montana, North Dakota and South Dakota due to excess moisture. The reason that prevented planting payments are concentrated in the Prairie Pothole Region is simple – producers are trying to plant crops on land that is too wet in the spring, even when the weather is normal, because seasonal wetlands dominate the landscape.

Inability to plant these seasonal wetlands in the springtime is the norm. As a result, the primary cause of loss that generates payments is excess moisture, and the most payments go to counties with the most seasonal wetlands, where "excess moisture" in springtime is predictable.

Farmers seeking to plant seasonal wetlands in the Prairie Pothole Region receive much of the prevented planting crop insurance payments. The moisture-triggered payments create powerful incentives for landowners to keep plowing up seasonal wetlands. Payments are nearly guaranteed, covering any losses they might incur if it's too wet to plant. In fact, the 2013 Inspector General's audit concluded that the payments likely overcompensate growers.[ii] The audit found that the payments were historically higher than farmers' pre-planting expenses for seed, fertilizer and other requirements.

As a result, prevented planting insurance poses a grave risk to wetlands in the critically important Prairie Pothole Region. More than 50 percent of North America's breeding waterfowl depend on these seasonal wetlands, and 40 species make their home in the region.

For the specific topics identified in USDA's request for comment, EWG's comments are:

- **Prevented planting "1 in 4" requirement**

EWG urges the USDA to make the "1 in 4" requirement more stringent and limit the number of consecutive years in which farmers can receive a prevented planting payment.

Allowing producers to receive prevented planting payments if they can plant in 1 in 4 years is not restrictive enough. In 2015, EWG analyzed drought conditions in Prairie Pothole Region climate divisions and found that it is quite easy for acreage in the region to pass the 1 in 4 years test. There was a more than 50 percent probability that all climate divisions in the region had drier than normal conditions in May or June between 2000 and 2014. Given the intensifying climate crisis, it is likely that many counties will have 1 year in 4 that is abnormally dry, but that does not mean that this land is productive farmland. Much of the land consists of wetlands that are wet in the spring most years and can only be farmed in abnormally dry years.

Tightening the 1 in 4 rule by requiring fields to be planted to a crop, insured, and harvested in 1 in every 2 or 3 years would reduce repeated crop insurance claims on wetlands that are farmable only under abnormally dry conditions. This would also reduce the environmental risks of farming ecologically important wetlands in the region, and it would protect the integrity of the crop insurance program.

The USDA should also limit the number of consecutive years that farmers can receive prevented planting payments on the same acreage. Since much of this land consists of seasonal wetlands and farmers can only farm in abnormally dry years, farmers should not be able to receive many years of consecutive payments for not being able to plant on land that isn't easily farmed. If a farmer is planting on a wetland, the land will be wet – taxpayers should not have to pay for many years of prevented planting payments on land that is traditionally always wet.

- **Prevented planting 10 percent additional coverage**

The USDA should not reinstate the 10 percent additional "buy up" coverage for prevented planting. This coverage was previously offered, but the Risk Management Agency did away with it because of the increased cost to taxpayers. This additional coverage should not be reinstated because it would increase the cost burden of the program for taxpayers. Indemnity payments for prevented planting already cost billions of dollars a year, such as costing over $4.2 billion in 2019.[iii] Additional coverage is not needed and would increase taxpayer costs.

Extra coverage would also act as an incentive for farmers to take prevented planting. If farmers are paying extra to buy additional coverage, that likely would sway their decision to not plant because they would feel like they need to "get their money back." This damages the fiscal integrity of the crop insurance program.

- **Other general prevented planting questions**

The USDA asked, "Do you believe all producers will support paying higher premiums to cover the costs of expanded prevented planting benefits?" All farmers should not have to pay higher premiums to cover the costs of expanded prevented planting benefits, and many farmers would not support this.

As noted in EWG's 2015 analysis, prevented planting payments are largely concentrated in the Prairie Pothole Region. Farmers nationwide should not be asked to pay more in premiums so that farmers in this region can benefit from increased prevented planting coverage. Many farms in this region are attempting to farm wetlands, which are wet in most years during the spring. Farmers throughout the country should not be required to pay more so that farmers in the Prairie Pothole Region can try to produce crops on wetlands.

In conclusion, we believe the USDA should make the 1 in 4 requirement more stringent, limit the number of consecutive years in which farmers can receive a prevented planting payment, and should not reinstate the 10 percent additional buy up coverage for prevented planting.

We appreciate the opportunity to comment.

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Environmental Working Group

[i] https://www.ewg.org/research/boondoggle
[ii] https://www.usda.gov/sites/default/files/05601-0001-31.pdf
[iii] https://www.everycrsreport.com/reports/R46180.html