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Congress of the United States
House of Representatives
Washington, DC 20515–0603

December 3, 2012

Mr. William J. Murphy, Administrator
Risk Management Agency
Room 6092-South
1400 Independence Ave., SW Washington, DC 20250

Dear Administrator Murphy:

As I am sure you are aware, many farmers across the Western United States are suffering through a significant and prolonged drought. For the 2012 crop year, many of the farmers in Colorado's San Luis Valley reduced their planted acres because they lacked enough water to properly irrigate their fields. Many of these farmers filed for Prevented Planting through their Multiple Peril Crop Insurance (MPCI) policies.

The San Luis Valley is a unique geological area, in that the Valley is a bowl framed by the San Juan and Sangre de Christo Mountains. The aquifer in the Valley is replenished during the spring by the runoff of the snowpack in these mountains. Due to a lack of annual rainfall, the Valley is entirely reliant on irrigation, leaving farmers no choice but to grow irrigated crops. Unfortunately, last winter's limited snowfall left very little snow in the mountains to refresh the aquifer. Even with above average snowpack this winter, some areas of the Valley would not receive the necessary replenishment until the 2014 crop season (owing to the length of time it takes recharge water to percolate into the aquifer), leaving farmers without enough irrigation water for the upcoming 2013 crop season.

I am deeply concerned that the farmers who filed for, and were compensated on, Prevented Planting claims for the 2012 crop year will be penalized if they need to file for Prevented Planting in 2013. Page 9 of the Prevented Planting Loss Adjustment Standards Handbook for 2012 and Succeeding Crop Years states the following:

> **EXAMPLE**: A producer normally produces a crop on 100 acres and irrigates from a well. In 2011, the irrigation water supply is reduced and the producer is prevented from planting 60 acres (failure occurs prior to the beginning of the insurance period for 2012). Information indicating the number of acres that could be irrigated if average weather conditions occurred after the beginning of the insurance period for the 2012 crop year is not available. A drought continues from the prior insurance period into the insurance period for the current crop year, and the producer is prevented from planting 75 acres. In this case, a PP payment can be made only for the number of PP acres in excess of 60, which is 15 acres.

If the above farmer is prevented from planting 75 acres because he does not have sufficient water this year, he will face a significant financial struggle with Prevented Planting Insurance being paid on only 15 acres of the 100 acres eligible for irrigation. In total, the land he is able to irrigate, coupled with the payment for Prevented Planting accounts for less than half of his total acreage for that crop year. The farmers in the San Luis Valley understand the unique conditions of the region, and are conscientious in conserving and protecting their irrigation water. The situation in the Valley and throughout the West is getting worse each day that we do not receive adequate precipitation. Farmers trying to manage risk by purchasing Multi-Peril Crop Insurance should have the coverage available to them to keep their farming operations alive through these tough times. I am concerned that the economic survival of these farmers and in turn, the economic survival of the entire San Luis Valley, is in jeopardy because of our severe water situation.

While I understand the safeguards of the Prevented Planting system, I believe these farmers deserve consideration due to the extenuating circumstances caused by the ongoing drought. Assuring that a farmer's Prevented Planting claim for the upcoming 2013 crop season is not adversely impacted by a claim paid in the 2012 policy year upholds the original intent of the program, and would provide much needed certainty to Western farmers. Relaxing this Risk Management Agency policy for a single crop year would allow the farmers of the San Luis Valley to weather the ongoing drought, and will make an enormous economic difference in the region. Thank you for your attention to this matter.

Sincerely,

Scott Tipton
Member of Congress

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