Written Testimony of

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Before the
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Introduction

Chairman Conaway, Ranking Member Boswell, and Members of the Committee, thank you for holding this hearing concerning risk management and commodities in the 2012 farm bill. I am humbled, and grateful for the opportunity to present this testimony as a crop insurance agent – one of the 16,799 crop insurance agents who serviced a policy in 2011 – and on behalf of the farmers we serve.

I am Ruth Gerdes. And while I have been fortunate to gain the fancy title of President of The Auburn Agency Crop Insurance, Inc., I am really just a farm and ranch girl from Nebraska who loves to take care of business. Some 28 years ago, after nearly losing the land my husband and I were farming, I decided I wanted to help other farmers avoid the situation we had found ourselves in after a string of bad weather along with tough markets. I got into crop insurance, believing it could be a powerful tool for farmers. It is still that same belief and passion that drives me to work each day, and I am proud to say it remains challenging and fulfilling work as the risks farmers face, and that we as agents are charged to help them with, are only growing and becoming more complex.

In addition to working for my farmer clients, I have served on a number of industry task forces and working groups through the years, both with grower associations like the National Corn Growers Association and in the crop insurance industry. In the late 1990's, I was fortunate to serve on what I think were two seminal committees: (1) a USDA Risk Management Agency (RMA) Task Force on Actual Production History (APH); and (2) an Advisory Committee for Senator Bob Kerrey that was instrumental in the development of the Agricultural Risk Protection Act of 2000 (ARPA).

I currently serve as Chair of the Regulatory Affairs Committee of the Crop Insurance Professionals Association (CIPA), a band of excellent and long-serving agents from across the nation founded by two gentlemen – Mr. Bill Hanson of Manhattan, Kansas and, a constituent of Chairman Lucas's, Mr. Max Claybaker of Blackwell, Oklahoma – for the purpose of strengthening Federal Crop Insurance to better serve the needs of U.S. producers.

I volunteer and serve in these capacities because I care about the farmers I serve, and believe in the product I sell. From just a handful of farmer clients in 1984, Auburn Agency has grown to serve more than 1800 farmers in 8 states, with an average buy-up coverage level exceeding 80% (I am told this is one of the highest levels of average buy-up in the nation). I strongly believe the role farmers play in our society is a noble one. I understand that Federal Crop Insurance is about the farmer first, and I am honored to have been able to play a role in helping farmers learn how to use it to its maximum value. I hope my testimony today will provide some useful insight to guide as the Committee embarks upon its own noble task of directing our Nation's farm policy for the future.

Crop Insurance Enjoys Great Support for a Reason

In one sense, I have an easy job today as, based on the statements I have read anyway, Federal Crop Insurance enjoys very strong support in this room. Most producer groups have said that preserving crop insurance is their first priority, as have several members of this Committee. I want to say thank you for this leadership and support. It is gratifying, but it is also consistent with what I hear from my farmers. Crop insurance has become that powerful tool that I thought it could be when I entered the business, and that Congress wanted it to be when you set it on a new path in the early 1980's. There is still much more that can be done, but I think its fundamental popularity arises from the following facts:

1. It is real and **bankable protection** that is **tailored** by the farmer with their agent to the specific needs of the producer's operation. No other farm program is like this.
2. It is **well managed** – producers sign a business contract, and when disaster strikes an adjuster will be present and **claims are paid timely**. The competitive aspect of delivery ensures excellence.
3. It is **defendable** in that **farmers pay significant premiums** – have skin in the game – for this coverage.
4. As a voluntary business decision, crop insurance comes **unencumbered with regulatory dictates**.

But even though Crop Insurance enjoys this great popularity and is in fact working as planned and actually under budget right now, we realize this Committee is charged with some difficult issues in crafting the next Farm Bill, and therefore want to confront these issues with our key principles and values in the pages that follow.

Reflections on Growth of Crop Insurance Industry

The growth of Federal Crop Insurance is an outstanding success story. From the time the modern public/private partnership was forged in 1980, the program has grown from an insignificant nuisance among farm programs covering less than 12% of the nation's cropland and generally attracting not the best of farmers; to a robust program covering 83% of all cropland acres and providing bankable protection to America's best, most dynamic and most productive farm families.

In 2011, companies and agents sold policies costing a record $4.5 billion in producer paid premium on 265.4 million acres covering a record $114 billion in production. This is especially astounding when you consider that just 10 years ago in 2001 (the first year of ARPA), producers spent just $1.2 billion on premium on 211.3 million acres covering just $37 billion in production.

We should not just gloss over this growth or these statistics as if it was just happenstance, or being in the right place at the right time. The fact is it has been the product of very substantial and very deliberative work by many – you and your predecessors around this dais, and many CEO's and staff and adjuster and agents and farm leaders in the field – and so I think it's worth taking some time to think about what has truly been the force behind this growth. We would list four key factors:

1. **Good lawmaking** — I want to pay homage to this Committee and those lawmakers who came before you who crafted: the 1980 Federal Crop Insurance Act, which began the movement of the delivery of Crop Insurance to the private sector; the 1994 Act which cast the vision that Federal Crop Insurance might one day eliminate the need for costly ad hoc disaster programs; and especially the 2000 ARPA which set the course and trajectory for what Federal Crop Insurance has become today.

   As members of this Committee, I would hope you look at Federal Crop Insurance with a great deal of pride in ownership. You have created a program to address a very real need – farmers as a fundamental element of society do indeed face greater risks (contending with weather and markets risks beyond their control) than any other business, and need access to affordable risk management tools. And, you established a successful public/private partnership that has uniquely met that need in a reliable and comprehensive and defendable way.

2. **Motivated participants** – The private sector leaders who jumped into this program from the beginning believed in the need first, but saw sufficient potential reward to risk their capital to make it work. Still today, the 15 companies (AIP's) that remain are dynamic and competitive, and therefore

constantly searching for ways to bring better value to the farmer customers as they compete for more business and greater market share.

The value of this framework may be hard to quantify exactly, but we can see from the numbers that crop insurance began a very different path in terms of both the quality and quantity of coverage beginning in the early 1980's. We also see evidence of this in innovation. Crop Revenue Coverage or CRC was created in the late 1990's and absolutely revolutionized risk management for producers of most major commodity crops by providing risk protect against both yield losses and price losses within the growing season.

3. **Quality products at affordable prices** – Good insurance policies that provide relevant protection tailored to the producer's needs and history at a reasonable value are key. As yields and prices for commodities have climbed, the business of farming has not gotten easier so much as it has become higher stakes. For this reason, the premium assistance provided to the farmer is absolutely critical. Even the conservative American Enterprise Institute (AEI) has published papers stating the crop insurance simply would not be viable without federal backing and cost share. Any efforts to reduce premium assistance should be rejected outright.

   The Actual Production History (APH) system for determining a farmer's insurable yield, based on the producer's real history, is also key. The APH rewards good behavior, and discourages bad behavior, and thus pushes the farmers to be the best they can be.

4. **Dedicated agent force** – While I might like to think my Agency is unique, the reality is that we are pretty typical. We all strive to provide a quality service. We all work to know the products and markets and are willing to be called upon at all hours when disaster strikes. Why is this? Well the first and most obvious answer is, we do it because we take pride in our work and want our customers to be happy with our products and our service. And, yes, a part of that is because we want the producer's business again the next year.

   In the past, the best agents could not only win business, but they could be rewarded for exceptional work by the Companies with compensation. This competitive business model is good for the farmer and good for the system, but it has been dramatically undermined by the recent Standard Reinsurance Agreement (SRA) which, in addition to capping A&O reimbursements to companies, took the unprecedented and noxious step of capping and standardizing agent commissions from the companies. I should note here that this egregious overreach by the RMA was done administratively, with no clear legal authority or direction from Congress.

While one might add to this list of reasons for the success of crop insurance, the result is the same: crop insurance is undeniably a growing and positive force in the agricultural economy. I noted earlier the fact that acres insured, value insured and the amount farmers are investing in crop insurance continues to grow and set new records. For a state like Nebraska, that has big implications for the economy.

Stories Behind the Numbers

At the end of this testimony, I have attached a simple fact sheet for my state Nebraska. These are available for many more farm states at www.cipatoday.com. What I want to point out in these is that there are faces, jobs, economic activity and stories behind each of the numbers. In Nebraska in 2011:

- **2,275** is the number of licensed agents – small business owners like me providing farmers guidance and advice. Each agent is supported by company underwriters, adjusters, claims staff and computer programmers, and most employ office support staff. Collectively, these jobs, which are all supported by A&O and AIP resources, represent a significant number of good jobs in rural communities mine.
- **15.587 million acres** of crop and pasture covered represents the livelihood of thousands of farm families in my state.
- **$8.631 billion in liability** covered represents expected income for these farm families should weather and markets cooperate. Covering this risk through Crop Insurance allows farmers to use their capital elsewhere – better machinery; better seed; technology; irrigation; conservation practices; etc. The economic impact of offsetting this amount of risk in this way is tremendous.
- **$309 million in premiums** is what farmers were willing to pay for this coverage in 2011 (roughly $20/acre). While this is a lot, it has also helped a lot of farmers and their wives sleep better at night and make more productive uses of their days.
- **$254 million in claims paid** to date represents assistance directed to those with covered losses – these are farm incomes saved, catastrophes avoided, and localized farm economies kept afloat.

Business Perspective vs. DC Perspective and the problem of CBO

While in business growth is a good thing, in DC it is not all positive. It often invites unfair scrutiny. In fact, spending on agricultural policies including Crop Insurance is way down. In the most recent five years, average funding for U.S. farm policy, including crop insurance, was $12.9 billion per year, which is 28% less than the previous five-year average of $17.9 billion and 31% less than the average of $18.8 billion that incurred in the preceding five years.

But opponents of agriculture have never let facts stand in their way. With higher commodity prices boosting the baseline for Crop Insurance, they have set their sights upon this vital risk management tool, never mind the fact that crop insurance was cut by more than $6.4 billion in the 2008 farm bill, and by another at least $8 billion administratively in the 2010 SRA.

Perhaps what is most disheartening from this standpoint is the fact that the Congressional Budget Office seems to persistently overestimate the cost of crop insurance to the taxpayers, putting a bull's eye on our back. The following table compares the CBO estimates for crop year expenditures (for 2006, from the August 2006 baseline, etc.) to the actual crop year spending that is tallied after all is settled (the March baseline of the following year).

Year	2006	2007	2008	2009	2010	*2011*
CBO estimate	*$3.864*	*$4.670*	*$7.746*	*$7.496*	*$7.784*	*$9.213*
CBO actual	**$3.291**	**$4.374**	**$4.146**	**$6.767**	**$4.547**	**$6.620**
% difference	-14.8%	-6.34%	-46.5%	-9.73%	-41.5%	-28.15%

The point of this is simply to show that CBO (like its sister agency, OMB) does the Federal Crop Insurance system no favors. Right now, as of the March baseline, they are showing budget authority for the 2012 crop year at $9.465 billion and average spending over the next 10 years at another $9B per year (a total of $90 billion). But if past is prologue, the actual spending will be lower, and could be much lower.

Why is this? Using 2011 as an example, even though companies have paid out more than $10.75 billion in claims (a record), the program is still at a loss ratio (indemnities/total premium) below 1.0 and therefore an underwriting gain will be made, thus lowering the cost from the $9.213 billion estimate. Beyond this year, no one really knows, but CBO assumes high prices are here to stay. In reality, if prices were retreat again, what is currently a $90 billion baseline could easily shrink by $20 to $30 billion in a wink.

To conclude this section, let me just state that from my perspective, and I think the perspective of all of rural America, growth in the Federal Crop Insurance program is in fact a good thing. It was always the hope of your predecessors to establish a system that would be so comprehensive and robust in its coverage that it would eliminate the need for ad hoc disaster assistance. Well considering that we just came off a year in 2011 that contained the worst heat and drought in the history of the Southwest United States, and epic flooding along the fertile plains of the Missouri River, and not a single call was heard for additional disaster assistance, I would say this Committee has achieved a grand success in Crop Insurance.

Reflections on value of Crop Insurance to the Producers it serves

While we have covered at length the value of crop insurance generally, I have not touched on its most important quality from my perspective, and that is what it does for the individual farmers who use it well.

I am fortunate to be from an area with really incredible generational farmers who love the land and care for it well and raise crops with amazing consistency and productivity. From this perspective, I can attest to the fact that the value of crop insurance is far more than what they receive in indemnities over time. Many of my farmers have never made a claim on crop insurance, and hope they never will. And, yet, they assign it an indispensable value, particularly in the revenue products. Why is this?

First, Crop Insurance has become a **powerful tool for farmers in marketing their crops and managing input costs**. I have farmers who price their corn and beans two and three years in advance, knowing they will have crop insurance to back them up. This allows farmers to lock in prices on their commodity when they are best rather than when they have to. It also allows them to purchase inputs ahead if prices are attractive. Together, when used well, the Crop Insurance products, while having a significant cost upfront, can really improve the bottom line of farmers even when they don't have a loss.

Also, by taking certain risks off the table, farmers are able to focus their capital on other needs. Many of my farmers will tell you that the bankability of crop insurance has allowed them to purchase better equipment, like center pivot irrigation or a bigger planter or better combine. These investments also increase efficiency and hedge risks for the farm operation. So the value of crop insurance is magnified as it allows the farmer to focus resources on other needs.

Finally, although I do live in a very good farming area, that does not mean we are immune to disaster. And this leads me to the best thing about crop insurance – it is there when you need it. Perhaps the best, most recent example of this, for my agency, came last year in the wake of the Missouri River floods. The story of one of my farmer clients was told on The Hand That Feeds U.S. (HTFUS). See: http://www.thehandthatfeedsus.org/farmers_profile-Under-water-but-not-out-of-business.cfm. Mike Woltemath from Hamburg, Iowa lost more than 80% of his farm ground last year to flooding, partly in a successful effort to save the town of Hamburg. As the picture below indicates, there was absolutely nothing that could be done to hold back the waters.

A generation ago, this would have been an economic hit that would have destroyed farms families, or taken a lifetime to recover from. Thankfully, Mike was well insured, and has since been able to put his farm back into shape such that he is ready to plant again this year. His words for the HTFUS article are relevant to this hearing:

> "Crop insurance needs to be protected. It provides us with a very good backstop, and if you take that away you leave an already high-risk industry with no protection, making it almost impossible to withstand this kind of catastrophic event. . . . It's not unheard of to have $700 invested in one acre out here, much of which is borrowed from banks that would not likely approve the loan without the protection of crop

> insurance. No one realizes how much we invest in order to produce the food and fuel that we do. But when you don't have anything to sell, you can't invest, and when you can't invest, you can't produce—it's a downward spiral."

Mike was not alone. In fact there were many just like him. Walking though this type of disaster with farmers is difficult and even emotional. Without Crop Insurance, this would be an entire year's income lost on top of the loss of very costly assets. This is why we have crop insurance, and why it is so important that crop insurance remains a business proposition, unencumbered with arbitrary rules and regulations that are part of so many Farm Bill policies, so that it can provide just this type life and business-saving assistance exactly when it is needed.

To conclude, the true value of Crop Insurance has to be measured taking into account all of these factors together. Some ivory tower economists like to propound the view that the only true measure of insurance is what it pays back in relation to what the purchaser has paid in. No one in the real world views insurance that way. As agents, having walked the fields and sat at the kitchen table with the producers who are taking these huge risks, we know better.

Key Issues in the Farm Bill

Clearly, crop insurance has tremendous value both from a broad economic perspective and to the farmer. This is, no doubt, why it enjoys such broad support from producer organizations and Congress alike. But even with this support, the future of the industry seems more uncertain than ever.

It has been a difficult couple of years for crop insurance with respect to government affairs, with stinging cuts made to both companies and agents in the 2010 SRA. Based on the Administration's recent FY 2013 budget blueprint, apparently OMB believes even more should be cut. Thankfully, those around this table have answered with a firm, no. But, another big issue for crop insurance, at least from my vantage point, lies in your hands, and has everything to do with the 2012 Farm Bill – how it is structured, and how it will interact with crop insurance.

There is an irony that virtually all the farm groups indicate that crop insurance being their top priority, but in many cases they are also advocating new Farm

Bill policies that they believe can "supplement" or "compliment" crop insurance, but in most cases will mainly duplicate, compete with, or otherwise tarnish the reputation of that top priority, Crop Insurance.

Imitation is the highest form of flattery so, in one sense, we might be gratified that Farm Bill policy discussions are now using the language of revenue protection or risk management. But, I would urge caution not to create a weak duplicate that might undermine the real deal.

Rather than creating a less-tailored version of crop insurance with the hope it will succeed like crop insurance, we believe Congress should look for things that crop insurance does not do well, and fill those gaps. There are a couple of examples relevant to your work here that I would reflect upon:

- **Deductible-level losses** are, in fact, a legitimate problem for producers given the high stakes in agriculture today. But we do think care must be taken in how much revenue farm policy should guarantee. We believe this problem can best be addressed through crop insurance, where farmers have skin in the game. As agents, we are excited about 3 possibilities within crop insurance that are being put forward, and would urge the Committee to give these careful consideration.

1. **Trend Adjusted Yields**. For 2012 (the current sales season), RMA approved a trend adjustment for corn and soybeans in certain states, with plans to expand to cotton, rice, wheat and sorghum in 2013. Having been in one of the areas, and run thousands of quotes using the Trend Adjustment, I can say with confidence that in the counties where it truly reflects the technology advances, it is a powerful tool for the producer to cover more of their expected production. However, there is a problem in that it does not work well in all counties. CIPA has long advocated applying a national trend to T-yields which would give a more consistent and reliable benefit. CIPA has also advocated for T-yield plugs or other means of holding up APHs in multi-year loss scenarios. The bottom line is that where the APH is made more truly reflective of what the farmer truly expects to produce, this goes a long way toward addressing the problems that are associated with the problem of high deductibles.

2. **Personal T-Yields (PTY)**. What has been implemented as a pilot in North Dakota for the last few years seems ready for prime time. By allowing producers to set their own T based on their own experience,

you further incentivize good record keeping and the best possible use of the crop insurance products. The PTY would streamline and improve the plug-yield system referenced above, and make the APH more truly reflective of what the farmer expects to produce.

3. **Supplemental Coverage Option (SCO)**. Introduced by Congressman Randy Neugebauer of Texas, this concept would allow farmers to pay for and stack a supplemental area-based coverage on top of their individual coverage to address systemic county-wide losses. It is the functional equivalent of the Senate Agriculture Committee's ARC program (county-based, deductible level coverage), but it is designed to interact seamlessly with crop insurance, and is not free to the producer. He must pay for it. In that it complements Crop Insurance, works easily within the current framework, and provides a potentially valuable choice for producers, CIPA has embraced this plan.

- **Deep and long-term price declines** are a very real concern for most of the farmers I serve. Crop insurance is based on market prices in the current market, and there is no question that if price elections for corn and beans this year were $3.50/bushel and $7.00/bushel, respectively, as opposed to $5.68 and $12.55 (the price elections for 2012), my farmers and their lenders would be in serious trouble – indeed, many would not be in business. Under the Senate's ARC plan, like many others that have been offered, this is addressed by tying the price part of revenue to a 5-year rolling average. Others use minimum reference prices. Without speaking to the merits of either, let me just say that this is probably a risk that would best be addressed outside the scope of crop insurance.

Given the farm bill backdrop, rather than try to dictate what should be done or how, we would rather offer two simple requests on behalf of agents and the farmers we serve:

1. First, do no harm – be careful in crafting a farm bill policy to take aim at only those risks that are not well covered by crop insurance, structured in a way that will not duplicate what crop insurance is already doing well.

2. Second, trust that you can build upon Crop Insurance – this structure that was built by this Committee, your colleagues and predecessors has proved to be able and competitively motivated to serve the needs of farmers.

Reflections on Importance of Private Structure and Damage Caused by SRA

I want to end back where we began the section on the growth of Crop Insurance. That is complimenting this Committee on the creation of Crop Insurance and a delivery structure that has worked, and done a great thing for farmers and rural economies. I am very proud to be a part of that structure.

But it is disheartening when it seems, at every turn, that this structure is under attack. The recent SRA is good example. And the fact that OMB and Administration's budget is calling for more cuts even before the deep SRA cuts have been fully realized just adds insult to a very real injury.

Nebraska agents and staff were hurt badly by the SRA, as compensation was capped at a full 22% below 2010 amounts in gross dollars (average commission rates were cut by more than 50%). But even worse off are areas like California, where gross A&O reimbursements dropped by 32% from 2010 to 2011, meaning gross commissions for agents dropped over 45% (the effect of the 80% cap on agent commissions).

The following table illustrates one of the more extreme and unintended consequences of RMA's actions. Although it was asserted that fruit and vegetable producers would somehow be advantaged by the new SRA, actual experience has proved differently as A&O plummeted in those states.

State	Category	2008 (million)	2009 (million)	2010 (million)	2011 (million)	2011 After 80% cap	Change from 2010
California	TOTAL A&O	$47.6	$43.3	$41.3	$28.2	$22.6	**-45.4%**
Florida	TOTAL A&O	$29.4	$20.2	$17.5	$12.6	$10.1	**-42.4%**
Nebraska	TOTAL A&O	$141.8	$106.6	$85.9	$83.6	$66.8	**-22.1%**

There is no doubt that OMB and GAO have a bias against crop insurance or any farm policy for that matter. But, I would like to have them along with certain academics out to walk the fields with me so that they might gain a better understanding of the true value of Crop Insurance to real people in real communities who too often in Washington are just numbers and statistics on a page. But, I know Congress and the Agriculture Committees have a better understanding of how business works. We would simply ask that you step in and say, enough is enough. You cannot make 50% cuts to the resources in offices and expect to have the same level of service.

The unprecedented and egregious overreach of regulating and bureaucratizing agent compensation should be reversed. This would be a no-cost item as it would not impact government A&O expenditures. In addition, the incredibly poor design of the cap on A&O expenditures which caused and will continue to effect disproportionate cuts to certain crops or areas of the country such as California and Florida in 2011 should be addressed. This outcome would have been avoided with a more transparent process, which should have included agents considering that agent compensation was to be regulated.

From my perspective, the substance behind calls for cuts to agents was not a credible accusation three years ago when gross compensation to agents was nearly twice what it was in 2011, and it is most certainly not a credible charge today. On the CIPA website at www.cipatoday.com, you can access a document that details the work my agency does on a month by month basis over the course of a year. This is the process we go through for each and every client, taking special care to fully educate them on their risk management options available. Some say the process has only gotten easier over time, but the following picture shows the basic rules for Crop Insurance that we have to follow at the risk of losing our agency.

A comparison of paperwork in 2000 versus 2012

As an agent, I consider it my duty to make the voyage through all the options and paperwork as easy, painless and efficient for the farmer as possible. But I am here to tell you the preparation for this is immense. I know that I am making judgment calls in my advice that, if wrong, could cost my producer customer his operation and livelihood.

Now NASCOE is calling on Congress to reverse course from the seminal decision it made in 1980 and hand the delivery of Crop Insurance bask to the government. On behalf of agents, let me say we truly do appreciate the FSA and hope they have a significant role in delivering a quality Farm Bill. But the sentiment of agent groups and the farmers we serve is summed up very well in Ranking Member Roberts' comment on this prospect, "it is a loony idea." If we want to undo Crop Insurance, this is the way to do it.

Closing

We have covered a lot of ground in this testimony. But Federal Crop Insurance is a long and detailed and great story and I hope that my passion for the risk management tools that it provides and the delivery system has come through loud and clear.

In closing, let me say on behalf of agents that we stand ready to assist you in minimizing cuts to agriculture policies overall, and building upon the excellent crop insurance framework wherever possible. I hope this testimony offers insight and evidence that will serve you well in this tremendous responsibility you have, and we wish you the very best as you proceed to the next steps.

Nebraska

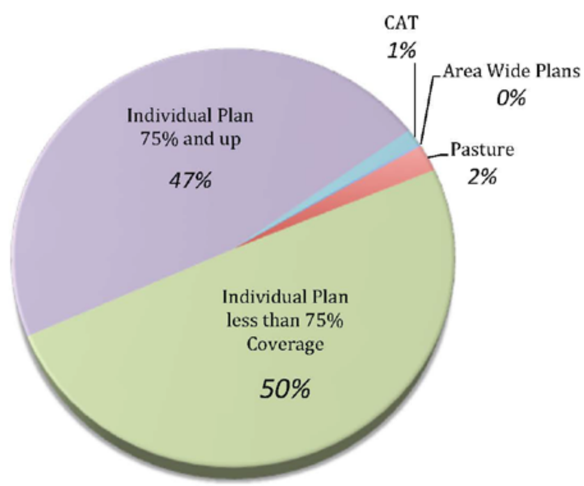
Crop Insurance

2,275 Agents

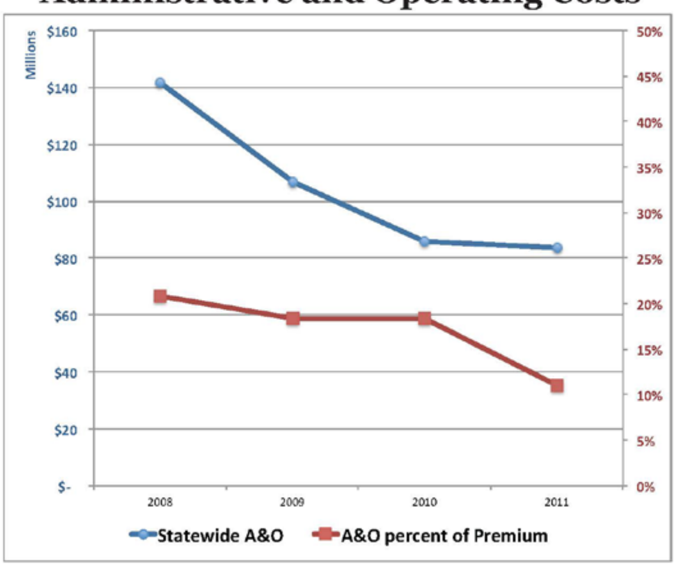
Year	Net Acres Insured	Producer Premiums	Liabilities	Indemnities	A&O Costs
2008	14.4 m	$293 m	$4.7 bn	$414 m	$142 m
2009	15.4 m	$239 m	$6.6 bn	$165 m	$107 m
2010	15.3 m	$189 m	$5.5 bn	$157 m	$86 m
2011	15.6 m	$309 m	$8.6 bn	$254 m	$84 m

Of the 19 million acres planted in Nebraska in 2011, 15.6 million or 82% were enrolled in crop insurance. Of the insured acreage, 15 million were individual buy-up coverage, with 7.3 million (47% of acres; 58% of premiums) with a buy-up level of 75% or greater. Only 202,000 (1%) were in CAT and only 30,000 (.19%) were in area plans like GRP or GRIP.

Insurance Policies by Net Acres Insured



Administrative and Operating Costs



The chart to the left highlights how the cost to the government to administer crop insurance in the state has been drastically cut since 2008, even as total liability within Nebraska has increased (from $5.5 billion in 2010 to $8.6 billion in 2011).

Crop Insurance Professionals Association CIPA

WWW.CIPATODAY.COM

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2009.

Name: Ruth Gerdes

Address: Box 266, Auburn, NE 68305

Telephone: (402) 274-4902

Organization you represent (if any): Crop Insurance Professionals Association

1. Please list any federal grants or contracts (including subgrants and subcontracts) <u>you</u> have received since October 1, 2009, as well as the source and the amount of each grant or contract. House Rules do <u>NOT</u> require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers: **None.**
2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) <u>the organization</u> has received since October 1, 2009, as well as the source and the amount of each grant or contract: **None.**

✓ Please check here if this form is NOT applicable to you

Signature:

Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: ***Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.***

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House Rules* require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying.

Name: Ruth Gerdes

Address: Box 266, Auburn, NE 68305

Telephone: (402) 274-4902

Organization you represent (if any): Crop Insurance Professionals Association

Ruth Gerdes Biography

Ruth Gerdes grew up on a farm and ranch in Western Nebraska and attended the University of Nebraska, where she earned degrees in agricultural journalism and animal science. In 1979 she married Myron, and the couple moved to his family farm near Auburn, Nebraska where they began their own corn, soybean, and purebred Angus farm. Gerdes' first job was at Excel Corporation, now Cargill, where she was the first woman to be in their U.S. corporate sales division.

When severe droughts nearly forced the Gerdes family out of farming – due in part to a poor understanding of limited insurance policies available at the time – Gerdes decided she could do something about it by becoming an agent herself. Gerdes got her start working part time for The Auburn Agency in 1984, and since that time has become a partner, President of the agency, and one of the top crop insurance agents in the nation. The Auburn Agency today provides services to approximately 1,800 farmers in Nebraska, Missouri, Iowa, Kansas, Ohio, Arkansas, Illinois and Indiana.

Gerdes is currently a member of the Crop Insurance Professionals Association (CIPA), the Independent Insurance Agents and Brokers of America (Big I), the American Association of Crop Insurers (AACI), and the American Farm Bureau

Federation (AFBF). She has testified numerous times before Congress, she has been awarded the AACI "Top Gun" Award for outstanding contributions to the crop insurance industry, and she has served on a crop insurance working group under the direction of Senator Bob Kerrey (D-NE) and Senator Pat Roberts (R-KS) dedicated to the development and passage of the Agricultural Risk Protection Act of 2000, legislation responsible for much of today's success of Federal Crop Insurance.

While Gerdes is one of the most knowledgeable and respected agents in the country, she has always considered herself a farmer first and she believes that this must always be the goal of Federal Crop Insurance: to put the farmer first.