



Tom Zacharias, NCIS President

“And They’re Off!”

I am not really an avid horse race fan, but I do occasionally catch the Kentucky Derby and, every so often, pay attention to the Triple Crown. Justify, the Derby and Preakness Champion, also added the Belmont Stakes to his resume and became a Triple Crown winner. Although, I do not really follow the ponies, I like to think I have some sense of, and appreciation for, tradition, talent, and accomplishment — all of which apply to our work as we “round the track” and race to serve the risk management needs of the American farmer and rancher.

“Chomping at the Bit”

Since our Annual Convention, we have witnessed the confirmation and appointment of two key USDA slots that are vital to the success of the public private partnership in crop insurance. In addition, 2018 brings a change in leadership at NCIS. Let’s take a look at the starting lineup as we approach the gate.

In early March, Bill Northey was confirmed as Under Secretary of Agriculture responsible for the Risk Management Agency, Farm Service Agency, and the Foreign Ag Service. Mr. Northey, a fourth-generation Iowa corn and soybean farmer, brings a wealth of experience to his new post. He has been active in many farm organizations, including serving as president of the Iowa Corn Growers Association in 1991-92 and president and chairman of the National Corn Growers Association from 1995-97. In addition, he was elected three times to serve as Iowa Secretary of Agriculture from 2007 to 2018. Before serving in that role, Northey was also active in the Iowa Farm Bureau. He held leadership roles in Farm Bureau offices at the county and state level, including serving as president, vice president and committee chairman of the Dickinson County Farm Bureau. Mr. Northey was named a “Friend of Agriculture” by the Iowa Farm Bureau Political Action Committee in 2006. Northey also served on the Iowa USDA Farm Service Agency State Committee and was a Dickinson County Soil and Water Conservation District Commissioner.

The NCIS Executive Committee had the pleasure of meeting Mr. Northey several weeks ago in Washington D.C. The meeting was an excellent opportunity to introduce Mr. Northey to our organization and begin to develop a working relationship with him. It has always been important to have an open line of communication with the undersecretary’s office. This will be especially true as the Industry and the Agency prepare for implementation of a new Farm Bill.

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It will also be important as the Agency transitions to the new Farm Production and Conservation (FPAC) Business Center, which will have responsibility for information technology, an area that is vital to USDA's overall mission and particularly critical for our industry. As this transition occurs, an open line of communication and cooperation will be essential for crop insurance to ensure that USDA, through the Risk Management Agency and the private sector delivery system, is always up and running and able to meet the needs of our clients.

Not long after Mr. Northey was sworn into office, Secretary Perdue appointed Martin Barbre as the new Risk Management Agency (RMA) Administrator. I had the privilege of meeting Administrator Barbre in Washington, D.C., shortly after he was appointed. In addition to that meeting, Mr. Barbre and other senior RMA staff recently visited the NCIS office to learn more about our organization and the industry. At this meeting, senior staff, along with NCIS Standing Committee liaisons, were able to explain the role of NCIS and the services it provides to our member companies.

Much like Northey, Mr. Barbre has an extensive background in agriculture, having farmed in Illinois for more than 30 years. He understands the importance of crop insurance and has seen first-hand why it needs to remain a part of a farmer's risk management portfolio. He is the past president of the National Corn Growers Association Corn Board and a member of the Illinois Corn Growers Association, where he served in various leadership roles at the local, state, and national levels.

Rounding out the "trifecta" was the appointment of Jim Korin, NAU Country Insurance, as Chairman of the NCIS Board of Directors. Korin assumed the role as Mike Day's tenure came to end.

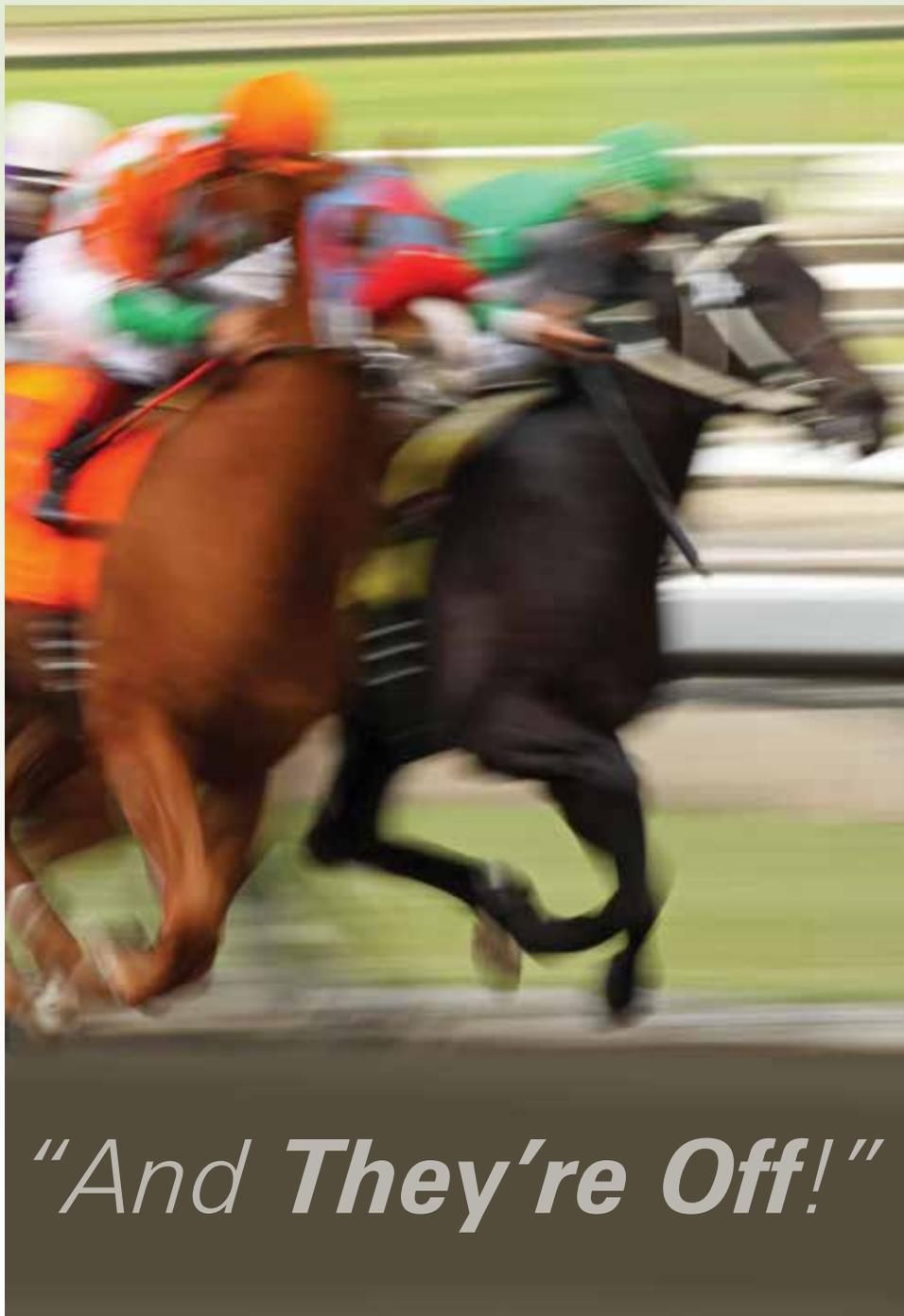
We would be remiss if we did not acknowledge Mr. Day's leadership and tremendous commitment to NCIS during his time as Chairman. Over the past two years, Mike helped shepherd the association and industry through two critical years following the implementation of the 2014 Farm Bill and helped oversee several important corporate governance issues that benefited not only the membership but the staff at NCIS as well. There is a bit more on Mike's tenure in our "Passing the Gavel" article found later in this issue.

Just because his leg of the race is complete for the time being, this does not mean we are putting Mike out to pasture. He will continue to serve on the NCIS Board and will also serve as Ex Officio for one year to ensure a smooth transition.

Mr. Korin will have big shoes to fill, but knowing Jim, he is more than ready for the task before him and us. Jim comes with a great deal of leadership experience and exposure to NCIS. He began attending NCIS Board meetings back in 2010 and has served on the Executive Committee since February 2013.

Jim will no doubt provide invaluable leadership over the next two years as Congress completes a Farm Bill and the USDA rolls out implementation language. Jim was active during the previous Farm Bill implementation process, and his senior staff was also engaged during implementation as several of these individuals served on NCIS Standing Committees. Please make sure to check out our "Passing the Gavel" article highlighting Jim's transition to Chair of the NCIS Board of Directors. The staff at NCIS is looking forward to working with him in this new role.

Based on individual conversations with each of these gentlemen, I walk away with the distinct



impression that each of them is committed to agriculture and understands the fundamental role that crop insurance plays in a farmer's risk management tool box and crop insurance's role in farm policy. Prior to their appointments, I would go out on a limb and say they were "chomping at the bit" to undertake their new roles. I personally look forward to working with them individually and collectively as we move forward.

"Winning the Race Hands Down"

Lastly, I would like to take this opportunity to publicly express our membership's appreciation for the efforts of Rob Johannson and Heather Manzano as they served in USDA interim roles as we awaited the arrivals of Mr. Northey and Mr. Barbre. Rob is still serving as Acting Deputy Under Secretary, a role he assumed in June of 2017, along with his regular responsibilities as Chief Economist. Heather did a fantastic job in her role and the industry appreciated the open lines of communication through some of the challenges we faced, such as the hurricane disaster relief, government shutdown, and just the day-to-day changes and

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improvements to the program. Like her predecessor, Brandon Willis, Manzano made it a priority to focus on improper payments to ensure crop insurance remains the leader of the pack when it comes to protecting taxpayer dollars. Her efforts have paid off, with RMA now boasting a 1.96 improper payment rate — less than half the historical average for the government as a whole.

Rob and Heather were gracious enough to present at various industry events and conferences, and always made themselves accessi-

ble to the industry. We are grateful for their leadership and are pleased they are remaining with USDA.

"Run for the Roses"

It just would not be right if I did not throw in a song lyric at this juncture. Harken back to the ballads of Dan Fogleberg and recall the old tune, "Run for the Roses." Every year in crop insurance we round the track "as fast as we can." Each year we face a new set of risks and chance. In 2012, we faced the devastating Midwest drought. In 2014, we worked together with USDA and the RMA to implement the provisions of the new Farm Bill. Last year, we faced hurricanes, wildfires and drought. As Daniel would sing "...it's the chance of a lifetime in a lifetime of chance..." In this industry we have the privilege and opportunity to work in American agriculture and we look forward to continuing our service to America's farmers and ranchers as providers of an important and strong safety net.

In this issue of *TODAY*® we feature a comprehensive look at 2017 in the annual "Year in Review" article. Please do not be daunted by its length; it is an excellent summary of the planting conditions, commodity markets, and weather events that took place in agriculture and crop insurance last year. The piece starts with the planting and marketing outlook for 2017, and tracks these developments through the course of the year. It also revisits the results in both the Federal- and state-regulated lines of crop insurance, as well as highlighting the Canadian Crop-Hail program.

Also in this issue is an article on the industry annual convention which featured presentations by Rep. Michael Conaway, RMA's Heather Manzano and Richard Flournoy, political commentator David Wasserman, and The Weather's Channel's Jim Cantore, along with other great speakers and panels. At the convention, we thanked then NCIS Chairman, Mike Day, for his years of service as Chair of the NCIS Board of Directors, and welcomed Jim Korin as the incoming Chairman. We highlight these gentlemen in the "Passing the Gavel" article. And last, but not least, we introduce you to the winners of the industry achievement awards who have helped make crop insurance the successful and effective risk management tool it is today for America's farmers and ranchers. We hope that you find this issue informative and enjoyable to read.

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