



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

December 11, 2000

Honorable Dan Glickman
Secretary of Agriculture
Washington, DC 20250

Dear Mr. Secretary:

In response to the November 29, 2000, Memorandum to Cabinet and Agency Heads from John Podesta, Chief of Staff to the President, I hereby tender my resignation as Administrator of USDA's Risk Management Agency (RMA) and Manager of the Federal Crop Insurance Corporation (FCIC), effective January 20, 2001.

Mr. Secretary, January 2001 for me will mark seven-and-a-third years during which I have been honored to serve you, President Clinton, and USDA as FCIC Manager -- longer than any other person has headed the Federal crop insurance program during its 60-year history save one. This seven-year period has seen enormous changes in national farm policy, including the emergence of Federal crop insurance as the centerpiece of the farmer safety net. I appreciate the confidence that you and the President have placed in me over these years; my service experience here has been a major source of professional pride and personal satisfaction.

During my time as FCIC Manager and RMA Administrator, I have had the opportunity to participate in several important achievements, including, among others:

- The development, enactment, and implementation of two major legislative revisions of the Federal crop insurance program, in 1994 and 2000 respectively. These achievements have tripled program participation in just six years. We now provide \$33 billion in protection on more than 200 million acres of crops; Farmers have accepted this program and absorbed it into their farming and business operations. As a result, crop insurance today protects more farmers better than ever before and is a principal life-line to rural America in times of crisis;



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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- The systematic launching of an array of innovative new farmer risk management tools, including six revenue insurance plans, the dairy options pilot program, and policies on dozens of previously-uncovered fruits and vegetables -- over 130 crop policies;
- The launching of an integrated risk management education program, and the launching of the Risk Management Agency itself as an independent entity within USDA; and
- The achievement of seven consecutive years of actuarial soundness, with Federal crop insurance loss ratios at 1.00 or below, representing a major shift from earlier years and a significant cost savings for American taxpayers.

These accomplishments, and many others, have occurred during times of shrinking agency budgets and resources. More than anything else, they reflect the hard work of a talented, creative, dedicated staff which has made RMA a center of excellence within USDA, as well as the support of colleagues in many related USDA agencies and offices and of Members of Congress who have worked with us on an effective bipartisan basis. These achievements also reflect the success of the unique public-private partnership under which RMA has delivered its program through 18 private insurance companies and 15,000 agents across America -- a model for future initiatives government-wide.

Mr. Secretary, now that RMA and the crop insurance program have reached this juncture and a new Administration is arriving, it is an appropriate time for me to pass the baton and take the opportunity to explore private sector opportunities and pursue personal projects following a 25-year career of Federal service.

Again, I thank you, President Clinton, and Under Secretary Gus Schumacher for the opportunity you have given me to serve alongside with the fine group of appointees you have brought into USDA during this Administration.

Sincerely,

Kenneth D. Ackerman
Administrator