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# F.Y.I.

## FALL 2010

### HARVEST EDITION



[www.ag-risk-solutions.com](http://www.ag-risk-solutions.com)

877-556-0588

## **F.Y.I.**

Greetings! Welcome to the first edition of F.Y.I. the newsletter of Ag Risk Solutions. We will use this newsletter to remind you of important dates, provide timely information on crop insurance requirements and inform you of any changes to the program. We will publish this newsletter at least quarterly and more often if conditions make it necessary.

### **OFFICE FULLY UP & RUNNING!**

I didn't have room in the Aug. 1 Ag Risk Solutions announcement letter, but I wanted to mention here a little about the steps we have undertaken in order to continue to provide and improve the level of service and support you have relied on in the past. We have hired Wes Banks to manage the Atchison service office. Wes grew up on a family farm near Holton in Western Atchison County. He graduated in 2003 from Kansas State University with a degree in Management Information Systems. Wes has been instrumental in developing our website as well as helping to organize and streamline office procedures. As you all know only too well, there is a lot of paperwork involved in our business! Imagine what it is like in the office! Wes is hard at work developing an electronic filing system which will reduce the amount of paper files we are required to keep. This will increase our efficiency in answering any questions you or your Service Rep may have concerning your policy.

Office hours are 9:00 A.M. to 5:00 P.M. (closed for lunch) Monday through Friday. Office phone numbers are 913-367-4711 and toll free at 877-556-0588.



## **PLANTING WHEAT?**

Our service reps report that the recent higher price for wheat has resulted in more questions from producers regarding available crop insurance coverage. The drastic changes in the base price in 2011 coupled with the major changes in coverage options make it imperative that you reevaluate your coverage options. September 30 is the last date to change coverage or submit a new application. If you will be planting wheat this fall contact your service rep immediately. Our current projection for the 2011 Wheat Base Price is \$7.10.

### **CHANGES IN PREVENTED PLANTING COVERAGE**

If you are looking forward price some of your 2011 wheat and have concerns about prevented planting you need to be aware of significant changes in how prevented planting claims will be paid for 2011. In previous years if you were prevented from planting a crop and the harvest price for that crop settled higher than the base price, your prevented planting payment would be adjusted to account for this. This will not be the case for 2011. This change has some negative implications if you are forward pricing wheat before it is planted. For a more detailed explanation of how this may impact your marketing plans please contact your service representative.

### **OWNERSHIP/SBI CHANGES**

If you have any changes in your ownership structure from last year, please notify your service rep immediately! Examples of common changes would be; additional owner of shares in your corporation, owner deleted from your corporation, changes in ownership of your trust, divorce, marriage, etc. It is imperative that we have all of this information correct on your policy or you could experience major problems in the event of a claim. Also, it is extremely important that you are selling your grain under the same name as what we have on your policy.

## YOUR AG RISK SOLUTIONS TEAM



L to R: Henry Scherer, Kyle Krier - Salina, KS, Mike Chartier - Hiawatha, KS, Kurt Schwarz - La Cygne, KS, Tony Elizondo - Manhattan, KS, Mike Scherer - Atchison, KS

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## REVENUE CLAIMS?

For those of you using a revenue insurance product it does not look as though we will be in a revenue claim situation this year on our fall-harvested crops. Markets for these crops have rebounded strongly over the last 60 days and moved to levels higher than the base prices for these crops. Base prices for 2010 are:

Corn: \$3.99

Grain Sorghum: \$3.90

Soybeans: \$9.23

The harvest prices for these crops will be established using the futures markets in October and November. Of course, these markets can change direction very quickly so check our website for timely updates.

## NEW COMBO POLICY

For 2011 and succeeding years your crop insurance policy will have a new set of “rules” referred to as the Combo Policy. These changes have been designed to simplify the program and eliminate some duplicity. Here are some of the main changes:

- RA and CRC have been combined into one policy called Revenue Protection
- The APH policy is now Yield Protection and will have the same base price per bushel as Revenue Protection
- Enterprise Units will now be allowed under Yield Protection
- Actual cost of replanting will no longer be included in replant payment calculation. This means no more submitting replant seed receipts! Landlords who do not share costs but have their share of the crop insured will be able to collect that share of the replant payment.

## PRODUCTION RECORDS

As you begin fall harvest please keep the following guidelines in mind:

- If production from different units is comingled in a grain bin, you must keep a record of the production from each unit going into the bin in one of the following ways:
  - Contemporaneous load records identifying the date, vehicle used and estimated bushels in each load.
  - On-farm scale ticket records
  - Yield mapping records
  - Storage structure markings.
- Production from different units can not be comingled on a truck that will be delivered to the elevator.
- You must notify your service rep before placing new-crop grain in a storage structure that has old-crop grain in it. An adjuster must measure the old-crop grain before placing new-crop in the bin.

## TEXT MESSAGE UPDATES

Our website is now equipped to allow you to sign up for free grain market alerts via text message. We hope this allows you to be more efficient, informed and successful. We're sure many of you are receiving this service through someone already but we are hoping ours will be a little different than most. We feel the major benefit of our service is you will be in complete control of what updates you receive and how often through your personal account on our website. Here's how you sign up:



- Go to the website and click on the "Register" button at the top-right and create a login account.
- After finished click "Log In"
- Enter your username and password info and click "Login"
- Mouse-over "Register" and click on "Text Account"
- Click on "Add a new text message alert"
- Select Alert Type "Futures Quotes"
- Choose which contracts you want to receive updates for
- Choose the frequency of your updates (up to 10x daily)
- Click "Save Alert"

If you would like to receive this service but can't access our website, please contact your service representative.

## E-NEWSLETTER

If you are interested in receiving our newsletter electronically please send an e-mail to [solutions@ag-risk-solutions.com](mailto:solutions@ag-risk-solutions.com) from the address you want it to be sent to. In your e-mail please indicate if you wish to continue receiving the print edition as well. We hope this will be a more convenient and efficient way to communicate with those of you who regularly check your e-mail. We will also be posting the newsletter on our website.

## IS CROP INSURANCE UNDER ATTACK?

Many of you may have recently read about the major cuts to the crop insurance program that have just been implemented for the 2011 crop year. The good news is that none of these cuts have come at the expense of the producer. These cuts have all been directed at the private companies that deliver this program to you. As with most situations like this it is difficult to predict what the end result will be but we think it's safe to say that these changes will have a drastic effect on our industry. At Ag Risk Solutions we are completely focused on how we can adapt our service model to increase our efficiencies while maintaining the high level of service our clients have grown accustomed to.



Probably of greater concern is the outlook of the crop insurance program over the next 2-5 years. There has been recent talk of crop insurance being included in the 2012 farm bill negotiations which has not been the process in the past. Industry insiders differ on whether this would be a positive or negative development for the program. There have also been long-standing rumors that the delivery of the program will be handed over to the FSA. Naturally we have great concerns about the impact this would have on our business as well as our clients. We believe it is critically important that producers take an active role in communicating to their representatives in Washington how important the crop insurance program is to the viability and financial stability of their farming operation. Also, if you are pleased with the level of service you are receiving from us as your agent and don't want that responsibility to be transferred to a government agency we ask that you explain that as well.