

# F.Y.I.

## FALL 2011



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SOLUTIONS**

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## F.Y.I.

Welcome to this 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.

### 2011—WHAT A YEAR SO FAR!



The 2011 crop year will no doubt be remembered quite differently by each of us depending on where we farm. From the Missouri river flooding, to oppressive heat, to severe drought in the Southern and Western parts of the area we cover, to hail and windstorms, 2011 is shaping up to be one for the record books! For some of you this will be a bumper crop year. For others, it may be the year when you will be reminded, unfortunately, of why it is you buy crop insurance. We can't do anything about the weather. What we can do, though, is promise to be there for you through whatever this year brings. Please call. We're here to help!

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### 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.

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### E-NEWSLETTER

If you are interested in receiving our newsletter via e-mail please send an e-mail to: [solutions@ag-risk-solutions.com](mailto:solutions@ag-risk-solutions.com)

## AFLATOXIN IN CORN

Due to the severe drought stress that has occurred throughout most of our territory, many of our clients are concerned about aflatoxin in corn. There is coverage in your crop insurance policy for lost value due to aflatoxin contamination but the rules and procedures we must follow can be rather difficult and confusing.



The first and most important point is to contact your Service Rep. immediately if you have a positive test for aflatoxin at the elevator or if you suspect you have aflatoxin and will be putting any corn into on-farm storage.

Whether the corn will be delivered directly to an elevator or if it will be put into your own bins, we must have a disinterested third party (not you or one of your employees) pull a sample from each truckload of grain. The adjuster will send these samples to a grading facility and the results will be used to finalize your claim. If placing the corn in on-farm storage, you may also be allowed to leave unharvested strips in the field for later aflatoxin testing.

It would be impossible for us to outline in this article every detail of the process you will need to follow for your particular situation so I will reiterate: contact your Service Rep. immediately if you have a positive test for aflatoxin at the elevator or if you suspect you have aflatoxin and will be putting any corn into on-farm storage.

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### LOSS NOTIFICATION

As you go through harvest, if you suspect a loss on any unit or crop, contact your Service Representative immediately! We must have claims turned in within 72 hours of the completion of harvest on the unit for them to be considered timely. Claims that are not turned in timely can take much longer to be finalized and paid. They could also deny payment completely. It never hurts to turn in a claim and if it ends up not being a payable loss they are easy to withdraw.

## WHEAT PLANTING

As we enter fall many of you are starting to think about planting wheat. Here are a few important topics as we enter planting season:

**COVERAGE PRICE:** For the state of Kansas our wheat coverage price/bushel is the average of the July 2012 KCBOT futures from 8/15—9/14. As of August 29 that price was averaging at \$8.62 and trending upward. If that trend continues our base price will be 20%-25% higher than in 2011.

**PREVENTED PLANTING:** It seems like every year in some part of our territory we run into wheat that was prevented from being planted, usually due to excess moisture. However, lack of moisture can actually be considered an acceptable cause of loss for being prevented from planting as well. Prevented Planting due to lack of moisture can be a rather difficult situation though and in most cases we would recommend a producer try to plant the wheat and hope for the best knowing they have



coverage in place if the crop doesn't materialize. If you are considering not planting wheat due to lack of moisture, contact your Service Rep. to discuss your options.

**BROADCASTING WHEAT:** If you broadcast wheat seed and mechanically incorporate it, you need to notify us within 72 hrs of incorporation unless the land lies in Allen, Bourbon, Cherokee, Crawford, Labette, Montgomery, Neosho, Wilson or Woodson counties in KS. This practice is automatically insurable in these counties so you do not need to notify us.

### **IMPORTANT DATES:**

**September 30:** You will need to choose your products and levels of coverage for the 2012 crop year by this date.

**November 14:** You must have your 2011 wheat yields submitted to us by this date. If you have not reported your 2011 wheat yields please contact your Service Rep.

**November 30:** You must have your 2012 planted wheat acres submitted to us by this date.

*PLEASE REFER TO OUR WEBSITE OR CONTACT YOUR SERVICE REP. FOR FINAL PLANT DATES ON WHEAT IN YOUR AREA.*

## MAINTAINING ACCURATE PRODUCTION RECORDS

As you begin harvest here are some important pointers to ensure your claims or any future audits go smoothly:

### **FOR GRAIN BEING DELIVERED TO AN ELEVATOR:**

- \* Write at least the Farm Name on each grain ticket you get from the elevator. It is better to write the unit number & legal description for that farm as well.
- \* DO NOT combine grain from two separate units on one grain ticket. This will be considered commingled production.

### **FOR GRAIN BEING PLACED IN ON-FARM STORAGE:**

Use at least one of the following methods to keep track of production from multiple units being placed into the same storage structure:

- \* Keep a written, contemporaneous record for each load of grain that is dumped into the structure. This record needs to include:
  - 1) date
  - 2) description of truck, wagon, etc.
  - 3) farm name, legal description and unit number
  - 4) estimated number of bushels on each load.
- \* After completion of harvest on each unit, mark the grain level on the outside of the structure. This marking needs to be durable, initialed, dated and denote which unit's grain is below it.
- \* Grain cart scales or on-farm scales can be used to track production as long as you are able to generate a printed or stamped ticket.
- \* Yield mapping technology can be used as long as you follow required guidelines. If you plan to use yield mapping/monitoring alone to track your production, please contact your Service Rep. for guidance.



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## **\$100,000 CLAIM REVIEWS**

If you have a claim in excess of \$100,000, you will be forced to go through a 1-3 year APH review. You will not be paid for your claim until this review is completed. If you think you may have claims in excess of \$100,000, please contact your Service Rep. immediately so we can help you prepare.

## NOTES FROM THE FIELD



### MIKE CHARTIER—HIAWATHA, KS

Here we are getting close to harvest. We finally did get through our terrible hot spell. Now we are left to see what it left us with. In Brown and Doniphan counties, we are looking to have an above average year on both corn and beans. In Nemaha and Marshall counties, it's very spotty on the corn crop. Some parts are going to have an average crop while others could be well below average. As for beans, with the rains we have been getting, they are looking very promising. With harvest only a few weeks away please remember to call if you think you might have a claim so we can get everything going.



### TONY ELIZONDO—MANHATTAN, KS

The fall harvest still looks promising throughout my territory. The corn crop, although not as good as the last few years, seems to be average to above average. Recent rains should really help the beans and milo, especially throughout Clay and Cloud counties. All in all, our area is pretty fortunate considering the rest of the state of Kansas. As always, if you think you may have a claim before or during harvest let me know so I can get the process rolling and get you taken care of in a timely manner.



### KURT SCHWARZ—LA CYGNE, KS

The heat has finally left us in East Central Kansas. As we enjoy these nice cooler days leading up to fall harvest we need to be prepared for what the heat has left us with. We are seeing low yield appraisals across Anderson, Allen and Linn counties; as well as low test-weight corn in some areas. As you begin harvest it is imperative to keep me informed of what is going on with your corn crop as quality issues need to be handled very carefully in order to not affect your claim negatively. Good luck with harvest and God bless the rain.



### KYLE KRIER—SALINA, KS

Crop conditions have improved since the recent rainfall. However, with previous excess heat and with potential for more to come, all crops have suffered. Corn looks to have taken the hardest hit with dryland appraisals in Saline, McPherson, Rice, and Barton counties ranging from 6 bushels per acre to mostly zeros. Grain sorghum and sunflowers seem to be the crops that look the best at this point considering conditions. I'm hearing from producers that we still have a chance on soybeans, but need to keep the cooler weather around so they quit aborting pods as well as avoid an early freeze. It is critical at this point to make sure that any and all crop losses be reported immediately. Adjusters are running all across my territory at this point and they can get appraisals done very timely.

Reminder: Don't combine production from more than one unit on the same scale ticket.

Please report your production to me as soon as possible after you finish harvest so that if there are any losses I can take care of them.



### MIKE SCHERER—LEAVENWORTH, KS

Well, I'd have to say it's been a very interesting year thus far! In my territory I've now had clients with crops destroyed under several feet of water to crops devastated by drought. Most recently, on the night of August 19, a devastating hail and wind event ripped through the heart of my area affecting over 50 of my clients. It's during times like these when a person really understands the value of a sound risk management plan. On a brighter note, in the Atchison, Jefferson, Leavenworth County area, the crops that have avoided these extreme weather events appear to have well above average yield potential!

As always, as you go through harvest, if you find situations where you think we may be looking at a potential claim please contact me ASAP so we can get the necessary claims turned in. I hope you all have a safe and productive harvest season! Let me know if you need anything.