



1101 Commercial St.
Atchison, KS 66002

Joe Farmer
123 Farm Ln.
Farmville, KS 66555

F.Y.I.

WINTER/SPRING 2011 PLANNING EDITION



www.ag-risk-solutions.com

877-556-0588

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. We will publish this newsletter at least quarterly and more often if conditions make it necessary.

YOUR AG RISK SOLUTIONS TEAM



Front row, left to right: Kurt Schwarz, Service Rep, LaCygne KS; Henry Scherer, Owner; Mike Scherer, Service Rep, Leavenworth KS; Wes Banks, Office Manager.

Back row, left to right: Kyle Krier, Service Rep, Salina KS; Tony Elizondo, Service Rep, Manhattan KS; Mike Chartier, Service Rep, Hiawatha KS.

PRIVATE PRODUCTS

With input costs as high as they are and so much money being on the line each planting season, many producers are strengthening their risk management plans by supplementing their MPCl policies with various private products. Private products are named peril insurance plans developed, rated and administered by insurance companies with no subsidy of the premium by the government. These products vary in cost, procedures and coverage by company and include:

- Hail insurance
 1. Dollar plan hail coverage
 2. Production plan hail coverage
 3. Companion plan hail coverage
- Hail policy endorsements
 1. Wind damage coverage
 2. Green snap damage coverage
- Replant Extra—increases indemnity in replant situations.

Contact your Ag Risk Solutions service rep for details.

DO YOU HAVE WHEAT PLANTED?

We have heard and read reports of the wheat crop not being in very good condition in some areas of the state. Of course it may be a very different story when it comes out of dormancy, but please keep the following in mind before deciding to destroy wheat:

1. Be sure to have an adjuster inspect and release any acreage you won't take to harvest prior to destroying it.
2. If you have wheat that you are sure will not be harvested (grazed, for instance) and you notify us before March 15, we may be able to "short rate" the premium.
3. If you have a hail policy and will not harvest the wheat, it may be possible to revise or cancel the hail coverage.

GOOD NEWS/BAD NEWS

You've all heard at least one good news – bad news story. Crop insurance coverage for 2011 presents just such a story.

First the good news: Last year an APH policy (now YP) paid \$3.90/bu. for corn and \$9.15/bu. for beans on any lost bushels. As of the date this is being written, the February average (which will determine the price per bushel for the YP policy and the base price per bushel for the RP policy) of the December CBOT corn contract is \$6.04/bu. and the average for the November bean contract is \$13.66/bu. Last year the base price for revenue policies was \$3.99/bu. for corn and \$9.15/bu. for beans. It is likely that the price per bushel for corn will be \$6.00 or better and the bean price will be somewhere around \$13.50. We have never seen base prices like this. Price levels like these will very substantially increase your dollars per acre coverage this year!

Now for the bad news: Since premium costs are calculated as a percentage of the dollars of coverage, the increased coverage will result in increased premiums.

Ag Risk Solutions has tools that can help you analyze and decide what coverage level and which product will work best for you this year. With your 2011 intended acres we can calculate your estimated premium/acre, premium/bushel and total premium for your farm. Give your Ag Risk Solutions service rep a call!

REMEMBER THE DATE!

For spring planted crops March 15 is the last date to change your plan of insurance, change coverage levels, add crop insurance coverage to a previously uninsured crop, or cancel any existing coverage on a crop. This is also the deadline to make many other changes to your policy such as unit structure.

Ag Risk Solutions = 1⁵

The above formula wouldn't make much sense to a mathematician. After all, no matter how many times you multiply the number one times itself the result is still one. However, it is a very good way to describe the strength of our agency. Ag Risk Solutions has five full time crop insurance Service Representatives. There are many claim issues that can occur during the course of a crop year. These issues can include replanting, late planting, prevented planting, failed crop/second crop, hail damage, wind damage, etc. These issues, when they do occur, may not affect all of our area. Each Service Rep will obviously not deal with all of these issues every year. Occasionally a number of years may go by without an individual Service Rep having to deal with some of them. The advantage of having five full time Service Reps is that there is a good likelihood that at least one of them will deal with any particular one of these issues each year. Therefore, when you have a claim such as failed crop/second crop, even when your Service Rep has not had recent experience with that issue, they can draw on the combined knowledge of the organization in order to make sure you are served in the best way possible.

E-NEWSLETTER

If you are interested in receiving our newsletter electronically please send an e-mail to 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.

If you haven't watched the video on our website entitled "Some Food For Thought", you really should do so. It will make you proud!

CHANGES FOR 2011

There are some significant changes to the crop insurance program for the 2011 crop year. These include:

1. RA and CRC have been combined into one policy called Revenue Protection (RP). There is also a new revenue policy called Revenue Protection With Harvest Price Exclusion (RPHPE). If you had a RA or CRC policy in 2010 it will automatically be converted to a RP policy for 2011.
2. The old APH policy is now Yield Protection (YP) and will have the same price per bushel as the base price for Revenue Protection. This will make it much easier to compare the cost of a yield only policy to the cost of a revenue policy. If you had an APH policy in 2010 it will automatically be converted to a YP policy for 2011.
3. Enterprise Units will now be allowed under Yield Protection plans.
4. Actual cost of replanting will no longer be a part of the replant payment calculation. This means no more submitting 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.

CHANGES IN PREVENTED PLANTING COVERAGE

If you have concerns about being prevented from planting this spring and are forward contracting or thinking of forward contracting 2011 spring crops, you need to be aware of significant changes in the way prevented planting claims will be paid for 2011. Previously, in years when the harvest price settled higher than the base price, prevented planting payments 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. For a more detailed explanation of how this could have an impact on your marketing plans please contact your service representative.

REPLANT REMINDER

As we approach spring planting, please remember that if you have to replant any insured crop an adjuster must inspect the affected acres and release them before you can replant, if you wish to be paid an indemnity. We think it works best to call us as soon as you suspect that replanting may be necessary. We can get an adjuster there in plenty of time for you to replant and this may even help you make the decision of whether or not to actually replant the crop.

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.

BREAKING OUT GRASS?

Higher commodity prices will likely bring more grassland, pasture or CRP, into crop production. If you plan to increase your crop acres by planting some pasture or CRP we need to know immediately. In some situations land coming out of sod is not insurable without a written agreement in the first year that it is cropped. These requests must be made before the crop is planted or a growing season inspection will be required for insurability. It is best if the request is made before the ground is broken out or burned down. If you do plan to bring some grassland into crop production contact your Ag Risk Solutions service representative.