

# Ag Risk **SOLUTIONS**

*Experience. Knowledge. Integrity.*  
**YOUR Crop Insurance Solution.**



## **SPRING PLANNING NEWSLETTER**

**MARCH, 2013**

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

**877-556-0588**



*Search for Ag Risk Solutions*

With concerns about the continued drought increasing daily, we are seeing a lot of advertising for supplemental insurance products. Don't be convinced to buy one of these products without careful consideration. Please read the articles on pages 3 and 4. We are licensed to provide both these products and your Service Rep would be glad to discuss them with you and fully explain how they work and what the cost is. Good, sound risk management is essential in today's agriculture. Just make sure it's risk management you implement, not gambling.



If you're one of those people (and who isn't?) who gets too much mail, please also see the article on page 2 about our newly implemented client portals. We are very happy to provide this service which, in addition to reducing the amount of mail you receive from us, provides 24/7 access to your important policy information such as guaranteed bushels. If you're like me you never know what to do with this information after getting it in the mail so it piles up and is never where you need it when you need it. With a client portal, you can access your information from anywhere on your computer, iPad or smart phone.

Please be safe this spring and here's hoping for some significant moisture before then!

Sincerely,

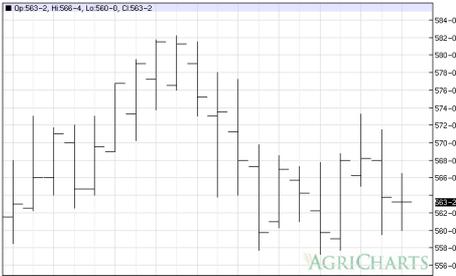
A handwritten signature in cursive script that reads "Henry Scherer".

Henry Scherer - President, Ag Risk Solutions  
henryscherer@ag-risk-solutions.com

**IMPORTANT! OWNERSHIP/SBI CHANGES IMPORTANT!**

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, death of a spouse, 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.

**2013 SPRING REVENUE PROTECTION  
PROJECTED BASE PRICES  
(as of 2-21-13)**



**CORN: \$5.69**

**GRAIN SORGHUM: \$5.57**

**SOYBEANS: \$12.96**

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**CLIENT PORTALS**

When we started Ag Risk Solutions we moved to an electronic filing system in which all of our policy documents are scanned, saved electronically and also backed up on the cloud. With that structure in place, we are now able to offer you secure, online access to your policy files. You will have 24/7 access to Schedules of Insurance, Actual Production History, etc. You will receive an e-mail any time we upload a form to your portal that we are currently mailing to you. You will then be able to simply click a link in the e-mail, log into your portal and review that document for accuracy. This service will reduce the amount of mail we send to you and give you much greater access to your policy information.

If you would like to sign up for a client portal, please contact your Service Rep or send an e-mail to: [solutions@ag-risk-solutions.com](mailto:solutions@ag-risk-solutions.com)

**GRASS-BREAKING**

If you will be breaking any ground out of grass and planting it to an insurable crop this spring, notify your Service Rep immediately! Rules require us to submit a request for insurability on these acres **prior to MARCH 15!** Also, you will not be able to use the same process as in past years to establish an Approved Yield on land being broken out of grass. These changes could have a dramatic impact on the amount of coverage you will have on these acres. Contact us immediately if you will be tearing out any grass!!!



## TOTAL WEATHER INSURANCE

You may have read or heard about a product called Total Weather Insurance available from The Climate Corporation. Total Weather Insurance provides coverage against various weather events such as drought, excess heat and excess moisture that could adversely affect yields on your farm. It does this by monitoring weather conditions using satellite information as well as weather station data. Your actual yields do not have an impact on claim payment. This coverage is a completely private product and is not subsidized by USDA.

### **ADVANTAGES:**

- Allows producers to insure crops where MPCl coverage may not be available (e.g. alfalfa, double-crop beans, etc.)
- No need to verify yields or prove yield history to receive a claim
- Allows producers to buy coverage above and beyond what MPCl will provide
- Could provide additional coverage for geographically isolated farms in an Enterprise Unit

### **DISADVANTAGES:**

- Claim experience may not correlate with actual yield experience
- Is not subsidized
- Does not provide any “revenue coverage”
- Does not protect against, hail, wind, flood exposure
- Provides no coverage for grain quality (e.g. Aflatoxin, test weight, etc.)

In general, while we feel there may be some unique situations where this product can provide additional value to producers, we do not see it as a product that has widespread application or provides a value to most producers.

However, we are appointed to sell the product. If you feel like it is something that may provide a value to you, contact your local Service Rep and they can show you a specific quote for your area.

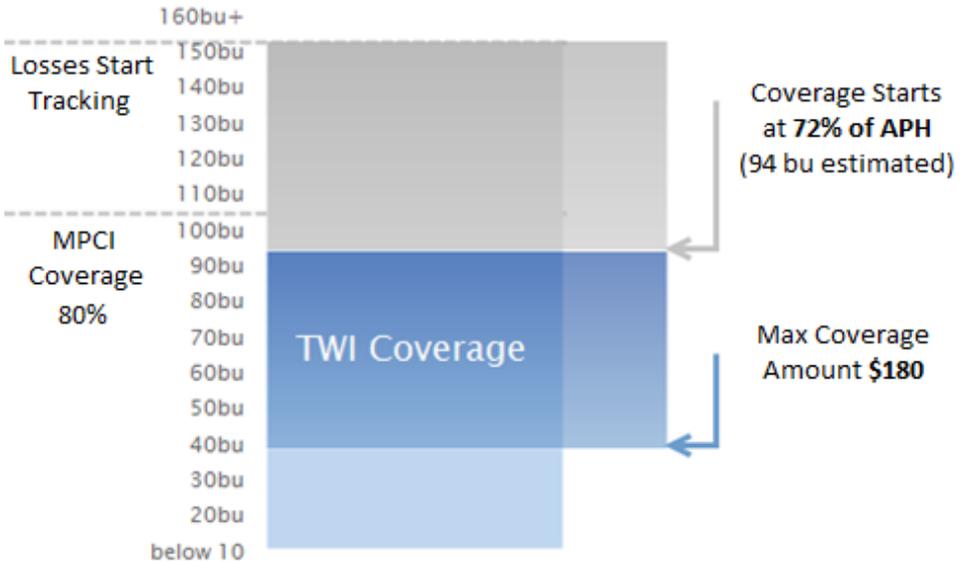
## TOTAL WEATHER INSURANCE (cont.)

Below is a quote for TWI coverage in Atchison County, KS as an example:

**Deductible: \$190**

**Premium per Acre: \$42**

**Max Coverage: \$180**



If you are interested in looking at private weather risk management products for your operation, there are other options beside Total Weather Insurance as well. eWeatherRisk offers simple weather derivative products that can be used to effectively manage your risks. They allow you to hedge against single peril weather risks such as lack of rainfall and excessive heat. You simply pick a date range where you want coverage, the appropriate weather station(s) in your area, the threshold at which you want to be paid and the total dollars of coverage you want. If you are interested in learning more about these products, contact your Ag Risk Solutions Service Rep.

## WHEAT ISSUES

As our severe drought conditions persist and our wheat begins to come out of dormancy, please keep the following in mind before deciding to destroy wheat:

- Be sure to have an adjuster inspect and release any acreage you won't take to harvest prior to destroying it.
- 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.
- If you have a hail policy and will not harvest the wheat, it may be possible to revise or cancel the hail coverage.



## 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 recommend calling 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.

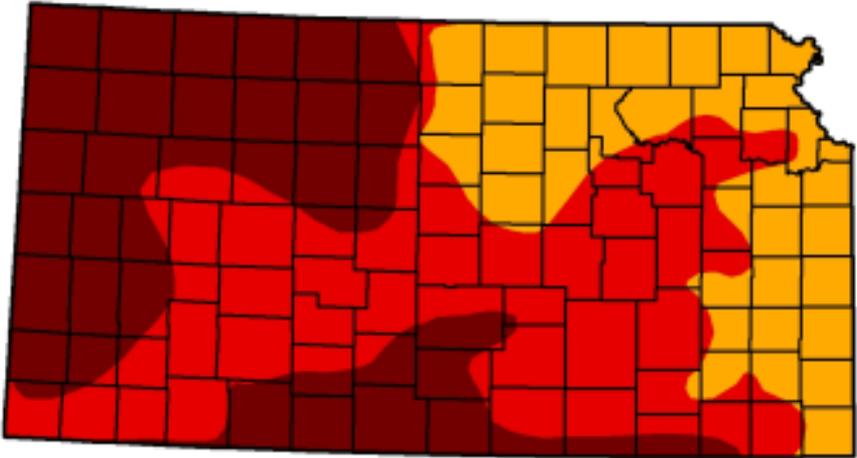
## GOOD FARMING PRACTICES

With the current drought conditions we are hearing a few producers talk about adjusting their farming practices for the upcoming year. This may include not putting down any or as much pre-emerge fertilizer as normal, not putting down a pre-emergent herbicide, planting drastically lower populations or other changes. Please keep in mind that your MPCI crop insurance policy requires you to use the same farming practices as what was used to establish your production history. Employing practices that are deemed to have a negative impact on yield expectations could cause your coverage to be voided. If you are considering substantially altering your farming practices for 2013, contact your Ag Risk Solutions Service Rep immediately.

# US DROUGHT MONITOR—KANSAS

As of 2/19/2013

droughtmonitor.unl.edu



 D2 Drought - Severe     D3 Drought - Extreme     D4 Drought - Exceptional

## UPCOMING IMPORTANT DATES

**March 15:** This is the deadline to change your coverage for the 2013 crop year, insure any new crops or counties, change your unit structure, change companies or change agents. This is also the deadline to notify us if you plan to destroy any of your planted wheat and would like to request a short-rated premium.

**April 29:** This is the deadline to submit any 2012 Spring Crop yields or amend any yields you submitted that are incorrect.

## E-NEWSLETTER

If you would prefer to receive our newsletter via e-mail please send an e-mail to: [solutions@ag-risk-solutions.com](mailto:solutions@ag-risk-solutions.com)

# Ag Risk **SOLUTIONS**

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