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WHEAT PLANTING - FALL HARVEST NEWSLETTER

SEPTEMBER, 2021

www.ag-risk-solutions.com

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@AgRiskSolutions



Hello everyone! I hope this newsletter finds you well and that you have had a wonderful summer! Kids are getting back into school and it's starting to feel like Fall is just around the corner.



We expect yields to be highly variable throughout our region this year. Some areas will have good to great crops, while some will be very poor. In some cases, those might only be a few miles apart!

If you have a livestock operation, I would strongly encourage you to read about Livestock Risk Protection on page 6. It appears to be a very cost-effective tool for managing price risk!

In light of recent events in Afghanistan, my challenge to all of you this Fall is to take a moment each day to just be grateful. Be grateful for the fact that we get to live and work where we do. Be grateful for all of those, past and present, who have worked and sacrificed to preserve the freedoms we have to pursue our dreams in this great country. We are very lucky indeed.

I hope you all have a healthy, safe and efficient harvest. We are always here to help.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Scherer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mike Scherer - President, Ag Risk Solutions
mikescherer@ag-risk-solutions.com

IMPORTANT! ENTITY/OWNERSHIP CHANGES IMPORTANT!

If you have any recent changes in your ownership structure , please notify your Ag Risk 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, death, 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.

PROJECTED SPRING CROP HARVEST PRICES

The spring crop Harvest Prices for Revenue Protection coverage will be set by the October average of the December futures for corn and November futures for soybeans. At this point, our Harvest Prices for corn, grain sorghum, and soybeans are on pace to be higher than the

Base Prices. If this holds true, you will be paid the higher Harvest Price for any bushel you do not raise below your guarantee. Current projections are as follows:



CORN

Base Price: \$4.58

Projected Harvest Price: \$5.23

You would receive \$5.23 for any bushel you do not raise below your guaranteed yield.

GRAIN SORGHUM

Base Price: \$4.40

Projected Harvest Price: \$5.02

You would receive \$5.02 for any bushel you do not raise below your guaranteed yield.

SOYBEANS

Base Price: \$11.87

Projected Harvest Price: \$12.78

You would receive \$12.78 for any bushel you do not raise below your guaranteed yield.

Obviously, there is still ample time for prices to move between now and October. Please keep us updated on yields as you proceed through harvest! Contact your Ag Risk Rep if you have any yields that you think may be close to triggering a claim.

WHEAT PLANTING

COVERAGE PRICES:

2022 Base Prices for winter wheat in KS, MO, IA, NE & OK will be averaged from 8/15 to 9/14. Current projections are as follows:

Kansas & Oklahoma: \$7.10

Missouri & Iowa: \$7.22

Nebraska: \$7.13



These projected Base Prices are **significantly** higher than they were in 2021 which will result in more dollars of coverage on your 2022 wheat crop , as well as higher premiums per acre.

PREVENTED PLANTING: It seems like every year in some part of our territory we have clients who are prevented from planting all or a portion of their intended wheat crop, usually due to excess moisture. However, lack of moisture can also be an acceptable cause of loss for being prevented from planting. Prevented Planting due to lack of moisture is a complicated issue and in most cases we recommend a producer try to plant the wheat and hope for the best knowing coverage is in place if the crop doesn't materialize. If you find yourself unable to plant wheat for any reason, contact your Ag Risk rep immediately to discuss your options.

BROADCASTING WHEAT: If you broadcast wheat seed and mechanically incorporate it in Kansas or Nebraska, 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 as well as all counties in Missouri so you do not need to notify us. In all other counties mechanically incorporated wheat will not be insurable unless you contact us so we can schedule a field inspection to verify the establishment of a stand.

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

SPRING CROP PREMIUM BILLING

By the time you are reading this you should have already received your spring-crop premium invoice(s). You typically have until September 30 to pay this premium and not be charged any interest. **However for 2021, RMA has extended this deadline until November 30.** Please keep in mind, if you have an unpaid claim outstanding on November 30 this will not keep the interest charges from being added. It is best to pay your premium prior to November 30 even if you have a claim outstanding to avoid interest charges.

DESTROYING CROPS

If you will be destroying any of your insured crops (e.g. chopping for silage, baling, tilling under, etc.) please contact your Ag Risk rep at least 10 days before you think you will begin destroying the crop. Crops destroyed without consent will not have a claim paid on them.

UPCOMING IMPORTANT DATES

SEPTEMBER 30: Last day to make policy changes, apply for insurance coverage or add a new county to your Wheat coverage.

SEPTEMBER 30: Last day to pay spring crop premiums before interest charges attach. *Note: See above for more details.*

SEPTEMBER 30: Last day to add the Supplemental Coverage option to your wheat policy.

NOVEMBER 14: Deadline for submitting 2021 Wheat yields.

DECEMBER 1: Last day to apply for Pasture, Rangeland and Forage Coverage.

DECEMBER 10: End of the insurance coverage period for spring crops. If you still have standing crops in the field on this date, contact your Service Rep immediately.

DECEMBER 15: Deadline for submitting 2022 Wheat acres.

PASTURE, RANGELAND AND FORAGE (PRF) INSURANCE



PRF Insurance allows producers to place coverage on their pasture, hay ground or alfalfa against drought. This product uses a Rainfall Index to monitor drought conditions and pay claims. It is a USDA administered and subsidized insurance product.

An application for insurance must be sub-

mitted by December 1. If you are interested in learning more about insuring your pasture or hay ground please contact your Service Rep.

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. If it ends up not being a payable loss they are easy to withdraw.

MAINTAINING ACCURATE PRODUCTION RECORDS

As you go through harvest this year, we want to remind you that it is very important that you work to keep accurate production records separate across your different units. A few quick tips:

DELIVERED TO AN ELEVATOR:

- Write at least the farm name on each scale ticket
- DO NOT combine grain from two separate units on one grain ticket

PLACED IN ON-FARM STORAGE:

- Keep a written record of each load as it is placed into storage
- Mark your grain bins after completing each unit
- Use grain-cart or other on-farm scales to weigh each load before it is placed in storage
- Use yield-mapping technology to document yields from each farm

Please contact your Ag Risk rep for more detailed instructions!

LIVESTOCK RISK PROTECTION

Livestock Risk Protection (LRP) is an insurance product offered by RMA that allows livestock producers to protect themselves against future price declines. You can purchase this coverage for Fed Cattle, Feeder Cattle, or Swine. Depending on which commodity you are insuring, the coverage uses a cash price index to determine coverage and pay any potential claim. Premiums are subsidized by USDA from 35% to 55% depending on coverage level.



In essence, the coverage works very similar to a put option. You choose the price you want to protect and the ending date that is closest to when you plan to sell the livestock. If, on the ending date you chose, the cash index price is lower than your coverage price, you will be paid a claim.

Coverage rates are released each weekday around 4:30 pm CST, and sales are open from then until 9:00 am CST the following day. Premiums do not have to be paid until the end of the coverage period.

Below is an example of a few coverage options available on August 31 for a producer who plans to sell 100 head of steers at 600 lbs in March/April:

LIVESTOCK RISK PROTECTION ANALYZER

Commodity:	Feeder Cattle
Type:	Steers Weight 2 (600-900 lbs)
Endorsement Length:	30 Weeks
Effective Date:	8/31/2021
End Date:	3/29/2022
Number of Head:	100
Target Weight:	600
Share:	100%
Expected Ending Value:	\$169.03

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LIVESTOCK RISK PROTECTION COVERAGE OPTIONS

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Coverage Price:	\$168.00	\$166.00	\$164.00	\$162.00	\$160.00	\$158.00
Coverage Level:	99.4%	98.2%	97.0%	95.8%	94.7%	93.5%
Coverage per Head:	\$1,008	\$996	\$984	\$972	\$960	\$948
Total Coverage:	\$100,800	\$99,600	\$98,400	\$97,200	\$96,000	\$94,800
Total Premium:	\$3,005	\$2,639	\$2,306	\$2,014	\$1,614	\$1,399
Premium per Head:	\$30.05	\$26.39	\$23.06	\$20.14	\$16.14	\$13.99
Net Coverage per Head:	\$978	\$970	\$961	\$952	\$944	\$934

If you think this coverage might be a good fit for you, contact your Ag Risk Rep to get a quote for your specific situation!



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