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SPRING PLANNING NEWSLETTER

MARCH, 2025

www.ag-risk-solutions.com

877-556-0588



X @AgRiskSolutions

Spring is almost here, the weather is finally warming up, and that has me excited to start thinking about a new crop year! Let's hope we're past the coldest weather!

The deadline for selecting 2025 farm programs is right around the corner (April 15). If you haven't already, I'd suggest you contact your FSA office as soon as possible to finalize those program elections.



Your deadline to make any changes to your 2025 crop insurance coverage is March 15. As we all know, crop margins are projected to be tighter for 2025 than we have seen in a while. This is a great time to reevaluate your risk management program. Perhaps you'll want to change coverage levels, adjust your hail/wind coverage, or reconsider products like SCO and ECO to add additional protection. **I would highly encourage you to read about ECO on page 4 and consider whether it makes sense for you given that the premium subsidy has been increased for 2025!** Let us know how we can help with these evaluations.

Here's hoping you have a safe and trouble-free spring season!

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, 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.

2025 BASE PRICES

Projected Base Prices for 2025:

CORN: \$4.71

GRAIN SORGHUM: \$4.72

SOYBEANS: \$10.57

While these prices are only projections (as of 2/24) and will not be finalized until the end of February, they should be very close to the final prices. Those Corn and Grain Sorghum Base Prices are just a bit higher than they were in 2024 (\$4.66 and \$4.67 respectively, while the Soybean Base Price projects to be significantly lower than the 2024 Base Price of \$11.55.

BEGINNING OR VETERAN FARM & RANCHER



This program provides additional benefits to producers who qualify as Beginning or Veteran Farmers & Ranchers. In order to qualify you must not have had an ownership interest in any crops or livestock for more than five total crop years. We are able to exclude any year in which you were under 18, in active duty military service or enrolled in post-secondary education.

Benefits include reduced premiums!!!

If you think you or someone in your operation may qualify for these benefits, please contact your Ag Risk Representative immediately. You must get this option added to your policy by March 15.

INITIAL AND FINAL PLANT DATES


Visit our website at www.ag-risk-solutions.com/plantdates to see initial and final plant dates for your area!

SUPPLEMENTAL COVERAGE OPTION (SCO)

Supplemental Coverage Option (SCO) is a coverage option that is available to producers if the FSA Farm Number and crop are not enrolled in the ARC program. SCO provides a “band” of coverage above your underlying MPCl policy. The coverage provided by the band is determined by your own Approved Yield on each farm. Losses however, are triggered by the final county yield for the crop, not your own yields. The band of coverage is from 86% of your Approved Yield down to whatever your underlying coverage level is. Premiums for SCO are subsidized 65%, so you are only paying 35% of the premium. The type of coverage provided by SCO will match the coverage on your underlying policy. For example, if you are using Revenue Protection, your SCO coverage will operate like Revenue Protection.

If you are looking to add more coverage than what is provided by your MPCl policy, SCO may be a cost-effective way to do just that. SCO can also provide good benefit in a situation where your planted acres are much higher than your FSA base acres. If you think it might be a good fit for you, contact your Ag Risk Rep for more detailed information.

Below is an example of what SCO coverage might look like for non-irrigated corn in Atchison County, KS with a 75% Revenue Protection underlying policy.

SUPPLEMENTAL COVERAGE OPTION EXAMPLE - REVENUE PROTECTION										
Expected County Yield = 165.4							COUNTY: ATCHISON - KS			
							CROP: CORN - NI			
Area Loss Trigger		RP Cov Level		ECO Cov Band	HARVEST PRICE					
86%	-	75%	=	11%		\$3.77	\$4.24	\$4.71	\$5.18	\$5.65
Base Price		Approved Yield		Expected Revenue	COUNTY YIELD	198.0	\$0	\$0	\$0	\$0
\$4.71	x	165.4	=	\$779		190.0	\$0	\$0	\$0	\$0
						182.0	\$0	\$0	\$0	\$0
						174.0	\$14	\$0	\$0	\$0
						165.4	\$47	\$0	\$0	\$0
						157.0	\$78	\$4	\$0	\$0
						141.0	\$86	\$72	\$6	\$6
Expected Revenue		ECO Cov Band		Coverage per Acre		120.0	\$86	\$86	\$86	\$94
\$779	x	11%	=	\$85.69						\$103


The premium cost for this particular example would be approximately \$10.60 per acre.

ENHANCED COVERAGE OPTION (ECO)

Enhanced Coverage Option (ECO) is a coverage option that works very similar to SCO. However, you can add ECO to your policy regardless of which farm program you are enrolled in. ECO provides a “band” of coverage above your underlying MPCl policy. The coverage provided by the band is determined by your own Approved Yield on each farm. Losses however, are triggered by the final county yield for the crop, not your own yields. There are two coverage options available. One provides a band of coverage from 95% of your Approved Yield, down to 86% of your Approved Yield. The other provides a band of coverage from 90% of your Approved Yield, down to 86% of your Approved Yield. The type of coverage provided by ECO will match the coverage on your underlying policy. **Premiums for ECO are now subsidized 65%, up from 44% previously! This makes ECO a much more attractive option than it has been in the past!**

If you are looking to add more coverage than what is provided by your MPCl policy, ECO may be a cost-effective way to do just that. If you think it might be a good fit for you, contact your Ag Risk Rep for more detailed information.

Below is an example of what the 95% Revenue Protection ECO coverage might look like for non-irrigated corn in Atchison County, KS.

ENHANCED COVERAGE OPTION EXAMPLE - REVENUE PROTECTION									
Expected County Yield = 165.4							COUNTY: ATCHISON - KS		
							CROP: CORN - NI		
Area Loss Trigger					ECO Cov Band				
95%		-	86%		=	9%			
Base Price		Approved Yield		Expected Revenue					
\$4.71		x	165.4		=	\$779			
Expected Revenue		ECO Cov Band		Coverage per Acre					
\$779		x	9%		=	\$70.11			
					HARVEST PRICE				
					\$3.77	\$4.24	\$4.71	\$5.18	\$5.65
COUNTY YIELD	198.0	\$0	\$0	\$0	\$0	\$0			
	190.0	\$24	\$0	\$0	\$0	\$0			
	182.0	\$54	\$0	\$0	\$0	\$0			
	174.0	\$70	\$2	\$0	\$0	\$0			
	165.4	\$70	\$39	\$0	\$0	\$0			
	157.0	\$70	\$70	\$1	\$1	\$1			
	141.0	\$70	\$70	\$70	\$77	\$84			
	120.0	\$70	\$70	\$70	\$77	\$84			

The premium cost for this particular example would be approximately \$14.80 per acre.

WHEAT ISSUES

As your wheat crop 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.

HAIL WIND & FIRE COVERAGE ON WHEAT

As we enter Spring and the wheat crop comes out of dormancy it is an appropriate time to evaluate if any additional coverage options such as hail, wind or fire insurance would be a good addition to your risk management program.



As an independent agency that represents multiple insurance providers we are in a strong position to help you evaluate those needs and find products that can meet your goals in the most cost effective way possible.

If you are interested in learning more about your additional coverage options, please contact your local Ag Risk Rep.

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!!!

IMPORTANT

PREVENTED PLANTING

IMPORTANT

Let's hope we have a favorable Spring planting season with no issues, but in case we don't, please remember that your crop insurance policy includes coverage for being prevented from planting. Once adverse weather has kept you from getting crops planted by the final plant date for the crop/county, it is your choice to plant late or file a prevented planting claim. Please keep your Ag Risk Rep informed about planting progress and anything that does not get planted. A prevented planting claim must be turned in timely in order to be eligible for a payment. Submitting the claim does not limit you from planting the crop late or planting the acreage to another crop later. It never hurts to keep us informed!

IMPORTANT

REPLANT REMINDER

IMPORTANT

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.

UPCOMING IMPORTANT DATES

March 15: Deadline to change your coverage on your spring crops for the 2025 crop year, insure any new crops or counties, change your unit structure, change companies or change agents. Also, the sign-up deadline for Beginning Farmer & Rancher, SCO and ECO.

March 15: 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: Deadline to submit any 2024 spring crop yields or amend any yields you submitted that are incorrect.



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