

2013: Harvest Begins

Special points of interest:

- **Call our office to submit a claim before you chop silage or destroy a crop.**
Failure to do so will forfeit your right to an indemnity.

PO Box 469
101 East Merrin St
Payne, Ohio 45880

Contact Info:

Toll Free: 888-399-5276
Office: 419-263-0168
Fax: 419-263-0392
www.cropcoverage.com

Inside this issue:

Wheat Coverage	2
Political Update	2
Area Plans of Insurance	2
Marketing Enhancements	2
Price Flex – Hudson Insurance Group	3
Multiple Price Discovery – NAU	3
Revenue Net – ADM	3
Added Price Option – RCIS	3
Double Crop Soybean Production	4
Production Records	4

Fall Newsletter

September 23, 2013



As harvest begins, we want to remind you of a few important insurance issues. Thankfully, we are expecting better corn yields this year than last. However, keep an eye on the Dec futures for corn and the Nov contract for soybeans. Even if you

As we look ahead to next year's crop, we want to inform you of some private products that companies will have available for 2014. We write with several AIPs that are offering products that will allow you to track the futures contracts

have an average to above average crop this year, those of you with revenue based policies could be in a claim situation if prices go lower in October.

during months other than February to set your base price. Be sure to take a close look at page 3 of this newsletter for more information.

Planning on putting wheat out this fall? If you haven't done so already, make sure you talk to your agent before September 30th to add wheat insurance and/or make changes to your existing policy.

As always, thank you for your business. We wish you all a safe and blessed harvest.

When is the appropriate time to turn in a harvest claim?

A common question we hear is "when should I turn in a claim"?

The policy states that a claim should be submitted to the AIP (Approved Insurance Provider) within 72 hours of the initial discovery of damage, and no later than 15 days after the end of the insurance period (December 10th).

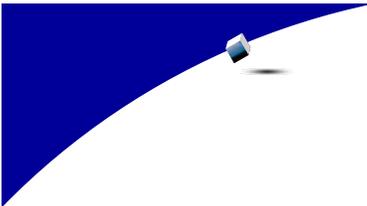
As a general rule, we recommend submitting a claim when you discover at harvest that you will have a potential production loss. Below are a few example situations where we would ask that you IMMEDIATELY submit a

claim (even before harvest begins).

1. You will be comingling production between counties or policies.
2. Comingling Old crop with New.
3. You will be destroying a standing crop without harvesting it.
4. You learn or have reason to suspect you have Aflatoxin present in your standing crop. Important: Aflatoxin samples must be pulled in the field, by an adjuster, before it goes into on

farm storage.

5. Be sure to review your Schedule of Insurance for potential revenue losses.
Revenue example: RP 85% corn with a harvest price of \$4.20, on a 160 bu/ac average, the adjusted bushel trigger will increase to 183 bu/ac due to the lower harvest price.
Notify your agent if you do not hear from an adjuster within the 48 hours of submitting a claim.
Be sure to save your adjuster's phone number when he calls you.



2014-Wheat Coverage Renewal Time

A few things to remember for 2014 wheat coverage:

1. If you would like to insure your wheat or make changes to your current wheat coverage for **2014**, the deadline is **September 30, 2013**.
2. The base price guaran-

tee for wheat is the average daily closing price on the CBOT of the September contract, and is tracked from 08/15/2013 thru 09/14/2013. The base price has been set at \$6.72, which is still well above the 10 year average.

3. The final plant date to receive full coverage on wheat is **October 20th** with a 5 day late plant period (Oct 25).
4. If common to the area, prevent plant wheat claims must be submitted by October 28th.

Historical Wheat Base Prices

2002	\$3.09
2003	\$3.54
2004	\$3.38
2005	\$3.46
2006	\$3.56
2007	\$4.53
2008	\$5.95
2009	\$8.71
2010	\$5.44
2011	\$7.19
2012	\$8.20
2013	\$8.57
2014	\$6.72

Political Update

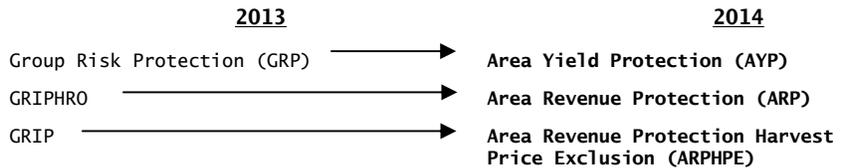
Many of you may have attended our winter meetings in Delphos or Holiday City where Art Barnaby from Kansas State spoke on farm policy. We brought Professor Barnaby in because he is a friend of agriculture and provides excellent forthcoming analysis on farm programs. Visit our website at www.cropcoverage.com and click on the "newsletters"

tab to read his latest article dispelling many myths on crop insurance. It is important to understand the full story involving the crop insurance program. As with most things in Washington, it's all about press releases more than it is about reality. Professor Barnaby has worked with the modern crop insurance program from inception and sets

the record straight. We reference this article to once again bring your attention to the pressure on agriculture in Washington. Many organizations look at agriculture -and specifically crop insurance - as a place to glean money for their own pet projects. It is important all of us in agriculture stand together and stay engaged with our elected officials.

Area Plans of Insurance - Name Change

For 2014, there have been several changes made to the Area Plans:



You will read many things about the changes to the program. When you boil it down, if we have a repeat of 2012, the top level of area plans of coverage will pay virtually the same as it did in 2012. Producers will be required to provide yield history going forward. We will cover the mathematical changes to these products in our winter meetings and one on one with you this winter. Popcorn producers using written agreements to insure under an area plan in 2013 do not have this option available for 2014. We have contacted our local representatives in the house and senate and hope that the RMA will reinstate written agreements as an option for popcorn in 2014 and beyond.

Crop Insurance Trend- Marketing Enhancements

The trend in crop insurance is private products to enhance your marketing program. These tools allow a producer the unique opportunity to take advantage of profitable markets by "locking in" a crop insurance base price prior to and potentially following the February average. If the "Enhanced" tracking period purchased establishes a price higher than the February base price, you

could receive the higher base price, thus increasing your revenue guarantee. If the February average is the highest base price, you will receive the February average with your RP or ARP policy. You will still be responsible for the private product premium. Keep in mind; if the CBOT market is lower in February than the month you purchased, there is potential you could add as much as \$150 an acre to

your revenue guarantee. Please contact your agent to learn more about these marketing tools and the nuances of each product. Each of these products will be sold on a first come first serve basis as capacity is limited. Premium for each of these products will be due in the fall of 2014 at the same time the MPCCI premium is due.

Important Billing UPDATE

The MPCCI billing date for spring crops is August 15th.

Unpaid premium will have interest attach October 1st. Premium must be to the company before this date to avoid interest charges.

Wheat premiums are due July 1. Interest attaching August 1.

Price Flex - from Hudson Insurance Group

You might recall our article in the June newsletter discussing Price Flex from Hudson Insurance Group. Utilizing the Price Flex product allows you to choose either a single or multiple months to track the Dec 2014 Corn CBOT and/or the Nov 2014 Soybean CBOT contract. For example, if in October 2013 the Dec 2014 Corn Futures contract is trading at a price you want to protect, you could choose to purchase price flex.

For example, you can choose to purchase Octo-

ber, December and May for the Dec 2014 corn contract. You would then get the best monthly average of the Dec 2014 Corn CBOT contract during the selected months. This assumes one of the purchased months is higher than the February average. There is a limit of up to \$1.00 better than the RMA February base price for corn and a \$2.00 limit for soybeans.

In addition, this product can be purchased for monthly averages after February in the crop insurance year. The dead-

line to purchase the forward looking months is March 15th (or until capacity is reached).

The months currently offered are October, November, December, January, March, April, May, June and July. If you would like to purchase the current month's average, the application must be completed by the 20th of that month. There are monthly capacity limits and policies will be booked on a first come first serve basis.



Multiple Price Discovery (MPD) - from NAU

2014 will mark the 3rd year MPD will be available. We have written about MPD in past newsletters. MPD has been enhanced significantly for 2014. Purchasing MPD by November 15th will give you the highest monthly average among November, December, January, Febru-

ary, or March for the Dec 14 contract for corn and the Nov 14 contract for beans. Purchasing MPD by December 15th will keep the same months in play excluding November. MPD has a \$.50 limit above the February base price for corn and a \$1.00 limit above the February

base price for beans. MPD is now included on Trend adjusted bushels. NAU has removed the cup on the harvest price that was in place for 2012 making it an even better tool. MPD is available for RP and ARP (formerly GRIPHRO) policies.



Revenue Net - from ADM

Revenue Net establishes its base price tracking the average daily close in two week intervals starting on the 1st or 15th of each month. It must be elected on or before the first day of the two

week tracking period being purchased. You may purchase multiple tracking periods. There are 8 remaining tracking periods available. The next available period begins October 1st. There is up

to a \$1.00 limit above the Feb base price for corn and up to a \$2.00 limit above the Feb base price for beans. Revenue Net is only available for RP policies.



Added Price Option (APO) - coming soon from RCIS

APO is a great tool for the aggressive forward seller. APO only kicks in when you experience a bushel loss. In these instances, APO will pay

an additional indemnity per bushel shy of the guarantee. APO should work well for forward sellers who want to offset the real potential

for a positive basis in the event of a short crop. There will be more details on APO to come in the next few weeks.





WILLIAMSON INSURANCE AGENCY

101 E. Merrin St
Payne, OH 45880

Double Crop Soybean Production in a Claim Situation for RP or YP

Be sure you have reported double crop acres on your acreage report. If reported properly they will show up on your schedule of insurance as uninsured (UI) with no premium listed. (except Wood Co)

While double crop soybeans are un-insurable in most counties in Northwest Ohio

and Northeast Indiana, be diligent on how you manage these bushels at harvest.

Insureds with an RP or YP policy should keep this production separate from their 1st crop soybean production. Comingling this production could cause the Double Crop production to be added to your 1st crop

production in a claim situation.

If you will be storing your double crop beans in on farm storage and have questions on acceptable methods to keep this production separate, please contact your agent or your assigned adjustor.

2013 Base Prices:

Corn: \$5.65
Soybeans: \$12.87
Wheat: \$8.57

Harvest Prices:

Corn: Oct Average of Dec
SBean: Oct Average of
Nov
Wheat: \$6.62

Optional Unit and Enterprise Unit Production Records

In the face of a short harvest, it may be tempting to just move to the next field and fill the semi or wagon the rest of the way up. If you have a policy with Optional units, you must keep track of your production according to your unit structure. If you do not maintain records by unit structure, policy units

will need to be combined, which will have an impact on potential claims.

In addition, not recording production by unit will likely exclude the optional unit structure as a policy choice for the 2013 crop year. If you have questions on how to record your production by Option-

al unit structure, please call your agent.

If you have elected the enterprise unit structure and do not wish to go to optional units in 2013, you do not need to keep farms separate. However, you still must keep production between different counties separate even on the enterprise unit.