Williamson Insurance Agency
101 E. Merrin St
Payne, OH 45880

You're Invited!
MEETING LIST ENCLOSED

Decision Maxx—NOW ONLINE

You're Invited!
MEETING LIST ENCLOSED

Be sure to talk with your agent about how Decision Maxx can help you on your operation in 2016!


County List

	County	Coverage Type	Level	Prem / Acre	Total Acres	Share Acres	Wtd. Appr. Yield	Bushel Trigger	Rev. Trigger	Exp. County Yield	Exp. Farm Yield
Edit	Allen, IN	YP	80 %	$15.00	250	192	140	112	$0.00	147	165
Edit	De Kalb, IN	RP	85 %	$20.00	291	224.1	152.3	129.46	$537.26	143	165
			Operation Totals		541	416.1	146.62	121.4			

Total Farm Exp. Yield **165**


Profit Table

Per Acre Profit: <$0 | $0-$50 | $50-$100 | $100-$200 | $200+

Basis: $ -0.10 | Est. Harvest Price: $ 3.83 | Yield Increment: 25 | Price Increment: $ 0.35 | Change

	40	65	90	115	140	165	190	215	240	265	290
$5.58	$100.36	$114.36	$128.35	$148.09	$241.64	$378.64	$515.64	$652.64	$789.64	$926.64	$1,063.64
$5.23	$73.70	$83.66	$93.62	$109.32	$196.84	$325.09	$453.34	$581.59	$709.84	$838.09	$966.34
$4.88	$47.04	$52.96	$58.88	$70.55	$152.05	$271.55	$391.05	$510.55	$630.05	$749.55	$869.05
[illegible]	$20.38	$22.27	$24.15	$31.78	$107.25	$218.00	$328.75	$439.50	$550.25	$661.00	$771.75
$4.18	($6.27)	($8.43)	($10.58)	($6.99)	$62.46	$164.46	$266.46	$368.46	$470.46	$572.46	$674.46
$3.83	($10.62)	($16.81)	($23.00)	($23.45)	$18.24	$110.92	$204.17	$297.42	$390.67	$483.92	$577.17
$3.48	($12.87)	($23.10)	($33.33)	($37.81)	($0.17)	$57.37	$141.87	$226.37	$310.87	$395.37	$479.87
$3.13	($15.12)	($29.39)	($43.66)	($52.18)	($18.57)	$15.03	$79.58	$155.33	$231.08	$306.83	$382.58
$2.78	($17.38)	($35.68)	($53.99)	($66.55)	($36.98)	($7.41)	$22.16	$84.28	$151.28	$218.28	$285.28
$2.43	($19.63)	($41.97)	($64.32)	($80.91)	($55.38)	($29.85)	($4.32)	$21.21	$71.49	$129.74	$187.99
$2.08	($21.89)	($48.27)	($74.65)	($95.28)	($73.79)	($52.29)	($30.80)	($9.30)	$12.19	$41.19	$90.69

Exclusive to Williamson Insurance

Williamson Insurance Agency is an Equal Opportunity Provider

Preparing for 2016

Winter Newsletter **December 29, 2015**

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Inside this issue:

Williamson Insurance Agency

As we begin 2016 (hopefully with a Buckeyes win), we would like to thank you for trusting our agency with your crop insurance. We are honored and blessed to work with you and we strive to earn your business everyday.

What a year 2015 was in the crop insurance industry! We began 2015 working to understand the farm bill and new programs; update yields and base acres at FSA, then choose ARC or PLC. Within months of closing the farm bill and beginning to understand its implications, opponents of agriculture and crop insurance began trying to break it down further. Amendments and bills aimed at re-opening the farm bill to take away funding for agriculture and crop insurance were proposed throughout the year. I am happy to say that these proposals were stopped or voted down; however, the threat going forward is still present. We will be contacting you to help defend agriculture as the need arises going forward and will keep you informed of how you can help yourself, your crop insurance program, and agriculture in general in D.C.

2015 also saw a number of crop insurance companies (AIPs for short) either consolidate, or sell to a new owner. Monsanto acquired The Climate Corporation crop insurance division, but turn around and exited the crop insurance industry by selling The Climate Corporation. 2015 saw John Deere Risk Protection sell their crop insurance division to Farmers Mutual Hail; RCIS parent company (Wells Fargo Bank) sold RCIS to Zurich North America; and it was just announced that Cargill Crop Insurance, LLC is exiting the crop insurance industry.

It is interesting that over the last several years Pioneer, Monsanto, John Deere, Wells Fargo, and Cargill have all choose to exit the crop insurance industry. Our agency has been following each sale closely and feel confident in the AIPs we work with to handle your risk management going forward. Williamson Insurance Agency only places business with companies rated A- or better, and are continually looking at all AIPs to build relationships and prepare for the future.

2016 looks to be a challenging year in agriculture, but we are excited to bring our clients tools that no other crop insurance agency can offer. The coming **"Decision Maxx"** will help you analyze your operation break even and even help you determine if a marketing decision will help your bottom line. **<u>This product is available to our clients at no charge. It provides grain marketing analysis from a perspective which is independent of a grain buyer.</u>** We believe Decision Maxx can be a very useful tool you can use to manage your marketing risks.

Thank you again for working with our agency. It is truly a pleasure to work with each of you and we look forward to seeing you this winter. As always - Go Bucks!

- Jason Williamson

2015 Production Reporting

<u>RP & YP</u> – If you have not turned in 2015 production for RP policies, you have until April 29th to submit 2015 production or make revisions to production from previous crop years. Reminder: The policy requires you maintain production records for 3 years in the event of a review.

<u>ARP & AYP</u>- Area plans now require production to be reported no later than February 15, 2016 to be eligible for coverage greater than the 90% / .80 coverage level for both ARP an AYP.

Please call our office if you would like another copy of the production form to complete timely.

Preparing for 2016

Whole Farm Revenue Protection

Whole Farm Revenue Protection (WFRP) was new to Ohio and Indiana for 2015, but has been available in Michigan under a similar format as AGR and AGR-Lite in previous years. The purpose of WFRP is to provide a risk management safety net for **all commodities on the farm with one insurance policy (umbrella policy)**. This policy is receiving a lot of press in the news. It is important to understand the details of WFRP. This policy offers a farmer the opportunity to insure the **lower** of:

- Up to 85% of the operation's Adjusted Gross Revenue (AGR) average for the last 5 years derived from the "Schedule F" from your tax return.

Or

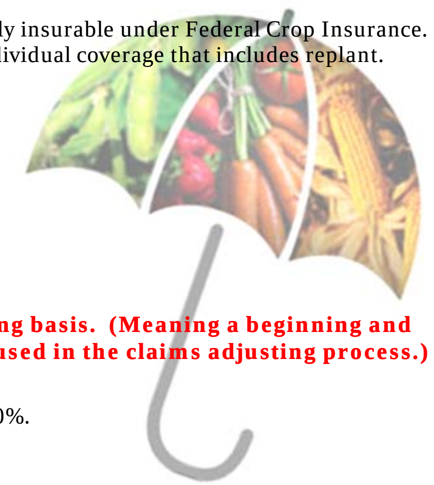
- Up to 85% of the 2016 crop year's projected AGR.

Whichever is LESS.

Who would be considered a "qualified" applicant?
This policy may fit a grower that has 1 or more commodities not currently covered under a traditional MPCI policy. Coverage levels are available from 50 - 85% in 5% increments. To qualify for 80 and 85% levels, a grower must produce 3 or more commodities—with the 3rd commodity (or 2 or more lesser commodities) equaling approximately 11% of the projected AGR.

Example: For 2016, a grower plans on planting 500 acres of corn, 500 acres of soybeans and 80 acres of wheat. He would only be eligible for up to a 75% level of coverage, because his 3rd commodity does not meet the 11% projected AGR.
However, if his 2016 plantings were 500 acres of corn, 500 acres of soybeans and 300 acres of wheat, he would now be eligible for up to 85%.

Whole Farm Protection could fit a specialty crop (vegetable, hay) producer that isn't currently insurable under Federal Crop Insurance. Corn and soybean growers that insure under area plans could use this policy as a form of individual coverage that includes replant.



Initial Application Requirements:
- 5 Years Schedule F's (2010-2014)
- 2016 projected cropping budget based on 2016 planting intentions.
- Inventory report as of 12-31-2015 or time of application
- Accounts Receivable report

Additional Whole Farm talking points:
- **The insured year will be underwritten and adjusted on an accrual accounting basis. (Meaning a beginning and ending inventory report will be completed and verified by an adjuster and used in the claims adjusting process.)**
- **Indemnities cannot be finalized until 2016 taxes are complete.**
- Existing MPCI coverage may reduce the cost of Whole Farm Revenue premium up to 50%.
- Revenue from livestock will be capped at $1 million annually .
- WFRP coverage must be elected by March 15th
- Allows for 35% growth over historic average revenue for expanding operations
- Crop Insurance indemnities paid in 2016 on MPCI policies count as income toward your farm revenue.
- Crop Insurance indemnities paid in previous years are deducted from your qualifying historical farm revenue.
- For Beginning Farmer and Rancher: Use 3 year average or this past year's APH for yield
- WFR has a replant provision that is subordinate if there is existing MPCI coverage in place.

WHOLE FARM REVENUE PROCESS

STEP 1: Determine 5 year Whole Farm Historic Average Farm Revenue → STEP 2: Determine 2016 expected revenue → STEP 3: Determine Approved Revenue * lower of Step 1 and Step 2

→ STEP 4: Decide what percentage of Approved Revenue to Guarantee → STEP 5: Actual 2016 Insured Revenue is determined → STEP 6: 2016 taxes are filed → STEP 7: If loss is incurred, claim is paid

Additional Topics to Discuss with Your Agent for 2016

Ag Armour

Ag Armour is a privately owned company that specializes in crop insurance "private products." The purpose of these policies is to protect against shallow yield and price losses. Below is a brief overview of the 4 different types of policies they offer. Contact your agent if any of these are of interest.

- **HARVEST MAX:** This is a stand alone policy and you can elect anywhere from an 80% **up to a 95% level of coverage** in 1% increments. You don't have to insure all of your acres. The base price is set in December using the Dec futures contract (not to exceed 120% of February Base Price). You have to have a bushel loss to have a claim under this policy.
- **MAX REVENUE:** This is basically the same as HARVEST MAX only it **adds downward pricing protection**. MAX REVENUE uses the percentage of price decline under Federal Crop Insurance to increase the yield trigger.

STAND ALONE

- **MP PLUS:** This policy can add up to an additional **$0.50, $1.00 or $1.50 on corn** and an additional **$0.50, $1.00 or $2.00 on soybeans** to your February Base Price. You also select the amount of bushels you want to pay on -- 25 or 50 bushels on corn and 15 or 30 bushels on beans. MP PLUS will only pay if the MPCI triggers a yield or revenue loss.
- **MAX PRICE:** This policy allows to you add **$0.25 or $0.50 on corn** and **$0.50 or $1.00 on soybeans** to your February Price. This has the potential to raise your revenue guarantee so it could pay even with an increased harvest price. This is a similar concept to Price Flex that is offered through other companies. The main difference is you don't have to elect alternative discovery months. If the corn base price is $4.00 and you have elected $0.50 on corn, your 2016 base price is now $4.50—simple as that.

COMPLEMENTS AN MPCI POLICY

APH Yield Exclusion

In 2015, APH Yield Exclusion was added to provide relief for a producer's APH database that is in a county that experienced a 50% or greater yield loss in a given year. As of now, a few counties in our footprint are impacted for corn from 2002 crop year.

Beginning Farmer Rancher — Premium Discount

The primary beginning farmer or rancher discounts consist of an additional 10 percentage points in premium subsidy and the waiving of the administrative fee. A beginning farmer must not have, actively operated and managed a farm or ranch in any county/state, for more than 5 years, with an insurable interest in a crop or livestock. Insurable interest in a given year may exclude any crop year under the age of 18, in post-secondary studies, or on active duty in US military. Please let your agent know if you would like to submit a beginning farmer or rancher application.

Acres Emerging from CRP

Nothing has changed this year on how we handle acres emerging from CRP. This is just a reminder that if you have any acres being planted to a row crop for the first time this year, we MUST keep the acres and production separate on that field(s) for 2016. Please contact your agent if you existing or added land that is coming out of CRP.

Cover Crops

Cover crops are becoming more popular in our area in recent years. The guidelines for cover crops haven't changed from what they were in 2015. For Ohio, Indiana and Michigan, the cover crop must be terminated within 5 days of planting, but before crop emergence in order for the spring crop to be insured.