



**FARMERS INSURANCE AGENCY**  
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Working Hard To Keep You Growing

**CROP INSURANCE NEWSLETTER**

**A N O T H E R D R Y Y E A R**

In our conversations with growers, we've often referred to 2002 as a drought year, 2003 as an excess rain year and other years in the more distant past come to mind as extreme

years. Without a doubt, 2007 will be remembered for some time to come. Apparently, all crops have been affected including grain, tobacco and fruit. Rains have been

spotty for those few that have been fortunate enough to receive it. Many tobacco farmers have struggled with the decision to irrigate or not.

**W H E A T S A L E C L O S I N G D A T E**

The deadline for insuring wheat, oats and barley in VA and NC is September 30th, 2007. Also, any changes to your policy, including cancellation, must be done by the sales closing date of Sept. 30. This year, much like the last crop year, the prices for wheat have risen substantially. Currently, the price that we use for calculating coverage and premiums is tracking in the \$5.60 to \$5.90 range. Last year, the CRC policy had a

base price of \$4.35. While the higher base price indicates much higher coverage, the premiums will be correspondingly higher. Every grower can expect coverages and premiums to be roughly 30% higher for small grain coverage. If your premium exceeded \$15 per acre last year for wheat coverage, we will be contacting you in person or by phone to review your coverage.

With the excessive claims load that the drought has created, we will undoubtedly be asking patience of everyone in getting all of the claims completed this year. Currently, the focus is on crops that are in harvest such as corn that is being chopped for silage or soybeans that are being cut for hay.

If you have soybeans that you will be cutting for hay or if you are chopping silage and haven't already reported a loss, please do so immediately. When the claims force contacts you, they will form a verbal agreement with you as to the size and number of samples of the crop that they want for you to leave for the adjuster so that he can do an appraisal. It is important that you form this agreement with the claims personnel prior to harvest. If you are planning to harvest your grain crop for grain and you suspect a loss, you should file a claim with us as soon as possible. There is no requirement to leave samples of the crop when harvesting for grain.

When harvesting grain or tobacco, you should keep track of your production by farm serial number. For grain, you can do this by tracking combine bin loads, truck loads (as long as we know the amount in each load) or if you are equipped with a yield monitor, we can use those records. Also, you may mark your storage bins showing the starting and ending points for each farm serial number. All production records mentioned should be dated and should show the farm serial number from which the crop was harvested. For tobacco, you should track the production from the field to the barn, from the barn to the bale and then mark your sales tickets showing which bales were harvested from each farm.

**D A T E S T O R E M E M B E R**

The final plant dates for wheat in most of the counties in which we have customers has changed. In most cases, the final plant date is 5 to 10 days earlier than it has been in the past. The final plant date is the date by which your crop should be planted in order to receive your full amount of coverage for the crop. The acreage reporting date is the date by which you must report your acres in order to have coverage. Following are the final plant dates and the acreage reporting dates for the counties in which we write business:

| County       | Crop   | Final Plant Date | Acreage Reporting Date |
|--------------|--------|------------------|------------------------|
| Alamance     | Wheat  | 11/10/07         | 12/15/07               |
| Alamance     | Oats   | 10/31/07         | 11/15/07               |
| Alamance     | Barley | 10/31/07         | 11/15/07               |
| Caswell      | Wheat  | 11/10/07         | 12/15/07               |
| Caswell      | Oats   | 10/31/07         | 11/15/07               |
| Caswell      | Barley | 10/31/07         | 11/15/07               |
| Charlotte    | Wheat  | 11/10/07         | 11/30/07               |
| Charlotte    | Oats   | 10/25/07         | 11/15/07               |
| Charlotte    | Barley | 10/25/07         | 11/15/07               |
| Durham       | Wheat  | 11/20/07         | 12/15/07               |
| Durham       | Oats   | 10/31/07         | 11/15/07               |
| Durham       | Barley | 10/31/07         | 11/15/07               |
| Franklin     | Wheat  | 11/10/07         | 11/30/07               |
| Franklin     | Oats   | 10/25/07         | 11/15/07               |
| Franklin     | Barley | 10/15/07         | 11/15/07               |
| Granville    | Wheat  | 11/20/07         | 12/15/07               |
| Granville    | Oats   | 10/31/07         | 11/15/07               |
| Granville    | Barley | 10/31/07         | 11/15/07               |
| Guilford     | Wheat  | 11/20/07         | 12/15/07               |
| Guilford     | Oats   | 10/31/07         | 11/15/07               |
| Guilford     | Barley | 10/31/07         | 11/15/07               |
| Halifax      | Wheat  | 11/10/07         | 11/30/07               |
| Halifax      | Oats   | 10/25/07         | 11/15/07               |
| Halifax      | Barley | 10/25/07         | 11/15/07               |
| Henry        | Wheat  | 11/15/07         | 11/30/07               |
| Henry        | Oats   | 10/25/07         | 11/15/07               |
| Henry        | Barley | 10/25/07         | 11/15/07               |
| Mecklenburg  | Wheat  | 11/20/07         | 12/15/07               |
| Mecklenburg  | Oats   | 10/25/07         | 11/15/07               |
| Mecklenburg  | Barley | 10/25/07         | 11/15/07               |
| Orange       | Wheat  | 11/10/07         | 12/15/07               |
| Orange       | Oats   | 10/31/07         | 11/15/07               |
| Orange       | Barley | 10/31/07         | 11/15/07               |
| Person       | Wheat  | 11/10/07         | 12/15/07               |
| Person       | Oats   | 10/31/07         | 11/15/07               |
| Person       | Barley | 10/31/07         | 11/15/07               |
| Pittsylvania | Wheat  | 11/15/07         | 11/30/07               |
| Pittsylvania | Oats   | 10/25/07         | 11/15/07               |
| Pittsylvania | Barley | 10/25/07         | 11/15/07               |
| Rockingham   | Wheat  | 11/10/07         | 12/15/07               |
| Rockingham   | Oats   | 10/31/07         | 11/15/07               |
| Rockingham   | Barley | 10/15/07         | 11/15/07               |
| Surry        | Wheat  | 10/31/07         | 12/15/07               |
| Surry        | Oats   | 10/15/07         | 11/15/07               |
| Surry        | Barley | 10/15/07         | 11/15/07               |
| Wilkes       | Wheat  | 10/31/07         | 12/15/07               |
| Wilkes       | Oats   | 10/15/07         | 11/15/07               |
| Wilkes       | Barley | 10/15/07         | 11/15/07               |
| Yadkin       | Wheat  | 10/31/07         | 12/15/07               |
| Yadkin       | Oats   | 10/15/07         | 11/15/07               |
| Yadkin       | Barley | 10/15/07         | 11/15/07               |

There is a 15 day late planting period in both states that allow for planting within 15 days after the final plant date but there is a corresponding loss of coverage of 1% per day for each day late planted.

**F R U I T S A L E S C L O S I N G**

If you raise peaches, apples or grapes and want to insure them, you must sign up for coverage by November 20, 2007. If you have existing coverage and want to change or cancel your coverage, you must do so by the same date.

## MAKE YOURSELF HEARD

If you are a tobacco grower, you have probably heard about the recent changes to the federal tobacco policy that are being proposed. The proposed policy was listed on the federal register in June and July and comments were solicited by the Risk Management Agency (RMA) and by those of us that are affected by the proposed changes. The most significant changes being proposed are:

1. **One unit per county.** Rather than a farmer having separate units by farm serial number, the new policy would allow only one unit per grower per county.
2. **Tie to contracts.** The proposed policy would establish your maximum coverage based on the size of your contract. However, production history would come into play as it has in the past. The proposed policy has "penalties" that apply if a grower under-plants or over-plants his contract. Also, only those growers with a contract in their specific name would be allowed to insure tobacco.

There are other smaller items in the proposed policy that are hurtful and some that are helpful, but the two items mentioned above stand out above the rest.

Last week, we received a message from a crop insurance lobbyist saying that the

House Agriculture Committee had not heard from many growers that oppose the proposed tobacco policy provisions. We ask that you phone, e-mail or send a letter to the House Subcommittee on General Farm Commodities and Risk Management, which is part of the House Ag Committee. The chairman of the aforementioned committee is Bobby Etheridge (D-NC) His contact info is:

Fax: 202-225-5662 Phone: 202-225-4531  
Email: <http://www.house.gov/etheridge/contactbob.htm>

In the past, we have never asked for such a grass-roots effort from our customers. However, because crop insurance is a program designed to benefit growers, it is the growers

that must be heard at this time. If you do not grow tobacco, you still have an interest in this fight. If the tobacco policy is changed to one unit per county, isn't it possible that other crops will receive the same treatment?

There is some potential good news already. Our sources tell us that it is unlikely that the new proposed policy will take effect before the 2009 crop year. Also, there has been some evidence that political pressure is being felt within RMA. Additional political pressure from the right people, namely Mr. Etheridge, is what is most needed at this time. Please help us in maintaining an effective risk management tool for tobacco farmers.

## FARM BILL DEBATE

The 2007 Farm Bill has been hotly debated in the U. S. House of Representatives recently and was passed by a narrow margin. The Senate will debate the new farm bill soon. The new farm bill, as passed by the House, includes significant cuts to the crop insurance companies that will affect the companies' ability to service and administer the crop insurance program. Please read the above article titled "Make Yourself Heard" and when making comment to Mr. Etheridge's office regarding the proposed tobacco policy, we ask that you request that crop insurance dollars not be used to fund changes in the new farm bill. The farm bill doesn't reduce the amount of subsidy that will be used to help pay your insurance premiums but rather, reduces the amount of money available to the companies to administer the program. The 12 approved crop insurance companies already operate on a tighter budget than other companies selling other types of insurance. If the bill becomes law, the companies will be seeking ways to reduce costs and increase revenues. One way that companies seek to increase revenues is through underwriting gains. Underwriting gains are profits made from policies that generate more premiums than claims. Generally, the need for underwriting gains creates tighter loss adjusting, reluctance to insure high loss ratio crops, etc. Your voice is also needed with regards to the farm bill before it is reviewed by the Senate and passed into law.

## WHEAT YIELDS

If you grew wheat this year and had farms that did not suffer a loss, we recently sent a production reporting form to you. Please fill in your yields on that form and return them to us. Without good yields in your production database, you can never expect your coverage to improve. If you aren't able to locate the production reporting form that we sent to you, the Schedule of Insurance sent to you by the company can also be used for reporting production.

**Farmers Insurance Agency asks your prayers for Joyce Willis, shown second from the right in this photo. Joyce recently underwent open heart surgery and we wish her a speedy recovery. Our complete staff is shown here other than David Adams.**



## CATTLE & SWINE COVERAGE

Effective, July 1, 2007, coverage for livestock was made available through federal crop insurance to Virginia and North Carolina beef, swine and lamb producers. This coverage will not cover animal mortality but will protect against market volatility. The new program has been given the name Livestock Risk Protection (LRP). Essentially, the policy allows you to lock in a price now that you will receive for your cattle once they achieve a target weight. The price that you can lock in is based upon the current prices on the commodities markets. The greatest benefit of this coverage over the use of conventional marketing tools is that you can insure as few as one animal.

## PREMIUM DUE DATES

For tobacco, corn and soybeans, the due date for MPCl premium payments is **October 1<sup>st</sup>, 2007.** Interest will not be charged on the premium until after November 1<sup>st</sup>, 2007. If you have a claim that is paid prior to your premium being paid, your premium will be deducted from the loss settlement. However, if your claim is in progress as of October 1<sup>st</sup>, 2007, please pay the premium prior to November 1<sup>st</sup>.

For apples and peaches, the premium due date is September 15<sup>th</sup>, 2007. Interest isn't charged until after October 15<sup>th</sup>, 2007.

Crop hail premiums for tobacco are due December 1, 2007.

## WWW.RCISAG.COM

If you have an interest in viewing your crop insurance data that makes up your yield and acreage database, you may do so through the internet. You may access the website at [www.rcisag.com](http://www.rcisag.com) and you may register for a password once there. The site will allow you limited access to view your acreage and production data as well as your crop insurance coverage for the current crop year. By contacting our office by phone, we can give you full access to the website which will allow you to file acreage and production reports electronically. With full access, you may also use the website to apply for electronic transfers of funds directly to your account to speed up the claims process.

**WE GREATLY APPRECIATE YOUR BUSINESS !!**