

FarmPLUS INSURANCE SERVICES



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Winter 2009

Rainfall Index Policy available

A new policy was recently introduced under the Pasture, Rangeland and Forage Provisions, known as the Rainfall Index Policy. The basic principal behind the policy is to insure against reduced rainfall amounts on hay and pastureland. A farmer has the ability to choose coverage levels of 70, 75, 80, 85 and 90 percent of average rainfall for specified periods of time.

This is an exciting new coverage because the government will subsidize premiums from 51 to 59 percent. These policies will satisfy "linkage" to the Farm Service Agency (FSA) disaster assistance program known as the Supplemental Revenue Assistance Program (SURE).

The Rainfall Index Policy is a program that is designed to return 150 percent or more of farmer paid premiums over time due to the government premium subsidies.

Each county has an assigned County Base Value which is intended to represent the average value of the hay or pasture crop per acre. The insured has the option to select from 60 to 150 percent of the County Base Value. Unlike other crop insurance programs, you may choose to insure only the acres important to your grazing program or hay operation.

Claims are "adjusted" based upon rainfall data in your specific grid area. If the percentage of average rainfall for the specific grid falls below the level of coverage that is selected, a claim will

be paid. Each grid area is approximately 12 miles x 12 miles. After rainfall data has been tabulated for the insured period of time and if a payable loss is determined, a settlement is automatically generated to the farmer.

The sales closing date or sign-up deadline is Nov. 30, 2009 for the 2010 crop. This is an extended dead-

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line due to the late introduction of this insurance plan. In future years, the sign-up deadline will be Sept. 30.

Premiums for this plan will be due

July 1, 2010. In a previous mailing, you should have received further information about this plan. That mailing included an application, and along with that application aerial photographs or FSA maps will be needed with each hay or pasture field identified as planted to hay or pasture.

Please give us a call, and we can

provide specific rates for your specific grid. Due to the short time that was available to us to deliver this new product, we are making every effort to contact everyone that we know to have pasture and hay land that could potentially be covered. To be assured of an opportunity to cover your hay and pastureland under the Rainfall Index Policy, you will need to contact our office if you are interested. If we

don't hear from you, you will probably not be contacted again before the Nov. 30 deadline for sign-up.

Brent Craig joins our FarmPlus staff

Effective Dec. 15, 2009, Brent Craig will be joining our sales staff.



Brent comes to us with considerable experience in crop production and crop-production services. He is a Certified Crop

Advisor and with that knowledge can offer more than just advisement as to the risk management. Of course, we'll only charge for the insurance and not the advice. We welcome Brent and are confident that you will find him service-oriented and helpful. If you already know Brent and have a desire to work with him, we will be glad to accommodate your wishes.

Acreage reports for wheat, oats and barley are now due

In most counties, wheat, oats and barley acreage reports are due by Dec. 15, 2009.

The recent rains have cut the planting season short for many. There are two policy provisions that need to be considered. First, there is a 15-day, late-planting period for wheat coverage during which there is a loss of coverage of 1 percent per day. Considering that in most counties the final planting date is either Nov. 10 or Nov. 20, 2009, we're now in the latter stages of the final-planting periods. Secondly, there is preventive-planting coverage if you elect not to plant in the late-planting period.

Preventive-planting coverage would pay 60 to 70 percent of your total coverage due to wet weather. There is never any way to guarantee that pre-

ventive-planting payments will be made, especially when a majority of the wheat crop in your area is planted by the final plant dates.

Contact us

If your intention is to report your wheat acreage or any part there of as preventive-planted, you will need to notify us as soon as that decision is made. In fact, if you wait until the acreage-reporting deadline—which for most people is Dec. 15, 2009—your claim would be considered delayed and could possibly be denied. The claim-reporting requirement is that a claim for prevented-planting must be made within 72 hours of the decision to stop planting during the late-planting period.

Please see the following “Final Plant-

ing and Acreage-Reporting Deadlines” chart to determine the dates that apply to your operations.

Late-planting period

If you decide to plant wheat after the late-planting period is over (beyond 15 days after the final plant date), you still need to report those acres to us, no matter how late you plant. After the late-planting period, you have the choice of not insuring those acres or insuring the acres at the prevented-planting guaranty, which is 60 to 70 percent of the normal coverage. The premium for any late-planted acreage is the same as timely planted acres unless an election is made to not insure the acres, in which case, no premium applies to those acres. 

North Carolina	Wheat		Oats		Barley	
	Final Planting	Acreage Reporting	Final Planting	Acreage Reporting	Final Planting	Acreage Reporting
Alamance	10-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Caswell	10-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Durham	20-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Edgecombe	30-Nov	15-Dec	10-Nov	15-Nov	10-Nov	15-Nov
Granville	20-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Guilford	20-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Lee	20-Nov	15-Dec	31-Oct	15-Nov	*	*
Montgomery	20-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Moore	20-Nov	15-Dec	31-Oct	15-Nov	*	*
Orange	10-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Person	10-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Randolph	20-Nov	15-Dec	31-Oct	15-Nov	31-Oct	15-Nov
Richmond	20-Nov	15-Dec	31-Oct	15-Nov	*	*
Rockingham	10-Nov	15-Dec	31-Oct	15-Nov	15-Oct	15-Nov
Surry	31-Oct	15-Dec	15-Oct	15-Nov	15-Oct	15-Nov
Wilkes	31-Oct	15-Dec	15-Oct	15-Nov	15-Oct	15-Nov
Yadkin	31-Oct	15-Dec	15-Oct	15-Nov	15-Oct	15-Nov
Virginia						
Bedford	10-Nov	30-Nov	*	*	25-Oct	15-Nov
Campbell	10-Nov	30-Nov	25-Oct	15-Nov	25-Oct	15-Nov
Franklin	10-Nov	30-Nov	*	*	15-Oct	15-Nov
Halifax	10-Nov	30-Nov	25-Oct	15-Nov	25-Oct	15-Nov
Henry	10-Nov	30-Nov	*	*	*	*
Mecklenburg	20-Nov	15-Dec	25-Oct	15-Nov	25-Oct	15-Nov
Montgomery	31-Oct	15-Nov	*	*	*	*
Pittsylvania	10-Nov	30-Nov	*	*	25-Oct	15-Nov

* If a date isn't shown for a county, coverage is only offered in that county by special written agreement.

Production reports for corn, soybeans and tobacco

If you had corn, soybeans or tobacco coverage with us in 2009, you should have received a production reporting form from us in the past week. While these reports are not due anytime in the immediate future, it is our hope that you will address these reports soon while the production information is fresh on your mind.

This year, the price of tobacco was low for many, and therefore, claims were sometimes generated by the dollar coverage in the policy. Some growers were unaware of a loss until after turning in their production to us for their yield database. If you turn in your tobacco yields now, we can calculate

whether a loss exists or not in time to file a claim for you if a loss exists.

The price of soybeans has remained high enough that a yield loss is necessary to trigger a loss rather than price triggering a loss. However, corn prices have fallen by nearly 25 percent; therefore, yields can be up to 25 percent over guarantees and still trigger a loss. Therefore, it is important that we get your yields as soon as possible so that we can file a claim for you in the event that a loss is triggered. That being said, if you suspect that you will have a claim, always turn in a claim prior to harvest. 🐦

While our primary focus has always been crop-insurance coverage, Charlie Lloyd is always eager to help you with your farm, home, auto or any other insurance coverage that you



have an interest in.

A new addition to the staff, Amy Alderson, can also be of service to you in these areas.

We are an independent agency, which means that we have many companies to offer, and therefore, are almost always very competitive.



Implementation of the new tobacco policy set for next year

A new tobacco policy will be implemented for the 2010 crop year. Some features of the new policy include:

- A tobacco contract will not be required.
- Preventive-planting coverage has been added. This would not apply unless tobacco can't be planted before June 15 due to wet weather.
- The quality adjustment price will be 75 percent of the price election (effectively eliminating quality adjustment).
- Appraisals may be performed prior to harvest, and if no further dam-

age occurs to the crop after the appraisal, the appraisal will supersede the production reported by the farmer even if that production is less than the appraisal.

- New language regarding value of tobacco rather than price received. More information will follow regarding this provision, although we believe that the intent is to eliminate excessive claims for tobacco sold at very low prices and also to account for incentives that are received after the initial sale.

Because information is still being

provided on the new tobacco policy, the next issue of our newsletter will give more specific details about the policy.

It will also be interesting to see what the Risk Management Agency (RMA) will view as the average price for the 2009 crop, which will be our price election for the 2010 crop. We expect that the price election will almost certainly be less than the \$1.85 price election for 2009, but it is yet unknown how much lower the 2010 price will be. 🐦

Crop insurance meetings coming soon

In the month of February 2010, we will again be holding crop insurance update meetings throughout the areas that we service.

We will inform you of the meeting dates and locations in our next newsletter.

Premiums are due

If you have not already paid your multi-peril crop insurance premium (MPCI), it was due initially on Oct. 1, 2009. Each month thereafter, interest is added to the premium amount. Any MPCI premium that is unpaid by Feb. 28, 2010 for North Carolina growers, and on March 15, 2010 for Virginia growers will result in that person or entity being ineligible for any form of federal crop insurance coverage or Farm Service Agency (FSA) program benefits.

If you foresee that it will be impossible for you to pay your premium by the above date, give us a call as there are payment plans available through the company that issued the policies.

The crop hail premiums for flue-cured tobacco are due Dec. 1, 2009 for North Carolina growers, and Jan. 1, 2010 for Virginia growers. Crop hail premiums for burley tobacco are due Jan. 1 in both states. 🐦

Report suspected claims immediately

If you suspect a corn, soybean or tobacco loss and have not already reported that claim to us, you must do so immediately. The end of the insurance period for tobacco is Nov. 30, 2009, and the end of the insurance period for corn and soybeans is Dec. 10, 2009.

Any claims not reported within 15 days of the end of the insurance period for any crop is subject to be denied. Also, there is a requirement that a claim be filed within 15 days of the end of the crop harvest.

If a delayed notice (outside of the above guidelines) is filed, those claims will be subject to a review, and if it is possible to exactly determine the loss we may have success in paying your claim.

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If you are interested in seeing the content of prior newsletters, visit our Web site at www.farmersontheweb.com. Click "Agribusiness" then on the newsletter that you would like to view.

Good production records are essential

The Risk Management Agency (RMA) issued an interpretation of the double-cropping rules that have been the subject of great controversy during the entire wheat claims season in 2009. Unfortunately, their interpretation was simply a restatement of the interpretation that created all of the controversy.

New law

With this new interpretation in the form that it was delivered to us, their interpretation is now "law." Therefore the laborious procedure that we went through in working double-cropped wheat claims in 2009 will be repeated in future years. At this point, only legislation will allow for the rules to be changed to a more tolerable level.

Maintain records

It is important that you main-

tain the last four years of records for wheat and soybeans in which you double cropped any acreage in the counties that you farm. The past rule of maintaining only three years of records only applies when there is no double cropping involved.

Furthermore, it is more important than ever that you maintain excellent records of your grain production. The ideal method for maintaining records is to keep a journal of combine bin loads and/or truckloads from each farm serial number as you harvest.

Keep sales tickets

Also, if you do not plant a farm serial number in its entirety to the same crop, which is rare, we recommend that you maintain these com-

bine bin and/or truckload records by field. Obviously, you should maintain copies of all sales tickets as you sell your crop. We recommend a file for crop insurance records for each crop year, separate from your tax records. It is often difficult to find records that might be at an accountant's office or filed away with tax records. 🐘

No replant payments for small grains

Hurricane Ida has dumped from four to seven inches of rain on most of the areas which we service. If excessive rains have caused improper germination of your wheat, oats or barley crop, you should know that there are no replant payments for small grains.

Also, if an adequate stand is not achieved, you could be subject to a "stand reduction" which is essentially a reduction in acreage.

If you fall into this category, please give us a call, and we will advise you.