

# FarmPLUS INSURANCE SERVICES



Volume 16, No. 2

5048 U.S. Highway 29  
Blairs, VA 24527  
434-835-0107 \* 800-458-3440  
434-835-0109 (fax) cropins@farmplusins.com

www.farmersontheweb.com



Spring 2016

## A review of 2015

Nationally and locally, 2015 was a difficult year in all sectors of agriculture. Low commodity prices, low milk prices, low demand for tobacco, drought, heat-stress and excessive rainfall in our region made for a difficult year for most farmers. The bright spots were hard to find. Organic tobacco still showed fairly high demand, although some weakening has developed. High corn yields in some areas allowed for reasonable profits even though prices were not stellar.

Where soybeans were harvested early and with most double-crop beans, yields were generally good. And good yields with a fair price generated some profits, but outside of those areas profits were scarce. Continuous and heavy rains on early planted soybeans caused a lot of damage and reduced yields. Crop insurance picked up a good bit of the slack, but even so, there were still growers that didn't pay out.

Regarding tobacco, the loss ratio for 2015 came in at a final number of 215 percent. A total of \$103, 650,000 was paid out over all losses on flue-cured tobacco. These losses were paid out over 2,744 policies for an average payout per policy of \$37,772. Minor changes for 2015 to 2016 were made to the Quality Adjustment (QA) rules; but otherwise, the tobacco policy remains unchanged from 2015. Generally, the availability for coverage on tobacco for 2017 will be known in the fall of 2016. Considerable efforts were made to tie tobacco contracts to crop insurance availability, and those efforts continue.

The Risk Management Agency (RMA) has conferred with grower associations, and the consensus amongst those groups appears to be that farmers want crop insurance available in its fullest form where contracts are held, but in a reduced form, or not available at all where growers don't have contracts.

On paper, there should be no tie between demand for tobacco and crop insurance losses on tobacco. Tobacco should be cared for equally whether that tobacco is contracted or not. In reality, it is hard to imagine that non-contracted tobacco receives equal care as contracted tobacco. The end result for non-contracted tobacco is farmers and adjusters in precarious positions and ultimately higher loss ratios than should exist.

In the grain markets, world inventories are high across the board with even higher inventories currently than exist-

ed at this time in 2015. This is especially true for wheat and soybeans. The result has been high planting intentions for corn and lower planted acres of wheat, and lower intentions for soybeans than what was planted in 2015. There isn't much optimism for higher commodity prices in 2016. The most optimistic viewpoint heard of late is that perhaps pricing is at its low point, and likely has nowhere to go but up.

The dairy business is perhaps the most dismal area of concern. Low milk prices are forcing farmers out of production, or at a minimum, forcing farmers to use valuable equity resources. Most forecasts call for several more months of low milk prices before demand in price might increase. Feed costs are low, but milk prices are so low that a profit margin doesn't exist for most farmers. Survival of the fittest prevails at this point and time.

Cotton markets are also stale. Cotton inventories are at all-time highs. Demand is down due to

See **Review** on page 2

### Abbreviations

AIP	Approved Insurance Provider
APH	Actual Production History
AMS	Agricultural Marketing Service
BFR	Beginning Farmer and Rancher
CAT	Catastrophic Coverage
COFO	Commercially Objectionable Foreign Odor
EU	Enterprise Unit
FSA	Farm Service Agency
FSN	Farm Serial Number
IRS	Internal Revenue Service
ITS	Ineligible Tracking System
MPCI	Multi-Peril Crop Insurance
NBG	New Breaking Ground
NRCS	Natural Resources Conservation Service
OU	Optional Unit
QA	Quality Adjustment
ppm	parts per million
ppb	parts per billion
RCIS	Rural Community Insurance Services
RMA	Risk Management Agency
SCO	Supplemental Coverage Option
SSN	Social Security Number
STAX	Stacked Income Protection Plan
TAGS	Tobacco Administrative Grading Service
USDA	U.S. Department of Agriculture
YE	Yield Exclusion


# Acreage reporting deadline approaching

The reporting deadline for spring-planted crops is July 15 for Virginia and North Carolina with your crop insurance agent and also for Farm Service Agency (FSA). **See the Final Plant and Late Plant Dates chart on Page 3 of this newsletter.**

This year for the first time, every acre must be mapped by farm, track and field. In prior years, a percentage of reported acres were allowed to be reported without field-level identification. For 2016 and beyond, every farm, track and field must be reported and must have a soil conservation plan. Our preferred method of developing mapped acreage reports is to

receive an FSA 578 Producer Print, which gives us the planted acres by farm, track and field, and we then plug in that information on the insurance company's mapping software. It goes without saying that FSA cannot turn around acreage reports overnight. Please don't delay in reporting your planted acres to FSA so that we may obtain a 578 Producer Print on and before July 15. You will receive a reporting form from our office. That form must be filled out to show acreage on each Farm Serial Number (FSN) planted to each crop. Our form does not break the acreage down to the field level; and therefore, an FSA 578

Producer Print along with our form, which must be signed and dated, constitutes a complete acreage report. If you're not planning to report to FSA, we will need to meet with you so that you can identify on our maps where you have planted. We also have the ability to print and send a map booklet for you to report acreage.


As in the past, our office will make phone calls as reminders, and any assistance that you can give us on when it is appropriate to expect your final report will help us budget our time and prevent unnecessary reminder calls. 

## Wheat concerns

The 2016 wheat crop got off to a rough start with wet planting conditions, which generated poor stands, but currently wheat that did get planted appears very respectable. If you intend to harvest wheat for hay or if you intend to destroy wheat to plant another crop, you should call our office and file a claim so an appraisal can be done. This applies even if you don't expect a loss because an appraisal is the only way to arrive at a yield for yield-database purposes.

If your wheat will be carried to harvest, we suggest that you strongly consider filing a claim and having all wheat that will be stored tested for vomitoxins. Since most elevators test for vomitoxins, we always have reports of vomitoxins every year. Wheat that will be stored should be tested, and often it makes sense to request an extension of up to 180

days on wheat claims so that stored wheat can still generate a loss if problems are discovered when the wheat is sold. Wheat should be properly treated for insects, as damage that occurs in the bin is not covered by crop insurance.


For wheat that was prevented from being planted and where prevented-planted acres were filed and claims were filed, most growers have already received an initial payment of 35 percent of the prevented-planted coverage on the acres for which they were eligible. The remaining payment of 65 percent can be paid where (1) the land is left idle through the 2016 growing season, or (2) where double-cropping history exists and where the prevented-planted land is planted to soybeans or grain sorghum. If you have a prevented-planted claim and have questions, don't hesitate to call our office for further information. 

## Apples and peaches

A cold snap in April could result in catastrophic freeze damage on fruit this growing season. Nighttime lows in early April in the 20s in many areas will result in losses for apple and peach producers. If you experienced this and have noticeable damage and have not reported the damage to us, please do so immediately.

Just a reminder to turn in a claim if any weather event occurs to your apple and peach crop that may affect the quality of the fruit or the amount of production. If another weather event occurs at a later date, call us back and turn in another claim.


Most all of our apple and peach producers will need to have an appraisal if they are to be paid a loss because of the Fresh Option. The adjuster will grade the apples and assess the amount of damage. The only way this will happen is if a claim is turned into our office. When in doubt, turn in a claim. It does not cost a thing.

If you receive a letter from the insurance company stating that you will have to comply with the fresh verification process in order to keep your apple or peaches insured as the fresh type and we have not contacted you, please give us a call, and we will get the process started. 

### Review

*Continued from page 1*

a weak export market, low prices for oil and polyester, and fashion trends such as yoga-style pants that contain very little cotton.

It's in these difficult times when farmers are trying to save every dollar that can be saved that crop insurance gets heavy scrutiny in regards to costs. However, in difficult times crop insurance is often the difference between survival and financial failure. "Bang for the buck" is the name of the game when trimming costs of crop insurance, but farming without crop insurance is a recipe for disaster. 

# Final Plant and Late Plant Dates

2016	Corn		Soybeans		Grain Sorghum		Flue-cured Tobacco		Fire-cured Tobacco		Burley Tobacco		Cotton	
Virginia	Final Plant	Late Plant	Final Plant	Late Plant	Final Plant	Late Plant	Final Plant	Late Plant	Final Plant	Late Plant	Final Plant	Late Plant	Final Plant	Late Plant
Augusta	6/10	7/05	6/20	7/15	6/25	7/20	—	—	—	—	—	—	—	—
Bedford	5/31	6/25	6/20	7/15	6/25	7/20	6/05	6/20	6/15	6/30	6/20	7/05	—	—
Bland	6/10	7/05	6/20	7/15	—	—	—	—	—	—	6/20	7/05	—	—
Campbell	5/31	6/25	6/30	7/25	6/25	7/20	6/05	6/20	6/15	6/30	6/20	7/05	—	—
Carroll	6/10	7/05	—	—	—	—	6/05	6/20	—	—	—	—	—	—
Charlotte	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	6/15	6/30	6/20	7/05	—	—
Craig	6/10	7/05	6/20	7/15	—	—	—	—	—	—	—	—	—	—
Floyd	6/10	7/05	6/20	7/15	6/25	7/20	—	—	—	—	—	—	—	—
Franklin	5/31	6/25	6/20	7/15	6/25	7/20	6/05	6/20	6/15	6/30	—	—	—	—
Halifax	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	6/15	6/30	6/20	7/05	—	—
Henry	5/31	6/25	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	—	—
Mecklenburg	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	6/15	6/30	6/20	7/05	—	—
Montgomery	6/10	7/05	6/20	7/15	6/25	7/20	—	—	—	—	—	—	—	—
Patrick	5/31	6/25	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	—	—
Pittsylvania	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	6/15	6/30	6/20	7/05	—	—
Pulaski	6/10	7/05	6/20	7/15	—	—	—	—	—	—	—	—	—	—
Rockingham	6/10	7/05	6/20	7/15	6/25	7/20	—	—	—	—	—	—	—	—
Smyth	6/10	7/05	—	—	—	—	—	—	—	—	6/20	7/05	—	—
Tazewell	6/10	7/05	—	—	6/25	7/20	—	—	—	—	6/20	7/05	—	—
Wythe	6/10	7/05	6/20	7/15	—	—	—	—	—	—	6/20	7/05	—	—
<b>Pennsylvania</b>														
Juniata	6/10	7/05	6/20	7/15	6/20	7/15	—	—	—	—	—	—	—	—
<b>South Carolina</b>														
Chesterfield	4/30	5/25	6/15	7/10	6/20	7/15	5/15	5/30	—	—	—	—	5/25	5/30
<b>North Carolina</b>														
Alamance	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	—	—
Anson	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Cabarrus	5/20	6/14	6/30	7/25	6/25	7/20	—	—	—	—	—	—	5/25	5/30
Caswell	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	6/20	7/05	—	—
Catawba	5/20	6/14	6/30	7/25	6/25	7/20	—	—	—	—	—	—	—	—
Chatham	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Davidson	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	—	—
Davie	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	5/25	5/30
Durham	5/20	6/14	6/30	7/25	—	—	5/31	6/15	—	—	—	—	—	—
Edgecombe	5/15	6/09	6/30	7/25	6/25	7/20	5/25	6/09	—	—	—	—	5/25	5/30
Forsyth	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	—	—
Franklin	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Granville	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	6/20	7/05	5/25	5/30
Guilford	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	—	—
Iredell	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	5/25	5/30
Lee	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Montgomery	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Moore	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	—	—
Nash	5/15	6/09	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Orange	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	—	—
Person	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	6/20	7/05	—	—
Randolph	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	—	—	—	—
Richmond	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Rockingham	5/20	6/14	6/30	7/25	6/25	7/20	6/05	6/20	—	—	6/20	7/05	—	—
Rowan	5/20	6/14	6/30	7/25	6/25	7/20	—	—	—	—	—	—	5/25	5/30
Stanly	5/20	6/14	6/30	7/25	6/25	7/20	—	—	—	—	—	—	5/25	5/30
Stokes	5/31	6/25	6/30	7/25	6/25	7/20	6/05	6/20	—	—	6/20	7/05	—	—
Surry	5/31	6/25	6/30	7/25	6/25	7/20	6/05	6/20	—	—	6/20	7/05	—	—
Union	5/20	6/14	6/30	7/25	6/25	7/20	—	—	—	—	—	—	5/25	5/30
Vance	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	—	—
Wake	5/20	6/14	6/30	7/25	6/25	7/20	5/31	6/15	—	—	—	—	5/25	5/30
Yadkin	5/31	6/25	6/30	7/25	6/25	7/20	6/05	6/20	—	—	6/20	7/05	—	—

\*\*\*Late-planting period for grains extends 25 days beyond final plant, with a 1 % in coverage per day during the late-planting period. For tobacco, a 15 day late-planting period applies with a 1% reduction per day for the first 10 days and a 2 % reduction per day for the final five days. For cotton, there is a five day late-planting period with a 1% reduction in coverage per day.

\*\*\*Determine the late AR Reporting date for all crops on the policy. This is the AR Reporting date for all spring crops on this policy.

\* See above for these Final Late-Planting Dates.

# Replant coverage is often overlooked


Replant coverage is included in the policies for most spring-planted crops other than tobacco and cotton. It is perhaps the most overlooked coverage that exists. Every year, many acres are replanted without any notification to the crop insurance agent. When replant claims are filed prior to replanting, a claim can be paid according to the following schedule:

Keep in mind that replant payments are

Corn, grain	8 bushels (bu.)
Corn, silage	1 ton
Grain sorghum	7 bu.
Soybeans	3 bu.

To calculate the amount of replant payment, you would multiple the number of bushels shown above *times* the price election for the crop in question. Please see the chart to the right for price elections for various crops.


sometimes not available if very small acres are replanted. To qualify, the replanted acreage must be at least 20 percent of the planted acreage in a unit, or when the planted acreage in a unit is above 100 acres, 20 acres replanted would qualify. This rule is often referred to as the 20/20 rule.

In many cases, replants less than 50 acres can be done via email or U.S. mail without an adjuster visiting your farm. This 50-acre maximum applies on a unit basis; therefore, if you have Optional Units (OU) (units by farm serial number [FSN]), replants of less than 50 acres per farm number could qualify for this simplified claims process. **Most importantly, replant claims must be filed prior to actually replanting.** 

Price elections			
<u>North Carolina</u> (conventional crops)		<u>Virginia</u> (conventional crops)	
Apples	\$12.75	Apples	\$12.75
Barley	03.47	Barley	03.47
Cabbage	11.35	Cabbage	12.10
Corn	03.89	Corn	03.86
Corn silage	29.50	Corn silage	35.50
Cotton	00.62	Cotton	00.60
Grain sorghum	03.75	Grain sorghum	03.72
Oats	02.65	Oats	02.40
Peaches fresh	21.25	Peaches fresh	16.50
Soybeans	08.91	Soybeans	08.90
Tobacco burley	01.80	Tobacco burley	01.80
Tobacco flue-cured	01.80	Tobacco flue-cured	01.80
Wheat	05.04	Wheat	05.13

# Organic crops increase, especially tobacco

There has been a surge of organic farming in the past several years. This includes crops of all types, but in our area tobacco is the primary organic crop. Higher organic prices exist for most every insurable crop, and all organically grown crops should be insured as organic using the higher organic price elections. To qualify for crop insurance using organic growing practices, a farmer must submit a full copy of his organic plan, a copy of the organic certificate when available and must insure organic crops in the same way that the organic crop is contracted and/or sold. Before a claim can be paid on organic crops, a copy of the organic certificate for the current year

must be submitted to us. Organic crops, other than tobacco, constitute separate units than conventionally grown crops when grown on the same Farm Serial Number (FSN). For tobacco, organic and conventional grown on the same FSN by the same entity are included in one unit. Please see the price election chart for organic pricing. 

Price elections			
<u>North Carolina</u> (organic)		<u>Virginia</u> (organic)	
Corn	\$08.49	Corn	\$08.42
Cotton	01.22	Cotton	01.20
Grain sorghum	05.73	Grain sorghum	05.69
Oats	04.10	Oats	03.90
Soybeans	16.96	Soybeans	16.95
Tobacco burley	03.85	Tobacco burley	03.85
Tobacco flue-cured	03.85	Tobacco flue-cured	03.85
Wheat	09.30	Wheat	09.47

The e-mail for FarmPlus Insurance Services has changed. Our new e-mail is [cropins@farmplusins.com](mailto:cropins@farmplusins.com). The old e-mail address [farmersinsagency@earthlink.net](mailto:farmersinsagency@earthlink.net) is no longer active.

# Quality Adjustment for tobacco, wheat, corn, soybeans and cotton

Every policy includes coverage for a reduction in quality that causes the crop to be unmarketable or marketable at a greatly reduced priced.

## Tobacco

Quality Adjustment (QA) in tobacco for 2016 has changed somewhat from the rules that existed in 2015. For QA to occur, tobacco must be graded by an Agricultural Marketing Service (AMS) government grader. The QA process is initiated

by calling the Tobacco Administrative Grading Service (TAGS) at 855-776-8570. A grower should call TAGS at least three days prior to delivery of his tobacco to the warehouse where the grading will occur. When calling, you should have your policy number, and you should be able to identify from which Farm Serial Number (FSN) the tobacco was harvested. You will notice on the QA chart below that a number of grades allow for 100 percent QA if the tobacco is destroyed. Destruction of tobacco must be observed by your crop insurance adjuster. Always turn in a claim for tobacco when you realize a quality problem and before initiating the QA procedures or calling the TAGS office. If tobacco is sold that has been graded and would receive 100-percent QA, there is no QA and all pounds will count against the producers guaranteed yield. For other QA grades that receive 20-percent, 40-percent or 60-percent QA, the tobacco can

### Discount Factor Chart

On the date of final inspection for the unit, the discount factors are determined using the following chart. No QA will be made on any production which has been assigned a grade that does not appear on the discount factor chart.

Grade*	DF	Grade*	DF	Grade*	DF
B4G	0.400	C4KL	0.200	NIXL	**
B5G	**	C4S	0.200	NIXO	**
B4GK	0.600	H6K	0.200	NO-G	**
B5GK	**	M4GK	0.600	P5F***	0.200
B6K	0.200	M5GK	**	P4G***	**
B5KF	0.400	N2	**	P5G***	**
B6KF	**	N1BO	**	P5L***	0.200
B5KL	0.400	N1GF	**	S-Scrap	**
B4KV	0.400	N1GG	**	X4G	0.400
B5KV	0.600	N1GL***	**	X5G	0.400
B6KV	**	N1GR	**	X4GK	0.600
B5V	0.200	N1K	**	X4KF	0.200
C4G	0.600	N1KV	**	X4KL	0.200
C4GK	0.400	N1L***	**	X4KV	0.400
C4KF	0.200	N1R	**		

\*U (unsound), W (doubtful keeping order), or wet are special descriptors that may be added to any grade. We may at our discretion adjust production assigned such as a descriptor according to the underlying grade.

\*\*Any production which due to insurable causes is assigned the corresponding grade will be considered to have zero market value. Such production will not be considered production to count if the production is destroyed in a manner acceptable to us. If you choose not to destroy such production, no adjustment will be made to production to count for quality.

\*\*\*Includes production with the Sand descriptor.

be sold and the QA discount still obtained. Any tobacco that receives a QA grade and is then taken home and reworked must be regraded for QA to apply on the newly formed bales.

## Wheat

QA for wheat exists when test weight falls below 54 pounds per bushel, damage is above 10 percent, falling numbers are below 300, vomitoxins are above 2 parts per million (ppm) or wheat is musty, garlicky, ergoty, or is deemed by a grader to have musty sour odor or Commercially Objectionable Foreign Odor (COFO). Wheat must be graded by a certified grader at the time of purchase, or a sample can be obtained by an adjuster and sent to a USDA grading service. Any wheat that is stored beyond 60 days should be sampled by our adjuster to be sure that QA can be utilized if problems exist within the stored wheat. QA for wheat can result in large discounts beginning at 31.5 percent all the way to 100 percent.

## Corn


For corn, there's QA for test weights below 49 pounds per bushel, aflatoxins above 20 parts per billion (ppb), damage above 10 percent, and musty odor, sour odor or COFO.

See QA on page 6

## Conservation compliance


As part of the 2014 farm bill, a rule was enacted that requires soil conservation compliance to secure premium subsidy from the federal government on crop insurance. Every entity should have filed a Form AD 1026 at the Farm Service Agency (FSA) by June 1, 2015. If your premium was subsidized in 2015, you have filed the required AD 1026, and that form is permanent unless revisions are needed. We suggest that you sign an AD 1026 each year. The AD 1026 is an FSA form that simply states that a soil conservation plan exists and you're in compliance on all land which you are tending. There are four exceptions that allow for premium subsidy where entities have not filed an AD 1026 by June 1, 2015. They are:

- (1) **Person who began farming for the first time after June 1, 2015.** This exception applies to any person who has never farmed before.
- (2) **Newly formed legal entity.** This exception applies to newly formed corporations, partnerships, joint operatorships, etc., even if the person or people comprising that newly formed entity have farmed in the past and perhaps have signed AD 1026s as individuals.
- (3) **Never participated in a U.S. Department of Agriculture (USDA) benefit program.** This exception applies to anyone who has never reported to FSA and has never worked with Natural Resources Conservation Service (NRCS) or any other USDA entity or received any benefit from USDA programs. This exception will not apply to anyone who has ever participated in federal crop insurance.
- (4) **Has never farmed as an individual.** This exception only applies to persons who were not required to sign a form AD 1026 in the past but were part of an entity that was required to sign a form AD 1026. This exception applies only if the individual has never participated in federal crop insurance as an individual.

Anyone qualifying for the above four exceptions must sign an exception form with our office and must sign an FSA AD 1026 by June 1, 2016 in order to be eligible for subsidy on crop insurance. Our office will do everything possible to identify where and with whom compliance problems exist and will contact you if we see a problem. Ultimately, the responsibility is yours to verify that you are in compliance with NRCS and with FSA regarding conservation compliance. Feel free to call our office if you have questions. 

## Hail insurance coverage is available

Crop hail insurance can be purchased as a separate, private product independent of federal crop insurance for most every crop. Primarily, crop hail is purchased for tobacco, wheat, barley, oats, cotton, and produce crops. Crop hail insurance is offered with deductibles from 0 percent to 25 percent, depending on the crop. Also wind coverage can be purchased for tobacco and open-boll cotton. Any grower that has purchased crop hail insurance in 2015 will be contacted by our office for 2016. If you didn't pur-

chase crop hail insurance in 2015 and have an interest, please call. If you purchase crop hail insurance from another agent or agency, understand that—unlike federal crop insurance—crop hail rates vary from company to company, and the various deductibles also vary from company to company. Also, unlike federal crop insurance, agents are allowed to accompany the farmer when the loss adjustment is performed, and we always make ourselves available when our customers experience a loss. Consider crop hail coverage if federal crop insurance alone leaves you at risk. 


### QA

*Continued from page 5*

#### Soybeans

For soybeans, QA exists for test weights below 49 pounds per bushel, damage above 8 percent, vomitoxins above 5 ppm, aflatoxins above 20 ppb, musty odor, sour odor or COFO. The 2015 soybean crop generated significant QA-enhanced losses but only in cases where harvested yields were somewhat close to guaranteed bushels for a unit.

#### Cotton


QA on cotton exists and rarely comes into play. The method by which QA works for cotton is based on the producer quality data and price versus a Risk Management Agency (RMA)-determined three-year average. While QA has proven to be very beneficial in crops such as wheat, corn and tobacco, QA for soybeans and cotton has often surfaced but doesn't often create substantial differences in claim settlements. 

# Ineligible tracking system list

The Ineligible Tracking System (ITS) is a list of tax identification (ID) numbers of those entities that are ineligible for crop insurance due to an unpaid crop insurance premium in the past. When a tax ID number is placed on the ITS list, crop insurance can't be purchased until the past debt is satisfied. For spousal entities, both the husband's and wife's Social Security Numbers (SSNs) are placed on the ITS list.

For corporations, partnerships, etc., all stakeholders' SSNs are placed on the ITS list, if the stakeholder has a 10-percent share or more. In 2015, there was an epidemic of tax ID numbers


placed on the ITS list due to nonpayment of premium. This is of course a reflection of a very difficult crop year. Locally, our experience has been less severe, but there was a higher than normal rate of nonpayment beyond premium due dates. Further, the Risk Management Agency (RMA) allows for a few specified payment plans for growers who have not been able to pay prior to the cancellation date. Our office facilitated more payment plans than ever before in our history. If you are participating in a payment plan, you should understand that the details of the payment plan were outlined at inception of the payment plan, and

any nonpayment or late payment on any payment plan results in retroactive cancellation of your 2016 crop insurance. What this means is that if your payment plan extends into 2016 and even if your acreage has been reported and your crop is insured for 2016 and the payment is not received, that 2016 coverage will be cancelled. While these rules are harsh, it is our only method of working with growers who are not able to pay their premium on a timely basis. RMA does not allow an agent or agency to loan any money to our policyholders. In past years, this was possible, but in recent years it has been made impossible. 


## Enterprise Unit qualification

At the risk of being preachy, we always take every opportunity to discuss qualification for Enterprise Units (EUs). This is so very important because EUs receive as much as 80-percent subsidy while Optional Units (OUs) receive approximately 60-percent government subsidy and are already more expensive prior to subsidy being applied. As a general rule, OUs cost the farmer from 2 to 2½ times what EUs costs at a given level of coverage.

Many growers use EUs for corn, wheat, and less frequently for cotton, soybeans and tobacco. When you selected coverage, you may have elected to carry EUs, and at the time that you were quoted, the EU rate was quoted. However, if your planted acreage does not qualify for EUs, your


coverage reverts to OUs with no opportunity to change levels of coverage. The end result is a premium that is 200 to 250 percent higher than expected and perhaps an unhappy customer. To keep this from happening, you should understand that EU qualification is governed by a 20/20 rule. In layman's terms, the rule states that at least 20 percent or 20 acres must be planted to the insured crop on two separate Farm Serial Numbers (FSNs) or two groups of FSNs aggregated. If you have purchased EUs and you're not sure whether you qualify for EUs or not, please call us with your planting intentions, and we will be happy to crunch the numbers. 

## Consider a Put Option on stored grain


If you have grain in storage bins and are concerned that current prices may go lower, you may want to consider a Put Option on your grain. You could also consider a minimum price contract with your preferred grain elevator. The crop-insurance policy offers good protection against decline in prices from the time that you purchase the policy until harvest, but the policy doesn't protect you beyond normal harvest dates. There have been many occasions that a farmer has called our office in February or March asking if there is anything that the crop insurance policy can do, and unfortunately, the policy doesn't offer price protection beyond harvest. 

## Southside Insurance/Phyllis Cole Insurance phone numbers

Several years ago, FarmPlus Insurance Services acquired the business of Southside Insurance Agency, which was the former Phyllis Cole Crop Insurance. Since that time, the phone numbers for that agency, based in Hali-

fax, Va., have been forwarded to our office in Blairs, Va. Moving forward, those numbers will no longer be working numbers. To contact our office, please dial 434-835-0107 or 800-458-3440. We look forward to hearing from you. 

## ***Farm, home, auto, life and health insurance***

**W**hile our primary focus has always been crop-insurance coverage, Sharon Strader, Jennifer Minter and Tosha Cundiff are always eager to help you with your farm, home, auto or any other insurance coverage that you have an interest in. We are an independent agency which means that we have many companies to offer; and therefore, are almost always very competitive. Additionally, Sharon Strader is well equipped to visit your farm if you would like a farmowner's policy proposal. 

### **FarmPLUS INSURANCE SERVICES**


5048 U.S. Highway 29  
Blairs, VA 24527

## ***ACRSI (Acreage Crop Reporting Streamlining Initiative)***

**T**he Acreage Reporting Streamlining Initiative (ACRSI) has been a work in progress for several years at the Risk Management Agency (RMA) and the Farm Service Agency (FSA). Their goal is to streamline acreage reporting for producers by allowing them to report acres at one location, either FSA, or with their crop insurance agent, and not at both places. This year, the 2016 spring-planted crops is the first trial run of the ACRSI program. Because the program is a "Pilot" program, there is still a requirement to report at both places. However, if you report to FSA and they transmit your planting data through the ACRSI program, our office should be able to pick up those acres within minutes or at least a few short hours after the FSA office has keyed your acreage to their system. In the past, we could access that information electronically but only after a couple of weeks in most cases.

It should be noted that this is a two-way process. That means that you can report your acreage to our office first, and then we can transmit the data to FSA. Whichever direction the data is transmitted, you should be able to simply report at FSA or at our office, and then simply sign at the other office and be done. In future years, the requirement for signature will be at one office only. If you report at our office, we will need to gather planting data down to the field level for all insured and non-insured crops. To do this, we'll need to print a map-based acreage report that shows all of the fields in your operation so that you can write your planting information on the maps. If you desire to report to us and for us to transmit your data to FSA, let us know, and we'll print a map-based acreage report and send it to you

instead of the simplified, farm by farm (Farm Serial Number by Farm Serial Number) report that we normally send.

Our view of this program is that it makes sense for the producers not to have to do the same job at two different places. We've always strived to make full use of the FSA 578 Producer Print towards filling out your acreage report to avoid you having to do double work. However, there is a fight for funds involved. We're resigned to the fact that we can't be in every county and do the job that FSA is doing in every county. With that being said, we're hopeful that the U.S. Department of Agriculture (USDA) doesn't pull major funds out of crop insurance as a perceived savings. In our part of the United States, field sizes are so small that the amount of work in simply reviewing the acreage reports for correctness is substantial. It takes many small fields to add up to the number of acres that most farmers tend in this part of the world. This battle for funds happening behind the scenes will hopefully be decided by fairly, but regardless of that fight we will likely see a more streamlined acreage-reporting process in the future for all growers. 

**I**f you are a member of a grower's group or association such as Young Farmers, we will be glad to sponsor or co-sponsor meetings and give an overview of crop insurance to the members. Often small group meetings provide the best venue for questions and answers that our growers want or need to know.

## ***E-mail address wanted***

**I**f you would like to receive an advanced copy of subsequent newsletters, please send us an e-mail to [cropins@farmplusins.com](mailto:cropins@farmplusins.com). Also there are times when information might be beneficial to you that, with your e-mail address, we will be able to get this information out to you as quickly as possible. 