

Risky Business

A publication of Spartan Insurance Agency

DECEMBER 2005



SPARTAN INSURANCE AGENCY IS NAMED Authorized Crop Insurance Agency for John Deere Risk Protection

Johnston, Iowa, 2005—Spartan Insurance Agency has been chosen by John Deere Risk Protection, the Managing General Agent (MGA) for crop insurance for Westfield Insurance Company and Westfield National Insurance Company ("Westfield Insurance"), as a John Deere Risk Protection authorized agency.

As part of a select group of agencies, Spartan Insurance Agency will provide federally reinsured crop insurance to local growers starting with the 2006 season.

WHEAT PRODUCERS
If you have a wheat policy—Do not tear up your wheat before contacting your agent first!

In continuing to add to its crop insurance team, John Deere Risk Protection sought the industry's best in its selection process. The carefully chosen agencies have joined a team with years of risk management and other professional experience. Spartan Insurance Agency has served producers with risk management and crop insurance solutions for 16 years.

"We're looking forward to bringing our producers crop insurance solutions from the best name in agriculture," says Scott Crumbaugh. "As part of the John Deere Risk Protection team, we have a strong support system behind us, and that ultimately means the best possible service for our customers."

"John Deere has been a trusted name to agricultural producers for more than 165

years," says Dennis Daggett, President, John Deere Risk Protection. "It is our responsibility to equip our newly authorized crop insurance agents, so they can recommend the best risk management strategies for producers across the United States."

Crop insurance will be available for the 2006 growing season in this state and through other select agents in other states throughout the country. For information on crop insurance offered through John Deere Risk Protection, contact Spartan Insurance Agency at 800-888-2767.

John Deere Risk Protection is the MGA for crop insurance products for Westfield Insurance, which was granted approval by the USDA's Risk Management Agency (RMA) to offer federally reinsured crop insurance products.

DEADLINES

DECEMBER 1

Deadline to report spring planted crop production information with signed forms to Spartan.

DECEMBER 10

End of Insurance period for spring planted crops. Claims must be submitted by this date. If you think you have a claim and have not submitted it—Please call your agent immediately! If you don't know if you have a claim—Call us, we'll walk you thru the process.

JANUARY 5

Fruit Acreage and Production Deadline.

JANUARY 30

AGR (Adjusted Gross Revenue) Policy Deadline.

MARCH 15

Deadline to change, add or cancel coverage for spring planted crops. Call your agent for an appointment.

Spring Crops Application Deadline Is March 15th!

Make your appointment with your agent early.

- 1. If you want to keep your coverage at same level**—Your policy will automatically renew at the same level you had in 2005. You will receive a mailing including a renewal form in January. This form will indicate the crops you have insured and your coverage level. Be sure to check that all the crops you might plant are listed. If you want to keep the same type of policy and coverage, then just sign it and return the form.
- 2. If you want to change coverage**—If you are interested in changing your policy type, level of coverage or need to add a crop, please call your agent to review your coverage and quotes. All changes must be made by March 15, 2006, don't delay. **DEADLINES WILL BE ENFORCED; WE MUST HAVE YOUR PAPERWORK BY MARCH 15!**
- 3. If you want to review your coverage and make sure it's the right fit for your operation**, call your agent for an appointment, they will be glad to come out to your farm and go over your policy options.

2005 Corn and Soybean Harvest Prices

CRC Corn price—\$2.02	Spring Price—\$2.32
RA Corn Price—\$1.94 (ESTIMATED)	Spring Price—\$2.32
CRC & RA Soybean price—\$5.75	Spring Price—\$5.53
GRIP Corn—\$1.94 (ESTIMATED)	Spring Price—\$2.38
GRIP Soybean Price—\$5.75 (ESTIMATED)	Spring Price—\$5.99

Photos

We had a photo contest last summer and received some great photos. We have continued to ask our customers and others to submit agricultural photos for us to use in our newsletter and for next years photo contest. These photos were submitted by one our scholarship winners, Matt Shaw. They look even better in color! Thanks!

We greatly appreciate getting pictures, anyone is welcome to send them to:
kstoneman@chartermi.net



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YIELD INFORMATION

If you have not reported your 2005 harvest yields yet—please do so immediately!
If you have—Thank you!

Time to Play Defense?

BY STEVE BEIER, THE ANDERSONS

All of you are aware of income volatility in Agriculture. Some of the most viable farmers are those who never sell ten-dollar beans or three-dollar corn in exchange for never selling five-dollar beans or dollar fifty corn. The economic environment in agriculture suggests that next year you need to play (plan) it a little closer to the vest. To survive, it may be more about minimizing expenses than maximizing revenue.

Now that harvest is complete, it's time to start working on next year's plan. I suggest everyone call or visit their input supplier and get price estimates for N, P and K for next year. This will provide some serious fodder as to what next year's crop mix is going to be. I know crop rotation issues

limit many of you, but if there ever was a year to listen to "market cues" this would be the year.

If you choose to be a low cost operator (defensive) then input cost may have a considerable impact on what you plant. And it all starts with how many wheat acres you planted this fall. Because variable cost for wheat is less than corn and there is a decent futures price, did you plant more wheat than normal?

One golden rule I have is that if the "market" woos you out of your normal rotation then you need to forward sell the extra production from those acres. July '06 wheat futures were trading around \$3.50. Seed wheat sales are ahead of last year by as much as 150% and many are suggesting by next July wheat could be sub three dollars. You

cannot risk taking the acreage bait from the market and then having the market pull the price rug out from under you.

To avoid this you must sell the additional acreage if you planted more wheat acres. And, if you're really serious about reducing your risk, you need to consider revenue crop insurance. Not only will you be protected by '06 yield and price implications but be given the option to plant an alternate crop if your wheat doesn't survive the winter.

The same argument goes for corn and soybean acres. At this writing November '06 futures were trading \$5.90 and December '06 corn at \$2.42. Rising input costs may have you considering fewer corn acres and more bean acres. If you are serious

about loading up on bean acres, because of increased input costs, then you must sell additional '06 bean production soon.

There are many choices when it comes to managing a farm operation but I have found that choice must be woven around a "game plan." A good defense not only wins championships, it can save farms.

**Thank you
for your business!
We greatly appreciate it.
We hope you have a
happy, healthy and safe
holiday season!**

**From the staff at
SPARTAN INSURANCE
AGENCY**

Congratulations to the 2005 Spartan Scholarship Recipients

Each year Spartan awards \$3,000 to college students who are majoring in an agricultural field of study. We have received many qualified, deserving students each year. The following students were selected to receive the 2005 Spartan Scholarships; Sarah Jo Bernia, Tim Cunningham, Daniel Hansen, Rachel King, Donnalee Rossman, Brent Shaw and Matthew Shaw of Michigan. Scholarship winners from Ohio are Hyatt Frobose, Brian Herringshaw and Anna Jacob. Spartan Insurance Agency has given over \$18,000 in scholarships in the past six years.



SARAH BERNIA, daughter of Scott and Donna Bernia of Akron, attends Saginaw Valley State University and is studying Biology and Pre-Veterinary medicine. Sarah has been involved in many activities including FFA, Band, Cheerleading, Student Government, National Honors Society (NHS), Very Important Person Program, Co-op and Student Council. Sarah believes that the main issues affecting the future of agriculture are; increasing concerns from consumers and non-farming groups; the significant decline in the market price of commodities, resulting in lower profits; and the increased amount of competition from other countries. Sarah's language arts and career pathway instructor described Sarah as "by far one of the most service-oriented and truly motivated students I have had the pleasure to teach and work with in my twenty-five year career."



TIM CUNNINGHAM will be attending the University of Northwestern Ohio for an associate degree in Applied Science in Diesel and Agricultural Equipment Technology. He is the son of Don and Nancy Cunningham of Lake Odessa. He has been involved in FFA, 4-H and 4-H service club, adopt a highway and volunteers at several service activities. Tim feels the main issues affecting agriculture in the future are; farmers need to use the most current technology; controlling soil and air born disease and insects for crops; and developing a better market for agricultural products. According to MSU research assistant whom Tim worked for, "he is an extremely hard worker that possesses the ability to adapt to challenging work conditions."



HYATT FROBOSE from Pemberville, Ohio is the son of Daniel and Vicki Frobose. He attends Butler Community College and is majoring in animal science. Hyatt has been active in varsity football and track, FFA, 4-H, senior executive council and NHS. He is also an active volunteer in his church and many 4-H committees. He feels the main issues that will affect agriculture in the future are; the conservation and use of water; the growing human population; and how to feed the world without threatening the environment; and protecting the environment and ecosystem.

According to Hyatt's FFA advisor, "Hyatt has a bright future in agriculture and the community will benefit from his knowledge and passion for agriculture."



DANIEL HANSEN, son of Jeffrey Hansen of Trufant, is attending Michigan State University, majoring in Agricultural Atmospheric Science. He has been involved in band, NHS, Golf, Spanish Club, Student Council, CSAA All Academic Activities Team, 4-H and church youth group. He feels the major issues affecting agriculture in the future are; the decreasing supply of water available for irrigation and livestock, the decrease in competition to purchase commodities leading to lower market prices and the foreign competition adding to the market price decline. According to Dan's

Economic teacher, "Dan strives to understand subjects beyond the surface and is willing to invest the time and effort that is required to achieve such depth of understanding."



BRIAN HERRINGSHAW, son of Paul and Doris Herringshaw of Bowling Green, Ohio, is attending the Ohio State University majoring in Agricultural Engineering. He has been involved in football, band, NHS, FFA and German Club. He feels the major issues affecting agriculture in the future are; biotechnology as it will design crops from the genetic base to increase and improve output; the efficiency of farmers to compete with other countries; and the need to educate farmers to use advanced technology. Brian has been described as "one of the most courteous, respectful and helpful young men I have ever met."



ANNA JACOB is attending Ohio State University majoring in Agribusiness and Applied Economics. She is the daughter of James and Christine Jacob of Sherwood. She has been involved with varsity club, student council, FFA, OSU Ag Business club, and NAMA marketing team. She is also on 4-H, Junior Fair Board, church youth group, and habitat for humanity. Anna feels the major issues affecting agriculture in the future are; the spread of Asian soybean rust and it's decrease on revenue potential; ethanol and processing plants; and the effects of mad cow disease. After graduating from Ohio State, Anna plans to pursue a career in grain merchandising.



RACHEL KING, from Lake Odessa, is the daughter of Bill and Colleen King. She is attending Michigan State University in Agricultural Economics. She has been involved in student council, FFA, FCA, NHS, Quiz Bowl, 4-H, Relay for Life, Varsity club, was active in sports and is in the church youth group. Rachel feels the major issues affecting agriculture in the future are; the impact of a new animal identification system; the increase of urban sprawl and conserving farmland and the lack of farm labor. According to Rachael's principal, she is "a person of high morals and integrity."



DONNALEE ROSSMAN, the daughter of Dan and Denise, from Perrinton, is attending the Michigan State University in Landscape Design. She has been involved with track, cross country, NHS, Science Honor Society, Quiz Bowl, Science Olympiad, band and German exchange program. She is also in 4-H, FFA, FCE and active in church youth group. Donnalee feels the major issues affecting agriculture are; urban sprawl and the shortage of quality farm ground, environmental challenges and regulations and lack of profitability, which all make agriculture a less attractive occupation. According to one of Donnalee's teachers, she "demonstrates extremely high character and never takes the easy way out of a situation."



BRENT SHAW is attending Saginaw Valley State University studying Accounting and Business Management. He is the son of Stephan and Sheryl Shaw of Decker. He has been involved with Varsity basketball and baseball, National Honor Society and Science Team. Brent feels the major issues affecting agriculture are; declining crop prices and decreasing profits and genetically modified crops. Brent plans to return to the family farm operation after graduating from Saginaw Valley State with an accounting degree. One of Brent's teachers described him as "a hard worker who is never satisfied until he has mastered the information presented."



MATTHEW SHAW, the son of Leslie and Cheryl Shaw of Decker, is attending the Saginaw Valley State University for Accounting. He has been involved with Varsity basketball, National Honor Society, academic games and Science Team. He is also active in community cares coalition. Matt feels the major issues affecting agriculture in the future are; the impacts of CAFTA; the increased productivity of Brazil; and the rising cost of fuel and how it will reduce farm income. Matthew plans to return to the family farm operation after graduating from Saginaw Valley State with an accounting degree.

Scholarships will be available for the year 2006 to students in the Spartan Insurance Agency area, which covers Michigan, parts of Ohio, Indiana and Illinois. Students with a GPA of 2.6 or higher, who are currently enrolled or will be enrolled in a university or college, and are pursuing a field related to agriculture, are eligible. Interested students may call Spartan Insurance Agency L.L.C., at **1-800-888-2767** for an application or visit our website at **www.spartancrop.com**. The deadline for the 2006 Spartan Scholarship is April 30, 2006.

VISIT US ONLINE AT:
www.spartancrop.com