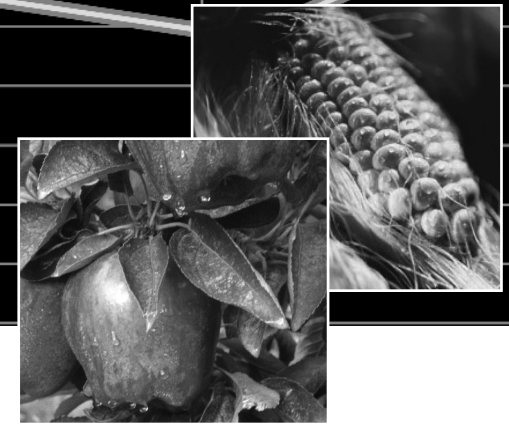


Risky Business

A publication of Spartan Insurance Agency

JUNE 2006



Spring Crops

Acreage Reports: Accuracy is critical when reporting your 2006-planted acres. Please complete and return your acreage report by **JULY 1, 2006**. If you would like assistance with completing your acreage report, please call your agent and they will come out to your farm. It is your responsibility to report ALL acres, including uncertified and prevented planted acres correctly. Make sure your FSA certifications are EXACTLY CORRECT, have your fields measured if necessary. We cannot change or add acres later.

Plant Dates: These are the final plant dates for crops to be eligible for full coverage. All prevented planting acres must be reported within 72 hours of the final plant date for each specific crop or it will not be accepted.

- CORN—June 5
- SOYBEANS—June 15 for Michigan, June 20 for Ohio, Illinois and Indiana
- DRY BEANS—June 25
- PROCESSING BEANS—July 15

Prevented Planted Acres:

If you cannot get all your intended acres planted by the final plant date due to poor weather conditions, then you may qualify for a prevented payment. Your situation must be common to the area. If you are the only producer in your area that has prevented planting, your claim could be denied. GRP or GRIP policies do not have prevented planted coverage. If you have PP acres—you need to call your agent and you need to report

SPRING CROP DEADLINES WILL BE ENFORCED

- JULY 1, 2006** Acreage Reports Due to Spartan
- JULY 1, 2006** Wheat premiums are due—the company will bill you
- JULY 1, 2006** Nursery Stock Deadline for Policy Changes
- JULY 15, 2006** FSA Certification Deadline—Be sure to certify your crop acres at your county FSA office and give us a copy of the 578 forms, as soon as possible.
- AUGUST** If you are chopping silage, call your agent - an adjuster must do an appraisal.
- SEPTEMBER 30, 2006** Deadline to purchase or change wheat coverage.
- OCTOBER 1, 2006** Spring policy premium is due

the prevented planted acres on your acreage report and also certify at the FSA office. *If prevented planted acres are a possibility, call your agent or processor immediately.*

Penalty for Misreported Acres:

According to the 2006 crop insurance manual, producers cannot revise any information pertaining to the planted acreage after the acreage reporting date without the companies consent. Prevented planted acres not reported by the deadline will NOT be accepted. If the correct acres were not reported originally, they will NOT accept additional prevented planted acreage.

The signed acreage report and your FSA certification papers need to match. If they don't match, the FSA measurement or the insurance company's adjuster's measurement will be necessary. *Be sure that your FSA certifications, including maps are CORRECT.*

Any policy that has an acreage variance of more than 10% will result in a reduction of your loss payment. This includes prevented planting, replants or a harvest loss payment.

Replant Information: If you need to replant a crop—don't forget that your policy includes replant coverage. Call us to make sure you don't miss out and so we can get the paper work started. Remember to call

us BEFORE you replant. Replant coverage for CRC and RA policies pay \$20.72 per acre for corn and \$18.54 per acre for soybeans. MPCl policies pay \$16.00 for corn and \$15.45 for soybeans.

Your crops are covered from Asian Soybean Rust . . .

but you must be actively involved in protecting your crop from this disease. Your insurance policy covers unavoidable loss of production due to plant disease, which includes soybean rust disease. Your insurance policy will cover the loss as long as available control measures were properly used. You need to keep an action log or a record of what actions you have taken to control the disease. Please document any treatment or practice you use to control Asian rust. This will help assure you have the full protection that you purchased in your Federal Crop Insurance Policy. If you need additional information, the USDA/RMA website, www.rma.usda.gov, is a good resource. The most important thing to remember is to document your practices.

It's your responsibility to use "good farming practices" to be covered under your policy. Please do your part so you can stay protected. As always, if you have questions, please call your Spartan Agent.

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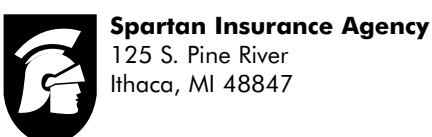
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Schedule your appointment with the FSA office now. The FSA offices are extremely busy. Remember to report your acres to Spartan by July 1st!



Spartan Insurance Agency
125 S. Pine River
Ithaca, MI 48847

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U.S. Postage
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Ithaca, MI 48847

You're Invited

Spartan Customer Appreciation Open House

Wednesday, June 21, 2006 • 11:00 a.m. to 2:00 p.m.

125 S Pine River, Ithaca, MI

LUNCH WILL BE SERVED

Please attend as a token of our appreciation. Please RSVP by calling (800) 888-2767 and you will be entered into our drawing.

The Times They Are A' Changin

BY STEVE BEIER, THE ANDERSONS

In my last twenty-five years of studying the markets I have been slow to buy into arguments about new price support plateaus for commodities. I now believe that we are raising the bar on values, especially in corn. There are two things pushing me to this conclusion. The first is a high influx of world wealth wanting to own "assets", betting on inflation of things like metals, energies and commodities. The belief is that economic growth in countries like China will promote higher world consumption of these finite assets. The second driving force is the transitioning of corn and beans from merely being food and feed grain commodities to now being partially energy commodities! Ethanol and bio diesel are the energy deriv-

atives from what used to be only feed and food grade commodities. I want to emphasize that this is a transition that may take up to three years to fully develop in as much as some of the future demand for corn and beans is being projected from plants that have not been constructed. The market will also need some time to determine how much of the US corn and bean crop will be used for energy and how much will be left for food and feed.

This transition will provide all kinds of opportunity, however most of these opportunities will only be acquired by "Changes" in your behavior. One example of this change is what you decide to plant. In the past, many have been locked into a specific crop rotation. You will

need to pay more attention to what the market would like you to plant. Today, we are quoting more than four dollars cash for new crop '08 wheat. Historically this was a great price to start selling deferred crop year production. However, today I am also quoting three dollars cash for new crop '08 corn. Economics would suggest that corn is the better sale and that perhaps you should grow more corn. A new price plateau would also suggest a higher

PRODUCERS WITH REVENUE POLICIES:

- Make sure you are marketing up to your guarantee.
- Market your crop when the markets are high.
- Know your guarantee and use your policy to your benefit.

market price support level. This would affect where one would begin their scale up selling on corn and beans. Initial sales levels need to be raised in deferred years and more attention must be given to protecting a percentage of your sales with option feature calls. All this being said you still can't freeze in the headlights. Know your cost, know what a good return on your investment and leverage your revenue crop insurance with sound, opportunistic selling.

YOU CAN AVOID A COSTLY MISTAKE...

Be sure to check your printed schedule of insurance as soon as you receive it. We try very hard to double check acres, but ultimately, it is your responsibility to make sure all the acres are reported with the correct location and are included on your schedule. We realize they come in the mail at a busy time, but please take the time to check the information mailed to you.

IMPORTANT INFORMATION FOR APPLE INSURANCE POLICY HOLDERS

Your apple policy (including the \$100 CAT policy) now guarantees production of USDA Processing grade or better. If weather causes damage to your apples that reduce them to below Processing grade, those apples in that category will not be counted as production against your guarantee. This includes quality issues such as color, shape, size, and russeting. Following is a loss example:

APH (5 year average yield)	=	500 bu/acre
X CAT level of coverage	=	50%
Guarantee	=	250 bu/acre
Harvest Yield	=	300 bu/acre
LESS 25% damaged production (less than USDA Proc grade)	=	75 bu/acre (not counted)
Production to Count	=	225 bu/acre
Loss paid on policy	=	25 bu/acre

If you have selected the Fresh Fruit Endorsement for your policy, the policy insures for USDA Fancy grade. The same perils are covered but there is also an increasing payment factor depending upon the percent of damaged production.

So what does this mean to you? If you have damaged production and/or reduced yields, we are recommending that you request a crop insurance adjuster conduct a pre-harvest inspection. At that time a grade appraisal will determine the percent of apples that fail to make the grade requirements. The grade inspection will make things easier for both you and the insurance company if there is a payable loss. Your pack out records may not be sufficient evidence of quality losses.

As soon as you suspect that you may have reduced yields or damaged apples, please call us to submit a notice of loss. This will allow the insurance adjusters adequate time to make arrangements with you on how to proceed before and during harvest. This grade level increase is good for you, but it will require increased efforts on all of our parts to make sure things go smoothly during a loss adjustment.

DON'T BE AFRAID TO CALL—WE ARE HERE TO HELP!

It might keep you from making a costly mistake

It's Time to Buy Your CROP-HAIL Protection!

Hail insurance covers dollar for dollar the value of your crop and provides you with additional coverage due to losses caused by fire, vandalism, transit losses and wind damage to storage structures.

Hail insurance coverage is available up to the value of the crop. The rates are very reasonable. Coverage goes into effect as quickly as two (2) hours after your commitment to purchase. Spartan offers hail insurance with several different companies and offers competitive rates.

GRP and GRIP policies DO NOT specifically cover hail damage—so you may need a separate hail policy.

Specialty Crops should consider additional Hail Coverage as you have a high input, high-risk crop. Hail can definitely damage the appearance of your crop and make it unmarketable—so you should consider hail insurance to help cover that risk.

Your **MPCI, CRC or RA** policy DOES cover hail, but it's limited to the final yield. Each policy has different triggers for a loss. A hail policy pays on any amount of loss and doesn't depend on the crop yield. If you lose 18% of your potential yield then your loss is 18% of the amount of coverage you have in place. A CRC/RA loss caused by hail damage is triggered by the value of the crop at harvest time. The extent of the hail, your level of coverage, the price and yield at harvest will

determine how much you are paid . . . if at all. A hail policy is the best policy to have if hail losses occur and coupled with a MPCI, CRC or RA policy provides you the best coverage available and the cost is still reasonable.

If you purchase your hail coverage now, the cost is the same as purchasing it later—so you get a longer coverage period for the same price. Don't wait! Call Spartan Insurance for hail coverage today at 1-800-888-2767. And Remember—if a hailstorm hits and you have any damage—please call your agent right away. Your policy indicates you MUST contact us within 10 days of the storm. Call Spartan Insurance today if you would like a quote or need additional information.

ARE YOU CHOPPING SILAGE?

If you are chopping corn—call your agent before you start so we can get an adjuster set up to appraise it. YOU MUST HAVE A SILAGE APPRAISAL or you will not get your full yield for APH calculations.

Check our website **spartancrop.com** for upcoming wheat meetings in August.