

Risky Business

A publication of Spartan Insurance Agency

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Wet Weather Issues

With many areas in Michigan and Ohio getting excess rain this spring, there might be issues with prevented planted acres and replants.

Call your agent before you replant or destroy any crop.

Do you have Prevented Planted Acres?

If you can't get all your intended acres planted by the final plant date and poor weather is the reason, then you may qualify for a prevented payment. Your situation must be common to the area. If you have PP acres—you need to call your agent and you need to report the prevented planted acres on your acreage report and also certify at the FSA office. The PP payment is 60% of your coverage (45% on sugar beets).

These criteria must be met:

- PP acres must be reported within 72 hours of the final plant date.

- There must be more than 20% of the unit or more than 20 acres (whichever is least), prevented to be eligible for payment.
- Payment on prevented planted acres can't exceed the total highest number of acres planted in any one of the last four years, less the acres planted in the current year.
- Planting after the final plant date will reduce your guarantee by 1% per day.
- If you have a GRP or GRIP policy—you do not have prevented planted coverage.

Do You Need to Replant?

- If you need to replant a crop—call your agent. Depending on your policy, you may have coverage. You need to report the replant intentions **BEFORE** you replant the crop.
- Replant coverage for CRC and RA policies pay \$32.48 per acre for corn and \$24.27 per acre for soybeans. GRP, GRIP and CAT policies do not cover replant costs.

BE SURE TO MEET THE DEADLINES

July 1, 2007—Acreage reports due to Spartan.

July 1, 2007—Wheat premiums are due. The company will bill you.

July 1, 2007—Nursery stock deadline for policy changes.

July 15, 2007—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, 2007—Deadline to purchase wheat insurance or change your existing coverage.

October 1, 2007—Spring policy premium is due. The company will bill you.

Spring Crops

ACCURATE ACREAGE REPORTS IS YOUR RESPONSIBILITY AND ARE VERY IMPORTANT!

- Please complete and return your acreage report promptly.
- The Spartan Insurance acreage report deadline is JULY 1, 2007, please return it as soon as you are finished planting, no later than July 15.
- If you would like assistance completing your acreage report—call your agent and they will come out to your farm.
- It is **your responsibility to report ALL acres correctly**, including uncertified and prevented planted acres. Make sure your FSA certifications are EXACTLY CORRECT. Have your fields measured if necessary, we cannot change or add acres later.
- **Added Land:** If you have land not included on the acreage reporting form—please add the section, township, acres and share percentage in the added land portion of the form.
- **FSA Papers:** Please send Spartan a copy of your FSA acreage certification forms, including maps. If you cannot certify your acres until after July 15, please send a copy immediately after you certify. This can eliminate potential mistakes.
- **Replants:** If you need to replant a crop—call your agent immediately. MPCI, CRC and RA policies provide replant coverage; GRP, GRIP and CAT policies do not.
- **Prevented Planted Acres:** Prevented planted losses **MUST** be turned in within 72 hours of the end of the late planting period—there will be **NO EXCEPTIONS!** This is a FCIC ruling, not our policy. It is critical that you contact us immediately if you are unable to plant due to weather conditions.
- **DO NOT DESTROY** any crop before an adjuster has appraised the crop and has given you permission to destroy it. You need to report acres that were destroyed and planted to another crop.
- **Sugar Beet, Tomato and Snap Bean Producers**—we must have a copy of the contracts. Acres cannot be insured until we receive a copy of the contract.

Please make sure you schedule your appointment at the FSA office early enough to get your acres certified and reported to Spartan by the deadline of July 15, or sooner. Thank you!

CHOPPING SILAGE?

If you are chopping corn for silage—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.

KNOW YOUR RESPONSIBILITY

We know no one likes to do paperwork, but paperwork is important! Be sure to check your printed schedule of insurance as soon as you receive it.

It is your responsibility to make sure all the acres are reported with the correct location and are included on your schedule. We double check the information given to us and check against FSA paperwork. We realize they are mailed at a busy time, but it is important that you check them. It may cost you a lot of money if your acres are not correct.



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Game On!

STEVE BEIER, THE ANDERSONS

All the pre game antics (timely planting, number of acres, emergence) are behind us. From here to September the market will trade WORLD-growing weather. As you tighten your seat belt remind yourself that we are in a different game. A lot of historical data does not apply to today's market. Here are some things to be cognizant of.

Think Global—do not look out your back door and form an opinion about the markets. You must be more aware of what is going on around the world.

Frozen—this is the inability

to pull the marketing trigger. When was the last time you sold something? Sell more frequently, but in smaller quantities. Patience—previously supply hick-ups in production would quickly be resolved by another growing season in the opposite hemisphere. Rallies would last three to six months and then over production would quickly flood the markets and prices would collapse. Now it will take the world longer to replenish supply shortages.

Volatility—get ready for bigger yings and yangs by the market on a daily basis. Limit market moves will be more common. The market thrives

on weakness. Can your current market position weather a limit market move in either direction?

Emotions—although every market plan must be flexible, changing your plan on a daily basis is a recipe for failure. Stay disciplined!

There is no question that farming has become a riskier business today because of all the above stated issues. Don't try to bat a 1000 percent with all your marketing decisions. You must tolerate some room for error. Be willing to spend a little marketing risk money on options. You'll sleep better and keep your blood pressure down!

FINAL SPRING PLANT DATES

All prevented planting acres must be reported within 72 hours of the late planting period for each specific crop or it will not be accepted.

- **CORN:** June 5—Report possible prevented planted acres by June 8; Call your agent immediately if you have prevented planted or replant acres on corn.

- **SOYBEANS:** June 15—Report possible prevented planted acres by June 18 for Michigan.

- June 20—for Ohio, Illinois and Indiana, report possible PP acres by June 23.

- **DRY BEANS:** June 25—report possible prevented planted acres by June 28.

- **PROCESSING BEANS:** July 15—Report possible prevented planted acres by July 18.

Don't get a Penalty for Misreported or Under-reported Acres

- If you misreport or don't report acres, you will be penalized. Producers cannot revise any information pertaining to the planted acreage after the acreage reporting date (7-15) without the company's consent.
- Prevented planted acres not reported by the deadline will NOT be accepted. The deadline is 72 hours after final plant date for the PP crop. If the correct prevented planted acres were **not reported** originally, additional prevented planted acreage will NOT be accepted.
- The signed acreage report and your FSA certification papers should match. If they don't match, a FSA measurement or the insurance company's adjuster's

measurement will be necessary. **Be sure that your FSA certifications, including maps are CORRECT and include them with your acreage report.**

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. If it is discovered that the producer reported any information incorrectly, the producer may be required to provide documentation in subsequent crop years to sustain your acreage report for those years. You might also be requested to have acreage measurements done at your own expense.

GRP And GRIP Policy Holders

Your policy does not have:

- Replant coverage (except for the producers who purchased an endorsement to their hail policy by 3-15).
- Prevented planting coverage (except for the producers who purchased an endorsement to their hail policy by 3-15).
- Hail coverage

Better to be safe than sorry. If you need hail coverage, call your agent immediately. There is no final plant date for GRP or GRIP policies, you need to report the total acres planted per crop and by share percentage, by the acreage reporting date of 7-15.

Consider Hail Insurance For Your Specialty Crops

Hailstorms last for an average of six minutes and can wipe out an entire crop. Specialty crops are already high input, high-risk crops and hail insurance can help control this risk.

Consider these points in your hail insurance decision:

- Does your crop insurance policy provide coverage for hail losses? An MPCl policy provides coverage for hail losses to the extent that your yield is reduced below your guarantee. In addition, most specialty crops that do not have an MPCl policy available can be insured for hail losses.
- Could hail damage reduce the quality of your crop to a level that it is not marketable? **Appearance counts.** Minor damage can prevent a crop from being sold in the fresh market. Or worse yet, major damage can keep you from selling the crop at all.
- **Are you in an area prone to hail storms?** There are

areas that seem to have more than other areas. If you're farming in one of those areas, you should strongly consider hail coverage.

- **Does the entire crop have to be insured?** No, you can choose which acres to insure and the dollar value. There are dollar limits by crop and the acres insured must be specifically listed on the policy application.
- **When is the deadline?** There is no deadline if the crop has not been damaged by hail, but most companies have a waiting period after an application has been signed. Companies have township limits of the total amount of insurance that can be written. Once that limit has been reached an application will be denied—so don't wait.
- Hail coverage can be written AFTER a storm; however, the coverage will be adjusted for the % of potential crop still remaining.

Call your Spartan Insurance agent today if you need additional information and quotes.

ARE YOU PROTECTED FROM HAIL?

Haile 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. 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 your agent for details and quotes.

VISIT US ONLINE AT:
www.spartancrop.com

Our website includes updated revenue product prices, deadlines and other important crop insurance information. You can also reach us by phone at (800) 888-2767.