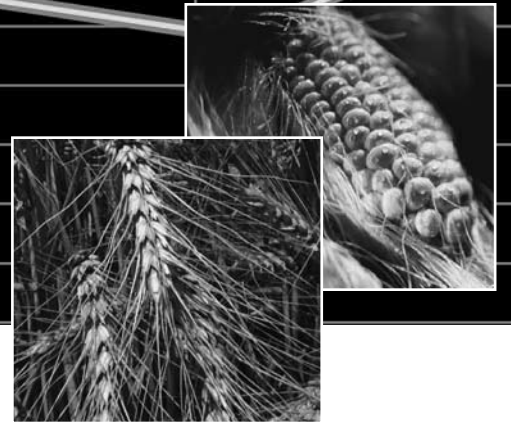


Risky Business

A publication of Spartan Insurance Agency

SEPTEMBER 2008



The New Farm Bill Requires Crop Insurance Coverage

Please be aware the new Farm Bill includes a permanent disaster program called Supplemental Revenue Assistance Payment (SURE). It is our understanding, for farmers to be eligible for future disaster payments through SURE, all crops must be protected. They must cover their crops with either crop insurance or NAP, which is the Non-Assured Program for uninsurable crops. NAP is available through the FSA. Be sure to check with your local FSA office for the requirements.

Many of you may carry coverage on your spring crops, but not the fall planted crops, such as wheat, forage, fruit and pasture ground. Even if you only have a few acres of an insurable crop, it must be covered. There are no exceptions. If the crop you have is an uninsurable crop, then you need to ask the FSA office about the NAP program. Please don't risk the possibility of being ineligible for the program if you do not comply. Make sure you check with your FSA office to know the requirements and make arrangements to acquire insurance if you need it. If you have any questions, please call your Spartan agent.

2008 Winter Wheat Harvest Price Announced

- RA 2008 Winter Wheat harvest price - \$8.31, base price was \$5.93
- CRC 2008 Winter Wheat harvest price - \$7.93, base price was \$5.93
- GRIP Winter Wheat harvest price - \$7.95, base price was \$5.95
- MPIC wheat price is \$4.90

These prices are averages from the Chicago Board of Trade, according to the trading dates set for each policy and will be used to figure 2008 wheat losses for the revenue policies.

Deadlines ~

September 16, 2008 - Deadline at the FSA office to pay a "buy-in-fee" for the 2008 crop program.

September 30, 2008 - Wheat and Forage Policy Deadline - Remember all crops need to be covered.

October 1, 2008 - All Spring premiums are due - You will receive a bill and have a 30-day grace period.

October 25, 2008 - Final plant date for wheat. Northern Michigan counties planting date is October 5. (Wheat Planted up to 5 days after these dates is insurable, but subject to late planted guidelines).

November 14, 2008 - Wheat yield reports due - Report yields for the 2008 wheat crop.

November 15, 2008 - Wheat acreage report due - Final date to report planted wheat acreage. Please return your signed acreage reports ASAP!

November 15, 2008 - Forage production and acreage reports due.

November 20, 2008 - Deadline to apply for insurance on: barley, grapes, apples, peaches, sweet cherries and blueberries. All acres must be insured.

End of the Insurance Period - latest date of insurance coverage.

Date of file notice of crop damage - after damage; the date the producer decides to discontinue caring for the crop; prior to the beginning of harvest; immediately, if farmer determines that the crop is damaged after harvest begins; or the end of the insurance period, whichever is earlier. There is a final date that claims can be filed and the dates are different for each crop.

December 10, 2008 - This is the final date that claims may be filed for corn, soybeans, dry beans and sugar beets. However, claims should be filed immediately upon knowledge of a loss.

January 5, 2009 - Fruit production and acreage reports due

January 31, 2009 - Deadline to apply for AGR insurance

Wheat Insurance Deadline is Sept. 30

You need to make sure you have adequate coverage for the 2009 crop year. September 30 is the deadline to add, change or cancel your wheat insurance for 2009. Contact your agent right away to review your policy, get a quote and make sure you are covered at the level you need.

- CAT coverage cost is increasing to \$300. So if you are carrying CAT on your wheat, please check with your agent to see if there is a more economical coverage for your operation.
- If you do not make any changes, your fall wheat policy coverage and levels will remain the same as 2008. Wheat renewal forms were mailed out to all wheat policyholders, please complete and return them by September 30.
- Make sure you look over your policy and your yield history. Visit with your agent to make sure you have the appropriate options on your policy. With the YA option, low yields can be replaced with 60% of County average.
- Your wheat crop insurance policy has a five-day late planting period. Wheat planted in the late plant period is insured and coverage is reduced by 1% for each day within the late planting period. Wheat that cannot be planted by the final plant date, might qualify for prevented planted acreage. Prevented planted (PP) wheat acres can then be planted to a spring crop with the PP payment reduced to 35%. Check with your agent to see what qualifies as prevented planted.

Fruit Deadline is November 20

Remember you are required to carry crop insurance on all crops in 2009. Even if you only have 5 acres of fruit, it is required by the new farm bill to be covered. Be sure you don't get penalized! November 20 is the deadline to sign up for a new fruit policy or change your existing coverage.

2008 College Scholarship Awarded

For the past nine years, Spartan has been awarding money for college scholarships. This past year Spartan awarded five scholarships for a total of \$5,000. We realize college tuition is increasing and we hope this will help students attend school. We are again awarding five \$1,000 scholarships. Congratulations to the 2008 Scholarship recipients, they are: Josh Gulick of Gratiot county, Elizabeth Krhovsky of Shiawassee county, Renee Mattek of Lenawee county, Joseph Schliesser of Defiance county and Ryan Terry of Lenawee county. Congratulations again and best of luck to all the applicants. Look for more details on the scholarship winners in our next newsletter.

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What's Ahead?

STEVE BEIER, THE ANDERSONS

As we wrap up another wheat harvest we begin to look ahead to what corn and soybean harvest will have in store for us this fall, it is essential to not stop short, but to keep looking forward. Mainly, it is critical that we are starting to get a game plan in place for the upcoming 2009 crop year. The following are some points that you should be thinking about as you start to get your 2009 plan and budget in place. What will your cost of production be for the crop year 2009? We are all aware that the cost of producing a crop has risen dramatically in the past couple years. It is time to sit down and take a realistic look at what your cost of production will be for 2009, and where 2009 corn and soybean values are today.

You should be talking with your seed, fertilizer and chemical reps in order to get the best idea of what it is going to cost you to produce a 2009 corn and soybean crop. What you find may surprise you. Many people that I have talked to in the past month are astonished when they put a pencil to their 2009 cost and find it is approximately \$6.20 per acre. December 2009 futures price, corn might not equate to a profit in their operation and that soybeans might be more profitable. The sooner you know your production costs the faster you can begin to build a budget and start the challenging task of determining your 2009 crop mix. Armed with a budget, you will be able to establish marketing price objectives. But more importantly, you should be able to get your lender to approve your line of credit. It is easy to get frustrated with the day to day market action, rising costs, and general uncertainty of the industry in which we operate. Do not let the uncertainty of the future stop you in your tracks and put you in stand by mode. Now is the time to get your plan in place.

Hay Insurance Required

As of the time of this writing, it appears that based on the new Farm Bill farmers will need to purchase federal crop insurance or NAP on every crop they grow in order to be eligible for the new standing disaster program known as SURE. Since most of the procedures for the new Farm Bill have not been disclosed, it is important you be aware that some crops have sales closing dates yet this fall. Most notable of these crops will be wheat and hay. This article is intended to discuss hay, known as forage production, policies under the federal crop insurance program. In the four states that Spartan writes crop insurance, only Michigan and two counties in Illinois have forage production policies available. The following counties in Michigan have forage production available: Allegan, Alpena, Barry, Chippewa, Clare, Clinton, Huron, Ionia, Isabella, Jackson, Kent, Lapeer, Mecosta, Menominee, Missaukee, Montcalm, Newaygo, Ogemaw, Osceola, Ottawa, Sanilac, and Washtenaw. If you grow hay in any of these counties please call your Spartan agent for information on a forage production policy prior to September 30, 2008. If you are in other counties and grow hay, contact your local FSA county office for an NAP policy. By purchasing at least the catastrophic level (CAT) of crop insurance you will preserve your eligibility on all crops for the SURE program.

Reporting Production, Losses & Storing Grain

Production varies due to varying rainfall. Please call your agent or processor if you know, or think you might have a claim. We need claims turned in as soon as possible. Even if you aren't sure you will have a claim it is best to turn it in so it's not missed.

- Are you storing grain? If you have grain stored from a previous year's crop, you cannot commingle this year's crop with it. Please call first!
- Any claims over \$100,000 will be required by the RMA to have an APH audit of the past three years of yield history done before the claim will be paid. Producers will be required to provide proof of the yields that were reported in 2005, 2006 and 2007. The audit will require producers to provide scale slips or records to prove the production per unit. Therefore the earlier you report the loss, the more timely it can be paid.
- Be sure to report your production as soon as possible, as we check for losses as you report your yield. The sooner we can get your claim started the better. You will be receiving your spring production reporting forms in the mail soon.

BYE Discount will be available for all States

The biotechnology endorsement pilot program has been approved for all states for the 2009 crop year. The pilot program is an endorsement to the current policies and will give producers a discount, if they qualify. However, the insured's are required to purchase a buy-up level of coverage and plant at least 75% of their insured corn acres in a unit to a qualifying corn hybrid. Only non-irrigated corn is eligible. Producers are also required to have a biotech yield endorsement form, a seed dealer certification statement and seed receipts to accompany their acreage report. Be sure to discuss all the details with your crop insurance agent, as there are also penalties if you do not qualify.

New Agent

Spartan Insurance will be adding a new agent to the Spartan Team. Mark Gaynier, will be starting with Spartan effective Sept. 1, 2008. Mark will work as an agent and customer service representative primarily in South East Michigan. Due to the changes in the 2008 farm bill, Spartan anticipates the need for increased individual customer service. Mark was born and raised in Monroe and he and his wife Peggy live in Milan, Michigan. We welcome Mark to Spartan Insurance Agency.

Employee Changes:

Karen Stoneman will be leaving Spartan Insurance as she has accepted a new job with Michigan Farm Bureau. Karen has been a true asset to Spartan over the last 10 years and will be greatly missed. She wrote the newsletter, produced the brochures and website and handled the company advertising as well as policy processing. Please join us in wishing her the best of luck in her new position.

Chopping Silage?

If you are chopping corn for silage this year, please make sure you call your agent before you start. Many policies need to have appraisals for corn silage. If you chop and have not gotten an appraisal, you may take yourself out of a claim. If the adjuster cannot look at the fields before you finish, please leave strips to appraise.

Harvesting and APH

Please report your spring crop production as soon as you are done. Keeping track of accurate yields per section is especially important, if your policy requires reporting by section. Before you start harvesting, be sure you know the requirements of your policy, so you report your production accurately. If you have a loss, the sooner you report your production, the sooner your loss can be paid. If you have a policy that doesn't require production reporting, such as GRP or GRIP, you can still give your agent your production to keep in the file. Then if you change your policy in the future, your agent will already have your production history.

2008 Photo Contest Winners

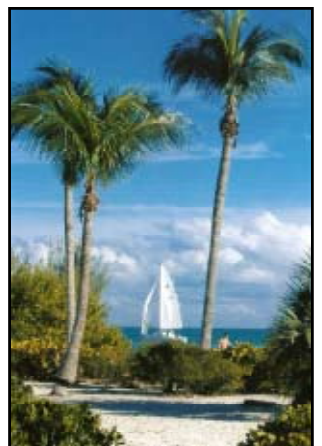
We continue to have great photo entries for our annual photo contest. Thank you for those who participate. The photos are posted on our website, so please look at them on spartancrop.com. These are the winners we have chosen for this year. If you have a photo of anything agricultural related; please e-mail them to Spartan Insurance Agency at kstoneman@spartancrop.com Thank you!



1st place Matt Shaw. Matt is from Sanilac County and has taken many wonderful pictures that he has submitted to our contest. This is just one of many that could have won the first place honors.



2nd place was submitted by Julie Chaffin, taken of the Chaffin family during pickle harvest.



Honorable mention goes to Laura Heath, age 14 of Milan Michigan. She is the daughter of Mr. & Mrs. Gary Heath.

Congratulations to all our winners. Thank you for submitting the photos.