

SOUTHWEST AG INSURANCE NEWSLETTER

SEPTEMBER 2017

**To everything there is a season,
a time to plant and a time to harvest that which is planted.**

Ecclesiastes 3:2



UPCOMING DEADLINES

Wheat Final Plant Date:	Counties included:
10/20/17	Grant, Greeley, Hamilton, Kearny, Stevens
10/31/17	Clark, Finney, Ford, Gray, Haskell, McPherson, Meade, Pawnee, Riley, Seward, Stafford
11/5/17	Comanche, Harper, Kingman, Kiowa, Pratt, Sumner
11/15/17	Beaver OK, Franklin
11/30/17	Caddo OK



September 30th is the Sales Closing Date for 2018 wheat changes.

This is the last date to make changes to your policy. This includes changing your coverage level, type of coverage, establishing a new policy for a new county, etc. We are happy to assist you in answering any questions you may have, reviewing your current coverage, and/or making any changes if necessary.

Please give us a call prior to the deadline.

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GARY'S SECTION



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I'm going to generalize with this statement but I believe overall we have had a pretty favorable spring and summer. We definitely had some challenges with the snowfall during corn planting and more than a foot of snow blanketing the wheat for several days in some areas during that period. There was more replanting of corn in southwest Kansas than we

have experienced in many years. But, in spite of all that we have had timely rains and many days of good growing conditions. Hail and wind have taken a toll on the crops in certain regions but I remain optimistic that good yields are still out there and where the crop damage is heavy the crop insurance should fill the gap. I have had several questions this summer regarding wind coverage. Multi-peril insurance covers wind, but on the top portion of the crop that is not insured by multi-peril a wind endorsement can be purchased as an add-on to a hail policy. There are several different versions of wind coverage available. If this is of interest to you please let us know and we can explain the differences and set you up with whatever you prefer.

We are half way through the price setting period for winter wheat as I write this column. The price setting period will end on September 15. The price is currently at **\$4.86** and has been trending up in the last few days. For our charts in this newsletter we will use **\$4.85** as our price estimate for wheat. This is .26 cents higher than last year's wheat price which will provide coverage guarantees slightly higher than last year.

Margin Protection insurance will be available to Kansas producers for the 2018 corn and soybean crops in most counties of southwest Kansas. This is a multi-peril type of coverage that insures against not only price and yield loss, but also increased operating costs. It is an "area-based" plan and uses county level yield and input cost data to calculate revenue and operating costs. It doesn't use the actual yields and input costs of your individual farm to figure the "margin guarantee". We will gladly show you more information on this and answer questions for you if you have an interest. One

thing to note is that the deadline to sign up for this coverage is September 30, even though the coverage is for the 2018 corn and soybean crop.

Triticale will be an insurable crop for the 2018 crop year in several southwest Kansas counties. If you have an interest in insuring triticale, please get in contact with us. We can explain the details of insuring this crop and answer any questions you may have. It would need to be added to your policy by September 30th to be in effect for the 2018 crop.

I wanted to mention a word or two about changes to your farming operation. As federal crop insurance and FSA more closely align in the data needed, please make sure that any changes to your operation are documented for crop insurance as well as FSA because the same notification is required by both. Changes such as adding land, establishing a trust, getting married, changing crop share arrangement, etc., all have an impact on your crop insurance policy. Please notify us of any changes as soon as possible so we can make the necessary adjustments and keep your policy updated and in force.

We consider it a privilege that you allow us to serve you risk management needs. Thank you for your confidence in the staff at Southwest Ag Insurance. We take the responsibility very serious and strive to provide the best service possible. Thank you for your business!



SOME INTERESTING FACTS:

- There are 59,600 farms in Kansas
- Agriculture is the top industry in Kansas, accounting for over 40% of the total economy
- Kansas corn acres have doubled since the mid-1990's
- Twenty years ago- 28% of Kansas corn acres were non-irrigated. Today, 62% of Kansas corn acres are grown without irrigation.
- Approximately 2/3 of the Kansas corn crop is used in-state and 1/3 of the crop leaves the state for use in other states or countries.
- Modern ethanol production can produce approximately 2.8 gallons of ethanol per bushel of corn.

(Ks Corn Growers Assn., USDA/NASS state statistics)

MEGAN'S CORNER

As area farmers are getting ready to wrap up their 2017 crop year in the next several months, we are looking ahead to what the 2018 crop year may bring. We are estimating wheat acres to be substantially lower for our area. The record amount of dryland corn acres that were planted this summer leads us to believe many farmers will alter their crop rotations and forfeit what would have been wheat acres. The 2017 wheat crop was another one to remember. We started fielding phone calls starting in February and March about the possibilities of destroying what looked like a sub-par wheat crop. The problem with this theory is that in order to release and insured crop, one of our crop adjusters must come out and give that crop an accurate appraisal. When an adjuster is appraising a wheat crop five months before harvest, it's tough to get an adjustment that works for both an adjuster and the farmer. Too many variables come into play, and many times we encourage our farmers to do the unimaginable----wait. However, waiting on this past wheat crop proved to work. Even with a slow

start, poor stands, dry winter, SNOW at the end of April, and high winds, we saw above-average wheat yields reported throughout the area.

Combines will start rolling into the fields over the next several weeks. USDA reported Kansas had 5.3 million acres of corn planted this year (irrigated and dryland)....which is up 4% from the 4.92 million acres planted in 2016. Estimates are being made of over 700million bushels of corn that will be harvested this fall.

With the influx of dryland corn acres, our harsh weather patterns have shown mercy

on the increased amount of dryland acres out there this summer. Our area of southern Gray county and Haskell county has had a reported amount of 23 ½ inches of rain since the first of January---many of those rains coming in the dead heat of June or July at a very timely point. In comparison, Des Moines IA has a reported rainfall of only 19 ½ inches thus far. In speaking with agronomist, seed salesmen, and many of you farmers, the dryland corn acres look to be hanging in there. We are hopeful that you see the same as the combines start running through the field.

As you will notice, September 30th is the deadline to make changes to you wheat policy. If you've had thoughts of going up or down on coverage levels on your wheat or if you have taken on farm ground in a new county, we will need to have a policy established by September 30th. We would be happy to make a quote for you on your current coverage level and help you think about the upcoming year.



HAPPY RETIREMENT!

Longtime employee, Patty Stude, has set her sights on retirement this year. She helped our office through the busy summer months, but has decided it is now time to truly enjoy the retiree life. Patty worked many years at local FSA offices and brought a depth of that knowledge to our office. She mainly mapped farm acres for our policyholders, but also helped us get a grasp on CLU requirements and many FSA programs as they relate to crop

insurance. Patty has a 3-year-old granddaughter, Hazel, that we suspect may have something to do with her retirement as well as older grandkids that are becoming more involved with High School Rodeo. Patty plans to keep up with grandkid's activities as well as whatever her husband, Glen, may have up his sleeve. Patty, we can't thank you enough for your service and will miss having you in our office.

2018 QUOTES

IRRIGATED WHEAT | *PRICE: \$4.85

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE \$*	OU PREMIUM \$*	EU PREMIUM \$*
40	65	RP	26.0	126.10	7.07	2.51
40	70	RP	28.0	135.80	8.59	3.09
40	75	RP	30.0	145.50	11.67	4.35
40	80	RP	32.0	155.20	16.80	7.63
50	65	RP	32.5	157.63	7.74	2.75
50	70	RP	35.0	169.75	9.43	3.40
50	75	RP	37.5	181.88	12.81	4.81
50	80	RP	40.0	194.00	18.48	8.43
60	65	RP	39.0	189.15	8.36	2.98
60	70	RP	42.0	203.70	10.22	3.69
60	75	RP	45.0	218.25	13.89	5.24
60	80	RP	48.0	232.80	20.06	9.19
70	65	RP	45.5	220.68	8.99	3.21
70	70	RP	49.0	237.65	11.01	3.98
70	75	RP	52.5	254.63	14.98	5.67
70	80	RP	56.0	271.60	21.65	9.94
80	65	RP	52.0	252.20	9.78	3.49
80	70	RP	56.0	271.60	12.00	4.35
80	75	RP	60.0	291.00	16.34	6.19
80	80	RP	64.0	310.40	23.62	10.87

As always, it is too early in the base price setting period to anticipate the final price, so **these coverage and premium quotes are for your reference only** to indicate what to expect. We all know that this year the market prices have been completely unusual and unpredictable. **Take these quotes for what they are worth, A SAMPLE for reference ONLY.** Please call for a time to discuss your farm plans.

RP = Revenue Protection

OU = Optional Units

EU = Enterprise Units

***This is an estimated price. These coverage & premium quotes are for your reference only. Price will be finalized September 14th.**

SUMMERFALLOW WHEAT | *PRICE: \$4.85

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE \$*	OU PREMIUM \$*	EU PREMIUM \$*
30	65	RP	19.5	94.58	7.45	2.59
30	70	RP	21.0	101.85	9.02	3.15
30	75	RP	22.5	109.13	12.31	4.47
30	80	RP	24.0	116.40	16.80	7.51
40	65	RP	26.0	126.10	8.39	2.92
40	70	RP	28.0	135.80	10.17	3.56
40	75	RP	30.0	145.50	13.91	5.05
40	80	RP	32.0	155.20	19.00	8.52
50	65	RP	32.5	157.63	9.18	3.19
50	70	RP	35.0	169.75	11.15	3.91
50	75	RP	37.5	181.88	15.25	5.56
50	80	RP	40.0	194.00	20.64	9.40
60	65	RP	39.0	189.15	10.24	3.57
60	70	RP	42.0	203.70	12.45	4.38
60	75	RP	45.0	218.25	17.04	6.23
60	80	RP	48.0	232.80	23.35	10.53



2018 QUOTES

CONTINUOUS CROPPING WHEAT | *PRICE: \$4.85

RP = Revenue Protection

OU = Optional Units

EU = Enterprise Units

***This is an estimated price. These coverage & premium quotes are for your reference only. Price will be finalized September 14th.**

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE \$*	OU PREMIUM \$*	EU PREMIUM \$*
20	65	RP	13.0	63.05	8.99	3.06
20	70	RP	14.0	67.90	10.40	3.55
20	75	RP	15.0	72.75	13.63	4.81
20	80	RP	16.0	77.60	18.61	8.04
30	65	RP	19.5	94.58	10.57	3.58
30	70	RP	21.0	101.85	12.25	4.18
30	75	RP	22.5	109.13	16.03	5.68
30	80	RP	24.0	116.40	21.88	9.50
40	65	RP	26.0	126.10	12.68	4.30
40	70	RP	28.0	135.80	14.70	5.02
40	75	RP	30.0	145.50	19.26	6.84
40	80	RP	32.0	155.20	26.27	11.44
50	65	RP	32.5	157.63	15.85	5.37
50	70	RP	35.0	169.75	18.38	6.27
50	75	RP	37.5	181.88	24.07	8.55
50	80	RP	40.0	194.00	32.84	14.30

SPRINKLER INSURANCE



Are your irrigation sprinklers covered properly? We have an excellent product to insure you sprinklers at replacement cost, including mechanical and electrical issues, with no age restriction on sprinkler. Let us help you review your coverage. It may not be as expensive as you think to have good coverage. We would be happy to provide you with a no obligation quote.

2017 CALENDAR

CROP INSURANCE DEADLINES

Fall Crops: Wheat	Sales Closing Deadline	Last day to apply for or change coverage.	September 30th
Fall Crops: Wheat	Production Reporting Deadline	Last day to report 2016 wheat production for APH.	November 15th
Fall Crops: Wheat	Acreage Reporting Deadline	Last day to report wheat acreage planted. If not reported, insurance will not be in effect.	December 15th

ENTITY CHANGES AND TAX IDENTIFICATION NUMBER REPORTING



IMPORTANT- Now is the time to double check all information on your policy. Have you provided us with information regarding any changes to your operation? Please consider the following:

ARE THERE ANY CHANGES TO:

- Entity type, name, tax ID number or marital status?
- Have you established a Trust?
- Any changes to SBI's (any person or entity with a substantial beneficial interest (SBI) in the policy or entity)?

The information on your policy must match how it is carried at FSA. Because this is a federally sponsored program, regulations state that the crop insurance policy can be deemed "not valid" if any of the above information is not listed properly on the policy. Please double check.

ACCURATE ACREAGE REPORTING

As we start gearing up for the 2018 crop year, we want to remind you of a few things on your Wheat acre reports that will be mailed out in the next few weeks. We will continue to request the FSA 578 for all acre reports as we are required to enter the CLU (common land unit) on each of your planted fields. The CLU consists of your individual **Farm Number- Tract Number- and Field Number**. Our office is familiar with reading 578's and matching your CLU info, so feel free to stop by and we can help you out with this detailed paperwork.

Matching your CLU has helped us in the process of mapping your farm. We have many farmers that have started utilizing their

farm maps we create with their planted acres for either spraying, custom farming, harvesting, or just having a visual of your current crops on your farm. Our office maps every crop for every policy and use them specifically in the event of a hail or multi-peril claim. These maps help our adjusters in the event you file a hail or multi-peril claim. The software we use to map is very detailed and we want to make these maps available to you. Let us know if you would like a printed copy of this map or if you have a specific request---we have lots of options available through our mapping software. Come in and talk with us today.

CLAIM REPORTING

Please report a claim as soon as you suspect there may be a loss! The earlier the better.

Timely claim reporting is very important. Multi-peril policy provisions state that the insured must give notification within 72 hours of the initial discovery of damage, but no later than 15 days after the end of the insurance period. End of insurance period is usually the earlier of 1) harvest of the crop 2) destruction of the crop 3) the calendar date for the end of insurance as listed in the crop provisions. It may also require strips of unharvested crop to be left for field inspection if damage is discovered at harvest.

Delayed claims may be accepted if they meet certain qualifying criteria. However, a claim submitted more than 60 days after end of insurance period must be rejected.



FALL HARVEST REMINDERS



Fall harvest is getting started. Please remember to keep these things in mind.

- Keep harvested production on all units separate, even if you have to take a small load to the elevator. Separate records are required for both claims and proof of production.
- Remember to report 100% of the production for each unit
- Let us know immediately if you think you have a potential loss.
- Please provide us with a proof of yield document along with your production reporting form. This is necessary for claims as well as documenting reported production.



Southwest Ag Insurance proudly offers Copeland and the surrounding communities the highest level of service in the crop insurance industry. We know our customers, we know the area, we know agriculture, and we know crop insurance. Gary Gillespie's experience as a life-long professional in the Ag industry with expertise in agronomy and grain marketing as well as crop insurance, brings a fresh perspective to the business. Our agency's mission is to help our customers succeed through superior service, utilizing strategic risk management strategies developed to fit the needs of each individual farming operation. We know you have a choice. We sincerely appreciate your confidence in us and we strive to provide you with the knowledge and service that you expect and deserve.

Gary Gillespie Megan Evans
Judy Loepky

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