

SOUTHWEST AG INSURANCE NEWSLETTER

FEBRUARY 2018



The Farmer has to be an optimist or he wouldn't still be a farmer.

-WILL RODGERS

The 2018 Farm Bill
Where It's At and What Is Coming

KANSAS STATE UNIVERSITY Agricultural Economics
Nebraska
Lincoln
AgManager

FEBRUARY 28TH, 2018

Dodge City, KS

Knights of Columbus Hall

800 W. Frontview

Contact our office for registration details or pick up a flyer from our office.

APPROACHING DEADLINE

March 15th is the Sales Closing Date for all spring crops: Corn, Grain Sorghum, Soybeans, Cotton, Sunflowers, etc. Any changes needed to be made to your policy will need to be done by March 15th. Call us today to schedule an appointment to review your policy before March 15th!

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GARY'S SECTION

We try to get our "spring" newsletter put together in middle to late February and it is always interesting to look back in old issues and see what was mentioned about the weather, wheat condition, and markets. This year the winter has been extremely dry and the wheat is barely visible in our region of the state. As I drive east periodically the wheat seems a bit better east of Dodge City but overall conditions are dry. With the weather forecast showing little to no chance of moisture in the near future, it seems to be setting us up for a spring that will be dryer than what we have had for the past few years. We are currently meeting with producers and reviewing crop insurance coverage. We can tailor a plan for your operation that meets your risk tolerance level at a good value. Please give us a call if you would like to meet, or just discuss over the phone. The deadline for making changes is March 15.



This year begins the discussion of a new farm bill.....again. There are many thoughts and proposals out there but as in the past, there is a belief from many in congress that crop insurance should be reduced/cut. The multi-peril coverage is a federally subsidized program and like many programs, must fight to retain current funding. It is probably the most successful public-private partnership ever implemented by the government but still comes under attack. Through the success of this program, farmers are able to provide a safe, reliable, cost efficient food source, which in turn provides stability to the nation. Crop insurance is also only around 8% of the entire farm program. Representation of rural America has decreased in Washington DC, and lack of input from stakeholders on important issues sometimes translates into lack of interest, resulting in negative consequences. I would encourage

GRAZE OUT WHEAT

For those of you that are grazing cattle on your wheat, March 15th is the final day to "short rate" your wheat and remove insurance from that field. If you have decided to graze-out a field that was originally intended to be harvested for grain, **you will need to contact our office prior to March 15th** so that we can remove those particular acres from your crop insurance policy.



each of you to get involved in some way to voice your support for the program with your government leaders.

For this spring planting season we have seen a few changes in the crop insurance program including a new "final planting date" for corn (for most of our trade area) which has changed from May 25 and is now May 31. There is also an opportunity to utilize both the "Enterprise Unit" structure and "Optional Unit" structure "by crop-by practice" which is a welcome addition to our area. Please plan on meeting with us to review these and other changes so we can help you determine the best plan for your operation.

We are currently in the price setting period to determine the crop "base" price which is used to generate revenue guarantees. Corn is currently tracking at \$3.95, milo at \$3.82, soybeans at \$10.09, and cotton at .75 cents. These prices are very similar to last year and I'm hopeful by the end of the month could be slightly higher. Our charts within this newsletter will use estimated prices for generating cost estimates you can use for planning. In early March the prices will be finalized.

I would like to thank each of you for allowing us to serve your crop insurance needs. Our employees are members of the local community just like you and are committed to the success of our local producers. Southwest Ag Insurance is dedicated to this area and we take very seriously the trust you place in us to advise and service you on your risk management needs.

Have a great spring and a safe planting season!!

MEGAN'S GREETINGS

The month of January quickly slipped by us and February seems to be on a roll as well. If you haven't heard us say it yet, March 15th is a big deadline in the crop insurance world. Don't let this date slip by you! Every year we seem to have a farmer (or two) call in to make changes after this date, and unfortunately the government sector of crop insurance (RMA), is pretty strict with their deadlines. They require any changes to spring planted crops be made by the **March 15th deadline**. Some policy changes are unavoidable or simply forgotten, but we try to touch base with you all before that deadline. If you know you have changes in your farming operation, contact us sooner rather than later to get these changes made!

There is talk of cotton making a stake in our part of the State for the 2018 crop year. We have very few insured's in our office that have cotton listed on their policy. If you are even thinking about cotton, make sure it's added to your policy prior to March 15th. It does not cost anything to have a crop sitting on your policy. It's better to be safe than sorry--get the crops listed you are considering planting.

If you are planting a crop that you have no prior history for (like cotton), crop insurance utilizes the county average called the **T-yield**. There is a **T-yield** established for each insured crop in each county. For instance, if you have always grown corn in Gray

County, but have taken on a new piece of farm ground in Meade County (a county you have never farmed in), you would be given the county **t-yield** for Meade County to establish your policy.

AREA COUNTY T-YIELDS (BU/AC):

COUNTY	CORN		MILO		SOYBEANS		COTTON	
	IRR	NI	IRR	NI	IRR	NI	IRR	NI
Ford	183	45	105	67	56	12	715 lbs	315 lbs
Gray	192	37	97	63	56	N/A	715 lbs	315 lbs
Haskell	201	42	94	45	51	N/A	629 lbs	295 lbs
Finney	183	43	105	58	53	N/A	N/A	N/A
Meade	210	45	103	46	63	N/A	715 lbs	315 lbs

As far as any changes in the crop insurance world, we aren't seeing any big changes for the upcoming year. As Gary mentioned, there has been an added option to utilize enterprise units and optional units in a more effective way for your farm. Insured's have asked for this change—to be able to **enterprise unit** (lump it all together) all of their dryland corn on one level and then **optional units** (field by field) for their irrigated corn acres at another level—or vice-versa. Come in and look at some quotes with us to see if this is something that would benefit your farm. As with anything, there are pros and cons to this option. Enterprise Units are substantially lower in premium cost, but your risk is also spread across your farm. Give us a call when you are ready to review your policy. We'd be glad to discuss any of these options more in depth with you.

UNAVOIDABLE UNINSURED FIRE & THIRD PARTY DAMAGE

Take note of this helpful crop insurance option introduced within the last year. With the rise in dicamba drift or unavoidable fires, the insured may now request to omit the yield to the damaged acreage in the event of an **unavoidable uninsured fire or Third Party Damage**. In the past, the insured was required to submit the yield which resulted in negatively impacting the insured's approved history. There are guidelines to this claim:

UNAVOIDABLE UNINSURED FIRE: Fires caused by an uninsured cause of loss by actions outside the control of the insured and are unavoidable. Example: A fire caused by a driver throwing a lit cigarette out of a car window would clearly be cause by a third party and are unavoidable.

THIRD PARTY DAMAGE: Damage to a crop that results from the actions of a third party, outside of the control of the insured. Example: A neighbor negligently applies chemicals and the resulting spray drift damages your crop.

If either of these scenarios affect your insured crop, **please contact us immediately to turn in a claim for your policy**. An adjuster will need to measure the damaged acreage, verify the cause of loss, and will then give you the option to remove the damaged acreage from your APH.

IRRIGATED CORN | *PRICE: \$3.95

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE s*	OU PREMIUM s*	EU PREMIUM s*
180	65	RP	117	462.15	7.59	2.39
180	70	RP	126	497.70	10.18	3.27
180	75	RP	135	533.25	14.63	5.33
180	80	RP	144	568.80	21.08	10.06
190	65	RP	123.5	487.83	7.84	2.47
190	70	RP	133	525.35	10.52	3.38
190	75	RP	142.5	562.88	15.15	5.52
190	80	RP	152	600.40	21.84	10.43
200	65	RP	130	513.50	8.09	2.54
200	70	RP	140	553.00	10.86	3.50
200	75	RP	150	592.50	15.65	5.71
200	80	RP	160	632.00	22.60	10.81
210	65	RP	136.5	539.18	8.33	2.62
210	70	RP	147	580.65	11.19	3.61
210	75	RP	157.5	622.13	16.15	5.90
210	80	RP	168	663.60	23.35	11.17
220	65	RP	143	564.85	8.53	2.69
220	70	RP	154	608.30	11.48	3.70
220	75	RP	165	651.75	16.59	6.06
220	80	RP	176	695.20	24.01	11.50

NON-IRRIGATED CORN | *PRICE: \$3.95

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE s*	OU PREMIUM s*	EU PREMIUM s*
40	65	RP	26	102.70	9.18	2.73
40	70	RP	28	110.60	10.67	3.25
40	75	RP	30	118.50	13.51	4.59
40	80	RP	32	126.40	17.91	7.78
50	65	RP	32.5	128.38	10.15	3.03
50	70	RP	35	138.25	11.80	3.61
50	75	RP	37.5	148.13	14.94	5.09
50	80	RP	40	158.00	19.77	8.62
60	65	RP	39	154.05	10.98	3.28
60	70	RP	42	165.90	12.79	3.92
60	75	RP	45	177.75	16.18	5.54
60	80	RP	48	189.60	21.41	9.37
70	65	RP	45.5	179.73	12.33	3.68
70	70	RP	49	193.55	14.38	4.42
70	75	RP	52.5	207.38	18.20	6.24
70	80	RP	56	221.20	24.07	10.55

IRRIGATED SOYBEANS | *PRICE: \$10.09

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE s*	OU PREMIUM s*	EU PREMIUM s*
50	65	RP	32.5	327.93	7.71	2.85
50	70	RP	35	353.15	9.98	3.78
50	75	RP	37.5	378.38	14.00	5.76
50	80	RP	40	403.60	20.42	10.36
60	65	RP	39	393.51	8.19	3.03
60	70	RP	42	423.78	10.62	4.04
60	75	RP	45	454.05	14.99	6.18
60	80	RP	48	484.32	21.91	11.14
70	65	RP	45.5	459.10	8.65	3.21
70	70	RP	49	494.41	11.22	4.28
70	75	RP	52.5	529.73	15.93	6.56
70	80	RP	56	565.04	23.33	11.88
80	65	RP	52	524.68	9.08	3.37
80	70	RP	56	565.04	11.81	4.51
80	75	RP	60	605.40	16.81	6.93
80	80	RP	64	645.76	24.69	12.61

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. 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 and premium quotes are for your reference only. Prices will be finalized February 28th.

IRRIGATED GRAIN SORGHUM

*PRICE: \$3.82

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE s*	OU PREMIUM s*	EU PREMIUM s*
100	65	RP	65	248.30	14.40	6.11
100	70	RP	70	267.40	17.30	7.36
100	75	RP	75	286.50	22.56	10.06
100	80	RP	80	305.60	30.76	16.51
110	65	RP	71.5	273.13	15.31	6.50
110	70	RP	77	294.14	18.41	7.84
110	75	RP	82.5	315.15	24.03	10.72
110	80	RP	88	336.16	32.75	17.59
120	65	RP	78	297.96	16.25	6.90
120	70	RP	84	320.88	19.57	8.33
120	75	RP	90	343.80	25.53	11.40
120	80	RP	96	366.72	34.81	18.70
130	65	RP	84.5	322.79	17.13	7.28
130	70	RP	91	347.62	20.65	8.79
130	75	RP	97.5	372.45	26.95	12.03
130	80	RP	104	397.28	36.74	19.76
140	65	RP	91	347.62	18.05	7.67
140	70	RP	98	374.36	21.76	9.26
140	75	RP	105	401.10	28.41	12.69
140	80	RP	112	427.84	38.73	20.84

NON-IRRIGATED GRAIN SORGHUM

*PRICE: \$3.82

YIELD	COVERAGE LEVELS	PLAN	BUSHEL GUARANTEE	COVERAGE s*	OU PREMIUM s*	EU PREMIUM s*
40	65	RP	26	99.32	9.75	4.13
40	70	RP	28	106.96	11.30	4.77
40	75	RP	30	114.60	14.27	6.32
40	80	RP	32	122.24	18.82	10.05
50	65	RP	32.5	124.15	11.16	4.73
50	70	RP	35	133.70	12.91	5.47
50	75	RP	37.5	143.25	16.33	7.24
50	80	RP	40	152.80	21.55	11.53
60	65	RP	39	148.98	12.55	5.32
60	70	RP	42	160.44	14.51	6.15
60	75	RP	45	171.90	18.36	8.15
60	80	RP	48	183.36	24.26	12.99
70	65	RP	45.5	173.81	13.83	5.87
70	70	RP	49	187.18	15.99	6.79
70	75	RP	52.5	200.55	20.25	8.99
70	80	RP	56	213.92	26.77	14.34

RP = Revenue Protection

OU = Optional Units

EU = Enterprise Units

*This is an estimated price. These coverage and premium quotes are for your reference only. Prices will be finalized February 28th.

SPRINKLER INSURANCE



We have a great replacement cost sprinkler coverage program at our office. As we see almost every year, thousands of dollars of sprinklers can be damaged in just a few moments. Our replacement cost sprinkler coverage is cost-efficient and will get you back up and running very quickly. The policy includes mechanical and electrical and will insure most sprinklers, regardless of how old they are. In this industry, most companies will not allow this type of replacement cost coverage after the sprinkler is 15-20 years old. Having to come up with a large sum of

money to replace a sprinkler after a storm can be heartbreaking and burdensome to any farming operation. Help put your mind at ease and come talk with us about the coverage we can offer. We are very proud of this program and believe it is one of the best out there. Give us a call for a quick quote today.

For the producer who is interested in only insuring sprinklers for "actual cash value" we have a program to do that as well. If this is something that would be of interest to you, give us a call and we can do a cost comparison/risk analysis with you to see if this program would be a fit.

UPCOMING DEADLINES

CORN DEADLINES

SALES CLOSING DATE	COUNTIES INCLUDED	EARLIEST PLANT DATE	FINAL PLANT DATE	LATE PLANT DATE (20 days after final plant date)	A/R DATE	END OF INSURANCE PERIOD
March 15, 2018	Gray, Meade, Haskell, Finney, Ford, Grant, Seward, Stevens, Kearny, Hodgeman	April 5, 2018	May 31, 2018	June 20, 2018	July 15, 2018	Dec. 10, 2018
	Greeley	April 10, 2018				
	Clark	April 1, 2018				
	Comanche, Kiowa, Edwards, Pratt, Stafford, Barber, Sedgwick	April 1, 2018	May 25, 2018	June 14, 2018		
	Sumner	March 20, 2018				
	Caddo, Ok	March 16, 2018	April 15, 2018	April 30, 2018		
Beaver, Ok		June 5, 2018	June 20, 2018			

MILO DEADLINES

SALES CLOSING DATE	COUNTIES INCLUDED	EARLIEST PLANT DATE	FINAL PLANT DATE	LATE PLANT DATE (25 days after final plant date)	A/R DATE	END OF INSURANCE PERIOD
March 15, 2018	All Kansas counties	April 26, 2018	June 25, 2018	July 20, 2018	July 15, 2018	Dec. 10, 2018
	Caddo, OK	April 1, 2018	June 30, 2018	July 10, 2018		
	Beaver, OK	May 1, 2018				

SOYBEANS DEADLINES

SALES CLOSING DATE	COUNTIES INCLUDED	EARLIEST PLANT DATE	FINAL PLANT DATE	LATE PLANT DATE (25 days after final plant date)	A/R DATE	END OF INSURANCE PERIOD
March 15, 2018	Stevens, Seward, Meade, Gray, Ford, Finney, Grant, Haskell, Kiowa, Pratt, Clark	April 26, 2018	June 25, 2018	July 20, 2018	July 15, 2018	Dec. 10, 2018
	Barber, Harper, Kingman, Sedgwick, Sumner	April 15, 2018				
	Caddo, OK	N/A	June 30, 2018	July 25, 2018		

COTTON DEADLINES

SALES CLOSING DATE	COUNTIES INCLUDED	FINAL PLANT DATE	LATE PLANT DATE (15 days after final plant date)	A/R DATE	END OF INSURANCE PERIOD
March 15, 2018	All Kansas counties	June 1, 2018	June 15, 2018	July 15, 2018	Dec. 31, 2018
	Caddo, OK	June 20, 2018	June 27, 2018		Jan. 31, 2019

SUNFLOWER DEADLINES

SALES CLOSING DATE	COUNTIES INCLUDED	EARLIEST PLANT DATE	FINAL PLANT DATE	LATE PLANT DATE (15 days after final plant date)	A/R DATE	END OF INSURANCE PERIOD
March 15, 2018	Clark, Ford, Hodgeman, Finney, Gray, Meade, Seward, Haskell, Grant, Pawnee	April 25, 2018	June 25, 2018	July 20, 2018	July 15, 2018	Dec. 10, 2018
	Kiowa, Comanche, Pratt, Stafford, Kingman, Sumner	April 20, 2018				

WHEAT CLAIMS



If a situation arises where you need to destroy wheat acres, **please contact our office prior to any acres being destroyed.** It is very important for us to get an adjuster out to the field prior to acres being destroyed, regardless of what the reason is. We can get an adjuster to the field fairly quickly to discuss your options with you. Also, please help us with our claims processing by notifying us as soon as you know you will have any type of loss on your crop. Failure to notify our office in a timely manner may result in a claim payment being denied.

ACCURATE ACREAGE REPORTING

We will soon be mailing out Acre Reports to get planted acres and plant dates for all spring crops listed on your policy--corn, milo, soybeans, cotton, etc. Please pay attention to each field/unit on your acre reports! The insured is responsible for reporting ALL acres planted in the county which they have a share in for each crop listed on the policy. We see most issues arise when there has been added land to the farming operation or forgetting to report double cropped acres.

Crop Insurance is now required to get the FSA common land unit (CLU) on every planted field you are reporting. This CLU data is assigned by FSA using your Farm Number/Tract Number/Field Number. What this means is that our crop insurance data has to match what is reported at FSA for planted acres as well as the CLU that is assigned by FSA. It is best if you can provide our office with a copy of your FSA 578 after you have certified or most FSA offices are willing to e-mail us a copy of your 578 if you ask them to. As always, if you have questions on your acre report, come and see us. We'd be happy to help you complete your forms.

If you have added land, please let our office know so that we can set up a new unit for you before your acre reports are mailed out. We will need to know the legal and crop-share on any added land to your farming operation.



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 | Kimbree Wedel | Judy Loepky

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PRODUCTS OFFERED

Crop Insurance:

Multi-peril,
crop hail,
LRP (livestock)

Other insurance:

Farm and Ranch,
center pivot sprinklers

Thanks for your business!





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