

## REPLANT REVIEW

Knowing what your policy provides is key to using the policy for all your risk management needs. One area of the policy that is often overlooked is the replant provision written into all buy-up policies on corn, grain sorghum, sunflowers, soybeans and peanuts.

To qualify for a replant payment you must:

- ✓ **Notify your agent prior to replanting.**
- ✓ **Replant back to the same crop.**
- ✓ **The replant acreage must be at least 20 acres or 20% of the unit.**
- ✓ **The potential production from the standing crop must be less than 90% of your unit guarantee.**

If you are replanting 50 acres or less, there is a self-certification process that allows you to be paid for the replant without an adjuster coming to inspect the crop. We caution you on the self-certification process: Notice must occur prior to the replanting and spot checks increase.

We want to encourage you to know your policy. We are here to answer questions.

### Hail season will be here before you know it!

Hail rates vary from company to company by county. We have a variety of companies to work with, and we will do the shopping for you to find the best fit for your needs. Most companies now have two hour binding—but don't wait for the storm!

## Policy confirmation for 2010 row crops

Each season prior to the sales closing deadline, you will receive some form of policy confirmation from your agent. Your crop insurance, regardless of the plan, is a "continuous policy" meaning the coverage will continue from year to year UNLESS you make a change. All changes must be made in writing by the Sales Closing Date. For row crops the deadline is March 15, 2010. Contact your agent to make changes.

Here is a list of questions you should ask yourself each season as you review your policy confirmation. Your agent will be happy to review this with you in person. Please stop by the office before March 15.

- Following the sale of the commodity, into whose bank account (name and tax Id) are the proceeds first deposited? Does this name match the name on the policy?
- Does the name on the policy match the name at the FSA Office?

- Does the Social Security Number or the Tax Identification Number match the FSA Office?
- If you are married, is your spouse's name and social security number listed on the policy? Has your marital status changed?
- Are all the crops that you may plant listed on the confirmation? (Nothing says you have to plant the crop—premium is generated when the seed goes in the ground.)
- Are all the counties in which you may plant a crop listed on the confirmation?
- Have you checked into the different plans of coverage and levels available to you?

All changes to the coverage level, plan, crops/counties insured, named insured, and tax identification numbers must be made by March 15, 2010. Now is the time to talk with your agent about policy changes or new situations within your operation.

## Enterprise and whole farm unit subsidy continues through 2010

The subsidy factors for enterprise and whole farm units were increased significantly for the 2009 row crops and continue for 2010. These subsidy factors apply to crops with APH, Revenue Assurance and Crop Revenue Coverage.

### What is an enterprise or whole farm unit?

By definition an Enterprise unit consists of all insurable acreage of the insured crop in which the producer has a share in the county. A Whole Farm unit includes all insurable acres of all crops in a county. These are an alternative unit structure offered to buy up policies. Choices in unit structure allow the producer to create a plan of insurance that fits their farming practice.

### Why would a change in my unit structure result in an increased subsidy amount?

By reducing the number of units on a policy from multiple optional or basic units to one county/crop or county/farm unit, the chance of an isolated loss occurring is decreased; therefore there is less risk of a loss being paid.

### How does this help me?

By increasing the subsidy amount, the premium paid is much less and therefore more attractive to some producers.

### Is this a new concept?

Absolutely not! Prior to the independent company participation in the federal crop insurance program, this type of unit structure was very common.

### What are the benefits of adding this option to my policy?

Reduced premium cost is perhaps the most obvious.

### When do I have to decide?

Because this selection is considered an option on your policy, you must select it by your application/renewal date; March 15, 2010.

There are acreage and legal description restrictions that apply to this option. Please contact your agent for the facts and figures to make an accurate assessment of the benefits for your operation.

800.466.1146

We appreciate your business!



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## IRRIGATED PRACTICE GUIDELINES

If you intend to report acres of a crop and insure them under the irrigation practice, you must document at the time the insurance attaches; there is a **REASONABLE EXPECTATION** of receiving adequate water to carry out a good irrigation practice for the acreage reported. You must then follow a good irrigation practice and water the crop as needed throughout the growing season to obtain the maximum protection available under your crop insurance policy. Failure to follow a good irrigation practice will result in reduced or voided coverage under the MPCl contract. A copy of the Irrigated Practice Guidelines (Exhibit 33 of the 2007 Crop Insurance Handbook) may be obtained by contacting your agent.

## Short rating graze out wheat acres

Producers who intend to graze, hay or destroy their 2010 wheat crop rather than harvest the wheat for grain have the opportunity to reduce their premium. We call this "short rating your wheat." By determining which acres you will not harvest for grain, we can pro-rate the premium on those acres. By stopping coverage early in the season, you pay a percentage of the total cost vs. carrying the coverage on that wheat to harvest and paying the full premium.

**TO QUALIFY YOU MUST NOTIFY YOUR AGENT NO LATER THAN MARCH 15, 2010**

This notice must be a signed revised acreage report received by your agent by the March 15th deadline. The company will apply the short rated percentage to the unit (s), and print a new schedule of insurance. Premium is due July 1, 2010.

Some things to keep in mind when you are considering the short rate option:

- Once you have submitted a revised acreage report indicating the acres will not be harvested for grain and **COVERAGE STOPS. YOU CANNOT ADD THE COVERAGE BACK IF YOU CHANGE YOUR MIND AT A LATER DATE.**
- If you harvest short rated acres and find yourself in a loss situation the production harvested from the short rated acres will be pro-rated over the insured acres. You may knock yourself out of a loss situation.
- If you destroy the acres prior to harvest without submitting a short rate request, the acres will be considered destroyed without consent and create a zero in your actual production history database AND the full premium will be due.

## Emergency tillage to control severe wind erosion

As a recognized good farming practice, you may need to carry out emergency tillage to control wind erosion in order to conserve the soil and minimize further damage to the insured crop. Such emergency tillage usually begins in strips, but under extreme conditions may progress to the point of solid tillage. In all cases you are required to notify your agent and the company of your intention. If the urgency to till is such that prior notification is impossible, keep these guidelines in mind:

**25 percent of the field or less**, call your agent and till.

**More than 25 percent of the field**, or you find that after tilling is started more is needed, the company adjuster must be notified immediately, so that an inspection can be performed.

The company and company adjuster will make every attempt to work with the producers in tilling situations. Please understand that the company can only work with you when they know about the tillage prior to the event. After the fact never has a good outcome for you or for us, so please make the call before you till.

## Biotechnology endorsement for corn available in Kansas

The Biotechnology Endorsement (BE) allows a premium rate reduction by unit, if at least 75 percent of corn acreage within an insured unit is planted to an approved variety of hybrid corn which contains triple stack genetic traits. Only specifically identified varieties qualify for this discount and the seed must be purchased for use in the 2010 growing season. There are strict guidelines and rules which must be understood and followed for this pilot program. Additional paperwork including producer certifications must be completed and acres must be reported accurately. Spot checks will be completed to verify corn varieties. Failure to meet ALL requirements could result in cancellation of your policy. Contact your agent for all the facts.

## IN EVENT OF LOSS

Here are a few things to remember when you think you may have a loss:

- ✓ **Call your agent** as soon as you notice a harvested unit may not meet its guarantee. Under the policy, you only have 15 days to report the loss after the harvest of the unit. Don't wait until you are done harvesting all of the crops. When in doubt call your agent. The last thing we want to happen is a loss denied due to a late notice of loss given to the company.
- ✓ **Call your agent** before you destroy, put to another use, plant another crop, or abandon the existing crop. This includes replanting the same crop, or chopping corn or grain sorghum for silage.
- ✓ **Call your agent** if you do not get a call back from the insurance company within 48 hours after reporting the claim.

**FYI**  
**FIRE IS ONLY COVERED** under the MPCl policy when the fire was unavoidable and is due to a natural cause or natural disaster. Fire coverage is available as a separate named peril product.

**PREMIUM DUE DATE CHANGE for 2012:** All crop insurance premiums will be billed on August 15 beginning with the 2012 crop year. This could impact your cash flow in 2012 and beyond.

**CHECK WITH YOUR AGENT FOR FINAL PLANT DATES AND LATE PLANTING PERIODS**—there have been some changes for 2010.

## ON THE CALENDAR

**KANSAS**  
**MARCH 15** Policy Change Deadline  
**APRIL 29** Production Reporting  
**JULY 15** Row Crop Acreage Report  
**MARCH 15** Wheat Short-rate Date

**OKLAHOMA**  
**MARCH 15** Policy Change Deadline  
**APRIL 29** Production Reporting  
**JULY 15** Row Crop Acreage Report  
**MARCH 1-15** Wheat Short-rate Date  
\* Date varies call your agent