



September 2018 Newsletter

Wheat Coverage (price in discovery thru 9/14)

	<u>September Futures</u>
Last year's wheat projected price	\$5.02
To Date projected price	<u>\$5.77</u>

**The last day to buy or make changes to your current wheat policy is
9/30/18**

Approaching Deadlines

2018 wheat open balances must be paid on/before	9/30/18
2019 wheat sales closing date	9/30/18
2019 margin protection policy sales closing date	9/30/18
First monthly interest charge attaches on corn / beans	10/1/18
Wheat final planting date to get full coverage	10/20/18
Wheat end of late planting period	10/25/18
Wheat production reporting deadline	11/14/18

Current Reminders

- All bins containing 2017 production must be measured by an adjuster or FSA personnel prior to adding current year's production.
- Any acres being chopped for silage or being put to any use other than harvested for grain need appraised before doing so.
- Please call your agent if you suspect you will have a claim on corn and beans once you start harvesting. Your trigger yield could be higher than what you think given the lower harvest prices we will likely see.

2019 Margin Protection Policy

The margin protection policy is available in Ohio for corn and bean for the 2019 crop year. Below are some bulleted details of the policy. More information can be found online at <https://www.rma.usda.gov/policies/mp/index.html>. This policy can be purchased in conjunction with your regular revenue protection policy. The bottom line is each operation and county will work differently for this type of policy. You must contact your agent and get a thorough understanding of the policy and how it might work for you. This policy must be purchased on / before 9/30/18.

The margin protection policy:

- County Based Coverage
- Premiums are federally subsidized
- Coverage levels are available up to 95%
- Has different price and input discovery periods than regular revenue protection policies
- What you are insuring is the difference between a projected county level gross revenue per acre and a projected county level costs per acre less a deductible
- There are premium discounts for carrying both a revenue protection policy and margin protection policy on the same crop in the same crop year

- Regular revenue protection indemnities do offset or negate margin protection indemnities on a dollar for dollar basis. However, for the purposes of the margin protection policy, prevented planting claims and replanting claims do not offset or negate potential margin protection indemnities.

USDA Announces Details of Assistance for Farmers Impacted by Unjustified Retaliation

The entire press release from the USDA including online applications for the program can be found at: <https://www.usda.gov/media/press-releases/2018/08/27/usda-announces-details-assistance-farmers-impacted-unjustified>

The most pertinent details of the program to our market territory are below

(Washington, D.C., August 27, 2018) – U.S. Secretary of Agriculture Sonny Perdue today announced details of actions the U.S. Department of Agriculture (USDA) will take to assist farmers in response to trade damage from unjustified retaliation by foreign nations. President Donald J. Trump directed Secretary Perdue to craft a short-term relief strategy to protect agricultural producers while the Administration works on free, fair, and reciprocal trade deals to open more markets in the long run to help American farmers compete globally. As [announced last month](#), USDA will authorize up to \$12 billion in programs, consistent with our World Trade Organization obligations.

...These programs will assist agricultural producers to meet the costs of disrupted markets:

- USDA's Farm Service Agency (FSA) will administer the Market Facilitation Program (MFP) to provide payments to corn, cotton, dairy, hog, sorghum, soybean, and wheat producers starting September 4, 2018. An announcement about further payments will be made in the coming months, if warranted.

...Background on Market Facilitation Program:

MFP is established under the statutory authority of the Commodity Credit Corporation (CCC) and administered by FSA. For each commodity covered, the payment rate will be dependent upon the severity of the trade disruption and the period of adjustment to new trade patterns, based on each producer's actual production.

Interested producers can apply after harvest is 100 percent complete and they can report their total 2018 production. Beginning September 4th of this year, MFP applications will be available online at www.farmers.gov/mfp. Producers will also be able to submit their MFP applications in person, by email, fax, or by mail.

Eligible applicants must have an ownership interest in the commodity, be actively engaged in farming, and have an average adjusted gross income (AGI) for tax years 2014, 2015, and 2016 of less than \$900,000. Applicants must also comply with the provisions of the "Highly Erodible Land and Wetland Conservation" regulations. On September 4, 2018, the first MFP payment periods will begin. The second payment period, if warranted, will be determined by the USDA.

Market Facilitation Program

Commodity	Initial Payment Rate	Est. Initial Payment** (in \$1,000s)
Cotton	\$0.06 / lb.	\$276,900
Corn	\$0.01 / bu.	\$96,000
Dairy (milk)	\$0.12 / cwt.	\$127,400
Pork (hogs)	\$8.00 / head	\$290,300
Soybeans	\$1.65 / bu.	\$3,629,700
Sorghum	\$0.86 / bu.	\$156,800
Wheat	\$0.14 / bu.	\$119,200
Total		\$4,696,300

*** Initial payment rate on 50% of production*

The initial MFP payment will be calculated by multiplying 50 percent of the producer's total 2018 actual production by the applicable MFP rate. If CCC announces a second MFP payment period, the remaining 50 percent of the producer's total 2018 actual production will be subject to the second MFP payment rate.#

Corn and Bean Coverage Update

December 2018 Corn Contract 🌽

November 2018 Soybean contract 🌱

Spring Crop Insurance Projected Price	\$3.96	\$10.16
Current Market Price (close 9/7/18)	<u>\$3.67</u>	<u>\$8.44</u>
Difference (% Change)	-\$0.29 (-7.3%)	-\$1.72 (-16.9%)