



## March 2019 Newsletter

### Current Reminders

- The deadline to buy or modify coverage for your corn and bean policy is 3/15/19.
- If you are changing entity types or need to add/subtract new members to your policy please let us know as soon as possible.
- Please call your agent if you have any failed wheat acres so an adjuster can appraise the fields and release the acres to go to a Spring crop

### Approaching Deadlines

Sales closing date for 2019 corn, beans	3/15/19
S. Ohio Earliest Planting Date Corn	4/5/19
N. Ohio Earliest Planting Date Corn	4/10/19
S. Ohio Earliest Planting Date Soybeans	4/20/19
N. Ohio Earliest Planting Date Soybeans	4/24/19
Production reporting deadline for corn, beans	4/29/19

### *Want to learn something about soybeans and not talk about tariffs?...*

This link is an article posted on the U.S Soybean Export Council's website titled, "The Potential Impact of 5 Feet on the Mississippi River.": <https://ussoy.org/the-potential-impact-of-5-feet-on-the-mississippi-river/>. The article mentions payload capacity of some common ocean going vessels on a metric ton basis. To put things in perspective as to how much volume a single vessel can carry, a 66,000 metric ton load of soybeans on a Panamax vessel is equal to over 2.42 million bushels of beans on one ship (36.74 bushels / metric ton).

### Projected Prices and Volatility Factors for Corn, Soybeans in OH / MI

In February each year, crop insurance uses the futures contracts below to establish the projected prices for 2019 crop insurance policies. The projected price is the average closing price for every trading day through the month of February 2019. The volatility factor greatly influences the cost you pay for insurance: lower volatility factors usually lead to lower premium costs.

	<u>2019 Projected Price (2019 volatility factor)</u>	<u>2018 Projected Price (2018 volatility factor)</u>
December 2019 corn contract 🌽	\$4.00 (.15)	\$3.96 (.15)
November 2019 soybean contract 🫛	\$9.54 (.12)	\$10.16 (.14)

### **Supplemental Coverage Option for Federal Crop Insurance**

During the last farm bill, most acres of corn and beans enrolled in the Agriculture Risk Program (ARC) program at FSA offices. This election excluded these corn and bean acres from buying the Supplemental Coverage Option (SCO) from their crop insurance agent.

Currently there is more interest in using the Price Loss Coverage (PLC) program at FSA for the 2019 and 2020 crop years. This election between ARC-CO and PLC will be made over the coming months in the calendar year 2019 at FSA offices.

If the PLC program is elected at FSA for the 2019 and 2020 crop year, then these acres are eligible for the SCO option from crop insurance. This option acts similarly to the ARC-CO program in that a program payment happens when the county revenue falls below 86% of the expected revenue for the county. The trigger level on this crop insurance option has nothing to do with your personal guarantee on an Revenue Protection (RP) policy. SCO is a layer of coverage above and beyond your RP policy, but uses county level crop performance to calculate whether or not program payments are due. SCO is always purchased with an RP, YP, or RP-HPE policy.

Each county acts a little different. We can look at historical data to get an idea as to whether county type policies with an 86% trigger serve a purpose within an operation's risk management plan. This has to be done on a case by case basis. Again, to even look into SCO at all, your election for 2019 and 2010 crop year at FSA has to be PLC.

For further information on SCO online go to: <https://www.rma.usda.gov/en/Fact-Sheets/National-Fact-Sheets/Supplemental-Coverage-Option-2017>.



### 2019 Crop Insurance Important Updates

- Check out our new website at [www.lundandsmith.com](http://www.lundandsmith.com)
- A policyholder services account can be created at [www.rainhail.com](http://www.rainhail.com)
- Consider the Multi-county Enterprise Unit (MCEU) if you farm in 2 or more counties. There are pros and cons to this option, make sure you ask your agent for details
- Want to stay up to date and be informed throughout the year, sign up your email and cell phone to our subscriptions lists
- Make certain you are aware of your guaranteed bushels offered with your revenue based crop insurance policy. Use this guarantee to influence your marketing decisions. Opportunities to market bushels at satisfactory levels have been few and far between for 3-4 years, so we must take advantage of these opportunities when available. Crop insurance guaranteed bushels can be marketed because they are guaranteed in this way: you either have the bushels you marketed to a processor/elevator OR you get a crop insurance indemnity for the missing bushels
- Consider looking into Whole Farm Revenue Coverage if you are producing commodities that do not have a revenue based coverage currently available (i.e. cattle, chicken, hogs, vegetables, specialty crops, organic crops, fruits)
- Crop-Hail policies offer coverage against more than just hail damage on crops
  - Included coverages on crop-hail policy: fire and lightning, transit, vandalism, stored grain
- Replant Extra is a good option to keep your per acre crop budget in check in the event you have to replant
  - Added benefits of Replant Extra coverage above federal policy: you can get paid on the first acre you have to replant & you have replant coverage from this private product up to 20 days before the federal earliest planting dates
  - Reminder: You must have prior consent before replanting any acres!
- Consider completing a Direct Deposit form to get claim dollars in your account quicker