

# Crop Insurance Newsletter

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## Yield Trend Adjustment

The Yield Trend Adjustment Program has been expanded for the 2013 crop year in certain counties in the areas we serve- VA, NC, SC, TN, WV, KY, and OH.

Yields have generally trended upwards due to improved genetics, precision farm equipment, better farming practices, and better pest and weed management. This program will reflect that by adjusting yields upward, with more weight or change going to the oldest years in the database.

The Trend Adjusted APH adjusts eligible yields in qualifying APH databases to reflect long term increases in the county's historical yields. To qualify, there must be at least one actual yield in the 4 most recent crop years.

This option must be elected by the applicable sales closing date. Once elected it will remain in effect until either you cancel it or the program is terminated by FCIC.

Trend adjusted APH is not available for CAT policies, corn insured as silage, or specialty type soybeans. Moreover, Trend-adjusted APH will not apply to new producer t-yield. The example below is for corn with a trend adjusted factor of a 1.0 using a

10 year database.

Net result is a 106 BU yield or a 6% increase based on an overall actual average of 100 BU for the 10 year period. A 6 BU yield increase translates to \$26 more coverage per acre at 75% level, using the 2012 \$5.68 price election, which also means in a loss situation you put more \$\$ per acre in your pocket.

Quotes will be run for you, where applicable comparing Trend-Adjusted yield to yields not trend-adjusted.



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2013	Corn	NI	Grain		
Year	Production	Acres		Yield	Trend Adjusted Yield
Unit #0001-0001 OU					
2003	1000	10	A	100	110
2004	1000	10	A	100	109
2005	1000	10	A	100	108
2006	1000	10	A	100	107
2007	1000	10	A	100	106
2008	1000	10	A	100	105
2009	1000	10	A	100	104
2010	1000	10	A	100	103
2011	1000	10	A	100	102
2012	1000	10	A	100	101
		<b>Approved APH</b>		100	106
		<b>Average Yield</b>		100	100
		<b>Rate Yield</b>		100	100

## New Breaking 2

### New Breaking Ground Rule Change

#### What You Need to Know:



**New Breaking Ground (NBG) is defined by RMA as acreage not planted to a row crop and harvested in 1 of the 3 previous crop years.**

#### Exceptions to the rule are:

1. Acres are emerging from CRP within the two most recent crop years.
2. Acreage was not planted in at least two of the three previous crop years to comply with any other USDA program.
3. Such acreage constitutes 5% or less of the insured planted acreage in the unit.
4. Due to Rotation Requirements

In 2012, if NBG didn't fall into 1-4 above, a written agreement request to RMA had to be submitted to RMA by the applicable sales close date in order to insure.

In 2013, NBG acreage is insurable at 80% of the applicable T-yield for the

crop/county if certain criteria is met, thereby eliminating the need for a WA. If proof cannot be provided that the land was planted to a row crop in the past, 65% of the applicable T-yield will be assigned the initial crop year.

Should you have any land that is classified as NBG and want to insure, provide us with the following

1. Copy of 578 or 578PP from FSA that proves that the land has been planted in the past to a row crop. Only need 1 year of proof.
2. FSA map marked as to the crop and where crop will be planted on NBG.
3. NRCS Conservation Plan on the NBG: You must provide documentation that one is, or will be, in place. If NRCS does not require a conservation plan, you must certify that one is not required.

After we obtain that information, we will research soil data information from the NRCS Web Soil Survey to determine if land meets certain criteria to be insured. In most cases, the land will.

Please get this information to us as soon as possible, as we must have ample time to research and process data.

Should you acquire NBG after sales closing we can go through the same process, which must be completed by ARD. NBG acreage exceeding 320 acres will require WA to be submitted by sales closing. Production the initial year must be kept and reported separate from other production whether insured or not.

The following year this land will be treated the same as land that has been planted to a row crop in the past. Standard APH rules will apply,

You **DO** have the option not to insure NBG the initial year. Call us if you have any questions. 800.248.5480

#### List of Acronyms Used in This Newsletter

- |  |   |
|--|---|
| <b>578PP</b> - 578 Producer Print      | <b>MPCI</b> - Multi Peril Crop Insurance            |
| <b>ACS</b> - Auto Crop Schedule        | <b>NBG</b> - New Breaking Ground                    |
| <b>APH</b> - Actual Production History | <b>NRCS</b> - Natural Resource Conservation Service |
| <b>ARD</b> - Acreage Reporting Date    | <b>WA</b> - Written Agreement                       |
| <b>FSA</b> - Farm Service Agency       |   |

# Tobacco Changes

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## RMA has instituted the following changes to be implemented beginning with the 2013 crop year:

**Crop rotation** - tobacco will not be insurable on any acreage on which tobacco was planted in the two previous crop years. For example, a producer who planted tobacco on land in 2011 and 2012 will not be able to insure tobacco on the same land in 2013. RMA applies a rotation requirement for certain other crops as well.

Should you have any tobacco acreage that is not insurable in 2013, we can write a crop hail/wind policy.

If you acquire additional land for the 2013 crop year, please advise us as soon as you do so we can take the necessary steps, if needed to insure such acreage (see NBG of newsletter).

**Quality adjustment factors** were modified for the least valuable grades of flue cured and burley tobacco. Producers are no longer required to destroy tobacco assigned these grades to qualify for quality adjustment. Producers can choose to destroy the least valuable graded tobacco resulting in no production to count, or sell it and have twenty percent of that production count toward their insurance guarantee. This allows the producer more flexibility in marketing or disposing of their tobacco while retaining the maximum value of their crop insurance benefits.

**Final Plant Dates**- some dates have been moved back (see crop plant date section)

### **Sales Closing Dates**

North and South Carolina- Feb 28  
Virginia, West Virginia, Tennessee, Ohio, Kentucky- March 15

Fall Sales Closing for all states is September 30

# Acreage Reports

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**Acreage reports are the key to establishing your coverage. Reports need to be timely and accurate.**

USDA is working towards synchronizing all acreage reports between FSA and Crop Insurance. Most Spring dates have been moved up from June 30 to July 15 at FSA which corresponds with our due date. This simplifies the process on one hand but may provide problems on the other if a producer were to wait until a few days before deadline to report to FSA.

We ask that you report acres to FSA first, obtain a copy of the FSA 578PP and forward to us. All the information we need to key in your acreage report is on the 578PP and should be accurate as it is a map based acreage report.

Any NBG or tobacco acreage that will not be insurable due to not meeting rotation requirements must be hi-lighted on 578PP.

Most 578PPs can be generated at FSA the same day as the acreage report is filed. However, if the filing is pushed too close to the deadline and backlog of producers exist, a producer may not get his 578PP to submit to us timely. Review thoroughly for any errors before forwarding to us.

For producers who do not report to FSA at all, return the acreage reports forms that will be sent to you, completed and signed. We encourage all our insureds to report their acreage to FSA as FSA requires an acreage report to be on file each year in order to qualify for certain USDA program benefits, such as disaster payments.

We will be mailing maps of your current farming operation along with acreage reporting forms this year. You can enter pertinent information on map pages such as plant dates and crop planted.

In the case of double crop soybeans being planted after the July 15 deadline, report all other crops before the deadline to FSA. You will need to report any acreage planted after July 15 to FSA and us.

# Plant Dates

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Virginia												
County	Corn		Soybean		Flue		Burley		Dark Tob.		Gskog.	
	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Early Plant Date	Final Plant Date
Alleghany	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Amelia	3/31	5/15	4/15	6/30	-----	6/15	-----	-----	-----	-----	4/16	6/15
Bath	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Bedford	4/16	5/31	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Bland	4/26	6/10	4/15	6/20	-----	-----	-----	6/20	-----	-----	-----	-----
Botetourt	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Brunswick	3/31	5/15	4/15	6/30	-----	5/25	-----	6/20	-----	6/15	4/16	6/15
Buckingham	4/16	5/31	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Campbell	4/16	5/31	4/15	6/30	-----	6/5	-----	6/20	-----	6/15	4/16	6/15
Carroll	4/26	6/10	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Charlotte	3/31	5/20	4/15	6/30	-----	5/31	-----	6/20	-----	6/15	4/16	6/15
Chesapeake	3/31	5/15	4/15	6/30	-----	-----	-----	-----	-----	-----	4/16	6/15
Craig	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Culpepper	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Dinwiddie	-----	-----	4/15	-----	-----	5/25	-----	-----	-----	6/15	-----	-----
Fauquier	4/26	6/10	4/15	-----	-----	-----	-----	-----	-----	-----	-----	-----
Fluvanna	4/16	5/31	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Franklin	4/16	5/31	4/15	6/20	-----	6/5	-----	-----	-----	-----	-----	-----
Giles	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Goochland	4/16	5/31	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----
Halifax	3/31	5/20	4/15	6/30	-----	6/5	-----	6/20	-----	6/15	4/16	6/15
Lee	-----	-----	-----	-----	-----	-----	-----	6/20	-----	-----	-----	-----
Louisa	4/16	5/31	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Lunenburg	3/31	5/20	4/15	6/30	-----	5/31	-----	-----	-----	6/15	-----	-----
Montgomery	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Nottoway	3/31	5/15	4/15	6/30	-----	5/25	-----	-----	-----	6/15	-----	-----
Orange	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Patrick	4/16	5/31	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----
Pittsylvania	3/31	5/20	4/15	6/30	-----	6/5	-----	6/20	-----	6/15	4/16	6/15
Prince Edward	-----	-----	-----	-----	-----	5/31	-----	6/20	-----	6/15	-----	-----
Prince George	3/31	5/15	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----
Rockbridge	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----
Russell	4/26	6/10	-----	-----	-----	-----	-----	6/20	-----	-----	-----	-----
Scott	4/26	6/10	-----	-----	-----	-----	-----	6/20	-----	-----	-----	-----
Washington	4/26	6/10	-----	-----	-----	-----	-----	6/20	-----	-----	-----	-----
Wythe	4/26	6/10	4/15	6/20	-----	-----	-----	-----	-----	-----	-----	-----

**Earliest Plant Date: Does not qualify for replant payment if planted before this date**

# Plant Dates (cont'd)

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North Carolina															
County	Corn		Sbean		Flue		Burley		Gskog.		Peanuts		Cotton		
	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	
Alamance	-----	-----	4/21	6/30	-----	6/5	-----	-----	4/16	6/15	-----	-----	-----	-----	
Beaufort	3/16	5/15	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----	-----	5/20	
Caswell	3/21	5/20	4/21	6/30	-----	6/5	N/A	6/20	4/16	6/15	-----	-----	-----	-----	
Chatham	3/16	5/15	4/21	6/30	-----	5/31	-----	-----	4/16	6/15	-----	-----	-----	-----	
Currituck	3/16	5/15	4/15	6/30	-----	-----	-----	-----	4/16	6/15	-----	-----	-----	-----	
Edgecombe	3/16	5/15	4/21	6/30	-----	-----	-----	-----	-----	-----	4/16	5/31	N/A	5/15	
Granville	-----	-----	4/21	6/15	-----	5/31	-----	6/20	4/16	6/15	-----	-----	-----	-----	
Halifax	3/16	5/15	4/21	6/15	-----	5/25	-----	-----	-----	-----	4/16	5/31	N/A	5/15	
Harnett	3/16	5/20	4/21	6/30	-----	5/15	-----	-----	4/16	6/15	-----	-----	-----	-----	
Lee	3/16	5/20	4/21	6/30	-----	5/31	-----	-----	4/16	6/15	-----	-----	-----	-----	
Moore	3/16	5/20	4/21	6/30	-----	5/31	-----	-----	4/16	6/15	-----	-----	-----	-----	
Nash	3/16	5/15	4/21	6/30	-----	5/25	-----	-----	-----	-----	4/16	5/31	N/A	5/15	
Orange	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	
Pamlico	3/16	5/15	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	
Pasquotank	3/16	5/15	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	
Perquimans	3/16	5/15	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----	-----	5/20	
Person	3/16	5/20	4/21	6/30	-----	6/5	N/A	6/20	4/16	6/15	-----	-----	-----	-----	
Wake	3/16	5/20	4/21	6/30	-----	-----	-----	-----	4/16	6/15	-----	-----	-----	-----	
Warren	3/16	5/20	4/21	6/30	-----	5/31	-----	-----	4/16	6/15	-----	-----	-----	-----	
Washington	3/16	5/15	4/15	6/30	-----	-----	-----	-----	-----	-----	-----	-----	-----	5/20	

North Carolina		
County	Potatoes	
	Earliest Plant Date	Final Plant Date
Pasquotank	-----	4/15

# Plant Dates (cont'd)

Tennessee								
County	Corn		Sbean		Burtb		FrTom	
	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date
Cocke	3/21	5/20	4/16	6/15	-----	6/20	4/15	6/30
Grainger	3/21	5/20	-----	-----	-----	6/20	4/15	6/30
Greene	3/21	5/20	4/16	6/15	-----	6/20	4/15	6/30
Hamblen	3/21	5/20	4/16	6/15	-----	6/20	4/15	6/30
Hawkins	3/21	5/20	-----	-----	-----	-----	-----	-----
Haywood	3/21	5/20	4/16	6/15	-----	-----	-----	-----
Hancock	-----	-----	-----	-----	-----	6/20	-----	-----
Jefferson	3/21	5/20	4/16	6/15	-----	6/20	-----	-----
Johnson	3/21	5/20	-----	-----	-----	6/20	-----	-----
Knox	-----	-----	-----	-----	-----	6/20	-----	-----
Lauderdale	3/21	5/20	4/16	6/15	-----	-----	-----	-----
Sullivan	3/21	5/20	-----	-----	-----	6/20	-----	-----
Union	-----	-----	-----	-----	-----	6/20	-----	-----
Washington	3/21	5/20	-----	-----	-----	6/20	-----	-----

South Carolina						
County	Corn		Sbean		Cotton	
	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date
Clarendon	3/1	4/30	4/30	6/15	-----	5/25
Darlington	3/1	4/30	4/30	6/15	-----	5/25
Dillion	3/1	4/30	4/30	6/15	-----	5/25
Florence	3/1	4/30	4/30	6/15	-----	5/25
Lee	3/1	4/30	4/30	6/15	-----	5/25
Marlboro	3/1	4/30	4/30	6/15	-----	5/25
Marion	3/1	4/30	4/30	6/15	-----	5/25
Sumter	3/1	4/30	4/30	6/15	-----	5/25
Williamsburg	3/1	4/30	4/30	6/15	-----	5/25

# Plant Dates (cont'd)

West Virginia				
County	Corn		Soybean	
	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date
Berkley	4/16	6/10	4/21	6/20
Jackson	4/16	6/10	4/21	6/20
Mason	4/16	6/10	4/21	6/20
Monroe	4/16	6/10	4/21	6/20
Raleigh	4/16	6/10	-----	-----

Ohio				
County	Corn		Soybean	
	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date
Meigs	4/5	6/5	4/20	6/20

Kentucky				
County	Corn		Soybean	
	Earliest Plant Date	Final Plant Date	Earliest Plant Date	Final Plant Date
Mercer	4/1	5/31	4/16	6/15

**We urge you to retain plant date information for future reference.**

# Production Reports

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Production reporting forms for all Spring 2012 crops were mailed to you in the fall.

If you have not returned these forms to us please do so as soon as possible. Yields only need to be certified on the units you did not have a loss on. We need to get this information entered in order to update your database to prepare a 2013 quote.

Failure to provide a timely production report would result in an imposed yield being applied which would be 75% of the prior year's average yield. In addition all units in a given county would be combined for the year.



## Replant Payment

With the planting season just around the corner remember that corn, soybeans, grain sorghum, peanuts, and fresh market tomatoes carry a replant should the crop need to be replanted due to an insurable cause of loss.

It is imperative that a timely notice of loss be submitted and a replant is authorized by an adjuster, BEFORE the crop is replanted. If the crop is replanted before the claim is submitted, the claim will be denied.

Replant payments do not reduce your liability coverage per acre, therefore it can be looked at as a "freebie" in the policy. Do not overlook this important coverage in your policy.

20/20 rule applies to be eligible for payment. You must replant a minimum of 20% of the unit or 20 acres, whichever is the lesser.

You can always give us a call should you have any questions.



# Crop Hail

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Crop hail coverage is a product we offer separate from the MPCI coverage.

One of the primary differences between the products is crop hail has a much lower deductible, in the case of tobacco from 0-10%, whereas the MPCI policy has a minimum deductible of 25%

Another major difference is crop hail pays spot losses whereas MPCI coverage is tied to the entire unit. For example, assuming 50 acres is planted on a particular FSN and hail only hits 10 acres; under MPCI, your claim will be deferred until sales are complete. At that time, production to count will be determined by sales and compared to your guarantee. If the production to count exceeds the guarantee no payable claim exists. Under the crop hail policy you will be paid on the 10 acres at time of loss.

Optional wind coverage can be purchased for tobacco which protects you should wind damage occur with no hail damage present. Wind coverage is particularly important when hurricanes strike because hail usually doesn't occur in that type of event. Wind damage is interpreted as the breaking off of stalks and removal of leaves above ground.

Crop hail coverage also carries a replant payment on all crops.

Crop hail coverage for wheat and barley has become, of recent, more of a part of a producer's risk management program due to high commodity prices. For MPCI 2013 wheat prices are set at \$8.57/bushel. Assuming a 50 bushel potential yield, the value of the crop is \$439.

Wheat and barley coverage can be purchased up to a maximum of \$500/acre at a rate of \$1.40 per \$100 coverage. As an example, \$300 coverage would only cost \$4.00 an acre.

Wheat/barley is very vulnerable to hail damage close to maturity.

Another peril insured under a crop hail policy on small grain is fire of any nature in the field. A field fire caused by the combine is covered.

Crop hail coverage can be purchased on tobacco that will not be insured in 2013 under your MPCI policy due to the rotation requirement or land classified as NBG.

If you have an ACS policy on your tobacco, there is no need to renew each year. We will determine coverage when we receive your acreage report.

If you are not on ACS and want to write a crop hail policy on any crop give us a call. 800.248.5480

We cannot bind coverage until we have a signed application. In addition coverage does not go in effect until 12:00am the second day after a signature is acquired.

Writing your policy early will not cost any more, but **will** give you the benefit of a full season of coverage.

# Named Peril Program

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## Named Peril Program/Replant and Late Plant Option

In 2013 we will be able to offer a RO and LPO as a private insurance product.

Supplemental RO coverage will provide an additional replant coverage up to \$50/acre more than your regular MPCI coverage. The program currently is only available in Tennessee, Kentucky, and Ohio. 20/20 eligibility rule is waived.

Supplemental LPO coverage will provide coverage equal to the percent of your MPCI crop policy guarantee and associated liability lost due to late planting up to a maximum of 10%. Bottom line, this coverage adds back coverage that was reduced on your MPCI coverage if you plant past the final plant date. Coverage is available for corn and soybeans in Kentucky and Ohio and for soybeans in North Carolina.

Contact us if you are interested.

**RO-** Replant Option  
**LPO-** Late Plant Option



Contact us @ 1-800-248-5480 if you would like more information on how to access your policy forms and information thru the new [www.rcis.com](http://www.rcis.com) producer portal.

# Farm Bill

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## Farm Bill Update

### What You Need to Know:



As part of the "fiscal cliff" legislation passed at the 11th hour, the 2008 Farm Bill was extended for 1 year which means it will run until September 30, 2013.

In the meantime, Congress has 9 months to come up with a new Farm Bill.

Where does crop insurance play out in the Farm Bill? If nothing had been done and the Farm Bill expired with no new one passed, crop insurance would continue as crop insurance is, in itself, separate legislation. Farm Bill legislation can have an effect on crop insurance as there can be language added that can change certain aspects within the crop insurance program. However, crop insurance cannot be eliminated.

As work will soon focus again on a new Farm Bill, Secretary Vilsack recently stated "I think the lesson for the last two years has been the importance and significant role that crop insurance plays in maintaining some degree of stability in the countryside. Boy, I tell you, if we were back in the 1980's and had the kind of drought that we had this year, we know what would have happened. We would have lost a lot of our producers because they just simply would not have been able to make it financially. But because of crop insurance the disruption was minimized."

"I think the lesson for the last two years has been the importance and significant role that crop insurance plays in maintaining some degree of stability in the countryside..."

A new Farm Bill is likely to move away from the direct payment system and put more emphasis on crop insurance. By eliminating the direct payment system, these funds could be channeled into a revenue insurance program that would complement the current crop insurance program by providing for shallow loss payments that crop insurance will not cover.

The extension does extend the disaster program although, there is no funding available. This makes crop insurance all the more important.

The general consensus in Congress in both houses is to further strengthen the Crop Insurance Program. By doing so this would put less dependence on Disaster Programs.