

# CROP INSURANCE NEWS

J T DAVIS INSURANCE AGENCY, INC.

SPRING 2015

Volume 22, No. 1

## *Update on 2014 Farm Bill*

### **Changes Affecting 2015 Spring Crops**

Many of the changes from the 2014 Farm Bill took effect with the 2015 Fall Crops, others are just coming into play with the 2015 Spring Crops.

- ✓ APH Adjustment is available for qualifying crops and counties. Eligibility is determined by RMA and is based on NASS data and crop insurance data. In order to qualify to remove a low yield, the county average yield for the crop must be at least 50% below the simple average of the planted acre yield for the previous 10 consecutive years. It is an area determination and is not based on your individual yields. The exclusion will not be automatic and it will be your choice whether to exclude any qualifying year's yield. This would need to be done by sales closing. A list of counties and eligible years by crop and practice has been posted on RMA's website.

<http://www.rma.usda.gov/news/currentissues/aph/index.html>

***Remember, you must have a current AD-1026 on file at FSA no later than June 1, 2015. Otherwise, you will lose your crop insurance premium assistance for the 2016 crop year. See page 4.***

These are also effective with the Spring Crops.

- ✓ The Revenue Policy for Peanuts.
- ✓ The Whole Farm Revenue Policy (WFRP). The WFRP is designed for farms with diversified and specialty crops. It is based on a 5-year history and will allow for crops that are not insurable under a standard MPCI policy.

## *Happy New Year*

...

We appreciate the opportunity to work with you another year. We wish you and your family a happy and prosperous 2015.

⌘

## *Please Be Sure the Name on Your Policy Matches the Way Your Crops Will Be Sold*

It is more important than ever to be sure your policy is written correctly. If you are married, both husband and wife must be listed on the policy. If you are operating as a business, under a corporation or partnership, it is critical that anyone with a substantial (10% or more) interest in the crop be listed on the policy.

If you have gotten married, divorced, or reorganized your business; we must update your policy before sales closing. Having the policy written incorrectly can result in the policy being voided and no claim being paid.

## Other Farm Bill Changes Now in Effect

- ✓ Beginning Farmer and Rancher – If you have been farming for 5 years or less, you may qualify for additional benefits. These include additional premium assistance, higher yield adjustments, and exemption from administrative fees. Please contact us before sales closing if you think you may be eligible.
- ✓ Supplemental Coverage Option (SCO) – SCO is available for coarse and small grains in most counties in our region. This is an optional endorsement to your crop insurance policy that is designed to cover shallow losses between the level of coverage on your underlying policy and 86% of the expected area yield. It matches the underlying coverage in that it provides the same type of coverage, yield or revenue protection. It is not available with ARC.

### *Claim Reminders*

You purchase your policy in order to have coverage if you have damage to your crop. Help us to ensure that you get paid the maximum that you are entitled to. Just follow these simple guidelines. If there is **any** possibility of a loss situation, call us as soon as possible.

- Prevented Planting claims need to be reported within 72 hours of the final plant date, or late plant date if applicable.
- If you are going to be putting your crop to another use, such as haying, please contact us first so that an adjuster can do an appraisal for you.
- If you are going to chop your corn for silage, please contact us prior to harvest. Even if your corn is insured as silage, we need to have an appraisal if you have a loss.
- For ALL tobacco claims, we must have an adjuster do a stalk/stubble inspection. Please do not destroy your stalks or stubble prior to an adjuster seeing them.
- Cotton claims require a stalk inspection.
- Fresh Market Tomatoes require a post-harvest inspection.
- Replants must be authorized by an adjuster. Do NOT replant before speaking with an adjuster.

- ✓ Enterprise Units by Practice - You may have separate Enterprise Units (EU) for irrigated and non-irrigated units. You may also carry different levels of coverage for irrigated and non-irrigated crops.
- ✓ Stacked Income Protection (STAX) – STAX applies only to Upland Cotton, it is similar to SCO in that it is designed to cover shallow losses. It will cover the difference between the underlying policy and 90% of the expected area yield, up to 20%. For example, if your underlying policy is at the 75% level, the maximum STAX coverage you could purchase would be 15%. Unlike SCO, STAX may also be purchased as a stand-alone policy.

## *FSA Programs*

Just a few notes regarding the FSA programs created with the new Farm Bill:

1. You must have Base Acres on your farm in order to be eligible for PLC or ARC.
2. There are decision tools available online at the following websites: Texas A & M <https://usda.afpc.tamu.edu/home> and Kansas State University <http://www.agmanager.info/fb.htm>
3. Local Extension Agents can provide help for you on using the decision tools.
4. You have until February 27, 2015 to update base acres and/or yield with FSA.
5. The deadline is March 31, 2015 to make an election to participate in PLC or one of the ARC options.
6. If no selection is made, the defaults will be your current base, current yields, and PLC.

## *Assignment of Indemnity*

If you are filing an assignment of indemnity, please have your lender contact us for the most current form. This will save you and your lender time.

## *W-9s*

If your policy is written in the name of a business, we will be contacting you in the next few weeks to have you complete a W-9. This is due to changes in IRS reporting requirements, and the form will have to be completed prior to any 2015 claims being paid.

### *Important Dates to Remember*

Date	Crop(s)	Deadline	States
January 15, 2015	Wheat, Barley, Oats	Acreage Reporting	NC, SC, VA
January 31, 2015	Fresh Market Tomatoes	Cancellation Date	TN
	Potatoes	Cancellation Date	NC, VA
	Potatoes	Sales Closing Date	NC, VA
February 28, 2015	Corn, Cotton, Grain Sorghum, Peanuts, & Soybeans	Sales Closing Date & Cancellation Date	NC, SC
February 28, 2015	Flue Cured Tobacco	Sales Closing Date	NC, SC
March 16, 2015	Corn, Cotton, Fresh Market Tomatoes, Grain Sorghum, Peanuts, Soybeans, Tobacco (All Types)	Sales Closing Date & Cancellation Date	OH, TN, VA, WV
March 15, 2015	Flue Cured Tobacco	Cancellation Date	NC
March 17, 2015	Fresh Market Tomatoes	Production Reporting	TN
April 14, 2015	Spring Crops	Production Reporting	NC, SC
April 30, 2015	Spring Crops	Production Reporting	OH, VA, TN, WV
May 15, 2015	Fresh Market Tomatoes	Acreage Reporting	SC, VA
May 15, 2015	Potatoes	Acreage Reporting	NC, VA
June 1, 2015	<b>ALL</b>	<b>AD-1026 Filing</b>	<b>ALL</b>
July 1, 2015	Fall Grains	Billing Date	NC, OH, SC, TN, VA, WV
July 15, 2015	Corn, Cotton, Fresh Market Tomatoes, Grain Sorghum, Oats, Peanuts, Soybeans, Tobacco (All Types)	Acreage Reporting	NC, OH, SC, TN, VA, WV
July 31, 2015	All Fall Crops	End of Insurance	NC, SC, TN
August 15, 2015	All Spring Crops	Billing Date	NC, OH, SC, TN, VA, WV
August 15, 2015	Potatoes	End of Insurance	NC
August 31, 2015	All Fall Crops	End of Insurance	VA, WV
September 1, 2015	PRF	Billing	NC, SC, VA
September 30, 2015	Corn Silage	End of Insurance	OH
October 20, 2015	Corn Silage	End of Insurance	NC, VA, WV
October 31, 2015	All Fall Crops	End of Insurance	OH
October 31, 2015	Canola	End of Insurance	NC, SC, TN
November 14, 2015	Fall Crops	Production Reporting	NC, OH, SC, TN, VA, WV
November 30, 2015	Flue Cured Tobacco	End of Insurance	NC, VA
November 30, 2015	Peanuts	End of Insurance	NC, SC, VA
December 10, 2015	Corn, Grain Sorghum, Soybeans	End of Insurance	NC, OH, SC, TN, VA, WV

***“Our Business is Keeping You in Business”***

J T Davis Insurance Agency, Inc. is an Equal Opportunity Provider

## Recons

If you have had a reconstitution in any county, you must notify us no later than production reporting. For most crops the production reporting date is 45 days after sales closing. (See Important Dates chart.)

## Current AD-1026 Required for Premium Assistance

You must have an updated AD-1026 on file by June 1, 2015 in order to receive premium assistance for the 2016 crop year. The example below demonstrates how premium assistance impacts you. If you have had a recon, you will need to file a new AD-1026.

## New Breaking Ground

If you will have New Breaking Ground (hasn't been planted in the past 3 years) for your 2015 crops, please let us know as soon as possible.

If you are adding 320 acres or more of NBG, we have to know before SCD. For Spring Crops the SCD is 2/28/15 for NC & SC and 3/15/15 for OH, TN, VA, & WV. If you are adding less than 320 acres we have to know before ARD 7/15/15.

If you want to insure the NBG, we will need a copy of your conservation plan, or a letter stating one is not required.

You must report acreage and production for uninsured land as well as insured land.



P.O. Box 38  
Anoka, MN 55303-0038

### Schedule of Insurance (Estimate) / Production Report

Insured Information		Agent / Agency Information		Crop Year		Policy Number								
		JT DAVIS INS AGENCY INC JOHN THOMAS DAVIS JR PO BOX 40 BROOKNEAL, VA 24528-0040		2014		VA-951-1								
State Code / Name		County Code / Name												
VA VIRGINIA		143 PITTSYLVANIA												
Crop	Level	% of Price	Exp	Assignment of Indemnity with	Total Acre / Qty	Total Liability	Fee							
CORN GRAIN	75	100	1,000		75.0	\$27,431	\$30							
FLCTB TB111	75	100	1,000		51.00	\$190,503	\$30							
PRF HAYING	85	100	1,000		205.60	\$33,492	\$30							
SBEAN COMM	50	100	1,000		61.5	\$2,282	\$30							
WHEAT WINTR	65	100	1,000		164.2	\$37,551	\$30							
Remarks				Date Printed 12/22/14										
Insured's Printed Name														
Insured's Signature (Sign and return only if reporting your crop production) Date														
Required <input type="checkbox"/> Field Review <input type="checkbox"/> Inspection														
Processor Number / Name and / or Trees / Vines														
Crop	Unit	Type	Sect Twp Rng or Other Land Identifier	Share	Shareholder	Acres Quantity	Level Options/ Elec/End	Plant Date	Area Class	Approved Yield	Guar Per Acre	Total Guar****	Premium	Production at 100% Share**
CORN	0001-0001-000	GRAIN		1,000		3.10	75	4/21/14		114.0	85.5	265.1	\$100 EU	
RP		EU	NIRR				YA				\$4,6200	\$1225		
CORN	0001-0002-000	GRAIN		1,000		23.30	75	4/25/14		114.0	85.5	1,992.2	\$747 EU	
RP		EU	NIRR				YA				\$4,6200	\$9204		
CORN	0001-0004-000	GRAIN		1,000		13.50	75	4/27/14		107.0	80.3	1,084.1	\$425 EU	
RP		EU	NIRR				YA				\$4,6200	\$5098		
CORN	0001-0006-000	GRAIN		1,000		30.00	75	4/27/14		99.0	74.3	2,229.0	\$889 EU	
RP		EU	NIRR				YA				\$4,6200	\$10298		
<div> <div> <p>Disclaimer THIS IS NOT A BILL. However, if you would like to pay your premium, mail to - PO Box 38, Anoka, MN 55303-0038. An actual bill will be sent later.</p> <p>The information contained on this schedule is considered binding. Any errors or discrepancies must be reported to your agent immediately. All revisions are subject to company approval.</p> </div> <div> <p>Base Premium <b>\$30,752.00</b></p> </div> <div> <p>Subsidy Provided by RMA <b>\$21,242.00</b></p> </div> <div> <p>Farmer Premium <b>\$9,510.00</b></p> <p>FCIC <b>\$150.00</b></p> <p>Previous Credit <b>0.00</b></p> <p>Interest <b>0.00</b></p> <p>Total <b>\$9,660.00</b></p> </div> </div>														
<p>B. Basic Unit Discount C. Cupped CRP/USDA Land Emerging from U.S. Forest Service</p> <p>D. Dollar Amt Reduced/Increased E. Effective Date EU Enterprise Unit</p> <p>F. Floored M. Modified/Corrected NB New Breaking OP Over-Planting Factor P3 Late Plant/Mex Reduction</p> <p>PC Protective Covering PP Prevented Plant PR Premium Reduction on First Crop R Revised</p> <p>RP Revised Premium after Premium Reduction RW Skip Row Width S Short Rated SC Second Crop</p> <p>SE Seed Endorsement WU Whole Farm Unit WP Weighted Average Contract Price *Additional Exist</p> <p>Acreage Type: Insured; A-NB WA has proof, B-NB has proof, E-NB WA no proof, G-NB no proof, SF-SF/crop crop, I-All other</p> <p>PP-Prevented Plant Uninsurable; C-NB has proof, F-NB no proof, S-All other Uninsurable; H-High Risk Land, U-Cal C crop doesn't</p> <p>meet Age/Production Requirements; W-Insurance Waived Unreported Acres; P-Portion of unit, R-Entire Unit, Zero Acreage;</p> <p>ZU-Unit, ZC - Crop Forage; IS-Inadequate Stand, NS-New Seeding, OA-Overage, SA-Seeded with Another Crop</p> <p>** Record Type 1. Production Sold/Commercial Storage 2. Farm Stored Measured by Insured 3.Pick/Daily Sales Records</p> <p>4. Automated Yield Monitoring System 5. Farm-Stored Measured by Authorized Representative</p> <p>6. Livestock Feeding Records 7. Claim for Indemnity 8. Appraisal (non-loss) 9. Field Harvest Records 10. Other</p>														



## *Tobacco Updates*

### **New for 2015**

For 2015 you will be required to insure your tobacco in the county where it is physically located, regardless of where it is administered.

The price elections for tobacco have been set at \$1.80 for Flue Cured and Burley and \$2.00 for Dark Fired.

For 2015 Certified Organic Tobacco can be insured at the contracted price, not to exceed 2x the base price.



### **Reminders**

***If you have burley or flue cured tobacco that may need a quality adjustment, you must have it graded by a USDA grader.***

The Tobacco Administrative Grading Service (TAGS) requires that you set an appointment, call them toll-free at 1-855-776-8570.

The following is an example of how quality adjustment works for Flue Cured or Burley tobacco:

Guarantee: 1500 lbs. per acre  
Harvested: 1500 lbs. per acre = No Loss

However, if 1,000 lbs. are damaged and are graded at a B4GK which has a .40 discount factor, (meaning 400 lbs. would be subtracted from the 1,000 lbs. of damaged tobacco.)

Your production to count would be 1,100 lbs. This would generate a loss payment of 400 lbs. x the price election of \$1.80 or \$720.

## *Crop Hail*

### A Brief Summary of Hail Coverage

- Hail is the one catastrophe that is most likely to totally destroy a part of your crop and leave the rest looking fine. The part hail takes out may well be less than the deductible of your Multiple Peril Crop Insurance policy.
- MPCl protects investment, not profit.
- Hail coverage provides:
  - Profit Coverage.
  - Coverage for reduction in yield from 1% to 100%.
  - Combination of MPCl and Hail/Wind provides you the best protection.
- Auto Crop Schedule (ACS) is available in VA and NC.
- Available for all crops.

***“Our Business is Keeping You in Business”***

J T Davis Insurance Agency, Inc. is an Equal Opportunity Provider

### *We Bring to You...*

- Individual Risk Management Planning
- Toll Free Phone Service 1.800.248.5480
- Experienced, Competent Adjusting Staff
- Office Staff with Combined Insurance Experience of 112 Years
- Personal Experience Serving the Farmer for 47 Years
- 100% Devoted to Crop Insurance
- Fast Claim Turn Around

*Contact us for more information*

*Phone: 800-248-5480 or 434-376-5480*

*Fax: 434-376-5198*

*Email: [HelpDesk@JTDavisIns.com](mailto:HelpDesk@JTDavisIns.com)*

*Web: [www.JTDavisIns.com](http://www.JTDavisIns.com)*

*Like Us on Facebook*

### *Acronyms Used in This Newsletter*

APH – Actual Production History

ARC – Agricultural Risk Coverage

FSA – Farm Service Agency

NASS – National Agricultural Statistical Service

PLC – Price Loss Coverage

RMA – Risk Management Agency

J T Davis Insurance Agency, Inc.  
1101 Indian Jim Trail  
Nathalie VA 24577

PRSRT STD  
U.S. POSTAGE  
PAID  
BROOKNEAL, VA  
PERMIT NO.10