



Dick Sims Crop Insurance

February 11, 2020

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Deadline for Farm Bill Sign-up March 15th, 2020

It seems like we have been talking about the sign-up for this new 5-year "farm bill" or officially, the "Agricultural Improvement Act of 2018" for quite a while— because we have. In this publication one year ago, many of the same things we are looking at now were questions then. At least now we know one thing for sure— sign-up for the 1st part (2019 election) must be completed by March 15th, a date we in the Crop Insurance industry are very familiar with! Producers have had so much time to study and reflect— they may have gotten confused and lost interest in the process and just want to flip a coin and make a choice. That could be a mistake. As farm margins tighten, things like extra Government payments can make a lot of difference to your bottom line, as any student of the last farm bill could readily see.

This time around we may see more producers making different selections on different farms due to the fact we are signing up for protection of a crop that was planted (or Prevented from being planted) and harvested before sign-up even began. This unusual situation, coupled with the enhanced flexibility to change programs annually in years 3-5, definitely brings ARC individual into play on certain farms with PP or especially poor yields in 2019! FSA has been encouraging producers to get signed up sooner than later to avoid long wait-

PLC Reference Prices

Commodity	Reference Price	Recent MYA
Corn	\$3.70	\$3.78
Grain Sorghum	\$3.95	\$3.21
Soybeans	\$8.40	\$8.76
Wheat	\$5.50	\$4.58

ing times in the office and the last minute rush for the office staff.

As before, Farm Doc and a few other sources have developed online tools to help model how the programs might work on your farms—we are happy to email a link!

Here are the main decisions to consider:

- Do I update crop Base Acres?
- Do I update my Payment Yields? (use 81%...)
- Do I go with ARC county revenue? All crops?
- Do I go with PLC Price protection? All crops?
- Does ARC individual make sense? Must be all crops if this option is chosen.
- If I go with PLC, do I consider adding the Supplemental Coverage Option SCO?

Let us discuss this important decision with you!

Spring Base Prices...

Corn — \$3.92/ bu*
Beans – \$9.19/ bu*
So far...for 2020

Important Dates

Sales Closing Date for Corn & Soybeans:	3/15/2020
RP YP ARPI Base Price Discovery for Corn:	Feb 1 - 28 December
RP YP ARPI Base Price Discovery for Soybeans:	Feb 1 - 28 November
Planting Date Range for Corn:	April 5/10 to June 5
Planting Date Range for Soybeans:	April 20/24 to June 20

Got Hemp? There are lots of coverage options...

As promised, the USDA has finally released rates and rules for an APH policy to cover Hemp for the 2020 growing season. For the APH Plan from USDA ...Hemp is insurable if:

- You have a share in the crop;
- You have at least one year of history producing the crop;
- It is a type listed in the actuarial documents;
- Premium rates are provided by the actuarial documents;
- It is grown under a processor contract executed by the applicable acreage reporting date;
- It is grown under an official certification or license issued by the applicable governing authority that permits production of the

hemp;

- It is planted for harvest as hemp in accordance with the requirements of the processor contract and production management practices of the processor; and
- It is planted to an adapted variety and not a variety prohibited by the applicable governing authority. Refer to the Hemp Crop Provisions.

Other ways to insure Hemp even without prior history are weather specific, either prepackaged or fully customizable models based on what experts (or you) have determined are the weather you need to occur for the best chance at growing a successful Hemp crop in 2020.

Additionally we have several companies that will cover a Hemp crop against the ravages of Hail damage. Please talk to us for a quote.



Scan this code with your smartphone for additional info!



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Farm the way you want– an Alternative to Traditional Crop Insurance

As we once again look at thin margins going in to 2020 we want to remind you of additional products developed over the last few years to help either reduce the level of risk you need to bear before crop insurance deductibles are satisfied, such as RAMP or GAP offering up to 95% coverage on trend-adjusted APH's, or you could take a more holistic approach altogether by :

- Using a private multi-peril product based on your financial experience
- Covering you 100% for actual cost of seed fertilizer and chemical
- Giving you comfort of protecting your hedging activities

We represent a company out of Canada, Global Ag Risk that has been offer-

ing just such coverage there for several years.

The coverage is called PCI or Production Cost Insurance. When considering ways to increase your yield and the integrity of the soil, PCI is unique as a solution that helps innovative, "think outside the box" producers farm the way they want and go for maximum yields and profits, unlike traditional coverage that can put your financial interests at odds with farming the way you really know you should.

PCI is relatively simple in structure. It utilizes the farm's actual financial history from the past five years of grain sales including gains and losses from **hedging efforts** along with understanding

the actual expenses experienced on the operation from seed, fertilizer and chemicals to determine the gross margin. This is then used to determine the Fixed Gross Margin Coverage level of protection needed. In addition, the farm is protected for 100% of the Input cost coverage. Sound intriguing?

Here is what you need to get a quote:

- 5 year Crop Sales (including Hedging Gains/Losses)
- Seed cost
- Fertilizer cost
- Chemical cost

Fill out a financial release and go through the quoting process– it might be a great fit for you & may help you understand your financial position more.



Dick Sims Crop Insurance
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«Business/Farm Name»
«First Name» «MI» «Last Name»
«Address1»
«City», «State» «ZipCode»

2020 Ag Outlook Breakfast - Tuesday Feb. 18th

Sponsored by: Dick Sims Crop Insurance & First Farmers Bank and Trust

In-Depth Grain Market Analysis

Michael J. Silver
Grain Marketing Specialist,
Kokomo Grain
Agent, Dick Sims Agency, Inc.

ARC/PLC Discussion

Steve Sims
Owner, Dick Sims Agency, Inc.

Hemp Overview ... Can 95% Coverage help you?

Scott Rush
Agent, Dick Sims Agency, Inc.

Cass County Fairgrounds Community Center

Registration 8:15-8:30 AM, Breakfast 8:30 AM, Program 9:00-10:30 AM