

▶ Volume 13, Issue 1

Recent Fall 2012 Prices...
 Corn - \$5.54/ BU.
 Beans - \$11.92/ BU.

Trend Adjusted Yield new in 2012

IMPORTANT DATES

The hottest topic of discussion this year will probably be the new Trend Adjusting (or TA) option now available at all coverage levels of additional coverage protection on corn and soybeans in Indiana and several other states. The Option is designed to improve the accuracy of the estimate of future yields, and allow accurate coverage elections to be made against future crop production. Once selected it should work in the background seamlessly, but there are some decisions to be made that may require a little familiarity with the rules:

- Available on Corn and Soybeans only this year.
- Available on all levels of APH coverage (not CAT)
- When elected, all units on

the crop/county policy are ineligible for Cups & Floors.

- APH database must have one or more "actual" yields in the four most recent crop years to be eligible for any TA adjustment.
- Trend Adjustment percentages of county/crop factors are based on the number of "actual" yields found in the 12 most recent crop years as follows:

One actual yield = 25%
 Two actual yields = 50%
 Three actual yields = 75%
 Four or more yields = 100%

- The new Trend Adjusted APH is limited to no greater than the highest actual yield in the database plus one year's factor added on.

Definitions and Abbreviations

- **TA APH:** Trend Adjusted Actual Production History
- **Effective Coverage Level** Trend Adjusted APH Yield/ Standard APH * Current Coverage Level
- **Elected Coverage Level** The percentage value a producer chooses for a policy or quote
- **Trend Yield Factor** Percentage of yield trend based on number of qualifying yields

"Only love can be divided endlessly, and still not diminish"
 Anne Morrow Lindbergh

RP/YP/Grip Base Price Corn	Feb. Ave. Dec. CBOT
RP/YP/Grip Base Price Soybeans	Feb. Ave. Nov. CBOT
Sales Closing MPC-I-TWI APH Revision	3/15/12 4/30/12
Final Plant Corn Beans	6/05/12 6/20/12
Acreage Reports Due MPC-I \$ Billed	7/15/12 8/15/12

Contacting us...

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USDA Moving to Lower Insurance Premiums for Corn and Soybean Producers in 2012

WASHINGTON, Nov 28, 2011 - The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) announced today that it will update the methodology to set crop insurance premiums, leading to lower insurance premium rates for many corn and soybean producers in the 2012 crop year. The rate adjustment is based on findings of an independent study and peer review process. The study is part of RMA's ongoing

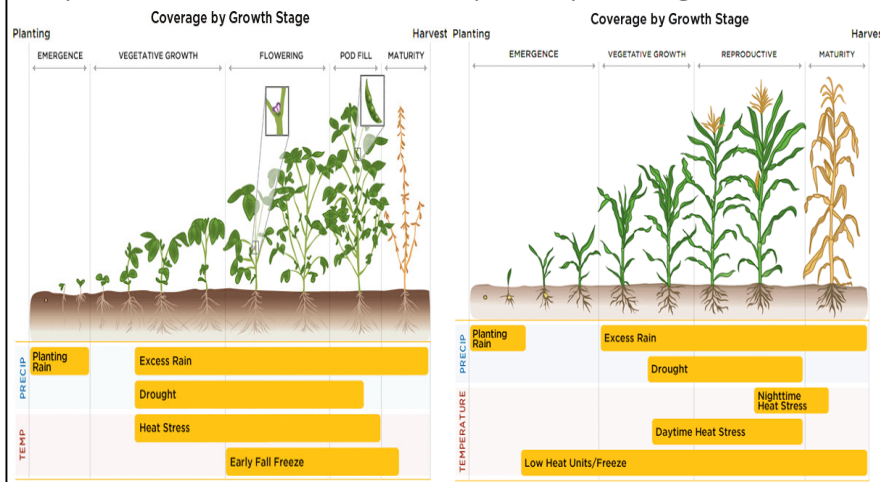
effort to improve the methodology of determining premium rates for crop insurance. "We are improving the formulation of our rate-making methodology, and are moving to establish the most fair and appropriate premium rates for today's producers," said RMA Administrator William J. Murphy. "On average, these new rates should reduce corn farmers' rates by 7 percent and soybean farmers' by 9 percent.

As good stewards of taxpayers' dollars, we welcome the opportunity to match premium rates more accurately with current risks." RMA contracted for a study by Sumaria Systems Inc., which examined premium rates, and the rating process, starting with the United States' two major commodities: corn and soybeans. RMA then requested an independent expert peer review to provide feedback on the Sumaria study results. RMA will (Turn Page)

(USDA from 1) “conduct further review and analysis of the study’s recommendations along with comments and issues raised by peer reviewers, making additional adjustments as warranted and appropriate. Accordingly, RMA is taking action to implement adjustments to premium rates in a “phased in” approach that allows for any further adjustment pending additional analysis of peer review comments.

RMA periodically reviews premium rates and makes necessary adjustments for actuarial soundness, aiming to establish the most appropriate premium rates for today’s producers. The current approach will make a concerted effort to adjust premium rates in a manner that recognizes the latest technology, weather, and program performance information. Updated data pertaining to prevented planting, replant payment, and quality adjustment loss experience, was also used in determining rates changes.

Charts show major weather perils that can affect Corn and Soybean yields all throughout the entire growing season and typical times that a specific component of TWI from the Climate Corp would protect against these risks.



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Save the Date:
 What: 2012 Customer Picnic
 When: Sat. July 28 6:30 PM
 Where: Logansport's Riverside
 Park McHale Complex

A Smart Farmer
 Any Street
 Any Town, IN 12345

Winter Marketing Meeting This Thursday

Please join us this **Thursday, Jan. 26th at 6:30 PM** at the **Logansport LEDF Business Resource Center** (see map) for a Marketing update from Mike Silver, Grain merchandiser for Kokomo Grain. Mike will have a formal presentation on Power Point slides that will discuss many of the fundamental and technical aspects of crop and input pricing in advance of this important time

of year when price elections are established on the Chicago Board of Trade.

Enjoy a snack and beverage on us at this informal meeting, while gaining insight in many of the major factors which will greatly affect your income in the coming months. Questions are always encouraged to add to the discussion! Feel free to bring a friend with you for an informative evening,

LEDF 310 S Pearl Street

