



# Dick Sims Crop Insurance

Jan/Feb 2018  
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## “Failure to Market is NOT an insurable cause of loss”

Risk Management tools have come a long way since Dick Sims sold his first hail insurance policy in 1953. Previously, the Federal Crop Insurance Act of 1938 established the first Multi-peril policies, but enjoyed little market share the first 40 years. In the early 80’s the Government struck a deal with private industry to have the Companies and Agencies from the Crop Hail industry partner with the Federal government to offer subsidized products that guaranteed yields. In those early days, guarantees were not based on a farmer’s ability to produce a particular commodity, but solely on a bureaucrat’s opinion for the productivity of ground, as established by maps of each township for each crop.

As we fast forward to 2018, we see a new suite of tools and strategies available to meet the needs of the producer. While the Hail insurance that was the backbone of this Agency the first half of its existence is still a valuable coverage, it is typically now deployed as one component, among many, of a comprehensive strategy that involves looking at a producer’s total operation footprint and cost structures, to tailor a plan to reduce not only **production risk** but also **price risk**.

Price Flex, RAMP, Harvest Max RP and the new RPoweredD are exciting new tools offering innovative new enhancements to MPCl. Most producers using crop insurance in the corn belt carry coverage with a revenue component built in. When properly structured, these plans cannot only **protect from risk**, but perhaps just as importantly, allow producers to **capture opportunities** that exist in the marketplace each year.

Most farmers do a really good job with the agronomic aspect of farming. Many will admit to doing less of a good job in the other part of their job: marketing their crop in a disciplined, comprehensive and strategic manner. We seek to partner with producers helping to craft and implement a plan that continues long after the March 15th sales deadline.

The title of my article, “Failure to Market...,” is one of the phrases our own Mike Silver uses at the numerous meetings he has presented for DSA clients over the years, and he discusses using your crop insurance proactively. Rich Morrison of CGB presents daily updates available by email and has a video update monthly. You feed the world and your family, let us help you do your job.

~Steve Sims

### CBOT Prices...

Corn - \$3.83 / bu  
Beans - \$9.72 / bu  
...for 2018

### Important Dates

Sales Closing Date for Corn & Soybeans: 3/15/2018

RP YP ARPI Base Price Discovery for Corn: Feb 1 - 28 December

RP YP ARPI Base Price Discovery for Beans: 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

### Contacting Us

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Scan this code with your smartphone for additional info!



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# Supplemental and New Products Start to Gain Traction

Over the last few years, the marketplace has virtually exploded with new, often complicated, options to boost the traditional RP and Hail coverages that most producers use. As corn and bean prices continue to drop, the demand for supplemental coverage has indeed been there. While not for everybody, here is our take on the major types available and their names:

- ◇ Alternate price discovery month options - such as Price Flex and Price Select
- ◇ Guaranteed additional price added to Feb. discovered price if there is a claim, such as Rpowered, MP Plus & Max Price

- ◇ Increased Levels of coverage above 85% on individual plans. These work off existing APH and can increase your level to as high as 95% even based on your Trend Adjusted yield. Usually these are at Enterprise Unit structure, but some even offer Optional units regardless of the underlying unit structure. Examples include: RAMP, Revenue Select, Harvest MAX and Rpowered
- ◇ Whole Farm (WFRP): Subsidized Guarantees revenue across Multiple crops (3 or more is best)
- ◇ Margin Guarantees: Guarantees Margin (not just Revenue)

Subsidized: Margin Protection; Private: Production Cost Insurance (PCI)

- ◇ Supplemental Replant: Only with a Hail Policy, no minimum
- ◇ Wind, Green Snap and EHE

While this list is not comprehensive, this gives you a taste of offerings available as you ponder your plans for managing the specific risks of your operation. Please speak to one of our Specialists to make sure you understand these offerings and get the best plan available to position your operation for success in 2018 and beyond.



**Dick Sims Crop Insurance**  
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**Coming Soon!**

Your agent will be in touch in the coming weeks to discuss your Crop Insurance options this year. Visit our website to discover new products and services for 2018.

## A Smart Farmer

# Ag Outlook Breakfast

Featuring Chris Hurt, Professor of Agricultural Economics at Purdue University

**When:**

**Monday, January 29 @ 9:00 AM**

Breakfast provided @ 8:30 AM

Co-Sponsored with First Farmers Bank & Trust

**Where:**

**Calvary Presbyterian Church** located at: 701 Spencer Street in Logansport

