



# Dick Sims Crop Insurance

June 2019

Volume 20, Issue 3

## Planting Progress Improves— Problems still exist

After the Prevented Planting Meeting on May 30th, we expected to be totally inundated with PP claims on the first date those claims were allowed to be reported. While we did and continue to report some PP claims and now even some replant claims, the volume and severity of those claims, for the most part, are much less severe than originally thought. You, the American farmer, have once again worked very long hours in some less than ideal conditions to plant the crops that feed and fuel us.

The way Hoosier farmers roll up their sleeves and “git ‘er done!” is a testament to the work ethic that seems intrinsic to rural people across our great land.

Now as planting winds up we have many more tasks ahead. Obviously, many are still wrapping up filling in holes initially left on the first pass. Weed control is also an issue to address that may pose a unique challenge, given the circumstances of this Spring. Also, of course, there are many of you needing to replant some of the crop that was drowned or hailed out. Please remember that while the guidelines are very similar for PP and Replant—

- Replant and PP both need lesser of 20% of unit or 20 acres to qualify.
- Both claim types require notification but Replant must be reported before going in the field to plant. For PP claims, you need

to notify us within the Late Plant Period.

- An adjuster from your company should communicate with you about your specific claim situation—usually within 48 hours of claim submission. If this does not happen inform us at once.
- Approved PP pays 55% (Corn) or 60% (Soybeans) of your Spring Guarantee while...
- Replant for Corn pays 8 Bu. X Spring price or \$32/ Acre—once approved.
- Replant for Beans pays 3 Bu. X Spring price or \$28.62/ Acre—once approved.

All of these claims cannot be finalized until acreage report is completed and appropriate farm’s acres and shares are keyed into company computers by DSA. So as Jerry McGuire says: “Help me help you.”

Paperwork is no fun-but the timeliness and accuracy of that paperwork or Automated Crop Reporting (ACR) Submission is critical to ensure “your” risk management plan works the way we all intended to protect your family’s future! Our agents and CSR’s are ready and able to help get these reports filed in the coming days. Thanks for insuring with us!!



## Spring Base Prices...

Corn — \$4.00 / bu  
Beans – \$9.54/ bu  
...for 2019

## Important Dates

**Late Planting Period for Corn:** June 6 - June 25

**Late Planting Period for Soybeans:** June 21 - July 15

**Acreage Reports Returned to Agent:** 7/1/2019

**RP YP ARPI Harvest Price for '19 Wheat:** July 1– 31 Sept. CBOT

**RP YP ARPI Base Price for '20 Wheat:** Aug. 15– Sept. 14 Sept. CBOT

## Contacting Us

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## Prevented Plant FAQ's

- PP deadline with FSA is within 15 days of final planting date to avoid an inspection and a service charge.
- PP ground that is fallow must control weeds and can have a cover crop, but it cannot be hayed, grazed or harvested in any way prior to Nov. 1st, 2019.
- Tiling or drainage work is permissible on PP acres (subject to FSA or SCS AD-1026 guidelines)
- All PP acres must be reported on crop acreage reports, even if they are too small an acreage to qualify for payment.
- PP that is planted to an alternative crop, i.e. soybeans for intended corn, may not be planted before June 26th
- PP eligibility is based on prior 4-year crop history, and is figured on a per crop, per county, per entity, per unit basis. Confusing? Call us to discuss.

Scan this code with your smartphone for additional info!



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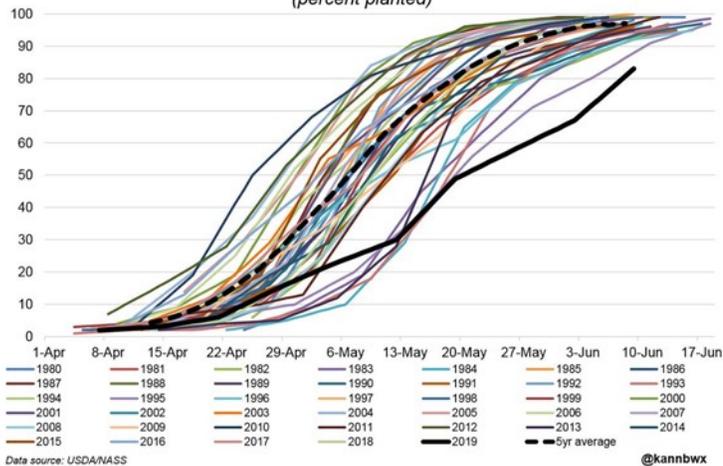
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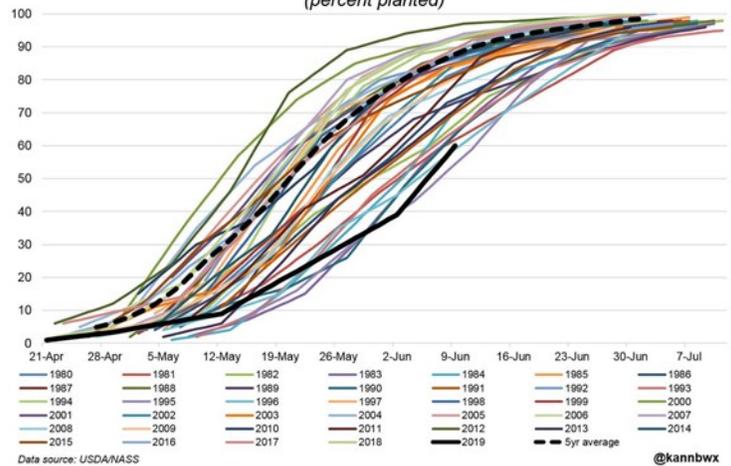
## United States Corn Planting Progress

(percent planted)



## United States Soybean Planting Progress

(percent planted)



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**FROM FSA**—Producers should report crop acreage they intended to plant, but due to natural disaster, were prevented from planting. **Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).** The final planting date is June 5 for corn and June 20 for soybeans.

**H**ail is the one peril that is most likely to destroy a part of your crop while leaving the rest untouched. Unlike MPCl, Hail Insurance is paid on an acre-by-acre, rather than a per unit basis. **Why does that matter?** Consider this example. Let's say an 80 acre corn field that suffered 45% hail damage to 20 acres of the field and you were carrying 80 RP with optional units-(most have enterprise units-even worse) Here is how those scenarios might play out given a 180 APH and \$4.00 Spring and Fall Price compared to \$800 Hail Policy (Rates vary usually <\$5 Acre):

- Guarantee: 180 x 80%=144 bu. X \$4.00= \$576 /Acre
- 80 Acres x 576 = \$46,080 Unit Guarantee
- Production: 60 Acres @ 180 Bu.= 10800 x \$4.00=\$43200
- Production: 20 Acres @ 99 Bu.= 1980 x \$4.00=\$7920
- **No Loss— Rev. to Count \$51,120 > \$4680 Rev. Guar.**
- **Hail Loss \$800 x 20 A = \$16000 x 45% = \$7200 Loss**

A separate Hail policy also affords you many other features that are either not covered at all or not covered as effectively by your MPCl Policy including:

- Coverage for individual acres (not units) usually with no deductible; claims are typically paid before harvest
- Field fire from any cause – acre by acre
- Year-long stored grain coverage on your farms
- Transit coverage to places of storage-delivery
- Losses have no effect on MPCl losses
- Premiums can be deferred until Fall—no early cash outlay
- You set \$\$/acre to cover (up to full value)
- Supplemental Replant available (additional cost)
- Green Snap or Wind Endorsement available (add'l cost)
- Immediate or next-day protection



## Weekly Outlook: U.S. Corn and Soybean Yield Prospects

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University of Illinois

June 10, 2019

*farmdoc daily* (9): 106

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Permalink: <https://farmdocdaily.illinois.edu/2019/06/us-corn-and-soybean-yield-prospects.html>

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Market attention continues to focus on the potential size of the U.S. corn and soybean crops. Acreage totals look to remain uncertain for the rest of the year and any adjustments in the next WASDE report may not reflect the changes facing both crops this year. U.S. average yields appear set to move lower in the upcoming WASDE report as severe delays in planting indicate reduced yield potential.

Expectations for the U.S. average corn and soybean yields this year continue to deteriorate over recent weeks as planting delays dragged on over much of the Corn Belt. In particular, states in the eastern Corn Belt dealt with extremes moisture and massive delays this year. Yield potential falls for corn planted after the second or third weeks of May, all other conditions equal. Even though progress accelerated last week on drier weather, corn planting after May 25 came in at a higher than average percentage. Based on the USDA's weekly Crop Progress report, an estimated 51 percent of the corn acreage in the 18 major corn-producing states went in the ground after May 25, compared to the average of 16.8 percent from 1986 through 2018. Typically, late-planted acres remain isolated in specific areas of the country. While most of the very late planting this year occurred in eastern corn-producing states, a substantial amount of late-planted acreage occurred in almost every Corn Belt state (see [farmdoc daily May 1, 2019](#) for more details).

The USDA's weekly ratings of corn conditions due out this week in the *Crop Conditions* report should provide an initial indication of the 2019 crop. This conditions report is setting up to be one of the worst on record. Data available since 1986 indicate that as of the 23<sup>rd</sup> week of the year (June 9 this year), an average of 67 percent of the crop rated in good or excellent condition at the end of the 23<sup>rd</sup> week (excluding 1995 when ratings were not yet available due to extremely late planting). The five worst years for good and excellent ratings (excluding 1995) were 1992 (42 percent), 1988 (47 percent), 1996 (50 percent), 1990 (52 percent), and 1993 (57 percent). Late-planted corn acreage including 1995 came in well-above average in each of these years except for 1992 and 1988.

Crop condition ratings usually fall as the growing season progresses. Early season ratings do not supply an unbiased indication of the final U.S. average yield. Even so, the upcoming rating, along with severe

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planting conditions, should keep yield expectations low. If one includes 1995 with the five years mentioned above with the worst good and excellent ratings, the U.S. average corn yield came in above trend in only 1992 (+11 bushels) and 1990 (+2 bushels). The average yield over all six years totaled nine bushels below trend. While the upcoming WASDE report may not fade the corn yield very much, an expectation this year for corn yield at or below trend appears reasonable.

Soybean planting lagged well behind average pace this year as well. As of the June 3 *Crop Progress* report, 39 percent of the crop in the 18 major soybean producing states was planted. An expectation of substantial planting progress over the next few weeks is in place. Based on the USDA's weekly Crop Progress report, an estimated 72 percent of the soybean acreage in the 18 major soybean-producing states went in the ground after May 25. This amount sits well above the average from 1986 through 2018 of 39.2 percent. Field trials in Illinois indicate yield losses higher than ten percent after May 20 with increasing levels as planting moves into June. Planting after June 10 led to almost a twenty percent loss expectation for soybean yields. While this seems drastic, actual national data on soybean yields rarely falls outside a range of 3 bushels from trend (see [farmdoc daily June 6, 2019](#) for more details). Due to the later planting of soybeans this year, the first crop condition ratings for soybeans looks to be out in the next two weeks depending on the percentage of the crop emerged. Crop condition ratings for soybeans tend to decline more than corn as the growing season advances. Like corn, early season ratings do not provide a reliable indicator of the final U.S. average yield.

Lower yield expectations for corn and soybeans seem plausible. By factoring in late planting, a conservative yield estimate for corn near 170 bushels per acre, 4.5 bushels below the current USDA projection, appears reasonable. Uncertainty regarding acreage levels for corn will linger, but acreage reduction in the 7-12 million acres range produces a corn crop 1.7 - 2.2 billion bushels smaller than currently projected by the USDA. For soybeans, an average yield of 47.8 bushels, which sits 1.7 bushels lower than the current USDA projection, fits current conditions. If one assumes 2 million additional soybean acres due to switching, soybean production comes in 150 million bushels less than forecast by the USDA. The June 11 WASDE report should provide the first indication from USDA about the size of both crops this year. The June 28 Acreage report will be the next major indicator.

## References

Irwin, S. and T. Hubbs. "[Late Planting and Projections of the 2019 U.S. Soybean Yield.](#)" *farmdoc daily* (9):104, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, June 6, 2019.

Irwin, S. and T. Hubbs. "[Late Planting and Projections of the 2019 U.S. Corn Yield.](#)" *farmdoc daily* (9):79, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, May 1, 2019.