



# The Compass

*“Pointing You In The Right Direction”*

## D.C. Watch By Bob Walmer

The Office of Management and Budget – **OMB** recently told Congress that when it comes right down to it, **America’s Farmer no longer “need such a heavy subsidy” when it comes to Federal Crop Insurance!** Is that a true statement? Absolutely not! That is why you need to heed this call to action—NOW!




It is vital to your farming operation’s bottom line and livelihood to immediately take action and make it clear to your congressional representatives that this is not true. Tell them that when it comes to CHANGE, leave your Federal Crop insurance alone. The executive branch’s OMB (the Obama Administration’s Office of Management and Budget) has proposed to Congress to reduce the Federal [crop insurance] subsidy to both farmers and the insurance companies in three ways:

- 1) *Reduce premium subsidies by a preset percentage on all coverage levels (higher cost to farmers)*
- 2) *Increase the Government’s share on underwriting gains to 20 percent from 5 percent (cuts what insurance company can hopefully—profit driving some out of the market and turns the government into a profit center !)*
- 3) *Reduce the subsidy on Catastrophic (CAT) by 25 percent and also increase farmer fees to a sliding scale from \$300 to \$5,000 depending on crop value.*

Once again, this is clearly another example of a too big government’s bureaucratic double talk. Your voice as an American Farmer can and, I believe, will make a difference. You need to make it a point today to contact your congressional representative and make them aware of what cutting the federal crop insurance program will mean to you! Let the folks in Washington DC know that the OMB’s proposed subsidy cut is not acceptable to you as America’s Farmer! So please take a minute out of this busy planting season to contact your legislators and let them know how you feel. For more detailed information, please visit our website at [www.goshertins.com](http://www.goshertins.com).

**URGENT ACTION**  
**REQUIRED**

### In This Issue . . .

-  D.C. Watch
-  Important Dates
-  Acreage Reports
-  Bio-Tech Endorsement
-  Market Watch
-  Hail Insurance

2009 Revenue Plant Prices	GRIP / RA Volatility	RMA Final Plant Prices
<b>CORN</b>	.34 / .37	\$4.04
<b>SOYBEANS</b>	.31 / .31	\$8.80
<b>FALL WHEAT</b>	.35 / .35	GRIP / CRC ~ RA \$8.71 / \$8.58

### FARMOWNER INSURANCE

If your business is farming, don’t get caught without the right coverage to protect your investment. We understand the changing needs of the farmer. Many family farms are now incorporated with a wide diversification or products. Therefore, it is very important that you have the right coverage’s.

It is important to keep yourself aware of your current needs and the coverage’s that your current policy provides you. You may find that your farmowner policy may not cover earthquake, farm earnings and extra expense, and replacement cost for barns and other structures. Two other important coverage’s are the back up of sewer and drains and identity theft. Many have found that they have a home-based business that is not covered under your current policy.

Be sure to take advantage of all the discounts that your policy offers. We have a company that provides a valued customer discount, a loss free credit, a smoke detector credit and a superior building credit. To have a complete review of your farmowner, auto, and business insurance, please call our office at 574-267-0132. We are here to point you in the right direction.

### ***Important Dates to Remember:***

**July 15th** ~ Acreage Report Signed **July 21-23** ~ MSU Farm Show **Sept. 1-3** ~ Natl. Farm Progress Show



## Get acreage reporting right.

### It saves you money and protects your investment.

You have a lot at stake in making sure your crop insurance acreage reporting is accurate and on time. If you fail to report on time, you may not be protected. If you report too much acreage, you may pay too much premium. If you report too little acreage you may recover less when you file a claim. Crop insurance agents often say that mistakes in acreage reporting are the easiest way for producers to have an unsatisfactory experience with crop insurance.

Don't depend on your agent to do this important job for you. Your signature on the bottom of the acreage reporting form makes it legally your responsibility. Double check it for yourself. Also make sure that your crop insurance and FSA reports are identical (or provide written explanations of any differences). Regulations require that they be compared. Make sure that you receive and retain a signed copy of the reports that you file as this is critical to correct any errors that may show up later.

Remember acreage reporting is your responsibility. Doing it right will save you money. Always get a copy of your report immediately after signing and filing it with your agent and keep it with your records. Remember, it is up to you to report crop damage to your agent within 72 hours of discovery. Never put damaged acreage to another use without prior written consent of the insurance adjuster. You don't want to destroy any evidence of a possible claim.

## BIOTECHNOLOGY ENDORSEMENT (BE)

The Biotechnology Endorsement will allow you to receive a premium rate reduction on non-irrigated and irrigated corn for grain planted to a qualifying hybrid in an approved state. The hybrid seed companies that produce the qualifying hybrid traits have been expanded to include Monsanto's (YieldGard) triple stack traits, Syngenta (Agrisure), and Pioneer/Dow AgroSciences' (Herculex). You must be sure you use only qualifying hybrids to be BE certified. The best way to know if your Hybrid qualifies is to look on the RMA's website. [www.RMA.USDA.GOV](http://www.RMA.USDA.GOV)

To qualify for the premium rate reduction, producers must meet **ALL** requirements of the policy and endorsement. A producer must plant at least 75% of total insured corn acreage planted in the unit, including any replanted acreage but excluding acreage designated as high risk in the actuarial documents to a qualifying hybrid. The BE endorsement is only available for insureds with an **APH**, **CRC** or **RA** plan of insurance at a buy-up level of coverage. The BE discount not only applies to the qualified Hybrid acres, it also applies to the total corn planted acres on the policy including refuge.

Insurance companies will randomly select corn plants located throughout each unit identified as eligible for the BE program. They will collect one plant tissue sample from each plant. The plant tissues will be taken to a laboratory where trait expression tests will be performed to determine whether required trait combinations for seed technology(s) identified by insured are present. **A negative result could result in the corn policy being voided.** Contact your agent for information on when *an insured will be in noncompliance with the BE program.*

An insured must provide the following on or before acreage reporting date:

- Completed, signed and dated BE Insured's Certification form
- Completed signed and dated BE Supplemental Seed Documentation form, if required
- Copies of purchase and return seed invoices corresponding to BE Insured's Certification form
- ◆ Acreage Report identifying acreage and unit (s) meeting BE planting requirements.

## Market Watch By Mike Daube

Last December, we had corn prices around \$3.00 and beans around \$7.00, and wondered how we could possibly make any money growing crops this year. Now on June 30th, with the latest government reports behind us, where have we been? December corn has been over \$4.70 and November beans a half cent from \$11.00, and today we close corn at \$3.67 1/4 and beans at \$9.81. The government has revised corn acres to just over 87 million, and beans at 77.48 million. What do we look for now? Did we really get all those corn acres in, or was there some switching in Indiana and Illinois since the June 1 survey?

Ethanol margins are now very good, the best in some time, but livestock producers are still struggling. Now that we have "numbers" from USDA, we look to weather and demand to drive the market, with one eye over the shoulder for signs of inflation and more speculator dollars. Beans are still one dollar more than the insurance price, while corn is now 37 cents below the spring price. As always the bushels you can't or don't want to store are your biggest risk, as wide basis and storage costs often negate any price gain near term. Remember, it looks bad this afternoon from the corn side, but we have a long way to go to make this crop, the pollination window will be quite wide this year, and there are questions as to the weather being as favorable to us this year as last to finish the crop. If you need some ideas on managing risk and using your insurance coverage with some marketing ideas, call us or visit our website at [cfgag.net](http://cfgag.net).

## HAIL

Hail insurance has undergone a vast amount of changes in the past several years. Several features of Hail policies serve to cover several Gaps that exist in your MPCl policy. For most farmers the Crop Hail policy serves as a companion to their MPCl policy. Crop Hail insurance is very important to have. You will find it is not only very valuable, it is also a terrific value. There are several types of small losses that can occur which will trigger a Hail payment when your MPCl policy will not kick in. In other cases, you may get an almost immediate payment to take care of a loss and still keep rolling towards a good harvest.

Late Spring and Summer is the time of volatile weather and increased crop risk. A Purdue study found approximately half of all hailstorms occur between March and May. This would mean that there would be minor or no damage because either it occurs before you have done your planting or the planted acres are too small to be damaged significantly. However, the study also reported that about a third of all hailstorms occur between June and September. These resulted in losses to corn in the millions of dollars.

Towering thunderstorms can form and move through your area with little or no advanced warning. Some of these storms contain damaging hail, which can turn the finest looking field into a disaster in minutes.

There is no deadline on obtaining hail coverage. Therefore, contact your agent to receive a personalized quote for your operation based on the coverage's that best fit your needs.



## E-Mail Directory

Contacting Your Agent  
888-648-0132  
[www.goshertins.com](http://www.goshertins.com)  
[service@goshertins.com](mailto:service@goshertins.com)

David Goshert - [David@goshertins.com](mailto:David@goshertins.com)  
Richard Goshert - [Richard@goshertins.com](mailto:Richard@goshertins.com)  
Bob Wilson - [Bob@goshertins.com](mailto:Bob@goshertins.com)  
Duane Goetz - [Duane@goshertins.com](mailto:Duane@goshertins.com)  
John Paseka - [John@goshertins.com](mailto:John@goshertins.com)  
Bernie Larson - [Bernie@goshertins.com](mailto:Bernie@goshertins.com)  
Bob Walmer - [Bobwalmer@goshertins.com](mailto:Bobwalmer@goshertins.com)  
Chad Leman - [Chad@goshertins.com](mailto:Chad@goshertins.com)  
Malary Wagner - [Malary@goshertins.com](mailto:Malary@goshertins.com)

Rick Goshert - [Rick@goshertins.com](mailto:Rick@goshertins.com)  
Dick Riedel - [DRiedel@goshertins.com](mailto:DRiedel@goshertins.com)  
Kam Michael - [Kam@goshertins.com](mailto:Kam@goshertins.com)  
Pete Shiningier - [Pete@goshertins.com](mailto:Pete@goshertins.com)  
Bob Likens - [BobLikens@goshertins.com](mailto:BobLikens@goshertins.com)  
Julie Likens - [JulieLikens@goshertins.com](mailto:JulieLikens@goshertins.com)  
R. Kim DeVita - [rkdevita@goshertins.com](mailto:rkdevita@goshertins.com)  
Jerry Bosserd - [JerryBosserd@goshertins.com](mailto:JerryBosserd@goshertins.com)  
Raymond Menzie - [Raymond@goshertins.com](mailto:Raymond@goshertins.com)

2009 GOSHERT INSURANCE STAFF



PRRST STD  
US POSTAGE PAID  
WARSAW IN  
PERMIT NO. 84

475 Anchorage Rd., Suite 11  
Warsaw, Indiana 46580

**Goshert Insurance**

