









The Compass

"Pointing You In The Right Direction"

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Late Planting - PP Prevented Plant—RP RePlant

What to do??? You are not alone... Here is a summary of the crop coverage rules. Call your agent if you have questions or concerns.

You can plant with full coverage thru 6 / 5 for corn, 6 / 20 for beans (6 / 15 for beans in most MI counties)

Full coverage is reduced 1% per day for 25 days after these dates.

PP payments are 60% of your full coverage. To get a full PP on corn, you must leave the PP acres idle or cover crop it (no beans).

You can get a partial PP (35% of the 60%) payment if you do NOT plant any beans on PP acres until after the Corn Late Plant Period, 6 / 6 thru 6 / 30. This means you are in late plant period for beans and will be taking a min. 10% reduction of your normal guarantee. Beans MUST be insured on corn PP acres. Electing this partial PP payment on corn also reduces the corn policy premium due to 35% on the PP acres.

PP Claims CAN impact your EU-Enterprise Unit qualifications. Make claims carefully.

If +5% or +10% PP levels were purchased, higher level payment occurs.

(see more crop policy details and facts on page 3)

2011 Crop Revenue Plant Prices

2011 REVENUE PLANT PRICES	GRIP/ RP Volatility	RMA FINAL PLANT
CORN CORN (MI)	0.29 / 0.29 0.29 / 0.31	\$ 6.01
SOYBEANS	0.23 / 0.23	\$13.49
WINTER WHEAT	0.32 / 0.32	\$ 7.19

Black Cutworms—Watch Out!

Record numbers are showing up in traps—winter kill did not occur—early treatments were not possible due to bad weather.

Notice: Get your **FSA** appointment **NOW**—**ACRE / DCP** signup deadline is **JUNE 1**

D.C. WATCH

As you probably know, the Federal Budget has mushroomed into a bloated **\$3.6 TRILLION** fiasco. We currently have a \$14.3 trillion DEBT and are adding to it with a \$1.3 Trillion DEFICIT per year - without any NEW federal spending. Now Congress is moving to trim that -not by fixing all the multi-trillions in brand new spending, but by cutting existing programs—like the Farm Bill and Crop Insurance. Per the CBO, the Farm Bill makes up only 2% of the budget. At least 86% of that (\$62 billion) has nothing to do with farming, it is going to food stamps/school lunch. They have no intention of cutting those programs—they want to increase spending there. Of the \$10.08 billion for Agriculture, about \$3.3b goes to direct payments and \$5.5b to crop insurance. Crop insurance has already been cut multiple times down from nearly 9 billion—guess what they are planning to cut now - yes - DP's / Direct Payments.

Now—to top that, how would you like to massively increase the federal budget even further? No You Say? Well that is exactly what a very large **union** is attempting to do. It is the union that your FSA office employees belong to. They have launched a massive political campaign petitioning congress to take over all things crop related, especially crop insurance. They want to be the sole source for your information, policy options, service, claims, adjustments, etc.

Aside from the FACT that this would require them to increase their staffing at least 10 Fold in every office to cover the volumes of required paperwork, YOU—the intended beneficiary of this program would become the loser...

If you agree with the way our 'leaders' are headed with your livelihood—do nothing—its ALL being taken care of.

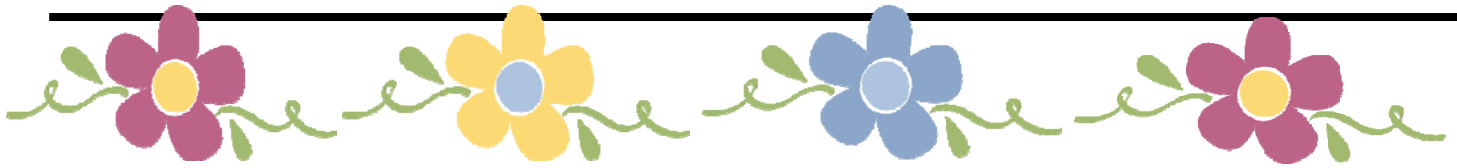
If you disagree with what is happening.... Then Do Something:

Get Informed: <http://farmpolicy.com> -also- <http://www.usdebtclock.org>

Contact Your Representatives: <http://www.contactingthecongress.org>

Get Involved: <http://connect.freedomworks.org> **Take Action:** <http://www.freedomworks.org>





NEW BROKEN GROUND

- Do you intend to clear wooded areas to create or expand existing cropland?
- Are you converting a pasture field into a crop field?
- Are there farm areas that you are considering cropping that have not been cropped in recent years?
- Are you planning on clearing a fence row?

If you answered yes to any of the above questions, you need to contact your agent as soon as possible.

Some farmers are looking to take land that was previously used as pasture land or planted with a cover or forage crop and begin planting an insurable crop on this land. If anyone who has land that they have not planted and harvested corn, soybeans or wheat in one of the last three years, they need to understand that this land may not be automatically covered for insurance. If ground has not been planted and harvested in one of the three previous crop years and this land is greater than 5% of the planted acres in the unit, then you will need to request an Actuarial Change Request in order to insure these acres for the current year.

Acreage is uninsurable⁽¹⁾ if the only crop planted and harvested in the three previous crop years was a cover, hay, or forage crop (except corn or sorghum silage), unless it is being insured for hay or as a forage crop. It can also be insured if it was part of a crop rotation. For example a crop rotation of corn, soybeans and alfalfa; and the alfalfa remained for four years before the acreage was planted to corn again. In this situation the corn can be insured.

Besides the Actuarial Change Request, there are several other things that are required in order to insure this new ground. You need to contact your agent for additional information. All of this **MUST** be accomplished before the acreage reporting deadline of July 15th. Therefore, it is imperative that you and your agent begin working on this request as soon as possible.

(1) Under a GRP or GRIP policy, the ground WOULD be insurable.

Cover crops

It wasn't too long ago that a cover crop's primary use was as plow down after chopped corn. My, how times have changed. Today cover crops are still sown where corn is chopped for silage, but cover crops are also routinely sown in corn and soybean stubble.

There are many types of cover crops (and everyone has their favorites), which are used to protect the precious top soil, improve drainage, add humus and nutrients.

We have been asked questions and there have been articles in farm publications about cover crops and their relationship to crop insurance. Therefore some clarification is in order.

Quoting from a RMA bulletin; "Generally, in the Springfield RO region, insurance is not provided for in the actuarial documents for corn or soybeans following another crop that has reached the headed or budded stage and/or that has been harvested in the same calendar year (with the exception of some soybean counties that have a following another crop (FAC) practice established in the actuarial documents). If the cover crop growth is not terminated before reaching the headed or budded stage and/or the cover crop is harvested in the same calendar year, insurance may be available through a Written Agreement, if the required criteria are met."

"As always if you have any questions please contact your agent for specific clarification as your situation may be unique."



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SURE

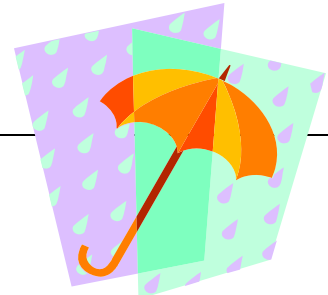
The Supplemental Revenue Assistance Payments Program (SURE) provides benefits for farm revenue losses due to natural disaster. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Noninsured Crop Disaster Assistance Program (NAP) except for grazed acreage. Crop insurance or NAP coverage is not required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage. **The application deadline for 2009 SURE is July 29, 2011**

Before planting hay, oats, and various coverage crops you should talk to the FSA about SURE eligibility and the need for a NAP policy if Federal Crop Insurance is unavailable.

Eligible farmers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer are exempt from the Risk Management Purchase Requirement (RMPR). The following are the conditions that trigger SURE payments:

- At least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition (a crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm).
- Producers in counties declared disaster counties by the U.S. Secretary of Agriculture, or in contiguous counties, or those not in a disaster county who show proof of an individual loss of at least 50%, are eligible to receive SURE payments for crop production or crop quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

Many farmers are purchasing insurance on their wheat to be eligible for the SURE program. For additional clarification contact your local FSA office.



Cont'd—Late Planting - PP Prevented Plant—RP RePlant ⁽¹⁾

PP and RP acres are always subject to the 20 / 20 rule.

RePlant payments are annually variable; are actual replant costs but not exceeding the value of 8 bu. for corn (\$48 for 2011) or 3 bu. for soybeans (\$40 for 2011).

“Higher-Of” pricing for PP changed

Effective for the 2011 Spring crops, USDA-RMA changed the rules for PP-(Prevented Planting) commodity price. It will no longer be figured at the potentially higher harvest price for policies with the Harvest Price endorsement. In the past, if the harvest price was higher than the plant price, you would have received a payment based on the higher harvest price. This will now only be based on the plant prices. For 2011 those are corn \$6.01 and soybeans \$13.49.

Changes in Operations

Anytime there is a change in entity such as marriage, change to or from a LLC, corporation, partnership, joint operation, or revocable trust, you MUST notify your agent at your earliest convenience. Doing business under an entity / number / type / name / not consistent with your policy could void your coverage.

Don't Be Last In Line

As soon as you have finished planting, you should make an appointment with the FSA office to have your acres certified. Be sure to pick up your 578-producer print, get a copy of your Aerial photos, and contact your agent.

WARNING

Always call your agents before replanting, chopping corn for silage, or destroying a crop. This will help protect your insurance rights and coverage options.

What Plant Dates To Use?

When you have replanted acres (RP), you should always use the **original** plant date in reporting for crop insurance.

Report All Events to FSA

Did you know you were required to report all crop events to FSA—like replants, prevented plants, failed wheat acres, etc. ??? FSA offices and / or crop company adjusters don't always tell you of that requirement.



⁽¹⁾ For more complete PP—Prevented Plant Option information, please see www.goshertins.com/user/2011PPOptions.pdf

Crop Hail Insurance: Do You Need It?

From solveyourproblems.com

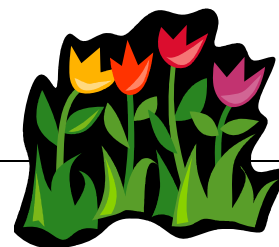
For countless Americans and their families, livelihoods are not made in an office building; they are made the old fashioned way – off the land. For many people throughout the country, particularly in the country's heartland, crops are their main source of income. Everything is grown and sold, helping to put food on tables of millions of people throughout the country and the world. However, when storms hit farming regions, entire crops can be ruined, costing those who own them huge amounts of money. **Farmers can avoid such a devastating loss by investing in crop hail insurance, which protects crop investments from damage caused by storms, field fires and several other types of losses.**

With crop hail insurance, farmers can protect themselves and the major amounts of money put into producing crops. Each year major storms hit the Midwest (the most prominent farming territory in the United States) most causing devastating tornadoes accompanied by pounding rain, wind and hail. This can be devastating to crops that are thriving in America's heartland. **One hard hit from a hailstorm can severely damage acres of crops.** With crop insurance, farmers are insured against this damage so if a storm does hit and ruin crops, they receive compensation for their crop loss.

For people who rely on farming and the growing of crops, crop hail insurance is a must. In certain parts of the United States, like the Midwest, farming is a major trade and must be taken seriously. The weather can damage crops in seconds. You would not leave your home or car uninsured, so why leave your crops uninsured? Crops are a major investment for most farmers and must be properly protected against the forces of nature. Today Hail Insurance is the most affordable it has been in many years. You need to talk to your agent now.

For more information go to:

http://www.solveyourproblem.com/insurance/crop_hail_insurance_info.shtml



Farm Insurance — Optional Coverages

You can count on us to provide insurance for the things that make your farm a home and a business.

Many people remember to schedule their jewelry, collectibles, and antiques, but forget about other important items. You also need to insure those items that are not automatically covered by a Farmowners Policy, such as Sewer Back Up, Refrigerated Foods, Farm Personal Property, Recreational Motor Vehicles (Off Road including your gators), Watercraft, and Personal Computers.

If you have a classic or collector car, be sure you get properly covered with our named value auto program. If you have heirloom or collector firearms, be sure to get properly covered with our named value armscure program. Check your current policy limits. Chances are you have a lot more value at risk than your current coverage will provide.

We offer a comprehensive Farmowners Package covering your Residence, Personal Property, Barns & Outbuildings, Farm Personal Property, and Personal & Farm Liability. If you have not spoken to us about insuring your farm, then **NOW** is the time to give us a call. Don't wait until you have a claim and find out that you are not covered.



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In Price of Farmland, Echoes of Another Boom

From nytimes.com

As prices for agricultural land surge across America's grain belt, regulators are warning that a new real estate bubble may be forming — echoing the frothy boom in home prices that saw values in Miami and Las Vegas skyrocket and then plummet. Currently there has been a surge in prices throughout the Midwest, with double-digit percentage increases last year in Illinois, Indiana, Iowa, Kansas, Minnesota and Nebraska. In parts of Iowa, prices for good farmland rose as much as 23 percent last year, according to the Federal Reserve Bank of Chicago. Just a few years ago, farmers marveled as land prices began to rise in response to demand for corn to make ethanol. More recently, soaring prices for wheat, corn, soybeans and other crops have driven the increase.

Nationwide data from the [United States Department of Agriculture](#) shows that inflation-adjusted farm prices passed their 1970's peak several years ago, but that includes land, especially on the coasts, whose price rose when it was sold for development. University and Federal Reserve Bank surveys, which give a more accurate picture of the value of land used for farming, show that current prices are approaching the top of the last boom when adjusted for inflation.

Today's farmland market has some crucial differences from the 1970s bubble and the housing boom of the last decade. In the 1970s, another period of low interest and high crop prices, farmers loaded up on debt, using their farms as collateral. In the housing bubble, many buyers were seduced by gimmicky loans, such as sub prime mortgages with floating rates that magnified risk. However, today's farmers have about one-third less debt over all than they did at the peak of the last boom, according to U.S.D.A. data.

"If you look from the beginning of farming in the United States to now, the long-term trend has been up," he said. "There will be market fluctuations where it will go down. But in 10 years, I won't be surprised if our \$10,000 land is \$20,000."

For more information go to: <http://www.nytimes.com/2011/03/04/business/04farms.html>



We sell Farm Insurance along with Auto, Commercial Auto, Motorcycle, Motor home, Boat, Travel Trailers, Business Owners, Workman's Compensation, Flood Insurance, all types of Specialty Insurance, and of course Life and Health insurance.

Give us a call today to review your current coverage and receive a competitive quote from us on all your insurance. You might be surprised at how much you can save!

Upcoming Dates To Remember

Goshert Insurance Office will be closed on the following dates: July 4TH 2011, Sept. 5 2011 Labor Day, and Nov. 24-25 2011 for Thanksgiving

July 15 2011— Acreage Reporting Deadline

July 19-21 2011—MSU AG EXPO Lansing, MI

Aug 30 – Sept. 1 2011—Farm Progress Show Decatur, IL

Sept. 2-22 2011—Farm Science Review in London, OH

Nov 29 – Dec. 1 2011—Greater Peoria Farm Show Peoria, IL

Dec. 13-15 2011—Indy Farm Show Indianapolis, IN

EARLY PLANT DATE— Corn April 6 Soybeans April 21

FINAL PLANT DATE— Corn June 5 Soybeans June 20 (June 15—MI)

LATE PLANT PERIOD—Corn June 6-30 Soybeans June 21-July 15 (June 16-July10 MI)



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