

FIELD GOALS

CROP INSURANCE



SUMMER 2020



Product Expertise & Commitment to Farmer Success

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Crop Insurance

The federal crop insurance program offers standard products at identical premiums – no matter which agent you choose. But Farm Credit Illinois' crop insurance team provides a distinct advantage with product expertise and a commitment to what's best for each farmer.

Crop insurance is a complex, ever-changing tool. It can be challenging for individual agents to be well-versed in agriculture, the annual federal crop insurance tweaks, and every farmer's unique situation – especially when they offer multiple lines of insurance.

With Farm Credit Illinois crop insurance, farmers don't entrust their operation to just one individual. They engage with a

37-member network of experts

driven exclusively to **Helping Farm Families Succeed** with customized risk management protection.

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Pre-harvest Policy Inspection List

Checklist & Reminders

As you dust off combines and grain carts to prepare for harvest, keep the following in mind:

Reference your schedule of insurance to answer these questions when reporting production:

- ✓ Production must be reported by unit and practice.
- ✓ Call your crop insurance agent if you do not plan to harvest the crop (i.e., chop silage, destroy crop).
- ✓ Old crop left in bins must be measured by an adjuster before adding new crop.
- ✓ If you believe you have a harvest claim, contact your agent within 72 hours of harvest completion of the unit.
- ✓ Dec. 10, is the end of the insurance period for spring-planted crops. If you have any crops left standing, call your agent to request an adjuster appraisal.

- ✓ Do you use Optional, Basic, Enterprise, or Multi-County Enterprise unit structure?
- ✓ Do you have irrigated and non-irrigated acres?
- ✓ Do you have double-crop soybeans? If so, are they insured?
- ✓ Do you have a High-Risk Alternative Coverage Endorsement?
- ✓ Do you have any uninsured acres?
- ✓ Did you have any failed crops?

Any "yes" answers will trigger additional record keeping requirements.

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Product Expertise continued

Each of FCI's

28 agents

ask questions and listen to truly understand each unique farm business, recommending an appropriate mix of coverage to fit every budget and business goal. Behind the scenes, nine underwriters, processors, and support staff empower agents with knowledge and service policies with the highest level of accuracy. The team culture cultivates specialization and promotes knowledge sharing – all with the farmer's best interest at the forefront.

When you leverage FCI's network of crop insurance expertise, you can be assured the crop insurance recommendations center around your needs. FCI's crop insurance agents deliver a distinct advantage, offering customized products and services to protect your farm and family.



Pre-harvest Policy Inspection List continued

Your crop insurance agent will ask what type of records you used to report production. There are two types of production records.

Soft Records

Soft records are on-farm records and could be the number of truck loads or combine hoppers hauled, scale tickets by location, bin markings, or calibrated combine monitor records. Detailed soft records trace the grain back to the field of origin.

Hard Records

Hard records verify information provided from soft records and are often elevator settlement sheets, AIP bin measurements, adjuster appraisals, or Bluetooth grain cart scale records.

Contact your FCI crop insurance agent for more production reporting tips.

www.farmcreditIL.com/contact

DID YOU KNOW?

- ▶ You can purchase additional replant coverage above the federal replant limit?
- ▶ With this, you can plant up to 20 days early and still have replant coverage on your first planted acre.

Protect More with Fall Policies



While most crop insurance policy conversations center around revenue and yield protection for corn and soybeans in the spring, other products are available. When your family farm needs added coverage, speak to your FCI crop insurance agent about options this fall.

Pasture, Rangeland, Forage Coverage

Pasture, Rangeland, Forage (PRF) covers acres used to feed livestock. A federally subsidized product based on a precipitation index, PRF covers replacement feed costs if area precipitation is lower than the historical average, causing a loss of forage for grazing or hay.

- **PRF is area-based, meaning payments are based on an area's deviation from normal precipitation, not an individual pasture.**

- **Insure grazing or haying pasture with coverage levels from 70-90%.**

- **Select a minimum of two two-month intervals to place your coverage. Coverage can be spread out across different intervals when precipitation is important for forage growth and cannot run for consecutive intervals.**

- **2021 PRF coverage must be purchased by Nov. 15.**





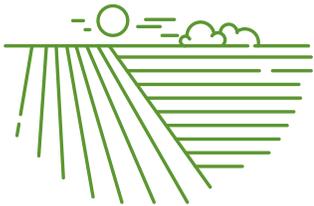
Winter Wheat

Wheat coverage is available through a traditional Revenue or Yield Protection policy.

- If using an enterprise unit, you can qualify for a discount if you meet the **20/20 Rule**: at least two sections of the unit must have wheat planted in at least 20 acres or 20% of the unit, whichever is less.

- If replant or prevented planting conditions arise, contact your crop insurance agent to discuss claim qualifications.

- The deadline to purchase or make changes to an existing policy for **2021 winter wheat is Sept. 30.**



Margin Protection

Margin Protection (MP) provides coverage based on an area's expected margin between revenue and operating costs. Available for corn and soybeans, MP protects you when costs are on the rise and revenue is declining.

- **MP is a county-based policy and may not reflect your individual experience.**

- **Purchase as a stand-alone policy or in conjunction with a Revenue or Yield Protection base policy— offering a unique opportunity to protect your operation at the county and individual level.**

- **A premium discount will be applied to any MP policies purchased in conjunction with a Revenue or Yield Protection policy.**

- **Purchase MP coverage levels up to 95% for 2021 by Sept. 30.**



Logistics of a Revenue Protection Policy

Will You Have a Claim in 2020?

Recent worldwide events and current favorable crop conditions continue to stress commodity prices. With unknowns persisting in the market, it is likely corn and soybean prices will remain volatile through the end of the year.

As harvest approaches, it is important to know how your Revenue Protection (RP) policy works. Your schedule of insurance will list your coverage level, approved yield, and guaranteed bushels.

The below examples display how an RP policy performs in different scenarios.

2020 Projected Price	\$3.88/bushel
Coverage Level	80%
Approved Yield	175 bushels per acre
Guaranteed Bushels	140 (175 x .80)

Projected Price x Approved Yield x Coverage Level = GUARANTEE

$$\mathbf{\$3.88 \times 175 \times 80\% = \$543.20}$$

ACTUAL YIELD	HARVEST PRICE = \$3.88	HARVEST PRICE = \$3.40
185 bushels per acre	<p>▶ Same Price as Projected, Higher Harvest Yield than Guarantee</p> <p>$\\$3.88 \times 185 = \\$717.80 = \text{no indemnity}$</p>	<p>▶ Lower Harvest Price than Projected, Higher Harvest Yield than Guarantee</p> <p>$\\$3.40 \times 185 = \\$629.00 = \text{no indemnity}$</p>
125 bushels per acre	<p>▶ Same Price as Projected, Lower Harvest Yield than Guarantee</p> <p>$\\$3.88 \times 125 = \\485.00 $\\$543.20 - \\$485.00 =$ \$58.20/acre indemnity</p>	<p>▶ Lower Harvest Price than Projected, Lower Harvest Yield than Guarantee</p> <p>$\\$3.40 \times 125 = \\425.00 $\\$543.20 - \\$425.00 =$ \$118.20/acre indemnity</p>

Projected and harvest prices are determined by the Chicago Board of Trade averages as follows:

Projected Spring Prices

- ▶ Corn – average December futures closing price during February (\$3.88 in 2020)
- ▶ Soybeans – average November futures closing price during February (\$9.17 in 2020)

Harvest Prices

- ▶ Corn – average December futures closing price during October
- ▶ Soybeans – average November futures closing price during October

If questions arise before or at harvest, contact your FCI crop insurance agent for help navigating your schedule of insurance and actual production history forms.

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TEXT CLUB

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2020 CROP INSURANCE DATES



AUGUST 15– SEPTEMBER 14

**Margin Protection &
Wheat Discovery**
2021 MP and wheat
projected prices set

SEPTEMBER 30

**Margin Protection & Wheat
Sales Closing Date**
Last date to purchase,
change coverage level, or
cancel coverage

OCTOBER 1–31

Price Discovery
2020 corn and soybean
harvest prices set

NOVEMBER 14

**Wheat Production
Reporting Date**
Signed reports required
for production reporting
due for all 2020 planted
wheat

NOVEMBER 15

**Pasture, Rangeland,
Forage Sales Closing Date**
Last date to purchase,
change coverage level, or
cancel coverage

DECEMBER 10

**Corn & Soybean End of
Insurance Coverage**
Request an extension or
appraisal for any crops left
standing in the field

DECEMBER 15

**Wheat Acreage
Reporting Date**
Last date to report 2021
wheat acreage planted