



**FARMER'S INSURANCE AGENCY**  
**5048 US Highway 29, Blairs, VA 24527**  
**Phone: (434) 835-0107**  
**Toll Free: (800) 458-3440**  
**Fax: (434) 835-0109**



## CROP INSURANCE NEWSLETTER FALL 2005

### **WHEAT, OATS, BARLEY SALES CLOSING DATE: SEPT 30th, 2005**

The final date to transfer, apply for, change or cancel wheat, oats or barley coverage is September 30<sup>th</sup>, 2005. ***All federal crop insurance policies are continuous policies. They will not change from year to year unless you make changes to your policy.*** Many tobacco farmers raise wheat on their tobacco land. If the wheat is grown for grain and is not just a cover crop, it is insurable. Many people overlook the value of wheat coverage. It is much more common to have a loss on a wheat crop, being unirrigated, than with tobacco. The cost of wheat coverage is generally from \$2 to \$12 per acre depending on the amount of coverage and type of coverage that you purchase.

If you had wheat, oats or barley coverage with us this year, your premium was billed and was due on July 1, 2005. If you haven't paid your premium, you need to do so by September 30<sup>th</sup> or you will not be eligible for any federal crop insurance coverage in 2006.

### **PRODUCTION REPORTING DEADLINE FOR SMALL GRAINS IS NOVEMBER 14th, 2005**

If you had wheat, oats or barley in 2005 and didn't have a loss on all farm serial numbers, we need to hear from you with regards to the bushels of wheat that were produced on those farms. This production is important to you in that your coverage in future years is dependent on the average production for each farm number. Don't forget this important step whenever you have a successful grain crop. You should have received a production reporting form from us if we are still in need of your wheat yields. If you have lost the form, please call and we'll send another one to you.

### **SMALL GRAIN PRODUCERS - DATES TO REMEMBER**

The final plant date is the date by which your crop should be planted in order to receive your full amount of coverage for the crop. The acreage reporting date is the date by which you must report your acres in order to have coverage. Following are the final plant dates and the acreage reporting dates for the counties in which we write business:

<b>County</b>	<b>Crop</b>	<b>Final Plant Date</b>	<b>Acreage Reporting Date</b>
Alamance	Wheat	11/20/05	12/15/05
Alamance	Oats	10/31/05	11/15/05
Alamance	Barley	10/31/05	11/15/05
Caswell	Wheat	11/20/05	12/15/05
Caswell	Oats	10/31/05	11/15/05
Caswell	Barley	10/31/05	11/15/05
Charlotte	Wheat	11/15/05	11/30/05
Charlotte	Oats	10/25/05	11/15/05
Charlotte	Barley	10/25/05	11/15/05
Durham	Wheat	11/20/05	12/15/05
Durham	Oats	10/31/05	11/15/05
Durham	Barley	10/31/05	11/15/05
Franklin	Wheat	11/15/05	11/30/05
Franklin	Oats	10/25/05	11/15/05
Franklin	Barley	10/15/05	11/15/05
Granville	Wheat	12/05/05	12/15/05
Granville	Oats	10/31/05	11/15/05
Granville	Barley	10/31/05	11/15/05
Guilford	Wheat	11/20/05	12/15/05
Guilford	Oats	10/31/05	11/15/05
Guilford	Barley	10/31/05	11/15/05
Halifax	Wheat	11/15/05	11/30/05
Halifax	Oats	10/25/05	11/15/05
Halifax	Barley	10/25/05	11/15/05
Henry	Wheat	11/15/05	11/30/05
Henry	Oats	10/25/05	11/15/05
Henry	Barley	10/25/05	11/15/05

Mecklenburg	Wheat	11/30/05	12/15/05
Mecklenburg	Oats	10/25/05	11/15/05
Mecklenburg	Barley	10/25/05	11/15/05
Orange	Wheat	11/20/05	12/15/05
Orange	Oats	10/31/05	11/15/05
Orange	Barley	10/31/05	11/15/05
Person	Wheat	11/20/05	12/15/05
Person	Oats	10/31/05	11/15/05
Person	Barley	10/31/05	11/15/05
Pittsylvania	Wheat	11/15/05	11/30/05
Pittsylvania	Oats	10/25/05	11/15/05
Pittsylvania	Barley	10/25/05	11/15/05
Rockingham	Wheat	11/20/05	12/15/05
Rockingham	Oats	10/31/05	11/15/05
Rockingham	Barley	10/15/05	11/15/05
Surry	Wheat	10/31/05	12/15/05
Surry	Oats	10/15/05	11/15/05
Surry	Barley	10/15/05	11/15/05

There is a 15 day late planting period in both states that allow for planting within 15 days after the final plant date but there is a corresponding loss of coverage of 1% per day for each day late planted.

#### **PREVENTED-PLANTED WHEAT ACRES**

In recent years, we have received a number of prevented planted wheat claims. If you are prevented from planting wheat, please be sure to report those acres to us when you turn in your wheat acreage report. Keep in mind that the weather condition that prevents you from planting must also affect most other farmers in your area. An isolated prevented planting claim will probably not be paid.

#### **REPORT SUSPECTED CLAIMS NOW**

If you suspect a loss on your corn, soybeans or tobacco, please report your loss now. It is never a good situation to report a loss after the crop is entirely harvested. It is always best if an adjuster can see the crop during the growing season so that he can document a suspected loss. When this documentation is in place, a loss is paid more quickly and without questions being asked as to why a claim wasn't turned in earlier. When there is any doubt in your mind with regards to normal yields, turn in a claim to us. We can't turn in a claim for you unless you call.

#### **NOVEMBER 20<sup>TH</sup>, 2005 IS THE SALES CLOSING ON APPLES & PEACHES**

If you have an apple or peach policy with us or would like to insure your apple or peach orchard, the deadline for signing up for that coverage is November 20<sup>th</sup>, 2005. This is also the deadline for making any changes or cancelling your apple or peach policy for the 2006 crop year.

#### **PREMIUM DUE DATES FOR SPRING-PLANTED CROPS & FRUIT**

For tobacco, corn and soybeans, the due date for premium payments is **October 1<sup>st</sup>, 2005**. Interest will not be charged on the premium until after November 1<sup>st</sup>, 2005. If you have a claim that is paid prior to your premium being paid, your premium will be deducted from the loss settlement. However, if your claim is in progress as of October 1<sup>st</sup>, 2005, please pay the premium prior to November 1<sup>st</sup>.

For apples and peaches, the premium due date is September 15<sup>th</sup>, 2005. Interest isn't charged until after October 15<sup>th</sup>, 2005. Again, premium will be deducted from any claim that is paid.

#### **PREMIUM DUE DATE FOR CROP-HAIL INSURANCE**

If you purchased crop-hail insurance, the premium due date is December 1<sup>st</sup> 2005 if you are located in North Carolina. For Virginia farmers, the crop-hail premiums are due on January 1<sup>st</sup>, 2006. Please don't forget these dates. Many producers prefer to pay these premiums prior to January 1<sup>st</sup>, 2006 in order to receive the tax deduction for the 2005 tax year.

#### **REPORT PRODUCTION ON CORN AND SOYBEANS**

Later this Fall, we will be sending production reporting forms to you in the event that you don't have a loss on some or all of your planted crops. If you planted corn and have cut the corn for silage, you can use the number of tons of silage that you produced on each farm number as evidence of production on that farm. We can convert your tonnage figures to bushels of grain that the tonnage would have produced. Be sure to measure a couple of loads of the trucks or trailers that you use to haul silage. Don't forget to get the tare weight as well. Although silage tonnage can't be used to pay a loss, it can be used to establish production for future years.

With regards to harvested production, be sure to get a weight ticket for the corn or beans produced on each farm serial number. If you are not going to have a loss, you can keep track of production by tallying the combine bin loads from

each farm as you harvest. If you don't plan to combine all of the acres that you planted, be sure to leave a sample of the crop in each field for appraisal. If you leave samples of corn or soybeans for appraisal, let us know so that we can send an adjuster to work the appraisal.

Because the large number of losses this year, you can obtain permission from your adjuster to use your own bin markings to indicate the production from each farm as you harvest the crop (for loss purposes). Ask your adjuster about this if he doesn't mention it to you.

#### **MISREPORTED INFORMATION PENALTY (MIF FACTOR)**

For the first time in 2005, there is a penalty that is assessed on any claim where the acreage is over reported or under reported by greater than 10%. The penalty is a percentage equal to the amount in excess of 10% that your acreage report is in error. This penalty applies not only to acreage, but also when there is an error in the liability amount due to incorrect production reported or production for which there are no supporting documents (if audited). Please give extra attention to the acres and production that you report.

#### **CROP INSURANCE FOR TOBACCO IN 2006**

The crop insurance policy on tobacco is currently being rewritten to be a policy very similar to the corn, soybean and wheat policies. Government subsidy of the premium will remain unchanged. There are many questions yet unanswered. One question regards the handling of lower leaves that are not harvested and their effect on the crop insurance guarantee. In our winter dinner meetings, we plan to discuss the new policy in depth.

This year, we will be gathering your production data from you rather than FSA. In the past, the information from your marketing cards was relayed to us and that information was used to determine the amount of coverage that you have going forward. For the first time this year, we will be sending production reporting forms to you so that you can report the number of pounds produced on each farm serial number.

In order to make this happen, please mark your sales tickets as you sell to show which farms the tobacco came from. This will be considered as acceptable records in the event of a loss or in the event that your yield figures that you give us are audited.

#### **GETTING OUT OF THE TOBACCO BUSINESS?**

If you were a quota holder or producer and will not have a share in a tobacco crop in the future or a risk in a crop, you will not need a crop insurance policy on tobacco in the future. If this is the case, we will need a written request from you to cancel your crop insurance policy. Upon receipt of such a request, we will cancel your tobacco coverage effective for next year's crop.

#### **VERIFICATION OF MARITAL STATUS**

If your marital status changed during the last year or if it changes in the future, we need for you to contact us. Your spouse is considered by the federal government to be an SBI (Substantial Beneficial Interest) to your policy and in the event that a person is married but hasn't reported his/her spouse's information, then any loss adjustment will be reduced by 50% due to lack of that information. If you've already given us this information, there is no need to re-report.

#### **FARMOWNERS COVERAGE NOW AVAILABLE**

Many times in the past, we have been asked about farmowners coverage and have not had a product that we've felt enthusiastic about offering. We now have access to three companies that write farmowners coverage and are confident in offering them to our customers. We are licensed with Countryway Insurance, St. Paul/Travelers and American Reliable. We feel that we can now offer our customers all of the insurance products that they need rather than crop insurance only. Our office is already staffed with three people that deal solely in products other than crop insurance. They are Jason Guzauskas, Charlie Lloyd and Susan Eggleston. Betty Pillow, Wendy Scheier and Tim Alderson deal almost exclusively in crop insurance.

If you would like a quote on your farmowners insurance, auto insurance, life or health insurance; feel free to give us a call. You can check out the companies that we write with by going to our new website at: [www.farmersontheweb.com](http://www.farmersontheweb.com).

#### **REPORT NEW FARM SERIAL NUMBERS**

If you have new farm serial numbers due to the removal of a combination farm serial number or due to combination of farms, please make sure that we are aware of the correct farm serial numbers at the earliest possible date that you know the new farm numbers.

#### **ARE YOU FORWARD PRICING YOUR GRAIN?**

Currently, there are few opportunities for forward pricing of this year's crop other than in the case of soybeans, which is marginal at best considering the dry weather this year and the potential for better prices at harvest. However, there are some good arguments that can be made about forward pricing a portion of next year's crop now. Please keep this marketing strategy in mind to get the most that you can for your crop. Some futures prices that exist at the time of writing this newsletter are as follows:

Soybeans:	<b>Nov 2005</b>	\$5.80/bu.
Soybeans:	<b>Nov 2006</b>	\$6.04/bu.
Corn:	<b>Dec 2005</b>	\$2.07/bu.
Corn:	<b>Dec 2006</b>	\$2.48/bu.
Wheat:	<b>July 2006</b>	\$3.53/bu.

If you want to know more about forward pricing strategies, you can request a marketing newsletter from Jonah Bowles at [Jonah.Bowles@vafb.com](mailto:Jonah.Bowles@vafb.com). Jonah produces his newsletter weekly and each newsletter is filled with suggestions on marketing the commodities that you produce. You can also request a mailed copy of the newsletter by sending a written request to Jonah at:

Jonah J. Bowles III  
Ag Risk Management Coordinator  
Virginia Farm Bureau Federation  
12580 West Creek Parkway  
Richmond, VA 23261

You may also reach Jonah at:  
(804) 290-1117 - Office  
(804) 370-4061 – Mobile

Also, we will be holding a grain marketing dinner meeting on November 17<sup>th</sup>. The location is to be determined (probably in Yanceyville or Danville), but if you would like for us to reserve space for you, give us a call and we will add your name to the list.

#### **PRICE ELECTIONS FOR 2005 & 2006 CROPS**

Following are the price elections that have been announced for the 2005 crops. These are the prices that will be used to calculate claims in the event of a loss.

##### **2005 Crop Year Prices**

Apples, Fresh Market, APH, bu.	\$ 8.05
Barley, APH, bu.	\$ 2.35
Cabbage, APH, cwt	\$ 6.40
Corn, APH, bu.	\$ 2.20
Corn, CRC Base Price in VA, bu.	\$ 2.32
Corn, CRC Harvest Price in VA, bu.	\$ tba
Corn, CRC Base Price in NC, bu.	\$ 2.27
Corn, CRC Harvest Price in NC, bu.	\$ 2.15
Grain Sorghum, APH, bu.	\$ 2.15
Oats, APH, bu.	\$ 1.60
Peaches, Fresh Market, bu.	\$11.75
Soybeans, APH, bu.	\$ 5.00
Soybeans, CRC Base Price in VA, NC	\$ 5.53
Soybeans, CRC Harvest Price in VA	\$ tba
Soybeans, CRC Harvest Price in NC	\$ 6.28
Tobacco, Burley, APH, lb.	\$ 1.50
Tobacco, Fire-Cured, APH, lb.	\$ 1.80
Tobacco, Flue-Cured, APH, lb.	\$ 1.35
Wheat, APH, bu.	\$ 3.50
Wheat, CRC Base Price in VA, NC	\$ 3.40
Wheat, CRC Harvest Price in VA, NC	\$ 3.25

##### **2006 Crop Year Prices**

Apples, Fresh Market, APH, bu.	\$ 8.05
Barley, APH, bu.	\$ 1.85
Oats, APH, bu.	\$ 1.33
Peaches, Fresh Market, bu.	\$11.75
Wheat, APH, bu.	\$ 2.80
Wheat, CRC Base Price in VA, NC	\$ 3.47

**WE, AND OUR FAMILIES, GREATLY APPRECIATE YOUR BUSINESS!!**