



PROAG SERVICE & INSURANCE SPRING UPDATE

April 2019

Another mid April snow storm...what the heck? I hope mother nature jumps from winter to summer like she did last year so we can get this crop planted in a timely manner; and if she doesn't cooperate, your crop insurance policy gives you options. Don't hesitate to give us a call so we can explain them to you.

We're getting to the time of year when things start moving fast and you don't have any extra time. Take the time now to skim through this newsletter; I'm sure you will find something you may be wondering about.

Prevent plant is always a hot topic when it looks like the spring could be later than normal. If you still have questions about your coverage after reading this article, please call. We would be happy to walk you through exactly what you have for coverage. There are also reminders on replant coverage. You need to call us **BEFORE** you replant a field or you will not receive a replant payment.

Also included in this newsletter are updates on the Farm Program Signup and the Syngenta Lawsuit for corn growers.

Multi County Enterprise units are new for this year. If that applies to your operation please read through that article. We have until acreage reporting to decide if you want to take advantage of its cost savings.

Feel free to share this newsletter with friends and neighbors. Our goal is to educate growers on crop insurance to help them best manage their risk. You can also go to our website: proagservice.com to find this newsletter and other pertinent crop insurance info. Good luck this spring and Thank You for your trust in us.

**MAY 1, 2019
DEADLINE TO SUBMIT
PRODUCTION TO FSA
FOR MFP PAYMENT**

Prevent Plant

Prevent Planting is the failure to plant the insured crop acreage due to an insured cause of loss by the final planting date or by the end of the late planting period (25 days after the final plant date for most crops). Prevent Plant must be due to an insured cause of loss and general to the area. **If you have prevent plant (PP), you must notify the insurance provider within 72 hours after the final planting date or during the late planting period when you determine that you will not be planting the crop.** You must also notify FSA of any PP acres within 15 days after the final planting date. See the **tables on page 2 for final planting dates** by county and please give us a call if you have any prevent plant questions.

- ◆ PP must be common to the area. Failure to plant when other producers in the area are planting could result in the denial of the PP claim.
- ◆ PP acres must exceed 20 acres or 20% of the crop in that unit to qualify. If you have Enterprise Unit selected for a crop, it would be a total of 20 acres for the crop in the county.
- ◆ PP acres must be insurable and physically available for planting. Land that has not been planted, harvested and insured in at least 1 of the 4 most recent crop years is considered not available to plant and is not eligible for PP. Once the land becomes ineligible for PP, it must be planted in 2 consecutive years to regain PP eligibility.
- ◆ Land emerging from CRP or New Breakage is not eligible for PP the first year. It must be planted, harvested and insured before it is eligible for PP coverage.
- ◆ Any PP acreage within a field that contains planted acreage will be considered the same crop that is planted, unless a two crop history requirement is met or rotational requirements are not met.
- ◆ Maximum eligible PP acreage by crop/type/variety is the highest number of certified acres seeded and/or prevented planting in the last four years. Eligible acres will be increased proportionately to any added/new insurable cropland acreage.
- ◆ Maximum eligible acres of a contracted crop are the minimum number of acres specified in the processor's contract.
- ◆ If all eligible acres of a crop have been used, remaining PP will roll to the crop with the next most similar PP payment, however, the payment will be capped so it will not exceed the payment of the original PP crop.
- ◆ PP is based on the Projected Price and is not recalculated with the Harvest Price.
- ◆ In order to receive PP on added land, the cause of loss must have occurred after the land was added to the operation. You may need to provide your contract to the insurance company to show when the land was added. You will also need to prove that the land had been planted, harvested and insured in one of the past 3 years by obtaining FSA or prior insurance documents on the added land
- ◆ If you have added land in a **new county** after March 15, an intended acreage agreement can be submitted within 10 days of obtaining the new acreage to establish eligibility. A cause of loss cannot be present when adding acreage in the new county. For Added Land, an insured may need to provide previous FSA and insurance records to prove insurability of the acreage.
- ◆ 2019 PP Changes: Drybean PP payment factor was reduced from 60 to 50% and potatoes were increased from 25 to 45%

PP Payment Example: Soybean APH = 40 bu; Coverage Level= 75%; MPCI Spring \$ = \$9.54
Prevent Plant Payment: 40 bu x 75% coverage level x 60% PP factor x \$9.54 = \$171.72/Ac

VISIT OUR WEBSITE @ www.proagservice.com

Final Plant Dates

Corn

State	Final Plant Date	Counties
MN	May 25	Kittson, Roseau, LOW, Beltrami, Koochiching, Marshall, Itasca, St. Louis, Carlton, Polk, Pennington, Red Lake, Norman, Mahnomen, Clearwater, Hubbard, Cass, Aitkin
MN	May 31	All other MN counties
ND	May 25	All ND counties except those listed below
ND	May 31	Cass, Ransom, Richland, Sargent

Wheat/ Barley

State	Final Plant Date	Counties
MN	June 5	Polk, Red Lake, Marshall, Pennington, Clearwater, Beltrami
MN	May 31	Mahnomen, Norman, Becker, Clay, Wilkin, Otter Tail, Todd, Wadena
MN	May 15	All Counties South
ND	June 5	Grand Forks, Nelson, Walsh
ND	May 31	Traill, Cass, Richland, Barnes,

Soybeans

State	Final Plant Date	Counties
MN	June 10	All insurable counties
ND	June 10	All insurable counties

Drybeans

State	Final Plant Date	Counties
MN	June 10	All insurable counties
ND	June 10	All insurable counties

Sunflowers

State	Final Plant Date	Counties
MN	June 10	All insurable counties
ND	June 10	Cavalier, Pembina, Ramsey, Walsh, Benson, Nelson Grand Forks
ND	June 15	All Counties South of those listed above

Canola

State	Final Plant Date	Counties
MN	June 5	All insurable counties
ND	June 5	Cavalier, Pembina, Ramsey, Walsh, Benson, Nelson, Grand Forks
ND	May 25	Wells, Eddy, Foster, Griggs, Steele, Trail
ND	May 20	All Counties South of those listed directly above

Late Planting

The late planting period begins the day after the final planting date of a crop and ends 25 days after the final planting date for most crops unless otherwise specified in the Crop Provisions. In 2019 RMA extended the ND Sunflowers final plant date by 5 days which in turn shortened the late planting period from 25 to 20 days.

- ◆ There is coverage during the late planting period if planting was late due to an insured cause of loss that is general to the surrounding area.
- ◆ Late planting guarantees are reduced by 1% for each day after the final planting date for most crops.
- ◆ The premium for any late planted acres remains the same as timely planted acres

Syngenta Corn Lawsuit

On Dec. 7, 2018 the US District Court in Kansas issued a final order granting the settlement of \$1.51 Billion in the lawsuit against Syngenta for failing to receive import approval from China before selling it's Viptera and Duracade corn in the United States. Plaintiff's attorney's were awarded one third of this settlement valued at \$503,333,333.

As of April 1st, Syngenta has fully funded the settlement and the claims administrator continues to process the claims. In reaching out to one of the attorneys who worked with producer's in filing the Syngenta claims, we discovered that 225,000 total claims have been filed but there has been no determination yet on the payment per bushel. Their office stated that the courts approval of the settlement has been appealed to the 10th Circuit Court and that the appeal will delay payments to the growers till later this year or next year as it is not known how long the appeal may take.



ENTERPRISE & MULTI-COUNTY ENTERPRISE UNIT REMINDER

TO QUALIFY FOR EU, YOU WILL NEED:

- ◆ Planted acreage of the crop in at least 2 sections in the county.
- ◆ Acreage of the crop planted in each section must constitute 20 acres or 20% of the insured crop in the Enterprise. (You can aggregate planted crop acreage from 2 or more sections.)
- ◆ Prevent Plant acreage of a crop is NOT used to determine eligibility.

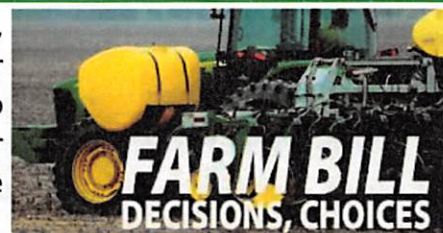
TO QUALIFY FOR MULTI-COUNTY EU:

- ◆ Producers were required to elect MCEU with identical coverage levels on their policies before sales closing time (Deadline was 3/15/19).
- ◆ One county must qualify as a stand-alone EU (Primary County), and the second county can NOT qualify for EU by itself (Secondary County).
- ◆ Counties must be adjoining – Have to border one another.
- ◆ Can only have two counties in a MCEU – can't combine 3 or more.
- ◆ Replant, prevent plant, and claims will be determined and paid at the MCEU level.

If you have questions about meeting the EU or MCEU planting requirements, please give our office a call at 218.935.2700 or toll free at 866.935.2700.

New Farm Bill for 2019-2023

The **Agriculture Improvement Act of 2018** was signed on December 20, 2018 and will continue through 2023. There will be a new sign-up this year that will cover the 2019 and 2020 crop years; producers will be able to choose ARC or PLC on a crop by crop, farm by farm basis for this 2 year period. Beginning 2021, producers will have the flexibility to make ARC/PLC choices for each respective year.



We are still waiting for information from FSA on when program sign up will begin and deadline dates for the 2019/2020 farm program year. There has been talk that the sign up could be as late as September. This could actually work to your advantage as we should have a pretty good idea of what kind of crop is out there nationwide at that point which will aid us in making an educated guess on which direction prices will be headed. As of now, FSA has not released any of the updated RMA county ARC yields that will replace the old NASS yields and be used in estimating future ARC payments. Once this information is available, we will be able help you run the numbers for your farm.

Some changes with the new farm bill is that ARC payments will be based on physical location in addition to utilizing a trend adjustment factor incorporated into the benchmark calculations. RMA will also be using crop insurance yield data as opposed to NASS surveys. PLC Reference Prices are the same as 2014, however, the reference price can increase up to 115% based on the 5 year Olympic average of the Marketing Year Average Price.

2014-2018 Farm Bill—Final Payment Estimates

In February, NASS released it's 2018 yields in counties where they had sufficient data. We have put together a sheet showing these yields and the **estimated** 2018 ARC payments by county and published it on our website at www.proagservice.com as well as emailed to all customers. These projected payments take into account the federal budget sequestration as well as the fact that payments are only made on 85% of base acres. There are very few payments expected for ARC Corn and Soybeans. ARC wheat looks to have a number of counties that will receive decent payments. Barley data wasn't available for most Minnesota counties and the data we do have suggests fairly high yields making a payment doubtful. There are projected PLC payments of \$0.30 per bushel for Wheat, \$0.15 per bushel for Corn, and \$0.35 per bushel for Barley. Currently there are no projected PLC payments for Soybeans. The next update we release will be this fall (typically October) when FSA releases their final county yields and Marketing Year Average (MYA) prices are finalized.

Did you Know...

- Your crop hail policy also covers perils such as fire and lightning, transit coverage, fire department service charges, and vandalism.
- Broadcasting soybeans and incorporating into the soil is not an insurable practice unless you are approved to do so by your insurance company prior to acreage reporting. If you plan on broadcasting soybeans this season please call us today so we can submit this request.
- New Breaking acreage may require a special request to insure the first year it is planted.
- Insureds may need to prove that New Breaking acres were cropped prior to 2/7/14; otherwise it will be considered Native Sod with APH limits and decreased premium subsidies.

Hemp

The new Farm bill has included Hemp as a covered commodity under multi-peril crop insurance and has directed the Federal Crop Insurance board to streamline the process for developing hemp policies. A Hemp MPC policy could possibly be available for the 2020 crop year. Hail insurance is currently available for Hemp growers for the 2019 crop year.

Forage Seeding

Coverage for your 2018 Forage Seeding policy ends May 21, 2019. With the cold temps we experienced last winter, there could be damage in these fields. Please inspect any new seeding alfalfa and contact us as soon as possible if you feel any of those acres may be in a loss situation.



A Sea of Soybean Herbicide Traits ...Breaking it Down



With new traits coming to market and recent ag mergers, soybean seed guides are as thick and confusing as they have ever been. Depending on your seed

retailer, growers have a choice of more than five herbicide tolerant trait packages to pick from in 2019. Some are new and some merely under new ownership. **Roundup Ready 1**, the original glyphosate tolerant trait in Soybeans, went off patent in 2015. Now individuals can grow Roundup Ready 1 soybeans and save them for seed as long as there are no other trait or varietal patents. This may be a viable option for growers not dealing with herbicide resistance, to trim costs and continue using Roundup Ready technology. **Roundup Ready 2** was first introduced in 2009. Roundup Ready 2 soybeans are still under patent and widely available for the 2019 growing season. **Roundup Ready Extend** soybeans were first developed by Monsanto and commercially available in the 2017 crop year. Extend Soybeans allow growers to spray registered formulations of dicamba and glyphosate post-emergence over the top of the crop. By the 2019 crop year, it is estimated that over 45% of the soybeans grown in the US will carry this trait. **Liberty Link** soybean technology confers tolerance to glufosinate (Liberty) herbicide. Bayer and MS Technologies collaborated to bring this technology to growers in 2009. Liberty has been widely adapted by growers in areas with severe herbicide resistant weed problems. Liberty Link technology now rests in the hands of BASF and is estimated at holding around 20% of US market share. **(New) Libertylink GT27** soybeans, developed by MS Technologies, Bayer and Mertec LLC, confer tolerance to glyphosate, glufosinate and a new HPPD/Group 27 herbicide. The trait will be commercially available for the first time in 2019, but there is currently no HPPD/Group 27 mode of action herbicide for soybeans registered for sale in the United States. Also new in 2019, **Enlist E3**. Enlist E3 was developed by Dow Agrosiences and MS technologies but now operate under the name of Corteva Agriscience. Enlist E3 was approved for import by China and the Philippines in early 2019. Enlist E3 soybeans contain a single molecular stack that makes them tolerant to 2,4-D, glyphosate and glufosinate. They are approved for an over the top application of Enlist Duo herbicide which contains a proprietary blend of glyphosate and Dow's 2,4-d choline. Enlist duo offers a wider application window than Roundup Ready Extend technology which may make it a better fit for some growers.

2019 MPCl Prices

Below are the projected/base prices used to calculate the minimum guarantee for crops you have insured with Revenue Protection or Yield Protection Coverage. Revenue Protection Harvest prices will be calculated in August for wheat and barley, September for canola, October for corn, soybeans and sunflowers, and from the 2nd Tues in Sept to the 3rd Tues in December for drybeans.

- ◆ **Barley** \$3.13
- ◆ **Canola** \$1.171
- ◆ **Corn** \$4.00
- ◆ **Soybeans** \$9.54
- ◆ **Wheat** \$5.77
- ◆ **Sflwr-oil** \$.167
- ◆ **Sflwr-conf** \$.225
- ◆ **Drybeans-\$/lb**
 - DRK \$0.37
 - BLK \$0.24
 - Navy \$0.24
 - Pinto \$0.23

APH Prices

Established APH Prices for crops that do not have Revenue Protection available:

- ◆ **Sugarbeets** \$.146 (\$/lb)
- ◆ **Potatoes** \$8.70
- ◆ **Oats** \$2.40
- ◆ **Drybeans-\$/lb**
 - LRK \$0.35
 - Pink \$0.25



Replant Coverage

If you're faced with having to replant a field or part of a field, here are some things to keep in mind:

- ◆ **CALL BEFORE YOU REPLANT** All replanting must be reported and approved by your insurance company **prior to starting**, regardless of field size. Failure to do so will result in **denial of the claim** and could potentially affect your crop insurance coverage.
- ◆ You may have a replant claim if at least 20 acres or 20% of the unit is damaged to the extent that replanting is required. Remember, if you've selected EU, the 20 acres minimum is a combination of replanted acres between all sections in the county for the crop.
- ◆ You will be required to replant up to 10 days after the final plant date if the remaining stand will not produce 90% of the crops guarantee, unless it is physically not possible to replant.
- ◆ If it is 10 days after the final plant date, the insurance company will determine if it is feasible to replant or if the crop can be destroyed and planted to a 2nd crop.
- ◆ If any acreage is planted before the earliest planting date, that acreage is ineligible for a replant payment.
- ◆ CAT policies have no replant provisions.
- ◆ Each person sharing in the crop must cover their percent share of the replant.

GIVE US A CALL BEFORE YOU REPLANT!

2019 REPLANT PAYMENTS

Replant Payments are the lesser of the bushel per acre x the MPCl price or % of the guarantee of the unit as listed below.

Crop	Replant Limit (lesser of)	Max 2019 Replant Payment
Barley	5 bus or 20% of guarantee	\$15.65
Corn Grain	8 bus or 20% of guarantee	\$32.00
Dry Beans	120 lbs or 10% of guarantee	Depending on type of drybean
Oats	5 bus or 20% of guarantee	\$12.00
Soybeans	3 bus or 20% of guarantee	\$28.62
Sugarbeets	\$110 or 10% of guarantee	\$110.00
Sunflowers	175 lbs or 20% of guarantee	\$29.22 Oils \$39.38 Conf
Wheat	4 bus or 20% of guarantee	\$23.08



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Crop Hail Coverage

Don't wait until you see the storm clouds coming

One hailstorm can completely destroy your entire crop for the season. Do you have the protection in place to cover your risk and investment for the year? ProAg can help you find the coverage that meets the needs of your operation. From basic coverage to Production Plans, we have many options available to customize your hail protection. If you're interested in a crop hail policy, please give us a call and we'll help develop a plan to meet your coverage needs with the best rates available.

Wind Coverage on Corn



After what seemed to be a hot and fast growing season in 2018, we had a lot of localized issues with Green Snap and lodging in corn. Whether this was due to rapid growth or variety selection, this remains yet to be determined. To help protect

against these type of losses for 2019, you may want to consider adding Green Snap or wind endorsement to your corn hail policy. These wind endorsements must be selected at the same time you add crop hail coverage but no later than June 15th. Coverage typically ends October 31st, however this may vary by company.

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