



2020 has been an interesting year (probably the nicest way to put it). The spring began with the uncertainty of prices that were approaching multi-year lows and the fact that 2019 left us with fields that were still a challenge to get into this spring.

The growing season to this point has featured warmer than average temperatures (which has helped push row crops along – and led to some variability in the small grains) and in many cases more rains than were needed. While we were lucky and escaped most of the severe weather early in the growing season it seems like every time a cloud pops up lately there has been hail with it.

On a brighter note, prices have generally been rallying in the last month – soybeans are approaching contract highs. Many areas will have above average to perhaps record soybean yields. By most accounts there is a pretty nice corn crop out there as well.

To the right of this column there is some info on some of the various government programs. If you seem overwhelmed by all the different programs you are not alone. Between CFAP, WHIP, PPP, ARC/PLC etc. it gets to be a bit of alphabet soup. This year USDA expects as much as 40% of total farm income for 2020 to come from various government payments. We continue to closely monitor existing and new program developments as they occur and remain committed to being a knowledgeable resource.

After the past couple of years, we are due for some decent fall weather – who knows maybe a person could get the fields worked and even do some ditching for a change! As always if you have any questions on anything do not hesitate to give us a call.

**Thanks again for putting your trust in us and have a safe harvest!**

**STORED GRAIN FROM PREVIOUS YEARS MUST BE MEASURED BY THE INSURANCE COMPANY PRIOR TO CO-MINGLING WITH ANY NEW CROP**

**Contact us if you are planning to comingle any crops this fall.**

## CFAP Applications Due Sept. 11

If you haven't already completed your application for the Coronavirus Food Assistance Program (CFAP), the deadline to do so is September 11th. Several new specialty crops have been added so even if you initially did not qualify it might pay to check back with FSA.

## New COVID Relief Package Stalled

A new round of coronavirus assistance has stalled in negotiations as election year politics have come into play. Aid could possibly be tied to a continuing budget resolution near the end of September but is more likely to come sometime in October. Ag Secretary Sonny Purdue has previously mentioned that funding for a CFAP 2 could come from part of the \$14 billion the Commodity Credit Corporation (CCC) is authorized to use. There is also up to \$6+ billion that was authorized and not used in first round of CFAP that could possibly be tapped. Earlier there was also talk of an extension of the Paycheck Protection Program (PPP) but that is tied to a new COVID aid package and hasn't gone anywhere.

## PLC Yield Updates Due Sept. 30th

Farmers have the opportunity to update their PLC yields of covered commodities on their farms. Producers can do this regardless if they elected ARC or PLC. FSA has requested that producers complete by Sept. 20 to allow them time to process.

## 2019 ARC/PLC Payment Estimates

### 2019 ARC-Co Payment Estimates

We utilized the latest Marketing Year Average (MYA) prices as well as available NASS and RMA yield information in estimating payments. In general there will be few Corn ARC-Co payments. Soybeans payments will be more common as many counties are close to triggering payments. Max wheat payments will be common, primarily due to price decline. We will be providing an update after final FSA yields are published in October.

### PLC Payment Estimates as of 8/28/20

Corn:	\$0.10/bu	(MYA = \$3.60, Reference Price = \$3.70)
Wheat:	\$0.92/bu	(MYA = \$4.58, Reference Price = \$5.50)
Soybeans:	\$0.00/bu	(MYA = \$8.55, Reference Price = \$8.40)
Barley:	\$0.26/bu	(MYA = \$4.69, Reference Price = \$4.95)

## WHIP+ Update

A reminder that excess moisture has been added as a cause of loss for the program. Some county offices have processed applications but many have been trying to wrap up processing acreage reports and farm bill info before they focus on WHIP applications. While it has been discussed, at this time there has been no updates on any corn quality provision due to last years widespread light test weight issues in Minnesota and North Dakota.

## Wheat Quality Issues

Quality issues have been popping up again on this year's wheat crop with the frequent late summer rains. The issues are not as widespread as last year but we've been encouraging producers to take samples and know where the falling numbers are coming in at. This year certain varieties seem to have more issues than others. If you suspect wheat quality issues or have had some tests done at the elevator that shows your FN coming in below 300 please give us a call so that we can submit a notice of damage on your behalf. These quality issues in conjunction with a fall price that is approximately 9% below the spring discovery price could possibly result in a claim. Farm stored wheat should be separated out by like-quality. This will aid the adjusters in getting an accurate sample reflective of the bin. The adjusters will need to take a quality sample within 60 days after harvest is complete. In an article published by the Univ. of MN, they do not recommend blending lots with good FN with a lot with poor FN as it will not result in a simple linear function. (i.e. combining 350 FN wheat with 250 FN wheat will not result in 300 FN wheat but something lower and probably closer to 250)

## Haying and Grazing Cover Crops

Select ND and SD counties have been granted relief to hay, graze, or chop cover crops as early as September 1st vs. the normal November 1st date. Minnesota producers and counties not included in ND and SD will still need to abide by the November 1st date to keep their prevented plant benefits from being reduced 65%.

### Pasture & Forage Ins. - Deadline Nov. 15

Pasture, Rangeland, Forage (PRF) is an area-base insurance policy that covers pasture and forage against a lack of rainfall. When rainfall falls below a chosen threshold (i.e. 90% of normal) during the time period you select an indemnity is automatically triggered. PRF is very customizable - you can choose the amount of coverage you want, what time period that poses the most risk to your operation, and which acres you want to insure (you can do some or all). Give us a call to see if PRF is possibly a fit for you!

## Drybean Insurance Coverage

If you are growing drybeans for a first time or have never had claim issues with your beans, a few items for you think about:

- Splits and Check Skins are deemed to be caused by an uninsured cause of loss (generally mechanical) so are considered production to count in a claim. However, they can also be added to your production for APH purposes.
- Since drybeans do not have quality adjustments designated in the Special Provisions, quality adjustments can be made if damage due to insured causes of loss result in drybeans not meeting the US Standards for No. 2 grade.
- Quality adjustments can be made for drybeans when damage exceeds 3% for Navies; 4% for DRK/Blk/Pinks and 5% for Pintos.
- The qualifying adjustment factor is determined by dividing the net price per pound of the damaged production by the local market price.
- Pick on drybeans includes splits, damaged beans and foreign material that remains after dockage has been removed by proper screens or sieves.
- When delivering damaged beans to the processor, make sure they are marking the damaged beans as damage or you will not be able to get a quality adjustment for these damaged beans.

## Loss Reporting

It is important to turn in a notice of damage if you have any issues with your crop. A claim can always be withdrawn but if a claim is filed late, there is a chance your loss will not be paid.

- A claim **MUST** be submitted **NO LATER** than 15 days after the harvest of the field.
- If you are chopping corn for silage or take a crop to another use (high moisture corn, destroying part of a field due to drown out, etc), you will need authorization from the company and will want to get an appraisal. If the company does not authorize you to destroy or take the crop to another use, you will be assessed your guarantee on those acres if the field does end up in a loss situation.
- For **farm-stored grain with quality issues**, a sample needs to be taken by the insurance company for a state grade within **60 days** of the end of the insurance period to determine the discount factors.
- If you have quality issues like green soybeans and damaged drybeans, make sure the elevator/processor is marking those as **damaged** production instead of reducing the price that you receive. The only way crop insurance can discount for these is if they are recorded as such by the elevator/processor.

## Revenue Protection

With the Revenue Protection policy, a minimum revenue guarantee is established in February with the projected price and then recalculated again in the fall with the harvest price. With the Harvest Price option included, you receive the higher of the Projected Price or Harvest Price in calculating your revenue guarantee. Below is an example of how the 2020 decrease in the revenue price for wheat works using 2020 actual revenue prices.

Wheat: An example of a decrease in harvest price

APH:	60	Projected Price:	\$5.56
Coverage Level:	75% ( <b>45 bu. guarantee</b> )	Harvest Price:	\$5.06
Harvested Production:	46 bu.		
<b>Revenue Guarantee:</b>	\$250 (45 bu. x \$5.56- HIGHER of projected or harvest price)		
<b>Production Value:</b>	\$232 (46 bu. x harvest price of \$5.06)		
<b>Indemnity/Ac:</b>	<b>\$18</b>		

In the example above, the harvest price went down, which increases your bushel guarantee since you've locked in a revenue guarantee based on the higher of the projected or harvest price.

Below are the 2020 Projected/Harvest Prices on Revenue crops and when the Harvest prices will be determined:

	Projected	Harvest		Projected	Harvest	
<b>Corn</b>	\$3.88	TBD*	<b>Barley</b>	\$3.14	\$5.06**	*Set in October tracking CBOT futures **Harvest price set in August
<b>Soybeans</b>	\$9.17	TBD*	<b>Sflower -Oil</b>	\$0.169	TBD*	
<b>Wheat</b>	\$5.56	\$5.06**	<b>Sflower - Conf</b>	\$0.226	TBD*	

## CLAIMS MUST BE SUBMITTED NO LATER THAN 15 DAYS AFTER THE HARVEST OF THE FIELD.

### Production Reporting

- Producers are now required to indicate the type of acceptable records on their production report.
- Producer's must have acceptable records of farm stored production-**bin measurements with load records by unit/field or section**. Combine or grain cart monitor records that can be printed may also be used as load records. If you need load record sheets, please contact our office.
- In an APH audit, if an insured does not have written verifiable records to support the information on the production report, the insured will receive an assigned yield for their APH which could affect a payable claim. If an insured has acceptable records, these records must be within 5% of the yield reported or assigned yields will apply. (Assigned yields are 75% of the previous years APH.)
- When reporting production for any FSA program, it is advisable to report the same as crop insurance production as 3 year RMA audits are triggered if these do not match.

### 2019/2020 Sugarbeet Changes

As you recall, in 2019, RMA made several changes to the sugarbeet policy. They changed the production guarantee to be expressed in pounds of raw sugar and added an Early Harvest Factor (EHF) of 1% per day when more than 10% of the acres of a unit are harvested prior to 10/1. (i.e. if you pre-lift Sept 21<sup>st</sup> you receive 10% extra and take your harvested production times 110%)

For 2020, this early harvest adjustment was revised to be the **higher** of the producer's APH or actual yield of the sugarbeets after full maturity.

#### REMINDERS TO SUGARBEET PRODUCERS:

- In the event you have damage due to an insurable cause of loss, a notice of loss must be submitted within 15 days of discovery.
- The EHF will apply to all acres harvested prior to 10/1 **unless** a notice of loss is submitted and the adjuster determines **that leaving the crop in the field would reduce production**.
- Producers will need to provide and self-certify pre-lifted acres used to calculate the EHF.
- Pre-lift records will be required when reporting sugarbeet production.



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### Hail Damage

Reminder to let us know when you are ready to harvest any fields with hail damage that were deferred for a field re-visit. Also, if you have Production Plan Hail Coverage, please provide the production from those hail damaged units as soon as it is harvested so we can get your hail claim(s) finalized

### 2020 MPCCI Billing Change

The premium billing date was August 15th for MPCCI policies. RMA announced that for the 2020 Crop year they are extending the deadline to pay your crop insurance premium **interest free to December 1st, 2020.**  
 In order to avoid a 15% interest penalty dating back to November 1st, we recommend you get your payment in the mail or pay online before the December 1st deadline.

### FSA Deadlines

- 9/11/20:** Final date to apply for Coronavirus Food Assistance Program (CFAP)
- 9/30/20:** Final date to update PLC farm program yields
- 10/12/20:** 2021 Dairy Margin Coverage (DMC) Signup Begins
- 11/15/20:** 2020 Acreage Reporting Deadline for Winter Wheat, Rye and other fall planted crops

### AGENTS/STAFF TO SERVE YOU

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