



April 2020

2020 may well go down as a year the world will never forget. Learning to deal with the COVID-19 virus is changing the way the world does business, and we mean the whole world. Its effects are reaching every segment of business from the largest corporation to the smallest farm. Demand for products and services are shifting as well as the way those products and services are delivered. The way we conduct meetings may never go back to the old normal. Zoom video conferencing and FaceTime have taken over as the new meeting normal. (We even have virtual happy hour now via Zoom)

ProAg is adapting to the new normal with some tools that make doing business remote quick and easy. Having you sign forms digitally can save everyone lots of time; all we need is your email and cell number. We can have your indemnity checks directly deposited in your account and you can pay your multi-peril and hail premium online also. If you're interested just give us a call and we will walk you through it.

The one thing that isn't going to change in the COVID-19 world is the service we provide our customers. We may be doing things a little differently now but we have the same goal in mind, providing you the best service in the business. Don't hesitate to give us a call or shoot us a text if you have questions. Our web-site is updated with the latest information from PP to WHIP+ payments.

Thank You for your business. We appreciate the trust and confidence you place in us.

## PROAG SERVICE & INSURANCE SPRING UPDATE

### 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, harvested and insured 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 generally 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 3/15 or the land was added to the operation, if after that date. 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 4 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.

**PP Pmt Example:** Soybean APH = 40 bus; Cov Level= 75%; MPC Spring \$ = \$9.17  
**Prevent Plant Pmt: 40 bu x 75% cov level x 60% PP factor x \$9.17 = \$165.06/Ac**

VISIT OUR WEBSITE @ [www.proagservice.com](http://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	Trail, Cass, Richland, Barnes, Stutsman, LaMoure, Dickey

### 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 directly above

### Canola

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

## Paycheck Protection Program

The Paycheck Protection Program ("PPP") authorized up to \$349 billion in forgivable loans to small business (including farmers/sole proprietors) to pay themselves and employees during the COVID-19 crisis.

The loan proceeds can be partially or completely forgiven as long as 75% of the loan is used for payroll, but the loan can also be used for mortgage interest, rent, and utility costs. Applications started April 3<sup>rd</sup> and funds were reported to be exhausted by April 16<sup>th</sup>.

Congress and the Trump administration hope to replenish these funds soon. If you haven't already applied and think you may qualify we suggest you contact your bank and see if they are processing applications in the event that more funding is approved.

## Syngenta Lawsuit Update

After what has seemed like an eternity, payments have finally been issued in the Syngenta corn lawsuit. Producers began receiving checks around March 20<sup>th</sup>. Checks will continued to come to producers in the subsequent weeks as claims are processed. The claims are to be issued in two parts. The first payment is equal to 65% of the claim amount with the remaining balance to be paid this fall. Payments ended up being approximately \$0.12 total per calculated bushel. Producers need to have a W-9 filed or they will NOT receive a payment. If you have not yet received your payment, we recommend that



you contact the claims administrator at 1-833-567-CORN to check on your status. There have been several instances where small errors in spelling have resulted in delayed claims.



## Broadcasting Soybeans

Broadcasting soybeans is an uninsurable practice, however many producers in the region have successfully been broadcasting and insuring their soybeans through a **written agreement**. With unpredictable weather and shortened windows for field work this may be a viable option for producers in the 2020 growing season looking to maximize efficiency. One thing for producers to keep in mind is broadcasting can come with some APH limitations vs standard seeding practices. If this is something you would like to consider applying for, give us a call today.

## WHIP+ Update

**Processing Applications Starts:** Several county FSA offices have begun processing WHIP+ applications. At this time, most FSA offices are conducting business by phone appointment only. You may want to call your FSA office to get on their appointment list.

**Quality Loss TBD:** WHIP+ has been expanded to account for quality losses from eligible disaster events. FSA is still gathering data and input from producers and stakeholders regarding the extent and types of quality loss nationwide.

## Covid 19 Ag Aid

On Friday, April 17<sup>th</sup>, USDA announced an aid package aimed at helping farmers and ranchers who have been adversely affected by the coronavirus pandemic.

The Coronavirus Food Assistance Program includes \$16 billion in direct support to farmers and ranchers as well as \$3 billion in targeted food purchases. The hard-hit livestock industry will receive around \$9.6 billion in direct payments, while row crop producers will receive \$3.9 billion. Sign up for the program will likely be through FSA, similar to past programs. As of now there are no program details available but we will be sure to pass them along once they are released. The payment limit will be \$125,000 per commodity with an overall limit of \$250,000. Secretary of Agriculture, Sonny Purdue, stated that there will most likely be more aid announced in the coming months.

## Prevent Plant Frequently Asked Questions

**Q: I wasn't able to harvest my corn. Will I be eligible to PP this spring if conditions don't allow me to plant?**

A: If you have carry-over coverage and are not able to harvest or prepare the ground for planting by the final plant date, you would have PP coverage available if the prevent plant is due to an insurable cause of loss and common to the area.

**Q: If I add land in 2020 will PP coverage be available?**

A: Possibly. With added land you do not have carry over coverage from the previous year. The cause of loss preventing you from planting would need to occur the later of March 15<sup>th</sup> or when you acquired the land, to be eligible for PP coverage. The insured is also responsible to prove that the land has been planted, harvested and insured in one of the last 4 years.

**Q: How do I qualify for Enterprise Units when PP acres come into play?**

A: To qualify for EU discount, you must still plant in at least 2 sections and meet all the EU qualifications. The EU discount will be based on your planted acres and apply to your PP acres only if you qualify for EU.

**Q: Will I get a basic unit premium discount if I PP all the acres for a crop in the county?**

A: No, if all acres for a crop in a county are PP acres there are no discounts available. You would need to have some acres planted to qualify for a basic unit discount.

**Q: How does added land play into PP corn eligibility?**

A: An added land factor is calculated that will increase the eligible PP acres by the percent increase in cropland acres from last year to this year. It is determined by dividing the total cropland acres farmed the current crop year by the total cropland acres the insured farmed the previous year

**Q: Is my APH affected if I have prevent plant?**

A: Your APH is **not** affected by PP unless you plant a 2<sup>nd</sup> crop and/or derive a benefit from a planted cover crop prior to Nov. 1<sup>st</sup>. In these situations, your PP payment is reduced to 35% and your APH gets a 60% plug yield.

**Q: Can I plant alfalfa on my PP acres? Can I plant as a cover crop during the late plant period of my PP crop?**

A: Alfalfa planted prior to June 30<sup>th</sup> is considered a spring planted crop according to the forage seeding policy and may jeopardize a PP claim. If you want to plant alfalfa on your PP acres, it is advisable to wait till after the **later** of the late plant period of your PP crop or June 30. If planted after that time, it would be considered a fall seeded crop but you will **not** be able to hay or graze or harvest prior to Nov. 1. As of now, alfalfa is not listed on MN NRCS/FSA approved cover crops; however, you should check with your local FSA office.

## Cover Crops on Prevent Plant Acres

If faced with having to Prevent Plant, you may be wondering if planting a cover crop is necessary. Under your Multi-Peril Crop Insurance policy, you are not required to plant a cover crop on your PP acres. However, if you are planting a cover crop, your MPCCI policy requires it to be an approved cover by FSA.

In past years FSA has required producers to maintain adequate ground cover on PP acres as part of your farm bill eligibility. In some cases, this has included the planting of a cover crop and in others there was sufficient residue from last year's crop. You will want to check with your local FSA and NRCS offices to make sure you are following proper guidelines.

Last year, farmers who planted cover crops on PP ground were permitted to hay, graze, or chop these fields on or after September 1<sup>st</sup> instead of November 1<sup>st</sup> as in previous years. This was intended to be a one-year exception and the date has reverted back to November 1<sup>st</sup> for the 2020 crop year.

## Late Production Reporting / Unharvested Crops

Many producers still have unharvested crops in the field due to the poor field conditions from Fall 2019 through this Spring. This production would typically need to be reported by the production reporting deadline of April 29<sup>th</sup> or the producer would receive a temporary yield for unharvested crops for the 2020 crop year in their APH database. This temporary yield stays in the APH database until it can be keyed next December.

On March 27<sup>th</sup> the USDA and RMA extended the production reporting deadline by 30 days. Producers now have until the end of May to timely report their production. Producers are encouraged to report production as soon as possible before the end of May if possible. If you think you are in a loss situation, let us know so we can make sure the adjuster is aware of your situation.

**Since the production for FSA's WHIP+ disaster program flows through from your reported crop insurance production, you will not be able to apply for this program until next winter if it is not harvested by the end of May.**

## Farm Bill Info / Reminders

**PLC YIELD UPDATE** - yields are eligible to be updated for the 2020 crop year on a crop by crop basis depending on your base acres. The update will use yields from the 2013-2017 crop years. The deadline to update yields is September 30, 2020.

**ARC-IC YIELD REPORTING** – If you signed up any of your farms for the ARC-IC program, the deadline to report yields for the 2019 crop year is July 15, 2020. You will need to report the 13-17 yields as well as your 2019 yields on all program crops you grew on farms enrolled in ARC-IC.

### **PLC Marketing Year Average Projected Prices (As of 4/9/20)**

**WHEAT = \$4.60/Bu** → Projected payment of \$0.90/Bu. (Ref. Price = \$5.50) **NOTE:** Marketing year ends May 31<sup>st</sup>

**CORN = \$3.60/Bu** → Projected payment of \$0.10/Bu. (Ref. Price = \$3.70) **NOTE:** Marketing year ends Aug. 31<sup>st</sup>

**SOYBEANS = \$8.65/Bu** → No projected payment (Ref. Price = \$8.40) **NOTE:** Marketing year ends Aug. 31<sup>st</sup>



## 2020 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** \$3.14
- ◆ **Canola** \$.164
- ◆ **Corn** \$3.88
- ◆ **Soybeans** \$9.17
- ◆ **Wheat** \$5.56
- ◆ **Sflwr-oil** \$.169
- ◆ **Sflwr-conf** \$.226
- ◆ **Drybeans-\$/lb**
  - DRK \$0.44
  - BLK \$0.26
  - Navy \$0.29
  - Pinto \$0.28

### APH Prices

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

- ◆ **Sugarbeets** \$.142 (\$/lb)
- ◆ **Potatoes** \$8.85
- ◆ **Oats** \$2.75
- ◆ **Drybeans-\$/lb**
  - LRK \$0.40
  - Pink \$0.30

## Forage Seeding

Coverage for your 2019 Forage Seeding policy ends May 21, 2020. 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.



## 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 (OU, EU) is damaged to the extent that replanting is required.
- ◆ 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.
- ◆ **COVID-19 RELIEF:** For the 2020 crop year, an insured can self certify their replant inspections up to 100 acres by unit. Example: If a producer has 5 different databases/sections that would qualify for optional units set up in an Enterprise they could qualify for up to 100 acres by unit/section or up to 500 acres total. The producer still needs to turn in the claim before replanting.

## GIVE US A CALL BEFORE YOU REPLANT!

### 2020 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 2020 Replant Payment
Barley	5 bus or 20% of guarantee	\$15.70
Corn Grain	8 bus or 20% of guarantee	\$31.04
Dry Beans	120 lbs or 10% of guarantee	Depending on type of drybean
Oats	5 bus or 20% of guarantee	\$13.75
Soybeans	3 bus or 20% of guarantee	\$27.51
Sugarbeets	\$110 or 10% of guarantee	\$110.00
Sunflowers	175 lbs or 20% of guarantee	\$29.58 Oils \$39.55 Conf
Wheat	4 bus or 20% of guarantee	\$22.24



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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 and Wheat



The 2019 growing season produced widespread wind damage in corn and wheat. To help protect against these types of losses for 2020, you may want to consider adding a green snap or wind endorsement to your corn hail policy or a wind and tornado endorsement to your wheat hail policy.

Corn and Wheat wind endorsements must be selected at the same time you add crop hail coverage but no later than June 15<sup>th</sup> for corn. Coverage typically ends October 31<sup>st</sup> however this may vary by company.

**AGENTS TO SERVE YOU**

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