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Ag Technology Services

- **Precision Ag** - Would you like to use Precision Ag to help streamline the acreage reporting process? Using precision ag data from your planter not only makes the Acreage Reporting process easier but it can also save you money on premium as you are paying only for planted acres.
- **Information** - Do you want access to your crop insurance information and documents online while reducing the amount of paper that is mailed to you from the insurance company? Insurance company producer portals also provide a way to view or pay your bill and view field information and maps.
- **ProAg App** – Our ProAg app will be available in May to access the Money Farm marketing commentary and updated industry information that is also on our website. If you haven't had a chance to check out our website, you can find it at www.proagservice.com Our app will be another way to get the current information that we push out to you as it rolls out. This news includes any insurance updates and reminders, FSA deadlines and new FSA programs and changes in ag policy that may affect you.

Give us a call if you would like to discuss any of the above services.

AGENTS TO SERVE YOU

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ProAg Service & Insurance Spring Update

April 2022

Hopes of an early spring seem to be slipping day by day as we deal with one of the wettest April's on record. Hopefully things turn soon so planting isn't such a mad dash for everyone. However it shakes out, 2022 is shaping up to be a year to remember. On one hand we have the grain prices that are approaching levels we haven't seen since the drought of 2012. On the other we are facing the worst inflation since the early 80's. Since insurance prices were finalized, new crop corn has been on fire and is hovering around the mid $7's. We have even begun to analyze some options producers can utilize to set the initial price that is used for crop insurance for the 23' crop year as Dec. 23' has gone above $6.70. Conversely input prices have exploded as well. In some cases, it's not what it costs, it's if you can even get it. Fertilizer prices have reached historic levels with N and P now north of $1 per unit. The exciting part is that it seems that everything is competing for acres – the US needs a good growing season to restore its balance sheets to a more comfortable level. Let's hope that mother nature is a bit more cooperative this year and we can grow a crop and take full advantage of some of these prices. As always, please don't hesitate to give us a call if you have any questions regarding your coverage or have any issues with your crop!

Have a safe and productive spring and thank you for your trust in us!

Considerations for Late planted Corn in MN

By Jeff Coulter, Extension Agronomist, University of Minnesota

Yield Penalty For Late Planted Corn: Long-Term data indicated that corn in MN generally needs to be planted by Mid-May to avoid yield losses greater than 9% (Table 1). Average yields were reduced by 8% when planting was delayed until May 20th, and by 18% when planting was delayed until May 30th.

Table 1: How Planting Dates affects corn yield, as a percent of maximum

Planting Date	Percent of Max Grain Yield: Study 1 (1988-2003)	Percent of Max Grain Yield: Study 2 (2009-2011)
April 20	99%	98%
April 25	100%	99%
April 30	100%	100%
May 5	99%	100%
May 10	98%	99%
May 15	95%	98%
May 20	92%	95%
May 25	87%	92%
May 30	82%	89%
June 4	76%	84%
June 9	69%	79%

Corn Maturities to Use

Growers should stick with their planned seed corn choices until the last week of May. When planting is delayed until after May 22nd or later, it will be a good risk management strategy to reduce the relative maturity of the corn hybrids that will be planted.

Information in Table 2 to help guide your decisions regarding corn maturity for late planting

Planting Date	Relative Maturity (RM) units earlier than full season for the region
Prior to May 22	Plant normal seed choices
May 22nd to May 28th	5 to 7 relative maturity units
May 29th to June 4th	8 to 15 relative maturity units
June 5th to June 10th	15 or more relative maturity units

AS YOU WRAP UP PLANTING, GIVE US A CALL TO SCHEDULE A TIME TO COMPLETE YOUR ACREAGE REPORT

VISIT OUR WEBSITE @ **www.proagservice.com**

Cover Crops and Insurance Credits

The Pandemic Cover Crop Program (PCCP) was a program created by USDA in 2021 that provided up to $5.00/acre credit towards an insured's MPCI premium. The program has been extended to the 2022 growing season. To receive the credit the following steps must be completed:

1. Plant **a qualifying cover crop.** All planted cover crops reportable to the Farm Service Agency (FSA) are eligible, however, ground cover resulting from harvest loss from the combine or acreage insured under Annual Forage are not considered eligible. Cover crops planted on Prevented Plant (PP) acreage the previous year are eligible.
2. Plant and insure a spring crop (CAT coverage does not qualify).
3. Report all fall planted cover crop acres to FSA by March 15th and spring planted cover crop acres to FSA by May 31st.
4. Report all planted crops to FSA by July 15th (normal reporting date for insurable crops).

Once all four steps are completed, the cover crop acres will transfer from FSA to the insurance provider and the premiums will be adjusted accordingly.

Emergency Relief Program (ERP)

USDA is in the process of finalizing the details of the Emergency Relief Program (ERP) also formally known as WHIP+ (For some reason they felt the need to re-name the program). As of this writing, there is little new information on the program. From the sounds of it, the program will be administered in two phases. The first phase will consist of those who had crop insurance and will use the producers reported production to automatically calculate eligible losses and issue payments. There has been talk that ERP payments could possibly start going out as soon as sometime in May. The second phase will come later and would likely focus on those who didn't have any form of insurance and were not included in Phase 1. We will forward details along as soon as we receive them.

Emergency Livestock Relief Program (ELRP)

At the end of March, USDA announced the Emergency Livestock Relief Program. The program will make payments in two separate phases. Phase 1 payments will be made utilizing existing data from those who were previously in the Livestock Forage Disaster Program (LFP). Payments will be equal to the eligible livestock producer's gross 2021 LFP payment multiplied by an ELRP payment percentage. The ELRP payment percentage will be 90% for beginning farmer or underserved producers, and 75% for all other producers. Phase 2 will be focused on identifying and providing emergency assistance to impacted producers who did not receive assistance under Phase 1.

Livestock Risk Protection (LRP) Policies Available

LRP is designed to provide protection on fed cattle, feeder cattle, swine, & lamb against a price decline during the policy coverage period. Coverage is priced and available for sale continuously throughout the year. Several enhancements and improvements have been made to the LRP policy in the last few years which make this product more attractive. These changes include:

- Premium subsidy increases from 20-35% to **35-55%** based on the coverage level selected.
- LRP Premiums are not billed until the end of the coverage period to assist with cash flow.
- Created new feeder cattle and swine types to allow for livestock to be insured **before** birth.

LRP is like a "Put Option" but the premium is subsidized and it can be purchased for any number of head or weight (regardless of what your livestock weighs). Also, there are no brokerage or margin fees and there are coverage periods available ranging from 13-52 weeks out, which depends on that day's offerings.

For a customized quote or for further information on the LRP policy call ProAg today.

Margin Protection

Margin Protection (MP) is a form of crop insurance that takes into account the fluctuation of input prices and provides coverage against an unexpected decrease in operating margin (expected margin = expected revenue – input costs). MP is a county based product that is available for wheat, corn, and soybeans in most of our region and can be purchased by itself or in conjunction with a Revenue Protection (RP) or Yield Protection (YP) MPCI policy.

Margin Protection works by establishing an expected revenue and cost in fall prior to planting. It does this by determining the following in the months of August/September:

*Commodity Price
*Expected County Yield
*Urea Price
*Diesel Price
*Interest Price
*DAP Price

These values are than recalculated at planting/harvest time to determine how much the "margin" has changed (fertilizer/diesel is recalculated in April, commodity price is recalculated in the fall, and the county yield is recalculated the following spring). If the "margin" for the county is lower than expected, due to a decrease in yield/price and/or an increase in input costs, Margin Protection will cover a portion of that shortfall (provided the insurance deductible is met).

Margin Protection is **AREA BASED**, using **COUNTY-LEVEL** estimates of average revenue and input costs to establish the amount of coverage and indemnity. Because Margin Protection is area based and uses the average for the county, it may not necessarily reflect your individual experience (your own yields and costs are not taken into account). There are also no replant or prevent plant provisions with an MP policy, only insures planted acres. Any indemnities owed will be paid when final county yields are available, in spring the following year. ***The sales closing date for a Margin Protection policy for 2023 is September 30th 2022.***

Locking in 2023 Crop Prices Using RPowerD

RPowerD is a product that allows the insured the opportunity to set an alternate minimum insurance price for corn, soybeans, or spring wheat. With the current elevated commodity prices we have been looking into ways that producers could lock in some of these price levels for the 23' new crop year. The initial crop insurance price for the 2023 crop year won't be established until next February but with RPowerD producers can potentially lock into todays higher new crop prices starting in May.

RPowerD sets a minimum price through one or a combination of ways including using the previous day's closing price and/or utilizing different time intervals throughout the growing season that you can choose from and customize. The price utilized for insurance purposes will be the higher of the RPowerD price or the fall/spring prices currently calculated for RP policies. There are maximum price movements that exist for the three crops (corn - $1.20, soybeans - $2.50, spring wheat - $2.00).

The RPowerD premium is not subsidized, but the policy allows the insured to take full advantage of the subsidized premium on the RP policy. The sales closing date has passed for the 2022 crop, but this may be a great tool to set an early "floor" for the 2023 crop year. Give us a call if you have any questions or would like to see some quotes!