

Leezer

INSURANCE AGENCY, INC

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2017 Crop Insurance Update

Our Mission...

Earning Trust...

Building Relationships...

Protecting Your Future.



NEW FOR 2017 County T-yields

	CORN NI Grain		SOYBEANS NI NFAC	
	2016	2017	2016	2017
Bureau	174	186	49	No Change
Henry	173	179	49	
Knox	177	185	50	
LaSalle	176	188	48	
Marshall	177	188	50	
Mercer	175	182	50	
Peoria	172	183	48	
Stark	174	189	51	

ARP Expected County Yields 2017

	CORN NI Grain	SOYBEANS NI NFAC
Bureau	194.6	56.9
Henry	186.8	56.5
Knox	197.1	58.4
LaSalle	184.8	55.3
Marshall	195	54.7
Mercer	190.9	55
Peoria	190	54.6
Stark	198.6	55



2017 STARK COUNTY ARP QUOTE Formerly Known As GRIP

**CORN: \$3.86 Spring Price
 .17 Volatility Factor
 100 acres**

Coverage Level	120%
90%	\$57.70/acre

**SOYBEANS: \$10.00 Spring Price
 .12 Volatility Factor
 100 acres**

Coverage Level	120%
90%	\$11.50/acre



NEW FOR 2017 **Practical To Replant Definition**

Our determination, after loss or damage to the insured crop, based on all factors, including, but not limited to:

- ✓ moisture availability,
- ✓ marketing window,
- ✓ condition of the field,
- ✓ and time to crop maturity,

that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period.

It will be considered to be practical to replant within or prior to the late planting period or on or prior to the final planting date if no late planting period is applicable, unless we determine it is physically impossible to replant the acreage or there is no chance of seed germination, emergence, and formation of the healthy plant.

NOTE: Late planting period for corn in central IL is June 30th





NEW FOR 2017

New Rules For Production Reporting

Actual Yields vs. Prorated Actual Yields

Actual Yields – means you have soft records to document the number of bushels from each unit

Soft records can be:

- ❖ Truck/wagon logs
- ❖ Combine monitor – must be able to printout
- ❖ Scale Tickets
- ❖ Bin markings

Prorated Actual Yields – means you can document the total bushels, but you don't have records to prove how many bushels come off each unit



When reporting production, you now must indicate if the production is actual yields (a) or prorated actual yields (pa)

IF YOU REPORT AS PRORATED ACTUAL YIELD:

- ✓ this is not a problem as long as you report it that way.
- ✓ Note - If it is PA, you do not qualify for optional units

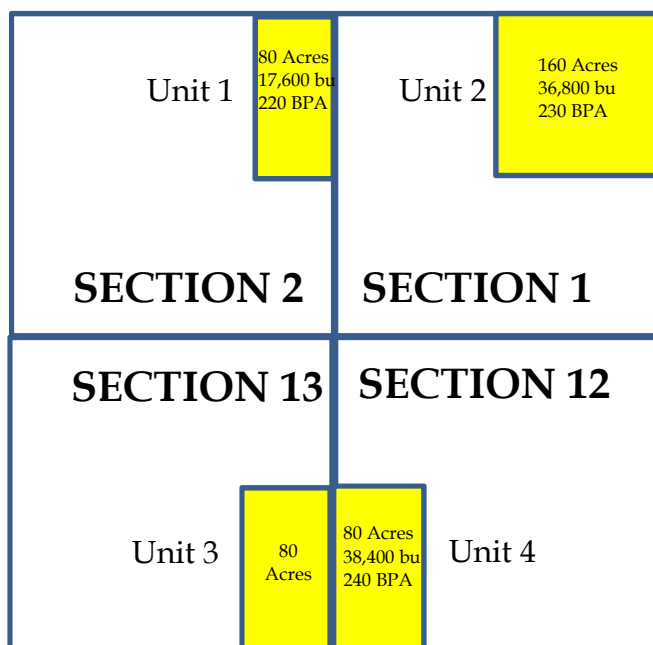
IF YOU REPORT AS ACTUAL YIELD AND GET AUDITED:

- ✓ If you do not have soft records to prove the bushels from each unit, then your yield for APH will be an Assigned Yield which is 75% of your previous approved yield.



NEW FOR 2017

New Rules For Production Reporting - Example

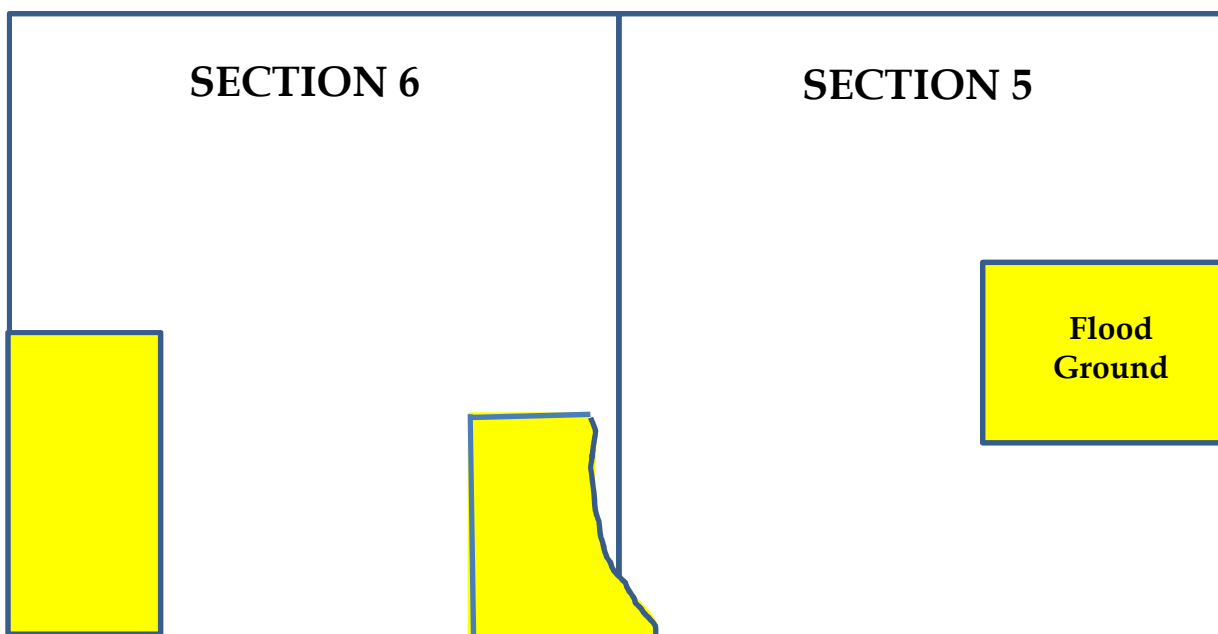


	Bushels	Acres	Yield
Unit 1	17,600	80	220
Unit 2	36,800	160	230
Unit 3	38,400	160	240
Unit 4			
Total	92,800	400	Prorated 232

If you have soft records to determine unit 1 and 2, they can be reported as actual yields. If you harvested unit 3 and 4 altogether, it should be reported as prorated actual yield. For unit 3 and 4 to be separate units, there must be a discernable break in planting – (done at the time of planting) on the section line. Actual production records for each unit must also be kept. This is not new.



CROSSING SECTION LINES



All fields are 1 unit if you farm across the section line.



WHOLE FARM REVENUE PROTECTION (WFRP)

WFRP provides coverage for loss of revenue you expect to earn under one policy.

Nationwide

YEAR	POLICIES SOLD	LIABILITY	TOTAL PREMIUM	PRODUCER PREMIUM	TOTAL INDEMNITY	LOSS RATIO
2015	1,127	\$1,145,804,185	\$53,849,769	\$15,249,986	\$56,585,526	105%
2016	2,229	\$2,303,222,832	\$118,817,357	\$35,159,387	--	--

2016 POLICES IN ILLINOIS 69

- Was designed for more diverse farm operations providing multiple crops - some of which are not otherwise insurable.
- The revenue coverage is on the lower of your farms current year expected revenue, or your farm's 5-year historic revenue adjusted for growth of the operation.
- All commodities produced on the farm are covered except: timber, forest and forest products and animals for sport, show or pets.
- Coverage levels are 50% to 85% of revenue. Must have at least 3 commodities to get 80% to 85%.
- Must provide 5 years of Schedule F Tax forms.
- Can use indexing if your farm has been expanding.
- Losses are settled after taxes for the year have been filed.
- A loss under WFRP occurs when the farm revenue for the year falls below the revenue insured.
 - Adjust the revenue for previous years' commodities sold in this year and value of commodities produced and not yet sold.
- Crop insurance claims and government program incomes are excluded from base years but included in current year revenue to count.
- Max coverage is 8.5 million.
- Expected revenue from animals cannot exceed 1 million.



PRICE FLEX

- Federal crop insurance uses February and October as the “Discover Period” to establish the base price per bushel and the harvest price.
- Under RP – your guarantee is based on the higher of the two.
- Price Flex is a private product offered by Great American Insurance that allows you to purchase additional discovery periods.
- For example: If you bought a Price Flex policy for the month of April for corn, they would take the December future corn price each day in the month of April then average it for the month. Your guarantee would then be based on the higher of February, April or October.

Example	#1	#2
February Price	3.08	3.68
April Price	4.00	4.00
October Price	4.25	3.80
Your Price Guarantee		

Your guarantee is the highest of the 3

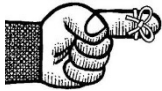
Example 1: \$4.25 – you would have received this without Price Flex

Example 2: \$4.00 – price flex increased your guarantee by .20/bu.



REMINDERS

NEW BREAKING GROUND:



- You will need to let us know before MARCH 15th if you are breaking new land.
- If the new break is over 5% of the unit, we need to file a written agreement with RMA.

COVER CROP:



- If Cover Crop is harvested or reaches headed or budded stage, the following crop is uninsurable.

PREVENTED PLANTING:

- Prevented Planting Dates:



Corn: June 30th

Soybeans: July 5th -15th

[Note: Some counties may be different]



- Corn 55% of guarantee
- Beans 60% of guarantee

REPLANT:



- 20/20 Rule: must replant 20 acres or 20% of the unit - whichever is less.
- Corn pays 8 times the Spring price (approximately \$30)
- Beans pay 3 times the Spring Price (approximately \$30)
- Adjuster has to look at it and approve it PRIOR to being replanted
- You cannot change crops without permission from adjuster (wet holes)
- Change for 2017 - Practical to Replant.





REMINDERS

SUPPLEMENTAL REPLANT POLICY:



- Can buy up to \$50 additional replant coverage
- No 20/20 Rule
- Cost for \$50 coverage
 - Corn: \$1.50/acre
 - Soybeans: \$2.25/acre

PREMIUM SUBSIDY:



- Must be in compliance with Conservation and Wetlands
 - Form AD1026 must be on file with the FSA by June 1, 2016
Tax ID number must match crop policy;
 - Exception for first time famers;
 - If not on file, or out of compliance, no premium subsidy for 2017;
 - It is a violation to plant on wet lands converted after 2/7/14 even if you are not the one who converted the land. You could lose your premium subsidy.



REMINDERS

FEEDING LIVESTOCK:

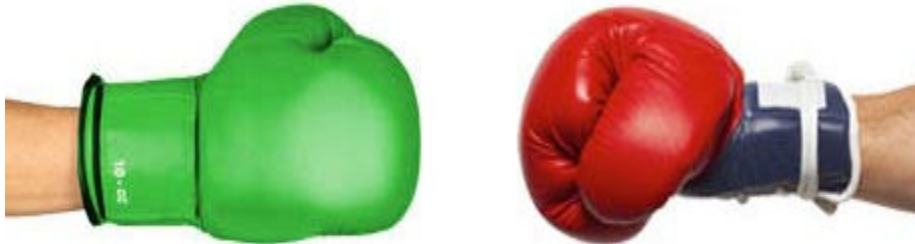
Feed Records Requirements:

- Be contemporaneous for each feeding as the feeding occurs
- Be in writing
- Provide the amount of production, by crop, fed at each feeding
- Provide the number, kind and average weight of livestock feed
- Provide the physical location of the livestock and where livestock was fed
- Provide the unit number from which the fed production was harvested, if the production went directly from field to being fed
- Identify and provide the physical location of the bin/storage facility from which the production was taken, if the production was stored before feeding
- Identify the crop year in which fed production was harvested





GPS Acres vs FSA Acres



- ✓ GPS Acres usually are less than FSA Acres. GPS takes out all waterways, etc.
- ✓ GPS Acres should be more accurate. We drive the field boundaries rather than drawing them in on a computer screen
- ✓ When the field is bordered by timber, there is usually a bigger difference between GPS and FSA.



ADVANTAGES OF GPS ACRES

- More Accurate
- Fewer acres measured
 - Less acres to pay premium on
 - Builds up APH since same bushels are divided into fewer acres.



ADVANTAGES OF FSA ACRES

- Keep crop insurance and FSA records consistent
- Reporting by CLU (Common Land Unit) is easier
- Claim payment is usually larger since FSA has more acres



Beginning Farmer and Rancher (BFR)



Who Is Eligible?

- Any individual “Living Human Being” can qualify as long as they have not actually operated and managed a farm or ranch in any county or state for more than 5 years.
- Entities can qualify if ALL SBI’s qualify.
(SBI is a person with 10% or more interest in the entity)
- If married, both spouses must qualify.



What Are The Benefits of BFR?

- Waiver of Administrative Fees
(\$30 per crop per county)
- Additional premium subsidy of 10%
- APH Yield Adjustment is 80% of T-Yield rather than 60%.



Pilot Certification 2016

Acreage and Crop Reporting Streamline Initiative
- provided by Great American -

ILLINOIS CROPS

- Alfalfa
- Corn
- CRP
- Fallow
- Grass
- Oats
- Rye
- Soybeans
- Wheat



Crop Producers can start certifying acres with "PILOT" Agency



Leezer Insurance Agency is a "Pilot Agency".

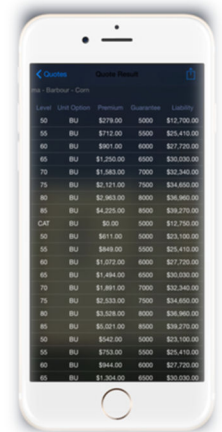
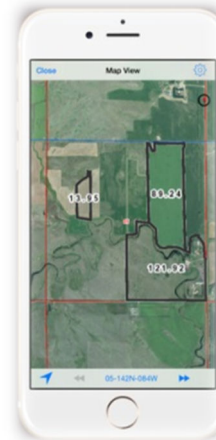
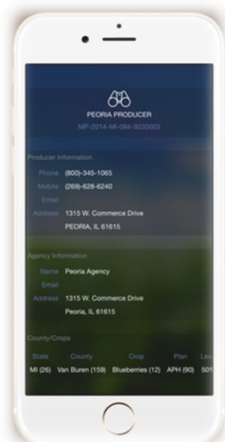
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FARM - CROP - LIFE - PERSONAL - COMMERCIAL



GREAT AG PHONE APP



Securely access your account information with a login screen.

Quickly view your policy information

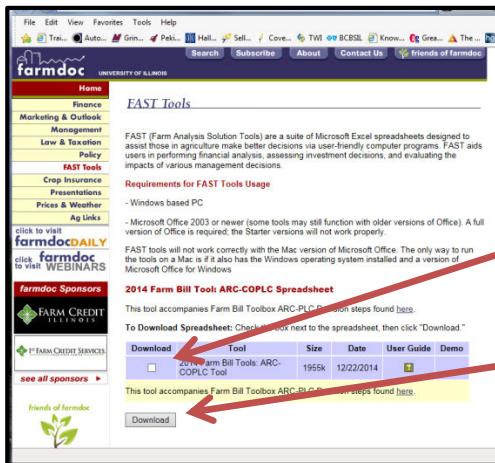
View your farm maps from your device

Generate quotes on the go



ARC-PLC TOOL

http://farmdoc.illinois.edu/pubs/FASTtool_special_ARC-COPLC.asp



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