



INSIDE *Insurance*

Message from the CEO

With commodity prices fluctuating daily and input costs remaining near record levels, farmers will be challenged to maintain profitability in 2009 due to shrinking profit margins.

A short time ago, the price per bushel was four times higher than it is today. I have had conversations with several farmers who say prices are below break-even and they plan to hold onto the crop. To add to the problem, we are carrying over a significant amount of old crop in northwest North Dakota which has not been priced. Most elevators appear to be plugged even before harvest has begun. I was at an elevator recently where the cash barley price was listed, we are going to need a lot of bushels at those prices.

The fact is that we have a good crop. The ability to produce large quantity at a low cost is still the key to profitability and maintaining a successful business. Several of you have had some prevent plant claims which appear to have worked out for 2009. Row crops are also in need of some major sun to beat the first day of frost.

With your investment in agriculture seeming to grow each year, we all need to manage the level of risk in our operations. If you had a significant disaster, could you survive and if you could would you want to? What would that disaster be, how could you manage that risk and what is it worth to you? There are many alternatives available to manage price risk such as cash forward contracts, hedging with commodity futures, or purchasing put options. It is anticipated that we will be using more forward pricing tools in the future.

Crop insurance is just one part of the overall tools to manage risk. While others may provide and sell crop insurance, few are involved with helping you manage a comprehensive risk management program.

Having a partner like Farm Credit that understands farming and your operation is a must. One thing is for certain, farmers will continue to have large swings in price and yields. There is a reason why our crop insurance program continues to grow. If you have your insurance with us, thank you. If you don't, ask your neighbor why they do business with us. At FCS the best is yet to come.

Farm Credit Services of North Dakota is an equal opportunity provider and employer.

Reporting A Loss

The insured must give notice of loss as follows:

- ◆ Within 72 hours of discovery if a loss is anticipated on **any** unit
- ◆ Not later than 15 days after the earliest of the:
 - total destruction of the insured crop
 - harvest of the unit, or
 - calendar date for the end of the insurance period
- ◆ Submit the claim within 60 days of the end of the insurance period

When you contact your insurance specialist to report a notice of loss they need to know:

- ◆ Cause of loss
- ◆ Date of damage
- ◆ Location/legal description
- ◆ Crop
- ◆ Amount of damage—light, medium or heavy
- ◆ Do you share crop on the loss unit as a NOL needs to be turned in for the landlord as well

Contact your insurance specialist as soon as you know or think you might have a loss. Never destroy a crop or put it to a different use before getting permission from the company.

Also, most producers are eligible for direct deposit of crop insurance claims. Receive your money faster—no delays for larger checks at some banks. Contact your insurance specialist to see if you are eligible for this service.

Thank You

A special thanks goes out to all our insured's.

We truly appreciate your continued cooperation and patience in getting us the required information and never ending paperwork. Because of **YOU**, we exist!

Pat-NOW!™



The Low Rate Advantage



INSIDE *Insurance*

Claim Season—End of Insurance

With harvest, comes claim season. Here are some pointers to keep in mind if you find yourself in a loss situation...

1. Notify your agent within 72 hours of your discovery of any crop damage and no later than 15 days after the end of the insurance period for the loss crop.
2. Make sure you notify your agent before destroying any crop or putting it to an alternative use (haying or grazing).
3. It's your responsibility to leave representative samples in the field and/or allow the adjuster to take samples of the crop.

End of Insurance Period

Barley	10/31
Canola	10/31
Corn silage	9/30
Corn grain	12/10
Dry beans	12/10
Dry peas	9/30
Flax	10/31
Mustard	10/31
Oats	10/31
Potatoes	10/7—Freeze 10/15—Other
Soybeans	12/10
Sunflowers	11/30
Wheat	10/31

Winter Wheat

Winter wheat does not have its own endorsement, therefore it is insurable under your spring wheat policy. In order for it to be insured there are steps that you as an insured must complete. A signed winter wheat acreage report must be filed on or before March 15, 2010. This report would include the legal description, acres, share and plant date of the seeded winter wheat. A spring inspection will then be done by a company adjuster, usually in May. The appraisal must be equal to your APH yield to be insurable.

Ask An Insurance Specialist

“Is it best to turn in all my claims when I report production?”

NO. You have **15 days** to report a loss by each unit/crop. If you think you may have a loss on a certain unit you need to report that loss immediately. Do not wait until you have harvested all the acres of that crop. Reporting any later than 15 days may cause a delayed claim. This can slow down the process of paying the claim or result in no indemnity being paid at all. When in doubt, call your agent. It is also helpful if you have the legal description, acres and possible cause of the loss available at that time.

Honey Producers Can Get Coverage Too!

In 2008, North Dakota was approved to provide Apiculture Insurance to our honey producers. The amount of production an apiary gets in a year is very much related to how much precipitation we receive because the bees need to have plants that are healthy and doing well in order to produce the honey. This insurance works basically the same way as Pasture, Rangeland and Forage (PRF) insurance, except instead of acres, we use colonies. It is solely based on precipitation received, more so lack of, in an Index Interval (or 2 month period). You can pick and choose which intervals you wish to insure according to when you think the moisture is the most important to you. Please contact an insurance specialist if you are interested in knowing more about this new tool for your beekeeping operation.



Visit our website at
www.farmcreditnd.com



INSIDE *Insurance*

Ask An Insurance Specialist

“I intend to seed winter wheat this fall, what do I need to do for insurance?”

You just need to report that acreage to your agent on or before March 15, 2010. He/ she will need legal descriptions, acres and plant dates. They will then send in a request to insure the winter wheat acreage as spring wheat. Pending an appraisal in the spring that comes in at or above your APH for that unit, your winter wheat would be insured.

Production Reporting

Upon completion of harvest you will need to report your production. In order to qualify for optional units, you must be able to provide acceptable production records for each optional unit (by practice, type and variety) for the most recent crop year. This includes both insurable and uninsurable acres. Acceptable production records include:

- ⇒ Elevator tickets & assembly sheets
- ⇒ FSA measurement documents, maps & 578 forms
- ⇒ Loss appraisals/worksheets
- ⇒ Farm stored measurement documents
- ⇒ Accurate load logs & bin markings

Remember if you selected enterprise units on any of your crops, you still need to keep acceptable optional unit records even though your guarantee is based on all those units as a whole.

Acreage and production records must be maintained for 3 crop years plus the current crop year—2009, 2008, 2007 and 2006.

High Dollar Claims Audits

Reminder: claims over \$100,000 require a review before indemnities will be paid. Any claims over \$500,000 will require notification to RMA. The adjustor’s loss work will be reviewed and producers

will need to provide hard copy backup documentation for the past three years to support their APH. To expedite the claims review and claim payment, please have this documentation readily available.

Forage Production

September 30th is the date to remember when it comes for forage production. Not only is this the deadline to apply for coverage, make changes to an existing policy, or cancel a policy; but it’s also the end of the insurance period. Make sure you notify your agent if you have a forage production loss by this date!

The new 2010 established prices are as follows;

- ◆ Alfalfa: \$68.00/ton
- ◆ Alfalfa grass \$68.00/ton
- ◆ Grass alfalfa mix: \$52.00/ton

Coverage is available regardless of age as long as it meets specific stand requirements and has had at least one year of establishment. Alfalfa seeded in the spring of 2008, could possibly qualify for coverage now. Forage acreage and underwriting reports are due October 16, 2009.

Ask An Insurance Specialist

“What’s the best way to keep track of my production?”

There are several ways to do this. If it is going to the bin, keep a notebook, or truckload log, in the combine and write down the approximate bushels as they leave the field and what bin they are going in. This way it is fresh in your mind. If it is going to the elevator, keep the grain tickets in a separate envelope per unit or make notes on the tickets. The most important thing is to keep the production separate by unit, even if you have chosen Enterprise Units. If you do need to comingle grain, call your agent and ask for a bin measurement and mark the bin. The more documentation, the better!





INSIDE *Insurance*

Did You Know???

- ⇒ Over 51 million Americans are classified as disabled, representing 18 percent of the population? — U.S. Census Bureau, Public Information Office, November 2008
- ⇒ In the U.S., a disabling injury occurs every 1 second, a fatal injury occurs every 4 minutes. — National Safety Council, Injury Facts 2008 Ed.
- ⇒ Three in 10 workers entering the work force today will become disabled before retiring — Social Security Administration, Fact Sheet January 31, 2007
- ⇒ Over 6.8 million workers are receiving Social Security Disability benefits, almost half are under the age of 50. — Social Security Administration, Fact Sheet January 31, 2007
- ⇒ While many people think that disabilities are typically caused by freak accidents, the majority of long-term absences are due to back injuries and illnesses, such as cancer and heart disease. — Council for Disability Awareness, Long-Term Disability Claims Review, 2007
- ⇒ In the last 10 minutes, 498 Americans become disabled. — National Safety Council, Injury Facts 2008 Ed.

To find out how you can protect yourself if you become disabled, contact your local Farm Credit Services of ND office.

2010 Changes to Enterprise Units

After a year in which many policy holders evaluated and implemented the Enterprise Unit discount, the policy language to the discount will be changing next year. The Common Crop Insurance Policy language will change, along with the CRC and RA provisions. Basically the policy will not allow for discounts on units with small acreages. A '20/20' rule will be implemented where the basic units (or two section equivalents) unit must each contain the lesser of 20 acres or 20% of the insured acreage in the enterprise unit. In addition, for CRC the enterprise unit must contain at least 50 acres. In other words one section cannot contain 75 acres and a

second section then contains 5 acres and still qualifies for the EU discount. The rules are meant to properly measure risk and premium in the policy. Contact your Insurance Specialist if you have any questions or concerns. All policy holders will receive updated policy provisions prior to the 2010 sales season.

Additional changes for 2010 policies are possible. Watch your newsletter and mail for further updates.

MPCI Premium Billing

We want to remind you that as an FCS of ND MPCI customer, you will receive a bill directly from the insurance company (Approved Insurance Provider) that you have your MPCI policy with rather than FCS of ND. The premium will be mailed directly to the insurance company instead of Farm Credit Services. Pre-billings for spring crops will occur around September 1st and regular billings around October 1st.

If the premium is not paid to the insurance company by the due date on the statement, interest will be applied by the company even if you have a claim that has not been finalized. Due to rebating concerns the Approved Insurance Provider cannot waive interest charges so please make payment by the due date if you wish to avoid interest charges.

Contact your insurance specialist if you have questions as to the changes in federal regulations regarding the FCS of ND billing process.





INSIDE *Insurance*

De' Ja' Vu in 2009?

Due to delayed spring planting and the cool weather conditions this year the grain corn, along with soybeans and sunflowers across the region, are behind schedule. We are hoping for an extended growing season this year—**WITHOUT FROST**—to get the crops to maturity. Flashbacks of 2004 remind us what can happen with an early hard freeze.

We are keeping our fingers crossed, but should an early frost occur and you feel that your crops have sustained damage, please be sure to call your agent right away. This is to insure that a claim can be filed and the proper procedures can be followed.

Pasture, Rangeland, and Forage Insurance (PRF) Rainfall Index Insurance Program

Looking for protection from lack of precipitation for your hay and/or grazing land? Ask us about PRF insurance. PRF insurance is a group risk plan based on rainfall data in a 12 mile square grid from the National Oceanic and Atmospheric Administration (NOAA). Producers select at least two 2-month index intervals to insure acres from lack of precipitation within the grid and index interval(s) selected. Losses are paid directly to insured, no need to call in a claim! Contact your crop insurance specialist for availability and more information.

The following PRF Insurance meetings have been scheduled:

* **Tuesday, November 3rd**
Stanley—Stanley Two Way Restaurant
2:00 pm with desert served

* **Wednesday, November 4th**
Lignite—109 Steakhouse
12:00 Lunch with meeting to follow

Fall Sales Closing Dates

- * Forage Production—September 30th
- * Apiculture—November 30th
- * PRF—November 30th
- * Montana—if you are in a winter wheat county, fall sales closing on wheat 9/30/09

Contact your Farm Credit Services insurance specialist for more information.

What Our Customers Are Telling Us...

We asked our customers, “What do you appreciate most in working with us” and this is what we heard:

- “Good outfit to do business with.”
- “Friendly, fast service that is done properly.”
- “Can call anytime and get advice on insurance.”
- “The office staff is very friendly and helpful. They acknowledge us when we come in.”
- “Value my agent’s knowledge of agriculture and insurance products.”

Tracking Revenue Prices

Revenue Assurance, Income Protection and Crop Revenue Coverage fall prices will soon be available. You can track the price discovery periods online by going to the following Risk Management Agency link: <http://www3.rma.usda.gov/apps/pricediscoveryweb/ActiveDiscoveryPeriods.aspx>.

Call for Candidates

If you are interested in being on the Board of Directors for Farm Credit Services of ND, please contact Claude Sem, CEO, at 1-800-264-1265.





INSIDE *Insurance*

Fall 2009
Farm Credit Services of North Dakota, FLCA
P.O. Box 70
Minot, ND 58702-0070

Return Services Requested

Insurance Specialist “Quick Contact” List

With crop insurance deadlines just around the corner, it’s important you have quick and easy access to one of our 19 Insurance Specialists. Here is a “quick contact” phone list of staff members.

Minot Branch:
852-1265 or 800-264-1265

Diane Conklin	dconkli@farmcredit.com
Greg Johnson	gjohnso@farmcredit.com
Paul Weltz	pweltz@farmcredit.com
Jackie Rosenthal	jrosent@farmcredit.com

Ward County Crop Insurance:
852-5432 or 888-852-5432

Jean Ternes	jternes@farmcredit.com
Denise Krebsbach	dkrebsb@farmcredit.com
Susan Pratt	spratt@farmcredit.com

Carrington Branch:
652-2836 or 800-264-2836

Marlene Wolf	mwolf@farmcredit.com
--------------	----------------------

Williston Branch:
774-0055 or 800-264-1095

Aaron Holter	aholter@farmcredit.com
Ashley Rindel	arindel@farmcredit.com
Brent Mangel	bmangel@farmcredit.com

Bottineau Branch:
228-3731 or 800-264-3731

Becky Braaten	bbraate@farmcredit.com
Randy Gorder	rgorder@farmcredit.com
Carrie Johnson	cjohns1@farmcredit.com

Rugby Branch:
776-5863 or 800-467-5863

Corey Belisle	cbelisl@farmcredit.com
---------------	------------------------

Schaan Crop Insurance:
776-6353 or 888-661-6353

Mark Schaan	mschaan@farmcredit.com
Karla Larson	klarson@farmcredit.com

Bowbells Crop Insurance:
377-2739 or 800-697-3127

Jim Steidl	jsteidl@farmcredit.com
Denise Chrest	dchrest@farmcredit.com

