



INSIDE *Insurance*

Message from the CEO

It appears that crop insurance will have significant cuts for 2011. The President's budget proposes billions of dollars in cuts to the federal crop insurance program through the Standard Reinsurance Agreement (SRA). There will also be significant changes to the policies you were used to in the past. Policies like CRC, Revenue Assurance (RA) and APH plans will be replaced with a product called a "combo policy". Our staff is ready to help you get through any adjustments and hopefully make the transition easier for you to understand.

The farm program, which includes crop insurance, will continue to receive pressure as the federal government looks for ways to cut costs. After recent legislative action (the health care bill), it appears the entire congress will be out campaigning full-time until November. If you happen to see one of our representatives, express your concerns on a safety net for agriculture. It appears that it has taken a back stage to some of the other issues in our nation.

Crop insurance continues to be a valuable risk management tool for you the farmer. Farm Credit Services works hard to bring value to you, our customer and owner.

Thank you for your business!

Crop-Hail Protection

Crop Hail insurance purchasing decisions are a critical tool for farm risk management. During the 2010 season you can count on FCS of ND to be focused on you. Our vision of the industry and ability to write for several companies will give you the options needed to make the right decision. Whether your focus is on cash discounts, rates, deductibles, adjusters, or coverage availability we have the products available to meet your needs. Various types of plans available include:

Traditional Dollar-Per-Acre Plans

Crop Hail insurance provides coverage against loss to growing crops caused by hail. Depending on the crop insured, a crop hail policy may also provide coverage for loss caused by any of the following

perils: fire, lightning, wind (when accompanied by hail or by separate endorsement), vandalism and malicious mischief. Crops may also be insured while being transported to a first place of storage and in the first non-commercial place of storage. Traditional "basic insurance" and various deductible plans such as DXS10 and DDA are often placed in this category.

Companion Plans

Companion hail coverage can be added as "top end coverage" to a MPCCI policy. This coverage insures against loss from the same perils as a traditional dollar-per-acre policy, but limits the coverage to 1/2, 1/3, or 1/4 of the total liability of the crop. Some companies require MPCCI coverage to insure with this type of hail plan with them. The idea is to use the MPCCI policy as a foundation of your crop coverage, with the deductible covered by a companion hail policy.

Production Plans

Production hail coverage is similar in concept to companion hail coverage and can be added as an endorsement to a MPCCI policy. Again, most companies require MPCCI coverage to insure this type of hail plan with them. While fairly new in North Dakota, this plan can work well in certain situations. This coverage insures against loss from the same perils as a traditional dollar-per-acre policy but limits the coverage to a percentage of the total liability of the crop. Not all companies offer this plan and it is very important to understand the product prior to making a decision to use production plans. This offers an alternative solution to managing the "top end" crop risk and usually offers a way to reduce total premium.

Pat-NOW!™



The Low Rate Advantage



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A Lot of Care Goes Into Your Crop Insurance Policy

When it comes to crop insurance, there is a lot that happens behind the scenes. Your FCS of ND Insurance Specialist constantly works to make sure your information is accurate from the time you meet with him/her on or before March 15th until they file a loss or you receive a claim payment.

At FCS of ND, our insurance staff spends numerous hours keeping up with the changes in crop insurance regulations, reviewing policies, crunching numbers, organizing producer meetings, and making farm visits. This is all to ensure that you receive the best service and product to fit the individual needs of your operation. The work we do throughout the year allows you, the producer, the time needed to make informed decisions and receive individualized risk protection for the upcoming crop year.

“We have full-time Crop Insurance staff in each of our branch offices,” says Becky Braaten, Vice President Insurance Services with FCS of ND. “This helps us keep up with the ever changing business and better serve our customers. We pride ourselves in product knowledge, but more importantly, customer service,” she adds.

It’s a challenge to keep on top of federal crop insurance regulations—but it’s one we are ready and prepared to accomplish each and every year. At FCS we take the guesswork out of crop insurance so you can feel confident with your choices. The goal of our 20 full-time insurance staff is to make it all a little less confusing while providing you with the **Home Field Advantage!**

Prevented Planting

Prevented Planting (PP) is the failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county or by the end of the late planting period. The insured must have been prevented from planting the insured crop due to an insured cause of loss that is general in the surrounding area and that

prevents other producers from planting acreage with similar characteristics.

A notice of PP loss **MUST** be filed within 72 hours after the final plant date if you do not intend to plant during the late plant period or within 72 hours after you determine you will be unable to plant within the late plant period. You are not required to plant in the late plant period.

The PP acres must constitute the lesser of 20 acres or 20% (seeded and wet acres) of the insurable crop acreage in the unit. If you have Enterprise Units the 20 acres / 20 percent rule applies to the total acreage for the crop. Additional rules may apply when Enterprise Units are involved.

Acreage which is not eligible for PP coverage includes added land to the operation that had a pre-existing cause of loss evident at the time the land was added, acreage that has not been planted and harvested in at least one of the three previous crop years, and acreage that in normal weather patterns is wet throughout the final and late planting period. PP eligibility on acreage with unharvested crop from the previous year due to wet conditions would be determined on a case by case basis.

If you think you may be in a Prevented Planting situation contact your insurance specialist.

Insurance Specialist Spotlight



Name: Shayne Haustveit

Branch Office: Bowbells, ND

Hometown: Originally Tioga, ND, but currently living in Kenmare, ND.

Family: Parents Tom & Donna Haustveit and brother Kyle.

What do you like to do outside of work? I enjoy playing golf.

Who do you admire most and why? My parents. They have worked hard and shown great determination to establish the life we have.

What is the favorite part of your job? The interaction with co-workers and of course the local clients.

What is your favorite food? Lasagna.

What is your favorite movie? Seven Pounds.

Favorite music: Rock/Punk.

One thing your farmers would be surprised to know about you? I’m currently working on my Masters in Business Administration.



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Added Land

If you are adding land to your operation make sure you let your agent know as soon as possible. Depending on the acres involved you may need to make a written request for approved yields. Added land is defined as cropland acreage (irrespective of crops) added to the insured person's farming operation within the county for the current crop year. The following summarizes how it works:



Added acres from 0-640—you receive a simple average of actual yields from already existing databases or the variable t-yield, whichever is higher. No paperwork is required but agent notification is necessary to run the calculations and set up your units.

Added acres from 641-1999—we need to request in writing from the RMA to use your simple average of your existing databases or we could use the variable t-yield, whichever higher. We would need a copy of the maps and FSA 156ez for your new land to send in with request along with your signed APH. Deadlines do exist so notify your agent when you have added land in this category.

Added 2000 + acres—you do not have a choice other than to use the variable t-yield. No paperwork is required but agent notification is necessary to set up your units as needed.

Forage Production

September 30th is the sales closing date for forage. It is the deadline to apply for coverage, make changes to existing coverage, and cancel a policy. It is also the end of the insurance period which means all forage losses need to be reported by this date.

Coverage is available regardless of forage age as long as it meets specific stand requirements and has had at least one year of establishment. Forage acreage / underwriting reports are due **October 16th**. Initial year of forage seeding can be insured under a dollar plan of

coverage in most counties in North Dakota though the stand required varies by county.

Be sure to check with your local FSA office for linkage requirements.

Get A “Life”...

Did you know that Farm Credit Services offers a term insurance product that pays you back 100% of your premium if you outlive the term? We offer return of premium term life insurance that works like ordinary term life, but gives you something back in return. The return of premium product will generally have a higher premium than the ordinary term product.

Choosing between the standard term life policy and return of premium life policy solely depends on how you would like to cover yourself. Questions you may ask yourself:

- ◆ Would I rather have low monthly premium payments now for the same amount of coverage?
- ◆ Would I rather have a slightly higher premium now for the same amount of coverage and use the premiums I would get back for retirement?

If you are concerned with pure coverage and you don't have enough money to cover the higher premiums of return of premium insurance, a standard term policy may be the best choice for you. If you want to treat your life insurance as a savings account and have enough money to cover a higher premium, return of premium may be a good choice. Please contact your Farm Credit Services representative for information on our products that can help you get a “life”.



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

Visit our website at
www.farmcreditnd.com



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Final Planting Dates & Late Planting Period

The final planting date is the date, contained in the Special Provisions / actuarial of the insurance policy for the insured crop, by which the crop must initially be planted in order to be insured for the full production guarantee or amount of insurance per acre. Please refer to your Survival Guide for a complete listing of final plant dates which do vary by crop, and by county. If you do not have a Survival Guide please call an Insurance Specialist today and ask for a copy.



The late planting period begins after the final planting date and ends 25 days after the final planting date unless otherwise specified in the Crop Provisions or Special Provisions. There is reduced coverage during the late planting period if planting occurred after the final planting date. Planting guarantees will be reduced 1% each day for the 1st through the 25th day for most crops. However, canola is reduced 1% per day for the 1st through the 5th day and 2% per day for the 6th through the 15th day. Mustard is reduced 2% per day for the 1st through the 5th day and 3% per day for the 6th through the 15th day. See your crop insurance policy or contact us if you have questions about any specific crop.

Example: Planted 100 acres of Wheat on June 10th. The final planting date is June 5th. There will be a 5 % reduction in guarantee due to late planting.

APH 30 x Level 70% = 21 BU Guarantee x 5% = 1.1 BU reduction = 19.9 BU Guarantee.

Example: Planted 100 acres of Canola on May 30th. The final planting date is May 20th. There will be a 15% reduction in guarantee due to late planting.

APH 1700 x Level 70% = 1190 LB Guarantee x 15% = 179 LB reduction = 1011 LB Guarantee.

Replant

If you need to replant any acres you must notify your Insurance Specialist and get permission from the company **PRIOR** to replanting. Replant claims refer to reseeding to the same crop.

When reporting acres on your acreage report use the initial plant date the acres were seeded.

No replanting payment will be made on acreage:

- 1) That does not meet the 20/20 rule (20 acres or 20% of planted acreage in the unit).
- 2) If appraisal of crop potential exceeds 90% of guarantee.
- 3) If initially planted prior to the earliest planting date in the Special Provisions.
- 4) On which a replanting payment has already been allowed for the crop year.
- 5) If the company determines it is not practical to replant.

Not all crops have replant and payments may vary by crop. There can be differences in replant payments between plans of insurance. Under the APH plan, a replant payment is based on the total shares insured (landlord and tenant). The payment can be made to the insured person who bears the total cost of replanting. Under a revenue plan, if the tenant had $\frac{3}{4}$ share, replant will only be paid at $\frac{3}{4}$.

Remember to always contact your Insurance Agent before destroying any seeded acres. If you destroy seeded acres without consent from the insurance company your claim may be denied.

Acreage Reporting Deadline—June 30th Report Early and Accurately!

It is important to report early and accurately to help avoid errors. Below are some important points to keep in mind when reporting your 2010 acres:

- ◆ Report correct shares, shareholders, farm numbers and legal descriptions.
- ◆ List all insurable and uninsurable acres.
- ◆ Check all tax ID #'s that are listed on the policy, incorrect information could void your policy.



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- ◆ Verify total acres and rotations.
- ◆ It is in your best interest to report the same acres to FSA and to crop insurance.
- ◆ Bring all necessary paperwork to your agent:
 - FSA 578's and maps.
 - Canola receipts and tags documenting blackleg resistant variety for canola seeded on a shortened rotation.
 - Added land information.
 - Malt barley contracts if you took the malt barley price and/or quality endorsement B.
 - Mustard contract.

Make sure you check and **RECHECK** the copies of your acreage report/schedule of insurance forms when you receive them. Revisions to your acreage report can only be done as noted below. **NO** exceptions will be allowed:

- ⇒ You may revise planted acreage information without obtaining company approval only prior to June 30th.
- ⇒ After June 30th company approval is required before any revisions can be done, along with an inspection to determine the appraised potential of the crop. The crop must exceed 90% of your APH to be approved.

Please report your acres as soon as possible. Earlier acreage reporting allows staff more time to accurately key and review your information.

2010 Official Revenue Base Prices

| | |
|-----------------------------|---------|
| CRC / RA Corn | \$ 3.99 |
| CRC / RA Soybeans | 9.23 |
| CRC / RA Spring Wheat | 5.43 |
| CRC / RA Durum | 6.22 |
| RA Barley | 3.22 |
| RA Canola | .172 |
| RA Sunflowers/Oil | .209 |
| RA Sunflowers/Confectionery | .259 |

Rotation Requirements

Remember rotation requirements when you are planting your crops this year. In our area of the country, lentils and green or yellow peas are the most

popular types of dry peas. Rotation requirements for the two are slightly different. For lentils, insurance will not attach on acreage where lentils were planted in the previous 2 years or a broadleaf crop the previous year. For green or yellow peas, insurance will not attach on acreage where green or yellow peas were planted in the previous 2 years or sunflowers were planted the previous year.

For sunflowers – insurance will not attach to any acreage which sunflowers, canola, crambe, dry beans, safflower, mustard, or rapeseed was planted in the previous crop year (1 year off).

For canola – insurance will not attach to any acreage which canola, crambe, chickpeas, dry beans, mustard, rapeseed, or sunflowers were planted in the previous 2 years (2 years off). 1 year off rotation is insurable with a 10% surcharge to acreage and moderately resistant or resistant to blackleg (MR-R) variety.

For mustard (when insurable) – insurance will not attach to any acreage which crambe, mustard, canola, chickpeas, dry beans, rapeseed, or sunflowers planted the previous year (1 year off).

Remembering these rotation requirements will insure that your crops are covered under your MPCCI policy.

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.



Thank you to our customers for your business and putting your trust in us! The biggest compliment you can give us is to recommend us. If you know someone who could benefit from our services, please let us know and we'll contact them.



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Spring 2010
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 all of our 20 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 |
| Sue 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 |
| Shayne Haustveit | shaustv@farmcredit.com |

