BENEFITS
Crop Insurance & Pre-harvest Pricing

PROFESSIONAL ETHICS
Principles Promote Integrity

RISK Overview
When disaster strikes, you can count on the claims team from RCIS to be there—with “boots on the ground” and ready to take action to make sure policyholders get nothing but our best service possible. RCIS has taken claims service to a new level with our Notice of Loss Services Team, our superior technology and national travel teams ready to respond. RCIS is committed to excellence.

That’s why we’re...

Standing Strong in Crop Insurance®
Communicate

We live in a world today where we are constantly bombarded with messages, phone calls, spam, ideas, email, newspapers, newsletters, blogs, cable TV, 24 hour news channels, infomercials . . . The list can go on and on. Experts call it “information overload,” and according to Wikipedia it is defined as “having too much information to make a decision or remain informed about a topic.” Part of the “information overload” problem is caused by the fact that technological advances have made the retrieval and distribution of information so much easier than before. The result is an explosion in often irrelevant, unclear and inaccurate fragments, making it ever more difficult to sift the wheat from the chaff.

We all know this program has become increasingly complicated and sophisticated over the years. The 2007 Farm Bill is on the horizon and the whole direction of agriculture is changing before our very eyes. The farmers and ranchers of this great nation are relying on us to be their source for relevant and up-to-date information about crop insurance. But in order for us to be viewed as that expert source, we must be able to communicate effectively with not just producers, but also with Congress, RMA, state insurance departments, extension, the media, etc.

Retooling Committee Structure

Improving communications with “outside” groups begins with improving our own “internal” communications. To meet that need, NCIS is retooling and refining the focus of several of the current NCIS standing committees and strengthening their missions.

First, the NCIS Public Relations Committee will now focus primarily on creating the unified message that promotes the positive image of our Industry. The PR Committee members are attuned to the needs of promoting the success of our Industry. Crop insurance plays a vital role in the risk management plans of so many producers and it is a product that works. We’ve told this story in the past and will continue to do so. Relationships with ag publication editors and journalists will continue to be strengthened and new ones developed to get our story out.

Second, the NCIS Training & Education Committee will focus primarily on the technical training of crop insurance within the Industry. With the increased emphasis by some states on licensing and continuing education, this Committee will support these and other efforts to ensure program integrity. This Committee’s role will become even more vital to ensure that testing used by these states is technically correct and current.

And thirdly, the MPCI Policy Procedures and Loss Adjustment Committee will soon be divided into two groups allowing time for more specific attention to policy language...
The 2007 crop year loss season started off on the wrong foot when freezing temperatures destroyed much of the California citrus in January. Let's hope clouds like these bring only much needed moisture to crops throughout the growing season across the U.S.
Our agents are as varied as the nighttime sky and each is equally important in the ProAg family. We believe in the value of the large and small agent, as well as the family and corporate farmer. It is the uniqueness of our agents that strengthens the foundation of ProAg. Much as the early explorers looked to the skies to guide them, ProAg is guided by the needs and priorities of our agents and farmers. With ProAg the horizon is endless.
TODAY
CROP INSURANCE

BENEFITS

Crop Revenue Insurance & Pre-harvest Corn and Soybean Pricing in Iowa and Ohio

By Neal E. Blue, Dr. E. Dean Baldwin, Ohio State University, and Robert N. Wisner, Iowa State University

As farm size and risk management needs have increased in recent years, the grain industry has offered a number of marketing tools that encourage farmers to price their crops before harvest. However, without proper attention to management of production risks, aggressive pre-harvest pricing can increase a farmer’s exposure to financial risk. An example of this would be when drought or disease sharply reduces yields, leaving the farmer in an oversold position and at the same time prices increase sharply. With the ethanol industry expanding at an annual rate of over 50 percent, the risk of sharply higher prices if serious drought develops is much greater than in the past. Thus, information on the performance of strategies that involve a combination of pre-harvest pricing and crop insurance is especially timely. This study used corn and soybean yield variability as well as basis and prices, futures and options, and insurance premiums for 1985-2005 for two actual farms in Iowa and for one in Ohio. Annual costs and cash flows were derived from Ohio and Iowa crop enterprise budgets and from USDA reports to analyze outcomes for different financial farm structures, 1) a debt-free farm, 2) a cash-rent farm, 3) a crop-share farm, and 4) a farm that has a mortgage on 50 percent of the land and cash rents the remaining 50 percent. All assumptions, references and other details are reported in a companion article at the following website: www.ag-risk.org

The study period included record-high corn prices, prices well below the government loan rate, near-record corn exports, and very low corn exports. It spanned a period of four different U.S. farm bills and widely varying U.S. farm price/income support policies. These extreme variations allowed the marketing and insur-
ance strategies to be tested over a wide range of weather, market, and government policy conditions.

The pre-harvest pricing strategies used in this study involved hedges and put and call options purchases in late February if the previous year’s crop was reduced by adverse weather and fell short of the previous year’s utilization. If the previous year’s crop was normal or larger, pricing was done with these same tools during the third week of May. The options purchases involved modest extra cost but provided upward price flexibility after sales. The average net returns from the pre-harvest pricing strategies were compared to net returns for a naïve harvest selling strategy to determine whether the observed differences were due to chance or were statistically significant.

In addition to the pre-harvest pricing strategies, crop insurance was also evaluated to see how total crop revenue patterns were affected by insurance. To reduce the analysis to a manageable size, two types of insurance were selected for this research: Average Production History (formerly called multi-peril and referred to here as APH), and Crop Revenue Coverage (CRC). APH has been available for many years, and insures yield per acre. For analytical purposes, 65 and 75 percent insurance coverage levels for CRC and APH were evaluated. CRC insurance analysis was based on 100 percent of the futures price. The analysis of CRC insurance assumed the 1998 insurance rate structures and subsidies had existed prior to the creation of CRC in 1996. After 1998, costs and levels of insurance protection for CRC for all locations were taken from USDA-RMA. Historical costs for APH insurance were acquired from USDA-RMA.

Results

The results show significantly higher net farm incomes from pricing corn and soybeans in late winter and spring before harvest than from selling at harvest. Figure 1 shows the results for 500 acres of corn on an Iowa farm that had a 50/50 corn/soybean crop rotation. Pre-harvest pricing results in this chart are annual average gains vs. harvest cash sales without insurance. About 78 percent of the time over 30 years of market history, this strategy provided higher returns than harvest sales. However, in the other 22 percent of the years, the price increased into harvest—sometimes very sharply. We initially looked at 30 years of market history with

![Figure 1. Gains from Pre-Harvest Synthetic Puts & Crop Insurance vs. Harvest Corn Sales, N.W. Iowa (500 acres, Obrien county farm), 1985-2005](image)
hedges in futures, and then analyzed the last 21, because the options market started in 1985. With current potential for market volatility, it was important to incorporate options performance in the results to retain upward price flexibility. While insurance premiums reduce the average annual return vs. no insurance, aggressive pre-harvest pricing without insurance makes the farm business potentially quite vulnerable to short crop situations, especially if the adverse weather creating the short crop affects a major part of the Corn Belt.

Similar results were observed for the 500 acre soybean enterprise on the Iowa farm (Figure 2). Note that combined average corn and bean gains from pre-harvest synthetic puts, which provided more marketing flexibility than puts for this 1,000 acre Iowa farm ranged from $15,200 to $20,200. Similar results were observed for the Ohio farm located in the eastern Corn Belt. For both crops, the smallest gain over harvest cash sales was with 75 percent CRC insurance. Average gains illustrate two key points: 1) history has shown economically and statistically significant incentives for pricing grain before harvest and 2) crop insurance is designed, not to generate a frequent profit, but to be used as a tool to protect against a catastrophic loss resulting in major financial problems. Ability to bear those risks varies widely from one farm financial situation to another.

To better understand the role of these two risk-management tools, insurance and pre-harvest pricing, we looked at the average net cash flow for the four different farm financial structures. For the Iowa farm, the results using the strategies described on page 1 are shown in Figures 3 and 4 for corn and soybeans, respectively. For the debt-free farm—which typically would reflect a long-established farm business—the net cash flow was large and positive for all strategies. For the buyer-renter combination farm and the cash rent farm, average corn returns were negative without the use of pre-harvest risk-management tools. Since government payments are not included, corn returns may have been modestly positive without use of the risk-management tools. However, as both figures indicate, pre-harvest pricing made the difference between a negative net cash flow and a positive one, or a smaller negative cash flow before government payments are added in. When 65 percent CRC insurance was added, the returns were still positive, but were slightly reduced from the no-insurance situation by the cost of the insurance premiums—net of the indemnity payments that were received in the years in which there was an indemnity. The results indicate that careful management of production and marketing risks may be necessary for these two types of farms to survive and grow.

Figure 4 indicates returns for soybeans were positive, on average, for all types of farms except the buyer-renter farm. However, returns were increased on average for all four farm financial structures by the addition of pre-harvest pricing and its companion tool, CRC insurance. For this farm over the study-period (1985-2005), the insurance tool providing the largest average returns with pre-harvest pricing was 65 percent CRC. For corn, it was 65 percent APH insurance, although returns from 65 percent CRC were only slightly lower. CRC and RA (with harvest price option) provide a potential important advantage over APH insurance when aggres-
sively pricing a crop before harvest. These insurance products provide increased coverage if futures prices rise from late winter into the harvest season. When crop yields are low and the price has gone up sharply, revenue based insurance provides increased coverage to offset extra costs of buying back an over-sold market position. Figure 5 shows year-by-year returns for the cash-rent northwest Ohio farm for 500 acres of corn with and without revenue insurance and with and without pre-harvest pricing. Note that without the insurance and with or without pre-harvest pricing with puts, three years of very large negative returns occurred. The negative returns were nearly $40,000 for corn alone. With the addition of CRC insurance, negative returns were reduced to a more manageable level of $12,000 to $14,000, except in 1987.

Conclusions and Implications

This study indicates that pre-harvest pricing and crop insurance are valuable tools for reducing financial risk exposure associated with weather hazards and price volatility, for both the farmer and his or her lender. Pre-harvest pricing strategies over the past 20 years greatly enhanced the average net farm revenue on the Iowa and Ohio farms analyzed here, although they did not do so every year. These combined strategies were very important for a buyer/cash renter or a cash renter farm, where cash-flow obligations are large and risk-bearing ability is limited. Major crop losses for these farms, without careful attention to risk management, could lead to forced sale of the farm’s assets to meet the financial obligations. Neither the farmer or lender benefit from such an outcome. Pre-harvest pricing also is important to the land owner who needs to limit the risk of net worth losses to protect equity for retirement years and/or preserve the farm business for future generations.

Combining CRC and APH insurance with pre-harvest pricing strategies, while it may decrease average revenue, greatly reduces the risk of loss in a year of extreme weather and its associated pricing impacts. Like life, auto, health, and other types of insurance, the goal of the crop insurance strategies analyzed here is not to earn profits from the insurance, but to protect the business from exposure to major losses, while at the same time helping farmers lock in profitable prices when the market offers them. If industrial use of food, feed, and oilseeds continues its rapid expansion in the next few years as is widely expected, revenue insurance policies will be even more critical because of higher price levels and increased market volatility. Insurance is equally important from the farm lender’s perspective as well. Collateral for loans is based on the crop itself and on crop revenue insurance policies, both of which can be converted into cash to help the farmer repay loan obligations.

Although this 21 year study does not provide assurance that in any one year or even over a 100 year period, pre-harvest pricing will outperform harvest sales, this study does conclusively demonstrate that crop insurance reduces risk for either strategy, for both the grain farmer and the lender. Crop revenue insurance also can provide similar benefits for combined grain and livestock producers. Even if a livestock producer normally grows enough grain for feed, there will be short crop years in which he or she will have to buy grain at very high prices to meet the unexpected shortfall.

3 Since net cash flow results are only reported here, fixed costs by farm type are excluded from the analysis. When included, the debt-free farmer has the highest total cost of the four farm types because of opportunity cost on investment and sustains a large reduction in net farm worth for select years. Whether this farm can self insure depends on the owner’s personal risk preference and the need to maintain the net worth if retirement is pending and/or expansion is planned.

Editor’s Note: Report based on a research project funded by NCIS
Picture this. There you are sitting in a training session listening to the presenter and watching a PowerPoint presentation, except you can’t really see the presentation. You squint because if it works for George on “Seinfeld” then maybe it will work for you. But it doesn’t. The projected text is too small to read without binoculars. You look around and notice others are squinting too. Some have given up completely and are checking their email on some mobile device. And then you realize that you are so distracted by the fact that you can’t see the presentation that you haven’t heard a word the presenter is saying.

Most every trainer or presenter has made this error at some point. Often out of desperation and due to lack of prep time, we end up with slides that are very difficult to see. The road to make a presentation more effective and look its best is more easily traveled when we keep these five simple slide design guidelines in mind.

1. Less Is More
We retain only what we perceive, so a neat and uncluttered presentation is more effective than one that has gratuitous audio or visual effects. Don’t show too much information at one time. It is ideal to use no more than eight bullet points on a slide and bullet points should be limited to eight words.

2. Be Consistent
Inconsistency can be distracting to your audience, so before you do anything else, format the slide master. Utilize the slide mas-
ter to format fonts, bullets, text areas, backgrounds, headers, and footers. Formatting the slide master will save you a huge amount of time as opposed to formatting every slide one-by-one and it will ensure consistency in the look of your presentation. It will also save you a headache if you need to make a comprehensive change to the presentation at a later time; allowing you to make just one change to the master and have that change take effect on all slides.

When composing text for your presentation, use punctuation and capitalization consistently in slide titles and bullet points. Use a writing style and level consistent with your target audience. Text that is too technical for your audience will be lost; as will your credibility if your text is too remedial.

3. Text

Stay away from ornate fonts. Instead, utilize sans-serif fonts such as Helvetica or Arial. Sans-serif fonts are those fonts without serifs, which are the little lines at the ends of characters. Sans-serif fonts are easier to read on a projected image than serif fonts such as Times New Roman or Courier. And refrain from using “shadows” on your fonts. Shadows can be perceived as a blur and can make the font appear fuzzy.

The smallest font size acceptable for projected media in a large group setting is **22 points**. (The term “points” refers to the height of the characters in a font. Each point is approximately 1/72 of an inch.) Rather than shrinking the font to a size smaller than 22 points so all the information can fit on one slide, split the information onto two slides.

Sometimes we use forms in our presentations, particularly when we are training on the proper way to complete a particular form. When using such documents in a presentation, consider breaking the form into sections and highlight only one section at a time. Tackling one section per slide will allow you to increase the size of that section of the form, making the form easier to view.

4. Media

Including sound in a presentation can be a great way to reach the auditory learners attending your training session and it can help to stimulate recall. Both images and sounds can increase retention of words and ideas if they illustrate the concept being taught. When using sound in your presentation, make sure that the meeting room or auditorium where you will make the presentation has the capability to effectively project the sound to your audience.

If a picture paints a thousand words, then it had better be the right image. Displaying images on a PowerPoint slide can enhance a presentation if that image illustrates a specific concept. Use of a diagram, timeline, flowchart, or data chart is
an effective way to appeal to a visual learner if the image is clear and concise. Including images in a slideshow just for the sake of having a pretty picture is not an effective use of visual media.

There are a lot of animated graphic interchange format (or gif) files available for your use. You’ve seen them all over the internet . . . you know, like the e-mail gif that shows the envelope flying into the mail box over and over and again and again. These can be cute; however they can also distract from important information and therefore must be used sparingly.

Built-in PowerPoint slideshow animation is useful when you are reviewing a difficult concept and want to move slowly, revealing bullet points one by one and taking time to discuss how that information relates to the concept. You can also use animation to show a process, i.e. how to fill out a 10-year APH database.

We perceive information selectively, so be selective about the media you include in your presentation and eliminate any irrelevant stimuli.

5. Colors & Backgrounds

Colors, shading, and complexity draw an audiences’ attention. For this reason, it is critical to simplify PowerPoint backgrounds as to not distract from the information displayed on the slide. Inversely, highlight important words and language by using different colors or use shading to draw attention to important elements. Make sure that the color of the text is in contrast to the background so it can be easily seen.

When you follow these five easy guidelines, you are assured to create a clear and effective design for your presentation that is suitable for any size room and audience.
Farmers and ranchers make decisions in a risky environment every day. The consequences of their decisions are generally not known when the decisions are made. Furthermore, the outcomes may be better or worse than expected. Variability of prices and yields is the biggest source of risk in agriculture. Technology changes, legal and social concerns, and the human factor itself also contribute to the risk environment for agriculture producers. The two situations that most concern agriculture producers are: 1) is there a high probability of adverse consequences, and 2) would those adverse consequences significantly disrupt the business?

Basic Economic Principles

There is a return to every factor of production—land, labor, capital, and management. These returns may be either positive or negative, depending upon the use to which they are put. One of the returns to management is the ability to successfully manage risk. Risk is what makes it possible to make a profit. If there was no risk, there would be no return to the ability to successfully manage it. That is to say, there is a risk-return trade-off. This means that anytime there is an opportunity for loss (risk), there is also an opportunity for profit. Because of uncertainty, profits are never certain. Farmers must decide between different alternatives with various levels of risk. Those alternatives with minimum risk may generate too little profit. Those alternatives with high risk will likely generate the greatest return but may be more risky than the farm can stand or the farmer wishes to bear. The preferred and optimum choice must balance potential for profit against risk of loss. It all comes down to management, and there are no easy answers.

Steps to Risk Management

Risk Identification

The process for managing risk is really very straightforward. First you need to identify and classify the risks you face. There is no correct way to do this, but it seems easier if they are classified along the lines of what you do. The main areas of farm management are production, marketing, and financing, thus it seems reasonable to categorize risks in these areas. There are other areas of risk such as managing human resources, coping with government change, and complying with environmental regulation.

Production Risk

Agricultural production implies an expected outcome or yield. Variability in outcomes from those that are expected poses risks to
your ability to achieve financial goals. Any production related activity or event that is uncertain is a production risk. The major sources of production risks are weather, pests, diseases, and the interaction of technology with other farm and management characteristics, genetics, machinery efficiency, and the quality of inputs. Fire, wind, theft, and other casualties are also sources of production risk.

**Marketing Risk**

Marketing is that part of your business that transforms production activities into financial success. Unanticipated forces, such as weather or government action, can lead to dramatic changes in crop and livestock prices. As agriculture moves towards a more global market, these forces stem increasingly from world factors. Other farmers’ weather and other governments can affect your prices. When these forces are understood, they can become important considerations for the skilled marketer.

Marketing risk is any marketing related activity or event that is uncertain leading to the variability and unpredictability of prices that farmers both receive for their products, and pay for production inputs.

**Financial Risk**

Financial risk covers those risks that threaten the financial health of the farm business and has three basic components: 1) the cost and availability of debt capital; 2) the ability to meet cash flow needs in a timely manner; and, 3) the ability to maintain and grow equity. Cash flows are especially important because of the variety of ongoing farm obligations, such as cash input costs, cash lease payments, tax payments, debt repayment, and family living expenses.

**Human Resource Risk**

Human resources are both a source of risk and an important part of the strategy for dealing with risk. At the core of dealing with that risk, and that potential, is the ability to manage people.

Human resource calamities can hamper even the most carefully made and appropriate risk management decisions. Those calamities include divorce, chronic illness, and accidental death.
Legal Risk

Many of the day-to-day activities of farmers and ranchers involve commitments that have legal implications. Understanding these issues can lead to better risk management decisions.

Legal issues cut across other risk areas. For example, acquiring an operating loan has legal implications if not repaid in the specified manner. Production activities involving the use of pesticides have legal implications if appropriate safety precautions are not taken. Marketing of agricultural products involves contract law. Human resource issues associated with agriculture also have legal implications, ranging from employer/employee rules and regulations, to inheritance laws. The legal issues most commonly associated with agriculture fall into four broad categories: 1) appropriate legal business structure, and tax and estate planning; 2) contractual arrangements; 3) tort liability, and; 4) statutory compliance, including environmental issues.

Risk Measurement

Probabilities are simply a way of expressing the chances of various outcomes. Weather forecasts use probabilities. For example, they may indicate a 20 percent chance of rain or a 40 percent chance of snow. At the start of a football game, a coin is flipped. What are the chances or probabilities that it will come up “heads”? Fifty percent, or one half. The chances for “tails” are exactly the same.

Variability of outcomes is generally associated with risk, and typically riskier situations have greater variability of outcomes. The average outcome is the most frequent or most likely if outcomes are normally distributed, but the average does not provide information about variability. The range—the highest and lowest values—combined with the average does provide some information about variability. However, it is difficult to make comparisons of variability between crops or prices.

Risk Capacity

Risk management strategies are also affected by an individual’s capacity or ability to bear (or to take) risk. Simply stated, risk bearing capacity is directly related to the solvency and liquidity of one’s financial position.

Risk bearing ability is also affected by cash flow requirements. Cash flow requirements are the obligations for cash costs, taxes, loan repayment, and family living expenses that must be met each year. The higher these obligations as a percentage of total cash flow, the less able the farm business is to assume risk. The best source of historical production and marketing information is (or should be) the farm records maintained for the farm business. The records may be supplemented and complemented by off-farm information, forecasts, and predictions. But there is no substitute for farm record data.

Risk Willingness (Preference)

Risk averse farmers are the most cautious risk takers, but they do take some risks. They lose because they miss economic opportunities to profit.

Risk neutral farmers understand they must take some chances to get ahead, but recognize that there are degrees of risk in every situation. Before making a decision or taking action they gather information and analyze the odds. They try to be realistic, recognize the risks, and try to reduce risks to acceptable levels.

Risk lovers are individuals who enjoy risks as challenging and exciting and look for the chance to take risks. Many farmers may be in this category with respect to their marketing plans. As long as financial survival is not at stake, they may enjoy the adventure of playing the market. Many speculators are in this category. Some close their eyes to risk, ignore facts, and go ahead, and commonly fail because they refuse to take precautions.

Set Risk Goals

A meaningful goal is specific, measurable, challenging but realistic, time specific, written, and is performance based. If one achieves all conditions of a specific measurable goal, confidence increases and satisfaction results. If a measurable goal is consistently missed, objective analysis can occur and adjustments can be made to improve the likelihood of success.

It is important to set performance, not outcome goals. Care should be taken to set goals over areas where one has as much control as possible. Nothing is as discouraging and counterproductive to goal setting as failing to achieve a goal for reasons beyond your control. If goals are set on performance or skills to be acquired, then control over achievement is maintained.

Identify Tools

Because of the multiple sources of risk, comprehensive strategies that integrate several responses to variability are often necessary for effective risk management. The particular combination used by an individual farmer will depend on the individual’s circumstances, type of risks faced, and risk attitudes. Some risk responses act primarily to reduce the chance that an adverse event will occur, while other responses have the effect of providing protection against adverse consequences should the unfavorable event occur. Farmers find many different ways to implement these principal risk responses.

Select Professional Assistance

Even though risk management is sometimes challenging, there are many professional resources available and no farmer should feel isolated. Extension educators are expected to provide the educational programs and leadership to help all those who desire to learn. Others are available and well qualified to help, depending upon the specific need.

Use common sense in selecting professional help and ask for references and credentials as appropriate. Rely on the experience of other farmers and/or trusted friends/clergy in seeking recommendations of who to use.

References

There are numerous sources of outstanding materials on all aspects of farm risk management. Contact your local Cooperative Extension office for assistance and direction.

The Risk Management Education website maintained by the University of Minnesota is an excellent starting point. The University of Minnesota developed and maintains this website with the support from USDA-CSREES and USDA-RMA. This vast and current library of information can be accessed at: www.agrisk.umn.edu.
Indian Wells, California, hosted the 2007 Crop Insurance Industry Annual Convention. The near record attendees enjoyed an excellent program with insightful speakers and relevant topics. And it didn’t hurt that the weather was warm and sunny!

Randy Tronnes, Rural Community Insurance Services, Chairman of the NCIS Board of Directors, commended the industry for a “job well done,” and encouraged the attendees to continue working hard for the American farmers and ranchers they serve.

Steve Harms, Rain and Hail L.L.C., Chairman of the AACI Board of Directors, opened the general session by saying the industry should be proud of the way it has responded to the weather adversities over the past few years including the recent California freeze, hurricanes in Florida and the drought from South Dakota to Texas. Mr. Harms said he sees the year 2007 being dominated by three things: the Farm Bill, WTO, and corn and soybean prices.
Eldon Gould, Administrator, Risk Management Agency (RMA) gave a review of the Administration’s Farm Bill proposal and a 2007 outlook for RMA.

A panel of agriculture economists gave their views on what the 2007 Farm Bill might look like. Panel members included (left to right): Dr. James Richardson, Regents Professor and Senior Faculty Fellow, Texas A&M University; Dr. T. Randall Fortenberry, Renk Professor of Agribusiness and Director of the Renk Agribusiness Institute in the Department of Agricultural and Applied Economics, University of Wisconsin-Madison; Dr. Tom Zacharias, Executive Vice President, NCIS; and, Dr. Mechele (Mickey) Paggi, Director of the Center for Agricultural Business at California State University-Fresno.

Congressman Collin Peterson (D-MN), Chairman of the House Agriculture Committee, addressed the annual convention attendees Monday morning saying that Congress wants to write a Farm Bill based on what they feel is good for farmers. He said he was encouraged by his talks with House Budget Committee members about the benefits of crop insurance, but encouraged the Industry to continue to educate the Committee members about the program.
TEAMWORK
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Expectations of high ethical conduct are not unique to the crop insurance industry. Professionals of all persuasions are expected to honor the trust placed in them by the consumers of their products and services. However, renewed emphasis is being placed on ensuring that every individual in the crop insurance community adheres to high standards of professional conduct, accepted and practiced throughout the industry, because any program abuse is simply unacceptable. The purpose of this article is to discuss some ethical standards and the important role they play in making ethical business decisions. As a guideline to improving individual behavior, an important ethical principle is presented, followed by a series of questions to be used as an ethical checklist to test if proper behavior is being followed. The importance of these questions is to cause critical thinking about motives, and recognition of the impacts of specific actions.

The questions serve as an ethical checklist to test if proper behavior is being followed. Obviously, not all questions apply to every situation, and depending upon any specific answer, follow-up questions likely should be asked. The importance of these questions is to cause critical thinking about motives, and recognition of the impacts of specific actions.

### Basic Ethical Principles

#### Relevant Information

Correct information is required to make correct decisions. When decisions are based on erroneous, incomplete, inaccurate, or faulty information, the result likely will be erroneous, incomplete, inaccurate, and/or faulty as well. Understanding a situation well enough to know what information is needed to make a judicious decision is the first critical component to correct ethical decision making.

- Have I correctly identified the issues and defined the ethical dilemma?
- Have I obtained as much information as possible to make an informed decision and action plan for this situation?
- What are the known facts?
- What are my assumptions?
- Who are the stakeholders and what are their desired outcomes?

#### Legal

As a free society we support and sustain the rule of law. An action that is against the law, or illegal, would be considered unethical. However, the opposite does not always hold. Being strictly legal does not...
necessarily guarantee that an action is also completely ethical. Of course exceptions could be made in unusual cases. For example, respecting a no trespassing sign is the legal thing to do. However, if the sign is posted by a swimming pool and a child is drowning, the ethical action is to ignore the sign, and save the child.

- What are the legal principles involved?
- What is the opinion of my legal counsel?
- Have I obeyed all of the pertinent laws? If not, why?
- What are the penalties I have avoided by obeying the law?
- Would an independent auditor agree with my assessment?

Honesty and Trustworthiness

A universal characteristic of ethical people is personal honesty. To be honest means to be true, frank, straightforward and sincere, without any disguise or pretense. Honesty is the opposite of untruth, falseness, deception and fraudulent. Exceptions to honesty are usually only rationalizations for unethical behavior and the lack of personal integrity in acting honestly and telling the truth. Being trustworthy means being dependable and reliable to do the right thing; to be counted on to act honestly. Earning the total confidence of one’s peers to act with integrity is the hallmark of good character and is fundamental to personal and professional ethical behavior. Likewise, violating the trust and confidence of one’s position or expected standards of ethical behavior is the essence of deceit and abuse.

- Am I being honest?
- Is this action true, straightforward and without any disguise or pretense?
- What are my intentions for this action?
- Have I rationalized my decision on faulty or dishonest motives? If so, why?
- How would I feel if the details of this decision were disclosed for all to see?
- Would my peers be proud of my actions?
- Would my boss be satisfied with my behavior as a representative of him, or have I violated the trust and confidence placed in me?
- Have I taken unfair advantage of my position?

Duty

Duty is synonymous with due diligence. It is fidelity to professional responsibilities. It is the moral obligation to diligently act in accordance with the laws, standards, and recognized customs of society. With responsibility comes accountability. Duty is the requirement to accept the personal accountability associated with professional responsibility and faithfully and persistently act ethically. Just not getting caught is not enough. Duty demands a higher standard of performance regardless of oversight and review.

- Did I act with due diligence?
- Were all established procedures and accepted practices followed completely?
- Did I faithfully and persistently perform my responsibilities?
- Have I violated my loyalty to principle or compromised my position of power or authority?

Confidentiality

Being entrusted with the confidence of another is an honor and high responsibility. Information is power, and the misuse of information is the misuse and/or abuse of power. Our society has placed strict sanctions and penalties on those who use privy information for their personal gain or selfish motives. Carelessness can be just as damaging. The expression, “loose lips sink ships” is descriptive of how destructive indiscretion and carelessness can be. An ethical person maintains strict confidentiality.

- Have I taken unfair advantage of insider information? If so, how and why?
• Have I honored the code of privacy expected of me?
• If the “shoe was on the other foot” so to speak, would I be satisfied with my behavior?
• Have I used discretion and care with the information about this situation?
• Have I misused or abused the information in my care?
• Have my motives been straightforward and not self-serving?
• Has anyone been harmed, or potentially harmed, because of my lack of care?

**Fairness**

There is no room for favoritism and preferential treatment. Acting objectively and impartially in accordance with rules and logic usually produces outcomes that are fair and acceptable to all parties. Granted, this is often easier said than done because being fair is not synonymous with being equal. A key to being fair is to follow established and accepted standards, procedures, and practices, and avoid personal and/or arbitrary judgments.

• Have I shown favoritism or given preferential treatment?
• If I was standing on the other side of the fence would I be satisfied?
• Given everything involved, am I comfortable with the outcome?
• If “everything involved” was correctly reported in the local newspaper, would I be embarrassed or ashamed?
• Would my coworkers and family be embarrassed or ashamed?
• Have I followed established and accepted standards, procedures, and practices, and avoided personal and/or arbitrary judgments?

**Openness**

Avoiding potential or apparent conflict of interest situations is the heart of acting in an open fashion. It is important to function with sufficient openness to not jeopardize independent judgment in performing official duties. Conflicts of interest involve the abuse, actual or potential, of the trust placed in you as a professional. Violations of this trust not only hurt the individuals and customers involved, but damage the image of the industry and reduce the trust people generally have in professionals.

• Am I being fair and open?
• Have I avoided all potential or apparent conflicts of interest?
• Have I allowed anything, or anyone, to jeopardize an independent judgment in performing my official duties?
• Have I gained personally, or allowed others to gain inappropriately, as a result of conflicting interests?
• Do I have anything to hide?
• If publicly known, would my actions bring disgrace to myself and my profession?
• What are the perceptions of others regarding my actions?
• Am I satisfied that I have acted ethically?

In summary, if the answers to these questions are satisfactory in accordance with the fundamental principles that were outlined, then the specific behavior is most likely ethical beyond reasonable doubt. If the behavior is not, it should be apparent why it is unethical and which principle was violated.

The essence of ethical business behavior is personal integrity. The guide to personal integrity is that moral compass we call our conscience. The vast majority in our profession exhibit strong ethical behavior and are a credit to themselves, the companies they represent, and the industry. When they step over the line it is usually due to genuine misunderstandings and/or circumstances that can be easily corrected. There is no place in the crop insurance community for individuals who have no conscience or integrity, and have no intention of adhering to the high ethical standards embraced by the rest of the industry.
Jay Conlon, Assistant Vice President, Northwest Division Office of Rain and Hail L.L.C., was presented with the Crop Insurance Industry Leadership Award at the 2007 Crop Insurance Industry Annual Convention. This award is given to individuals who are directly involved in the Crop Insurance Industry and who consistently serve the Industry by providing outstanding leadership.

Jay has been a dedicated employee of Rain and Hail L.L.C. and a Crop Insurance Industry figure for the past 25 years. His participation as a crop insurance ambassador has been invaluable to the northwestern part of the United States. Jay has served many positions both at Rain and Hail L.L.C. and also within the Industry.

Jay served on the NCIS sponsored “Blue Ribbon Commission on Crop Insurance” in the early 1980s. Part of the Commission’s task was to examine the possibility that units by section and ownership, as well as personal actual production histories (APHs), may be able to be utilized versus the former area plans of coverage. This group met regularly and remained in place for a number of years, all of which Jay was an active participant.

Jay worked with the Montana Insurance Department Guarantee Board from the early 1980s until just recently helping to foster the placement of a guarantee system which provided security if or when an insurance company failed. Its sole purpose was to assure that the farmers/ranchers remained whole if a failure occurred. Jay was additionally instrumental in shaping the Insurance Department testing procedure and requirements to positively reflect the crop insurance program for agents.

Jay was the only adjuster who ever elevated directly from adjuster to Division Manager with Rain and Hail L.L.C., and subsequently became the longest serving Division Manager within Rain and Hail L.L.C. to date; a testament to Jay's ability to provide the kind of service not only to his Company but also to the entire Industry. Jay has also served on the NCIS Montana Regional/State Committee for many years.

Criteria for the Crop Insurance Industry Leadership Award are: strong personal and business ethics; demonstrated service above and beyond to the Crop Insurance Industry; and, represents themselves, their company, and the Crop Insurance Industry well.

The entire crop insurance industry thanks Mr. Conlon for his hard work and dedication to the Industry and congratulates him on his success.
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Under the direction of its Board of Directors, National Crop Insurance Services has developed two national awards to be given to individuals who achieve excellence in the criteria set out by the awards.

The first award is the Outstanding Service Award. This award, primarily for agents, has actually been in existence since 2001 and has been awarded to several excellent individuals. The purpose of this award is to promote exceptional service industry-wide, and encourage outstanding outreach efforts to all farmers, especially limited-resource farmers, by highlighting an individual who has demonstrated exceptional service.

The newest award established is the Industry Leadership Award. This award, targeted primarily to members of the NCIS regional/state crop insurance committees, was created to formally recognize individuals who are directly involved in the crop insurance industry and who consistently serve the industry by providing outstanding leadership. Company employees at both the field and management level are eligible to be nominated.

The criteria for both awards are:
1. Strong personal and business ethics.
2. Demonstrated service above and beyond to the crop insurance industry.
3. Represents themselves, their company, and the crop insurance industry well.

The two winners will be presented with their awards at the crop insurance industry annual convention held in February of each year.

All nominations must be submitted in writing to NCIS by October 15, 2006, for awards to be given at the 2007 Annual Convention. For nomination information and forms to be submitted, please go to the NCIS website at www.ag-risk.org to download. If you have any questions regarding the criteria or whom is eligible for either award, please contact Laurie Langstraat at NCIS at lauriel@ag-risk.org or 913-685-2767.
CARROLL RECEIVES Outstanding Service Award

Arthur Carroll, The Arthur Carroll Insurance Agency, Limerick, ME, was presented the Crop Insurance Industry Outstanding Service Award in recognition for outstanding service and outreach to small, limited resource, and socially disadvantaged farmers. Randy Tronnes, Chairman of the National Crop Insurance Services (NCIS) Board of Directors, and Robert Parkerson, President of NCIS, presented the award to Mr. Carroll at the 2007 Crop Insurance Industry Annual Convention.

Art has been involved in the farming community his whole life. He was raised on his family’s poultry and dairy farm. After college, Arthur again worked in his family’s farming operation and later served as State Executive Director for Maine’s Agricultural Stabilization and Conservation Service (ASCS), (now known as the Farm Service Agency), from 1977 to 1981. In 1981, he became the District Director for the Federal Crop Insurance Corporation (FCIC), and worked three years covering four states in New England. In 1984, Art left the FCIC to start his own agency and began writing crop insurance. Today, Art is licensed to write crop insurance in Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, and Florida, and writes insurance on over 15 different crops.

Many of these crops and the producers now serviced by Art are located in areas that are considered “underserved” according to the Risk Management Agency’s (RMA) designation. Art is always quick to embrace new pilot programs and coverage options. In an area where crop insurance needs extraordinary representation, Art is recognized by many growers, extension specialists, RMA employees and elected officials as the expert. Art takes seriously his responsibility and commitment to service the crop insurance needs of all producers. His dedication to crop insurance and to the farmers in this area of the country is appreciated by everyone who knows him.

In addition to providing quality crop insurance protection for many New England growers, Art continues to be involved in several related associations and commodity groups. Currently, Art is the Secretary/Treasurer of the National Association of Crop Insurance Agents (NACIA). He is also active in the Cape Cod Cranberry Growers Association, New England Small Fruits & Vegetable Growers Association, Massachusetts Apple Growers Association, the Connecticut and Maine Phonological Societies, and the Connecticut Nursery and Greenhouse Growers Association.

The entire crop insurance industry thanks Mr. Carroll for his hard work and dedication to the Industry and congratulates him on his success.
The NCIS Regional/State Crop Insurance Committees are an integral part of the crop insurance industry. They are critical to the communication flow within the industry and are organized for the purpose of identifying issues that need attention and making recommendations to the Board of Directors. These committees are authorized by the NCIS Bylaws and function within approved guidelines. To ensure that the committees understand their role, function properly, and are effective in accomplishing their responsibilities, the chairman participates in an annual training session.

The primary objective of the chairman training session is to help the chairman of the NCIS Regional/State Crop Insurance Committees succeed, by preparing them for their official responsibilities as chairman of an NCIS committee. Specific instruction is provided on:

- legal issues, including anti-trust considerations;
- NCIS organizational structure;
- ensuring program integrity;
- making recommendations to the NCIS Board of Directors;
- operating in accordance with the NCIS Bylaws;
- planning and conducting effective meetings and loss school activities;
- parliamentary procedure; and,
- understanding the range of products and services offered by NCIS.

After the training, the participants better understand the role of the NCIS Regional/State Crop Insurance Committees, what is expected of them as chairman, and are prepared to successfully fulfill their official duties.

There are 18 committees, organized along geographical borders that are the eyes and ears of NCIS at the local level. They meet periodically to discuss developments in agriculture and insurance. RMA employees are invited and encouraged to attend committee meetings. Attendance by individual agents and adjusters is not permitted. Other guests, educators, and non-NCIS members may be invited to participate in committee activities as conditions warrant. An NCIS staff person is assigned as a liaison to each committee and functions as a resource to the committee. The liaison is the immediate point of contact between the committee and NCIS. The liaison is to be kept informed of all committee activities. These committees exist primarily to:

1. Recommend coverage and language changes to the Crop-Hail and MPCI policy forms, applications, endorsements and miscellaneous forms.
2. Recommend new or revised Crop-Hail or MPCI loss adjustment procedures and forms.
3. Advise NCIS on public acceptance of crop insurance programs offered by the affiliated companies.
4. Promote communication and cooperation within the crop insurance industry, with the exception of pricing and producer commissions.
5. Promote and participate in risk management education activities.

New chairmen fully understand that the committee and its individual members are not authorized to agree to policy on behalf of NCIS nor any member company. Where policy or procedure changes are recommended by the committee, those recommendations are to be treated as recommendations until they are reviewed by the appropriate NCIS standing committee(s) and approved by the NCIS Board of Directors.

It is a personal and professional honor to be elected chairman of an NCIS Regional/State Crop Insurance Committee. The expectations and responsibilities are great, but so are the rewards for being selected by ones peers to serve in this important leadership capacity.
Chairmen attending the 2007 Orientation included: (Back Row Left to Right) Bob Dammen; Jerry Shoun; Charles Rother; Scott Askeroot; Ray Farmer; Ron Spanier; and, Mike Legleiter, Rain & Hail L.L.C., Vice Chairman, KS/OK Committee. (Front Row Left to Right) Dean Svatos; Dave Bousselot; Greg Sowder; Bette Rae Jones; Julie Jordan, ARMtech Insurance Services, Vice Chairman, IN/OH/MI Committee; Shirley Ford; Gary Schaneman; Jim Allison; Brad Newsome; and, Bill Haar.

2007 NCIS Regional/State Committee Chairmen

**California/Nevada**—Bill Haar, ProAg

**Colorado/Wyoming**—Gary Schaneman, Great American Insurance

**East**—Brad Newsome, CGB AgriFinancial Services

**Gulf States**—Shirley Ford, ARMtech

**Illinois/Wisconsin**—Bob Dammen, Farmers Mutual Hail Ins. Co. of Iowa

**Indiana/Ohio/Michigan**—John Ross, Farmers Mutual Hail Ins. Co. of Iowa

**Iowa**—Dave Bousselot, ProAg

**Kansas/Oklahoma**—Russell Hefner, Farmers Mutual Hail Ins. Co. of Iowa

**Kentucky/Tennessee**—Jerry Shoun, AgriServe Inc.

**Minnesota**—Ron Spanier, Heartland

**Missouri**—Greg Sowder, Great American Insurance

**Montana**—Bette Rae Jones, RCIS

**Nebraska**—Charles Rother, Great American Insurance

**North Dakota**—Scott Askerooth, American Omni Crop

**Northwest**—Jim Allison, Rain & Hail

**South Dakota**—Dean Svatos, Farmers Mutual Hail Ins. Co. of Iowa

**Southeast**—Curt Lewisader, Great American Insurance

**Southwest**—Ray Farmer, ARMtech
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The Risk Management Agency (RMA) and the Approved Insurance Providers (AIPs) are continuing efforts to ensure that all producers have equal access to crop insurance products and services.

To improve access to government services and programs for persons with limited English proficiency, RMA and the National Crop Insurance Services (NCIS) have launched the Alternative Language Outreach (ALO) initiative to capture, disclose, and increase awareness of agents who speak multiple languages, including reaching the hearing impaired and blind.

Farm Credit of South Florida, ACA is already providing this type of service for their members and potential insureds.

“We work as a team to explain crop insurance and the policies to our cooperative members,” said Debra Corman, Farm Credit agent.

“Our Spanish speaking agents are there to provide support and act as a translator for the client. Many times the client does speak English but better understands the technical policy language when it is explained in their native language,” said Corman.

Corman said these clients are generally seen jointly by a general lines agent and a Spanish speaking crop-hail agent. “Our members seem to like the attention and service provided by two trained crop insurance agents,” she said.

Farm Credit has also had French and Creole speaking employees on staff that could be used as translators if necessary.

“We haven’t had a need for translators in any other languages, but because we are dedicated to serving the agricultural community, we would arrange for a translator if necessary.”

The Agent Locator on the RMA website (www.rma.usda.gov/tools/agent/html) will include an option for customers to select “Locate a Multi-lingual Service Agent or Agency.” This option will identify the non English languages or hearing impaired and blind services an agent or agency is able to provide. The Library of Congress’ List of Languages will be utilized, and will include codes for the hearing impaired and services for the blind.

Maintaining full time General Lines Agents that speak multi languages is costly and difficult to find.

“Crop Insurance is complex and unlike most other insurance lines which makes the pool of potential agents smaller,” said Corman.

But when asked if providing this service is beneficial to Farm Credit, Corman answered with a resounding “yes!”

Participation in the program by agents is voluntary. Agents wishing to participate should notify the company they write for of the alternative language(s) the agent speaks or can arrange for translation. The company will be able to report those language capabilities to RMA in the Appendix III agent record. The RMA Agent Locator will identify agents and agencies offering MPCI services in alternative languages.
I started in this crazy business in 1964 as a summer-time crop-hail adjuster in North Dakota, where I was a high school math teacher in West Fargo. Moving to Marshall, Minn., in 1970, I continued to teach/adjust until August of 1977. At that time, I was hired full-time as assistant manager of the National Crop Insurance Association (NCIA) in Colorado Springs, Colo. NCIA, a national trade organization, coordinated development of loss adjustment procedures, conducted adjuster training activities, sponsored hail-related research projects at agricultural universities, and various other services for the benefit of member insurance companies. In 1981, I became executive vice president/manager of NCIA following retirement of my mentor/boss, John Ames, serving in that capacity until 1989.

During the legislative activities and following passage of the Crop Insurance Act of 1980, I was very much involved with Industry and FCIC representatives in “making ready” for the private industry’s entrance into the business of Multiple Peril Crop Insurance (MPCI). Development of MPCI adjustment procedures/forms to match FCIC and coordinating training activities for member companies was a major task. Back then, “cut and paste” meant “scissors, glue stick and scotch tape!” I keenly remember measuring the width of columns on the Production Worksheet so each would accommodate the necessary number of digits and cutting and pasting to make it fit on a 8 1⁄2 x 11 sheet! Except for necessary minor modifications, I believe that form has pretty much stood the test of time.

NCIA moved to Overland Park, Kan., in 1985 and in 1989, merged with the Crop Hail Insurance Actuarial Association (CHIAA) to form National Crop Insurance Services (NCIS), where I served as a senior vice president until January 1992. In 1993, I joined Dawson Hail Insurance as manager of their venture into Kansas, when the Kansas Farm Bureau outsourced their MPCI business for the 1994 and 1995 crop years. Dawson being bought by Crop Growers brought me back to Overland Park (from Manhattan, Kan.). The subsequent purchase of Crop Growers by Fireman’s Fund and Fireman’s Fund’s exit from the direct crop insurance business found me “on the street” again in June 2003. After a brief, unsuccessful attempt at being a used car salesman, Great American allowed me back into this business as a MPCI underwriter beginning in June 2004. I’ve especially enjoyed providing a quality service to my group of special agents the past three years.

So, I feel as if I’ve gone almost full-circle in this crazy business—beginning as a “lowly” adjuster, moving “up” in various positions of “importance” and fading out as a “lowly” underwriter. However, I must qualify my use of the word “lowly.” In my earlier days, I always felt that the good adjuster was the most important link in a company’s chain, because he/she is the one who works directly with the insured. I now place the good underwriter on a similar pedestal, because understanding the complicated intricacies of MPCI, providing quality service to agents, and assuring correctness up-front are so critical to ultimate success.

I’ve had the opportunity to meet and work with many special people in all aspects of this business. An attempt to list names would be futile—there have been so many—I know I would kick myself for missing someone.

It’s been a pretty good life—time to move on!

Editor’s Note: George hired me at NCIS in the fall of 1990 and was my boss for only a short amount of time. However, in the time I worked for George, I gained a great deal of respect for him and learned a lot about the business of crop insurance. I’ve heard George described as a “man with ethics.” That just about says it all for those of us who know George, doesn’t it? I am proud to call you my friend and wish you all the best in your retirement and much success as you venture out to find great deals at estate sales and auctions! Keep in touch, George!
development, loss procedure refinement, compliance, program integrity and review of proposed changes.

NCIS is also refining the focus on some areas of service to our members by, for example, no longer providing an NCIS version of an RMA loss handbook and instead concentrating on up-front communication with RMA to improve the language and clarity of the loss procedures themselves. That also frees up more staff time to concentrate on policy or loss issues that might arise throughout the year so member company input can be gathered and a unified Industry view provided to RMA on those issues.

The NCIS Regional/State Committees are critical to the information flow and communication within the Industry. Increased emphasis is being placed on training the Committee chairmen to ensure the vital communication link between these “eyes and ears” in the field are being heard.

A defining characteristic of our present society may well be the incredible speed with which it changes. The Crop Insurance Industry is not immune to that phenomenon. To be successful, we must hear and be heard correctly—and that means we must clearly communicate our message.

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Dr. Lee Jackson is the Extension Agronomist (Statewide Specialist for small grains—wheat, barley, oat, and triticale) at the University of California-Davis. He provides leadership and coordination to statewide production-oriented research, educational activities, and staff training with respect to the production of small grains. He also serves in a liaison capacity between the University, individuals, and public and private organizations that have interests in the production, marketing, and utilization of small grains. Dr. Jackson coordinates the statewide cereal testing program, and has as primary research interests: agronomy of small grains; growth, development, and plant breeding of small grains; epidemiology and control of small grain diseases; pathogen variability, host resistance, and genetics of the host/parasite interaction; integrated pest management and integrated crop management; and, agricultural systems.

Dr. Jackson currently is working with NCIS on a research project on yield component compensation of wheat under California production systems. Wheat (including durum) is grown on about 600,000 acres in California. Production areas range from the Imperial Valley near the border with Mexico to the Tulelake Basin near the border with Oregon. Most wheat in California is irrigated, but up to 25 percent of the acreage is grown under rainfed conditions. Under optimum growing conditions the crop produces a dense spike population and yields about 3.5 tons/acre. Yield components (plants per acre, spikes per plant, spikelets per spike, seeds per spike, seeds per spikelet, and seed weight) tend to compensate for each other to best exploit the resources (water, nutrients, etc.) available under various production scenarios. The project is now in the third and final year. The project’s field experiments are being conducted at sites of Dr. Jackson’s statewide University of California cereal testing program, where the performance of wheat and durum cultivars and advanced breeding lines are evaluated. Nine sites (seven irrigated and two rain-fed, representing a range of cultural and environmental conditions) and five wheat and three durum cultivars (selected to represent the genetic diversity available to growers in California) are being used for the experiments.

For the first two years of the project, cultural practices and environmental conditions have affected the expression of the individual yield components. Some of the more important factors have been soil moisture, fertility, planting dates, temperature (especially during critical times of plant development), and pressures from diseases (particularly stripe rust) and other pests. A vast amount of yield component data has been generated. In 2006, there were two- or greater ranges in values for all yield components except for spikelets/spike and seed weight. For wheat cultivars and locations, spikes/meter-row ranged from 45 to 123; spikelets/spike ranged from 15.5 to 20.5; seeds/spike ranged from 30.3 to 66.8; seeds/spikelet ranged from 1.9 to 3.5; seed weight/spike ranged from 0.9 g to 2.1 g; and seed weight ranged from 24.5 mg to 41.3 mg. For durum cultivars and locations, spikes/meter-row ranged from 59 to 110; spikelets/spike ranged from 16.9 to 22.2; seeds/spike ranged from 27.3 to 71.3; seeds/spikelet ranged from 1.5 to 3.2; seed weight/spike ranged from 1.7 g to 3.8 g; and seed weight ranged 40.0 mg to 62.3 mg. Several cultivars had nearly identical grain yields in 2006, yet produced those yields with varying levels of the different yield components. Seed weights and seed weight/spike are considerably higher for most durum cultivars compared to most wheat cultivars in California.

The yield component variability in these experiments reflects the genetic diversity of cultivars and the diversity of production environments in California. The ranges in values of yield components seen in the project’s experiments should prove useful for crop insurance inspectors assessing the production potential of wheat fields in California.

Dr. Jackson received his B.S. in Renewable Natural Resources in 1971 and a Ph.D. degree in Plant Pathology in 1975 from UC-Davis. He was Assistant Professor in Plant Pathology at the University of Florida-Gainesville, specializing in host-parasite genetics from 1977 to 1980, before returning to UC-Davis to work in his current position. He is a member of the American Society of Agronomy, Crop Science Society of America, and the American Phytopathological Society.
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Successful events don’t happen by accident. They take lots of planning and even more hard work. Last year, NCIS sponsored 37 meetings and schools, with approximately 2,650 attendees. The success of these meetings is due, in large part, to the hard work and careful planning of Sherri Scharff and Anna Walters.

Sherri has been an important member of the NCIS staff since 1988 and currently serves as Director of Meetings and Membership. As her title indicates, Sherri spends her time planning meetings and assisting both current and prospective members of NCIS.

Sherri is the key event planner for the Crop Insurance Industry Annual Convention, which seems to become more popular each year. Because of its size, the Industry Annual Convention must be planned two to three years in advance. In addition to the Industry Annual Convention, Sherri arranges for meetings held on-site at NCIS and at meeting facilities in Kansas City and across the country.

In the area of membership, Sherri serves as the primary contact for NCIS members and organizations interested in becoming members, providing the appropriate application forms, answering questions about membership, and ensuring that members receive all the services their membership includes.

Between meetings and membership, Sherri is a busy person. Fortunately, Sherri can call upon Anna Walters to assist her. Anna has been with NCIS since 2004 and serves as administrative assistant. Anna monitors registrations for meetings, provides member support by fielding questions, helps audit travel expenses for NCIS staff, and keeps the supply room shelves stocked with supplies.

Sherri and Anna are an outstanding team. Together, they make the magic that makes NCIS meetings and events run so smoothly. And, as anyone who has tried to plan a successful meeting knows, it’s not magic, but hard work that gets the job done.
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