What to Watch for with New Herbicides

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This is the last in our three part series "... Where to now St. Peter?" that we began earlier this year. The purpose for the series was to start thinking about the future path of the crop insurance industry as we implement the Farm Bill and enter a new paradigm in farm policy. Our physical metaphor is a stable three-legged stool. The first two legs of the stool we discussed were “Availability” (Crop Insurance TODAY®, May 2014) and “Affordability” (Crop Insurance TODAY®, September, 2014).

Now we turn our focus to the issue of viability, specifically the economic viability of the private sector delivery system. As one of the three legs of the stool, the “viability” of the private sector delivery system is integral to the health and overall well-being of the crop insurance program.

Viability Defined

Stepping back for a moment, it is important to define a few terms and put our discussion in perspective.

First, the term “viability.” In a business context, “viability” can be defined as the “capacity to operate or be sustained” (Dictionary.com); alternatively, “viable” can be defined as “having a reasonable chance of succeeding…financially stable…” (Merriam Webster Online Dictionary).

The Parties Involved

Time and time again in this publication and elsewhere, the expression “public-private partnership” is used to describe the United States crop insurance program. The public element of the partnership is personified by the United States Department of Agriculture (USDA) and the Risk Management Agency (RMA), the Federal agency responsible for administering Federally regulated crop insurance. Responsibilities of the RMA include: the development of crop insurance policies and the underlying procedures, establishment of fair and adequate premium rates, provision of financial support and risk-sharing of premium and losses and regulatory oversight of the crop insurance companies.

The “private” element of the partnership is comprised of the insurance companies, crop insurance agents, crop adjusters and the reinsurance community. Crop insurers are responsible for selling and servicing the policies, equitable and timely adjustment of crop insurance claims and risk-sharing of premiums and losses with USDA/RMA.

In this partnership, there is a key factor that determines the economic viability of the private sector delivery system. Simply put, in order to remain viable, crop insurance companies and the industry as a whole need to generate an adequate return on their investment. The fact that sufficient returns are needed to keep enterprise moving is not an earth-shattering revelation, but it is at the core of the public-private crop insurance partnership, and far too often, it is misunderstood and overlooked.
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Expanding over 2,000 miles across the United States, and reaching over 1,200 attendees in total, it was a ten-for-ten with this year’s NCIS Adjuster Schools. From the end of May until the beginning of August, NCIS Regional/State Committees were busy hosting training that covers a variety of different crops. But just how has this partnership developed such fruitful classrooms?

Looking to the far west for inspiration, the Northwest Regional/State Committee held the Crop-Hail and MPCI Apple School in Yakima, Washington, on July 29 and 30. While it may have been the only “field day” that required an orchard over planted rows, this school was just as beneficial as the others.

Robert Schafer, a plot leader for this year’s apple school, says that he believes the NCIS adjuster training [schools] are important for more than one reason. He explains, “The preparation and planning of the school requires adjusters and supervisors from several Approved Insurance Providers (AIPs) to work together to identify issues of importance and work with NCIS as a team to plan and implement the agenda. This approach addresses and resolves challenges regarding the interpretation of loss adjustment standards.”

Schafer also noted, “The consistent application of adjusting standards among the various AIPs is an important aspect of our relationship with agents and policyholders. The NCIS adjuster schools also provide a rare opportunity for adjusters from various companies within a region to gather for a couple days to meet, renew relationships, and recognize that we are all working toward the same goals.”

By Hannah Wiebelhaus, NCIS Intern
Yet, to reap these rewards Schafer talks about, responsibilities start long before the warm weather hits.

**Preparation**

There is a list of tasks each committee must face months before the first day of training. Reserving facilities, contacting speakers, and setting a date is only the beginning of an extensive line of questions to answer. Luckily, each committee can seek help and wisdom from their NCIS Liaison.

Dean Strasser, the Northwest Committee liaison, works closely with the members when it’s time to determine registration fees, developing the school bulletin, and most importantly ensuring that the planning and organization of the program is on schedule. This dynamic relationship allows committee members to spend more time discussing issues that are the most important for their region.

Although apples may stand out when looking at the 2014 list of Adjuster Schools, there is no question why the Northwest Committee chose the high dollar crop. Fifty-seven percent of the nation’s apple production comes from Washington alone. Formulating a relative and applicable purpose for the seminar sets the tone for the rest of the committee’s time. The main purpose of the training is to always provide updates on policy procedures, but what does vary from school to school are the previous crop season’s issues and current updates to the program.

The committee is then required to decide on a time and location, which will comply with the objectives set before them.

It is crucial to find a time in the season when the plant will be in the best stage to demonstrate adjustment procedures. For example, the last week in July was the perfect time to review apples. Without disrupting harvest season, the Crop-Hail and MPCI Apple School was able to visit an orchard filled with fruit. The program was placed far enough into the growing season that the apples provided visible damage from perils such as hail and sunburn.

This then begs the question: where is the best place to hold an adjuster school? It is certainly a plus when a central location can be found, but the number one priority when choosing a location comes down to finding the most appropriate facilities and plots. If a facility cannot provide for all of the agenda’s needs, then it can severely hinder the progress of the training.

For some, like the apple school, the most desirable locations may come at the cost of driving. Nevertheless, the time spent behind the wheel is well worth it. The first day of the Yakima school was spent inside a conference room in town, and the next day adjusters traveled to a producer’s orchard. This allowed the committee to provide adjusters the time to review policies and procedures on paper the first day, while putting their assessment abilities to the test the next day.

Once the details of the program are set, it
Cheryl Richmond-Witwer
Northwest Committee Chair

How long have you been the chairperson? What is the best part about being the chairperson?

“I have been a chairperson for over two years now and the best part involves the people I have met, and those I have come into contact with, being the Northwest representative.”

What goals do you strive to achieve as a chairperson?

“To be a good communicator and listener.”

What are important objectives every school must meet?

“Keeping in mind that the audience will have many different levels of knowledge and experience, we try to create an agenda that will fit everyone’s needs. The folks in the Northwest like to hear from knowledgeable and interesting speakers and presenters – they also enjoy hands-on training. We like to change up the topic or crops we will cover from year to year, introducing new topics that come about in our local areas.”

What are the difficulties/important factors to cover with high dollar crops like apples?

“I think the crop-hail fruit instructions say it all, “every company writing crop-hail insurance on fruit crops must use extreme care to use experienced and qualified adjusters when ascertaining loss damage from hail on these types of crops...the liability per acre and amount of insurance involved on most claims is very high...only after the adjuster is thoroughly familiar with the grade specifications and terminology can the loss instructions be adequately followed and utilized.”
Robert Schafer  
Plot Leader/Adjuster

What changes have you noticed through the years?

“During my twelve years as an adjuster, there have been two major changes that I have noticed. It used to be that our work was performed manually; however, now a majority of work is entered electronically which has reduced omissions before it ever arrives at the AIP. There has also been a considerable expansion of policies available to growers, each with their own adjusting standards. What has not changed is the importance of establishing good relationships and trust between claim adjusters and policyholders.”

Collectively, what goals should the crop insurance industry have for a successful future?

“From my perspective, the industry goals must include recruitment and training of capable adjusters who faithfully process their work in accordance with the standards and maintain a consistent attitude which reflects positively on the crop insurance industry. AIPs must establish and maintain a supervisory structure that encourages high quality performance and a review process that will identify problems and reward achievement throughout the organizational structure.”

If you had to give an inexperienced adjuster one piece of advice, what would it be?

“Before adjusting a claim or performing an inspection, review the policy, the provisions, and the handbook. Follow the instructions and document what you do. Establish yourself as a competent adjuster with a helpful attitude with the policyholder, the agent, and your supervisor. Assume that you will be asked to explain how you adjusted the claim. For apple claims, appraisals, and grading require experience; seek out opportunities to be involved with experienced adjusters. Be prepared to explain to growers the apple grading procedure.”

What are the difficulties/important factors to cover with high dollar crops like apples?

“The dollar values may result in additional reviews or explanation. Be well prepared for the adjustment and document your work. Notify your supervisor if you anticipate problems or if the claim becomes eligible for additional reviews.”
Jack Gannon  
Northwest Committee Member/Adjuster

What changes have you noticed throughout the years?

“In the 25 years that I have been an adjuster, major changes have included increasing compliance, full-time adjusters, heavy use of technology, and participation rate. In the last 15 years, the industry has become more involved with new policies and crops.”

Collectively, what goals should the crop insurance industry have for a successful future?

“We should always continue to improve technology, adjuster training, procedures, policies, and make every effort to provide reasonable coverage for all crops.”

Why are adjuster schools important?

“The industry will always need to continue training existing adjusters about the policies and procedures, along with bringing new adjusters into the business. These schools offer training so that all companies are familiar with universal procedures and crop insurance policies. Above all else, new adjusters are the future of the business.”

If you had to give an inexperienced adjuster one piece of advice, what would it be?

“Be the best you can be. Whether you are a full-time adjuster or part-time, go the extra mile to complete quality work so that claims are paid in a timely matter. We deal with farmers who have experienced an economic loss. Be professional, know the procedures, follow procedures, and treat each claim as if that is the most important farmer in the country. For apples in particular, learn from the best adjusters and graders. Be a good listener, watch and learn, and study the Grade Standards. Last, but most importantly, have fun, enjoy the outdoors and all the different walks of people you come in contact with!”
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Remember the good old days before glyphosate, also known as Roundup, tolerant corn and soybean? Well, that time when agricultural producers relied on pre-plant burn downs coupled with long-lasting, recalcitrant, pre-emergent herbicides and in-season cultivation was thought to be gone. The advent of modern biotechnology that ushered in the glyphosate era slammed the door on some of those cultural practices and, for a few years, it appeared that weed control in row-crop production had become a textbook operation.

However, with widespread glyphosate use, a new specter arose—the increasing incidence of weeds that are resistant to this technology. This re-opened the door, and in the last few years, pre-plant burn downs and pre-emergent control using the same “old” chemistries is common again.

The last few years have been particularly discouraging for many U.S. producers. Waterhemp and palmer amaranth that are resistant to multiple herbicides are regularly occurring in many parts of the country and this is just two weed species! There are others—mar-estail, kochia, giant ragweed and cocklebur are just a few.

Glyphosate resistance, or resistance to any herbicides for that matter, will occur with repetitive, non-discriminant herbicide use whether or not it is applied on genetically modified (GM) crops. However, glyphosate, and probably more so the GM crops themselves, have received much of the criticism in recent years. But, herbicide resistance is not new. According to the International Survey of Herbicide Resistant Weeds (available at weedscience.org), 238 plant species worldwide show resistance to one or more herbicides and have resistance to 22 of the 25 herbicide sites of action within plants. All told, weeds show resistance to some 155 herbicides worldwide.

**Back to the Future**

While weeds resistant to glyphosate were evolving, the industry to control them did too. Researchers were busy finding plants that were resistant to other herbicides and identifying the genes responsible for the resistance so that they could be incorporated into a new generation of biotech crops. The most widely discussed are crops tolerant to the growth regulators 2, 4-D and dicamba. While the biotechnology behind these crops is new, the herbicides can be considered anything but. Dicamba, the “youngest” of the two herbicides was registered for use in the U.S. in 1967. By that time, 2, 4-D was already 19 years old—having been registered in 1948. These latest industry offerings are reaching back in time to mid-1900s chemistry and melding it with the future of 21st century biotechnology.

Although the initial release of these weed management systems was delayed, it appears that they may be partly or wholly available for the 2015 planting season. The 2, 4-D seed traits were recently approved for use in September 2014 in the U.S., and the EPA is currently working on the registration process for the new 2, 4-D formulation to accompany the trait segment. Also, the public comment period for dicamba tolerant soybean and cotton closed in October 2014. Looking further out, the industry is developing crops resistant to a class of herbicides called 4-hydroxyphenylpyruvate dioxygenase (HPPD) inhibitors—specifically mesotrione and isoxaflutole. These crops will also be accompanied by new herbicide formulations that are compatible with...
post-emergence use. As well, other herbicide-tolerant crops like wheat and canola are in the product pipeline and may one day also be available to producers.

A Sensitive Issue for People and Plants

Because these new products contain biotech traits, some groups are against these technologies being introduced into farming systems. Others are concerned that crops will develop resistance to these herbicides as well once they are widely used, and weed management will soon be back to where it is today. This is not unrealistic and if the use of these herbicides is not judiciously managed, producers could perhaps amplify weed populations that are resistant to 2, 4-D and dicamba. Although not a new idea, producers will need to utilize the arsenal of pre-plant burndown and post-plant residual herbicides. Further, these new trait packages are tolerant to multiple herbicides including glyphosate and glufosinate. Rotating herbicides and crops should add multiple weapons that, if wisely chosen, could greatly reduce the likelihood that natural genetic mutations result in widespread resistance to these herbicides.

Still, others are resistant to the widespread use of 2, 4-D and dicamba for different reasons. Some producers that are accepting of GMO technologies are worried that an increased and widespread use of 2, 4-D and dicamba will lead to more off-target damage than what can be experienced with glyphosate. Organic producers are particularly sensitive to these herbicides. They worry that exposure to their fields will lead to a decertification of their organic status. If this was to occur, these producers would be forced to endure a multi-year setback in order for those lands to become recertified as organic. This would lead to lost revenue, lost market share, and a damaged reputation.

Their concerns are not without merit as these chemistries are active on some broadleaf plants at a fraction (1/100 or less) of labeled application rates. At typical application rates, most broadleaf plants are susceptible to 2, 4-D and dicamba. That is why they are used in agriculture, lawn, golf course, and right-of-way weed control programs. However, within the broadleaves, great differences exist between species and between some varieties within species in their sensitivity to these herbicides. For instance, most broadleaf vegetables and...
orchard fruit trees are susceptible to damage, but grapes, tomatoes, and many root crops appear to be particularly sensitive and are at a greater risk to off-target exposure. These tend to be high value crops and often are perennials that are costly to establish and maintain. But risk is not limited to vegetables and specialty crops. Non-tolerant cotton and soybean crops are known to be highly sensitive and there are many documented cases where off-target damage from these herbicides has occurred. The stage of growth can also have a great effect on a plant’s susceptibility. Grapes are more susceptible during early season growth stages and less so during flowering and fruiting. However, soybean yield loss from dicamba and 2, 4-D exposure is generally greater at late vegetative and reproductive stages than at early vegetative stages. And, cotton at flowering tends to be more sensitive than at other growth stages.

Catch my Drift—A New, but Old, Spray Paradigm

These herbicides have been used in agriculture for many decades, and it has not been without off-target drift exposure and resultant lawsuits. However, a concern and perhaps the greater issue for conflict, is that the new herbicide programs will extend the application window of herbicides like 2, 4-D and dicamba. Typically, these herbicides are used early in the growing season for pre-plant burn-downs or on cereal grains like wheat. These uses often occur prior to the planting of many annual vegetable and row crops or while perennials are still dormant. Thus, the likelihood of off-target exposure has been less. The post-emergent use on tolerant crops means that they will be applied later in the growing season than has been typical. Thus, the application window may overlap to a greater extent with the growing season of susceptible crops, which may lead to more incidents of off-target exposure.

The two primary avenues of exposing susceptible crops to 2, 4-D and dicamba that have some producers concerned are:
- Spray Drift
- Vapor Drift—resulting from Volatilization

Relating this back to the new tolerant trait technologies, applicators will need to change the way they address their herbicide operations to reduce spray drift beyond what has been required of glyphosate in recent years. For instance, labels for the 2, 4-D and dicamba resistant cropping systems require applications be by ground equipment only. Aerial applications are not allowed—at least initially. Further, applicators will have to invest in and adopt Drift Reduction Technology (DRT) practices that include using air induction nozzles and other equipment that eliminates fine spray particles. These practices also include decreasing tractor speed, lowering spray boom height, and using adjuvants and more water with the applications. Most importantly, applicators will have to pay particularly close attention to wind speed and wind direction and will need to be vigilant in assessing changes to environmental conditions while spraying these herbicides. As well, retaining a non-spray buffer zone between target and non-target crops will become the norm.

Vapor drift, the other hazard, has not received a lot of attention during the glyphosate era. Often commonly referred to as volatilization, it is considerably more difficult to control and predict than spray drift. It results when pesticides vaporize as they are applied or after they have reached leaf and ground surfaces. The process is similar to evaporation, and like evaporation, it occurs most frequently when the air is hot and dry and the soil is moist. When volatilization occurs, the pesticide becomes re-suspended in air and can drift for much longer distances than typical spray drift. It can occur many days after applications take place, and therefore, it is possible, if not likely, that conditions will exist that promote vaporization even if applications are made in favorable weather. Unlike typical spray drift, particular practices and methods cannot guarantee that vapor drift will not take place, but the use of adjuvants will help reduce vaporization. Because of this, new formulations of 2, 4-D and dicamba will be available that are less prone to volatilization than their traditional counterparts and producers may be required to use these new formulations as part of the technology agreement. Of course, some applicators will be tempted to go off-label and use the off-patent formulations to reduce costs. To deter this, the industry will be making an effort to market these new formulations at competitive prices.

Another less discussed avenue to off-target exposure that will impact spraying operations is residual chemical in tanks, lines, and nozzles. Systematic and thorough cleaning of spray equipment—or the use of dedicated spray equipment—will become standard. Because these chemistries are active at very low doses, it will be a priority of applicators to ensure that no carryover chemical exists in equipment. This can be time consuming for diversified farming operations that use the same equipment for resistant and susceptible crops. But, it will become a necessary practice and will likely lead to newer, easier-to-clean spray equipment technologies.

These off-target exposure issues are well documented and have resulted in plant damage since the invention of these herbicides. Therefore, new regulations and outreach programs are being developed by industry and Cooperative Extension to smooth the transition to these new weed control programs. These programs delve further into these details and will become commonplace throughout the regions where these new herbicide technologies will be adopted.

Howdy Neighbor

With the introduction of these new weed control programs, producers of sensitive crops, as well as herbicide applicators are encouraged to utilize pesticide-sensitive crop registries to a greater extent. The registries are available in many states and allow producers of sensitive crops to list what crops are planted and their locations. Applicators can then locate sensitive crops in their vicinity and hopefully better manage spraying operations to limit off-target incidents. However, these registries are voluntary and may not list all crops that are being grown in areas where herbicides will be applied. So, from this standpoint it will not be a one-stop shop, but rather a starting point for determining where sensitive crops (and people) may be. There will still be a need for greater interaction among pro-

If a producer has a history of “drifting” off-target crops in the past, that producer will likely have problems with these new herbicides.
ducers, co-ops, and agri-service providers in rural communities so that all become aware of each other’s operations. However, there will be exposure incidents to off-target crops, but with proper communication and foresight the likelihood of such events can be reduced and the monetary damages and interruptions to producer activities can be minimized. Folks will need to pro-actively contact their neighbors and become acquainted with each other’s operations rather than re-actively inform them of a notice of damage.

Adjusters be Watchful

How all of this affects crop insurance will unfold as incidents arise. But, the greater liability rests not with crop insurance per se, but farm and ranch policies that may or may not cover spray drift and volatilization issues. Most producers may not understand their coverage completely and find that they are woefully under-insured when it comes to the extent of losses that may occur. A worst case scenario is the loss of organic certification or damage to perennial specialty crops from herbicide exposure. This could lead to multiple years of lost production and become a very expensive settlement. However, crop damage is more likely to occur on adjacent row-crop acreage—even on the same farm. In such cases, insurance adjusters will need to understand the damage symptoms of these herbicides to determine a true cause of loss. Insurance providers will benefit from knowing the habits of their clients and how careful and meticulous they are with their spraying operations. If a producer has a history of “drifting” off-target crops in the past, that producer will likely have problems with these new herbicides. If producers are not familiar with dicamba and 2, 4-D they may not understand how the behavior of these herbicides differs from glyphosate. And, if producers are resistant to change, they may be unwilling to adopt the new procedures and equipment that will be necessary to minimize problems.

In 2013, select growers across eight Midwest states helped conduct research on the new 2, 4-D weed management system. Most growers (90 percent) considered the new weed control to be better than their current management system. Growers also reported favorable drift and volatilization scenarios after following recommended spraying practices. Hopefully, this is a sign of good things to come, but time will soon tell whether these new weed management systems pose a systemic risk when widely adopted. Regardless, the risk can be minimal if the proper steps are taken to avoid incidents and conditions that lead to off-target exposure.

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AA/EOE/M/F/D/V
This year NCIS sponsored 14 loss adjuster schools and field days with more than 1,200 adjusters in attendance. A large portion of NCIS efforts are placed on planning, hosting, and reviewing annual adjuster schools. The success of these schools comes from the help of Regional/State Committees who ensure that each school is relevant and resourceful for adjusters, along with finding those who have the experience and communications skills to effectively instruct attendees about the policies and procedures at hand. The NCIS Adjuster Schools also depend upon the dedication and time spent from every individual who assists with each school.

The schools continue to grow as they ensure that all adjusters are trained on industry approved loss procedures. This provides consistency among all companies and assures farmers that their losses are adjusted accurately and fairly. Between the classroom and hands-on field training, loss adjusters have the opportunity to learn about a wide variety of crops. NCIS would like to thank the individual regional/state committees and all of those who helped plan or participate in the teaching at the schools and field days. They wouldn’t be successful without your help.

Below is a recap of the 2014 schools and field days:

**Crop-Hail & MPCI Canola, Wheat, & Corn**

**Stillwater, OK—May 20-21**

Approximately 100 adjusters attended the first adjuster school of the year. This two-day school included a classroom session followed by field training held at the Cimarron Valley Research Station near Perkins, Oklahoma. Adjusters received training on MPCI and crop-hail appraisal methods for canola and winter wheat, as well as a review of the new crop-hail corn loss instructions and MPCI procedures for corn with aflatoxin. NCIS requested continuing education hours with the Oklahoma State Insurance Department and approximately 40 attendees received credit for participating in the school.

Participants in Stillwater, OK, adjusting a plot of wheat for hail damage.
Crop-Hail Wheat & Corn School  
Columbia, MO–June 11-12

More than 100 loss adjusters and supervisors filled the University of Missouri Bradford Research and Extension Center. Through a combination of classroom and fieldwork instructions, adjusters learned basic procedures and participated in hands-on training on crops damaged by hail. Updates on recent loss adjustment policy changes were also presented at the school. Within the day-and-a-half school, attendees were also able to enjoy a tour of the 590 acre Research Center.

Crop-Hail & MPCI  
Dry Peas, Lentils, Canola, Mustard, Safflower, & Small Grains School  
Moccasin, MT–June 24-25

Kurt Laubach, NCIS Montana Regional/ State Crop Insurance Committee Chairperson, and NCIS staff, Dean Strasser, helped organize more than 100 participants at the Montana State University (MSU) Central Agricultural Research Center for this two-day school. Activities included disease and insect education and field sessions involving crop-hail and MPCI policy and procedures.
Guest speakers included Chen Chengci, MSU Agronomist; Dr. Jude Capper, MSU/WSU, and five representatives from the Billings RMA Regional Office.

**Crop-Hail Corn, Soybeans, Wheat & MPCI Forage School**  
**Beresford, SD—July 15**

The only school to focus on forage regulations and policies, the 2014 NCIS Crop-Hail Corn, Soybean, Wheat and MPCI Forage School took place at the Southeast South Dakota Experiment Farm in Beresford, South Dakota. Over 79 participants reviewed Crop-Hail and MPCI loss adjustment procedures for the various crops using hands-on training by rotating throughout the various four crop field training areas.

**New Adjuster School—Crop-Hail Soybean & Corn School**  
**Lamberton, MN—July 23-24**

Lamberton was one of the most northern locations for the 2014 NCIS Adjuster Schools, and yet one of several locations that held more than one school. On July 23, more experienced adjusters spent the day assisting roughly 60 new adjusters with learning corn and soybean loss adjustment procedures. After benefitting from the New Adjuster School, these adjusters were able to further their
training with others at the Crop-Hail Soybean and Corn School on July 24 with more than 90 adjusters in attendance.

Crop-Hail New Adjuster Wheat, Corn, & Soybeans School—
Crop-Hail Wheat, Corn, Sunflowers, Soybeans, Dry Beans & Barley School

Fargo, ND—July 28-30

There were two schools held at North Dakota State University in Fargo, North Dakota in three consecutive days. The first school was directed towards new adjusters and included more than 70 attendees. Participants learned about and reviewed basic crop-hail adjusting procedures, survey sheets, and program integrity, in conjunction with hands-on adjusting in the field. The second school incorporated two days of classroom work and hands on adjusting field work with a 3-4 crop rotation. Important topics discussed in this multi-crop school incorporated planting delay effects on crops and broadleaf, herbicide resistant weeds.
Crop-Hail & MPCI Apple School

Yakima, WA–July 29-30

More than 60 adjusters participated in the 2014 NCIS Crop-Hail and MPCI Apple School. Topics covered during the classroom instruction included both crop-hail and MPCI apple procedures, USDA apple grading, and apple rootstocks and how they relate to Actual Production History (APH). A panel of experienced industry fruit adjusters was available during the question and answer period. Attendees were able to complete both MPCI and crop-hail field exercises during the time spent at the Washington Fruit and Produce Orchard.

Crop-Hail Corn & Soybean School

Ames, Iowa –July 29-30

The NCIS Iowa Regional/State Committee held the 2014 Corn and Soybean Crop-Hail Workshop at the Iowa State University Field Extension Education Laboratory (FEEL).
More than 125 new and experienced adjusters participated in the two day event. Classroom sessions included guest speaker Dr. Mark Johnson, Iowa State University Field Agronomist, who discussed corn and soybean management, physiology, and agronomy. These sessions were followed by classroom instruction on corn and soybean loss adjustment procedures. Field exercises were conducted by 12 experienced instructors and focused on corn and soybean hail damage at three developmental stages encompassing early vegetative through mid-reproductive growth.

Crop-Hail & MPCI Corn, Cotton & Soybeans School
Manhattan, KS—August 5-6
With just over 60 participants, the Kansas/Oklahoma Committee hosted a two day school covering some of the top row crops for the two states. Before reviewing loss procedures, the first day of school was spent with guest speakers from Kansas State, including Dr. Rogers an Irrigation Specialist, Dr. Whitworth and Entomologist, and Dr. Ignacio Ciampitti a Production and Cropping Systems Specialists. The second day of the school included a four crop rotation system, allowing adjusters to spend one hour at each plot.

Crop-Hail & MPCI Corn
Lubbock, TX—August 6-7
This two day school was at the southern tip of the NCIS Adjuster School map this year. With several E&O insurers leaving the market, crop agents are struggling to find professional liability coverage. While it may be outside of the Corn Belt, this two day school held critical information for more than 130 adjusters looking to advance their understanding of both Crop-Hail and MPCI Corn policies and regulations. Mark Zarnstorff, who is the Region’s Liaison and also the Director of Agricultural Research and Technology at NCIS, assisted attendees in better understanding the adjustments for one of the United States’ top commodities.

Crop-Hail Corn & Soybean School
Champaign, IL—August 6-7
The Crop-Hail Corn and Soybean School, sponsored by the NCIS Illinois/Wisconsin Regional/State Committee, wrapped up the 2014 Adjuster School year with over 150 attendees. Plot leaders and Committee members worked with participants to learn and review procedures on corn, wheat, V-Stage soybeans, and R-Stage soybeans. Between demonstrations, a review session, and discussions, adjusters were able to use the procedures learned in class to evaluate plants at six different test plots.

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Annually NCIS awards scholarships to two students majoring in an agricultural discipline and enrolled at an 1890 Land-Grant University. The 1890 Land-Grant institutions are historically black universities that were established under the Second Morrill Act of 1890. The purpose of this scholarship program is to enable deserving students to further their education and to expose them to the business of crop insurance. Once awarded, the scholarships are in effect for four semesters as long as the recipients meet the academic qualification requirements and continue as a full-time undergraduate student in good standing at the university.

This year’s scholarship recipients are Anissa Taylor, Alabama A&M University, and Jacinda Lugo, Fort Valley State University.

**Anissa Taylor**

Anissa Taylor is a junior majoring in Food Science at Alabama A&M University in Normal, Alabama. Even as a freshman, Miss Taylor was involved in many extracurricular and service activities throughout Normal. As a student, she uses her knowledge of science to assist fellow students in overcoming academic challenges through study groups and peer mentoring activities. She volunteers at church and cultural events and nursing homes. Recently, Miss Taylor participated in the Feeding Tomorrow Food Science Summer Scholar program at Cornell University where she conducted research.

“She is one of the few students who is highly motivated and determined,” said Dr. Martha Verghese, Professor and Interim Chair of the School of Agricultural and Environmental Sciences. “Anissa is committed to continue to...
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grow in her professional career of becoming a food scientist through gaining more academic training and expertise.

Upon graduation, Miss Taylor plans to enter the food industry and explore career opportunities. Eventually she would like to obtain an MBA or MS to further her educational goals.

Alabama A&M University (AAMU) is a traditional 1890 land-grant institution that functions as a teaching, research, and public service institution. The campus is situated in Normal, only a short distance from downtown Huntsville, the site of the school’s founding. The school was founded in 1875 by a former slave, William Hooper Councill, and opened as the “Huntsville Normal School.” It was established as a land-grant institution in 1890, named “The State Agricultural and Mechanical College for Negroes,” and in 1969, became “Alabama Agricultural and Mechanical University.”

There are approximately 5,000 undergraduates and 900 graduate students, from 44 states and 11 foreign countries. There are five undergraduate schools (Agricultural & Environmental, Arts & Sciences, Business, Education, and Engineering & Technology) offering 41 Baccalaureate, 23 Master’s, 1 EdS and four doctoral degrees.

**Scholarship Qualifications:**

- Continuing status as a full-time undergraduate student at an 1890 Land-Grant University.
- Have completed the sophomore year in college and are considered a junior (four semesters to graduate).
- Have a declared major in an agricultural discipline.
- Minimum cumulative 3.0 GPA.
- U.S. Citizen.

### Establishment of the “1890 Land-Grant Institutions”

The Land-Grant College Act of 1862, or Morrill Act (named after the sponsor, Vermont Congressman Justin Smith Morrill), provided grants of land to states to finance the establishment of colleges specializing in “agriculture and the mechanic arts.” However, not everyone could access this new educational system. Under the conditions of legal separation of the races in the South at that time, African Americans were not permitted to attend the original land-grant institutions. Although the Morrill Act of 1862 authorized “separate but equal” facilities, only Mississippi and Kentucky established institutions for African Americans under this law, and only Alcorn State University in Mississippi was designated as a land-grant institution. To rectify this situation congress passed the Second Morrill Act in 1890, which specified that states that maintained separate colleges for different races had to propose a just and equitable division of the funds to be received under the act. Any states that had used their 1862 funds entirely for the education of white students was forced to either open their facilities to black students or to provide separate facilities for them.

Sixteen southern states that did not have an African American land-grant college by 1890, each established one later under the Second Morrill Act. These universities, along with Alcorn State in Mississippi, founded in 1871 (designated as a land-grant institution following the 1862 Act), and Tuskegee University in Alabama, became known as “The 1890 Land-Grant Institutions.” Although Tuskegee University is not a land-grant institution, it traditionally has been associated with the African American land-grant institutions because Tuskegee has espoused the land-grant philosophy throughout its history.
as family pets over the years. At FVSU she has had opportunities to educate fellow students about horse husbandry and animal welfare. She also participates in a work study program and in Georgia’s statewide hurricane preparedness drills through the Vet Science Club.

“Jacinda is focused and determined to advance her education,” said Saul Mofya, assistant professor at FVSU. “Giving her an opportunity to pursue her study will not only enrich her professional skills, but also highly benefit students and other veterinary professionals.”

Fort Valley State University (FVSU) is a historically black university located in Fort Valley, Georgia. It is also a unit of the University System of Georgia and a member-school of the Thurgood Marshall College Fund. As the only 1890 land-grant university in Georgia, Fort Valley State University is a comprehensive institution that provides an education to over 4,000 students. The student body is currently approximately 91 percent of African-American descent. The University is located in the town of Fort Valley in Peach County, the original site of the nation’s peach industry. Its 1,365 acre campus is the second-largest in area for a public university in the state.

1890 Land Grant Institutions

Alabama A&M University, Normal, Alabama
Tuskegee University, Tuskegee, Alabama
University of Arkansas, Pine Bluff; Arkansas
Delaware State University; Dover, Delaware
Florida A&M University; Tallahassee, Florida
Fort Valley State University, Fort Valley, Georgia
Kentucky State University; Frankfort, Kentucky
Southern University and A&M College, Baton Rouge, Louisiana
University of Maryland - Eastern Shore, Princess Anne, Maryland
Alcorn State University, Lorman, Mississippi
Lincoln University, Jefferson City, Missouri
North Carolina A&T State University, Greensboro, North Carolina
Langston University, Langston, Oklahoma
South Carolina State University, Orangeburg, South Carolina
Tennessee State University, Nashville, Tennessee
Prairie View A&M University, Prairie View, Texas
Virginia State University, Petersburg, Virginia
West Virginia State College, Institute, West Virginia

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## Yield Protection

**YP – Plan 01**

YP provides protection against a loss in yield due to unavoidable, naturally occurring events. For most crops, that includes adverse weather, fire, insects, plant disease, wildlife, earthquake, volcanic eruption, and failure of the irrigation water supply due to a naturally occurring event. Like the APH (Actual Production History) plan of insurance, YP guarantees a production yield based on the individual producer’s APH. Unlike the APH plan of insurance, a price for YP is established according to the crop’s applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). The projected price is used to determine the yield protection guarantee, premium, any replant payment or prevented planting payment, and to value the production to count. The coverage and exclusions of YP are similar to those for the APH plan of insurance. An indemnity is due when the value of the production to count is less than the yield protection guarantee. The main crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.

## Revenue Protection

**RP – Plan 02**

Revenue protection provides protection against a loss of revenue caused by price *increase or decrease*, low yields or a combination of both (for corn silage and rapeseed, protection is only provided for production losses). This coverage guarantees an amount based on the individual producer’s APH and the greater of the projected price or harvest price. Both the projected price and harvest price are established according to the crop’s applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). While the revenue protection guarantee may increase, the premium will not. The projected price is used to calculate the premium and replant payment or prevented planting payment. An indemnity is due when the calculated revenue (production to count x harvest price) is less than the revenue protection guarantee for the crop acreage. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.

**RP HPE – Plan 03**

RP HPE is similar to RP, however RP HPE coverage provides protection against loss of revenue caused by a price *decrease*, low yields or a combination of both. Unlike RP, the revenue protection guarantee for RP HPE is based on the projected price only and it does not increase based on a harvest price. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.

*Editor’s Note: We apologize that an incorrect version of this chart was run in the September 2014 issue of Crop Insurance TODAY*. The chart shown here is the most current.
AYP – Plan 04

AYP coverage is based on the experience of the county rather than individual farms. Maintaining the insured’s actual production history is now mandatory and may be used by RMA as a data source to establish and maintain the area programs. AYP indemnifies the insured in the event the final county yield falls below the insured’s trigger yield. The Federal Crop Insurance Corporation (FCIC) will issue the final county yield in the calendar year following the crop year insured. Since this plan is based on county yields and not individual yields, the insured may have a low yield on their farm and not receive payment under AYP.

ARP – Plan 05

Like the other area plans, ARP is based on the experience of the county rather than individual farms. Coverage is provided against loss of revenue due to a county level production loss, a price decline, or a combination of both. Upside harvest price protection is included which increases the policy protection at the end of the insurance period if the harvest price is greater than the projected price and if there is a production loss. ARP will pay a loss when the final county revenue is less than the trigger revenue which is calculated using the higher of the projected price or harvest price.

ARP-HPE – Plan 06

Like AYP, ARP-HPE is based on the experience of the county rather than individual farms. Maintaining the insured’s actual production history is now mandatory and may be used by RMA as a data source to establish and maintain the area programs. An ARP-HPE policy provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. This plan only uses the projected price and does not provide upside harvest price protection. An indemnity is due under ARP-HPE when the final county revenues published by FCIC are less than the trigger revenue. Since this plan is based on county revenue and not individual revenue, the insured may have a loss in revenue on their farm and not receive payment under ARP-HPE.

APH – Plan 90

APH is the oldest insurance product listed on this comparison. The APH plan of insurance provides protection against a loss in yield due to nearly all natural disasters. For most crops, that includes drought, excess moisture, cold and frost, wind, flood and unavoidable damage from insects and disease. Like YP, the APH plan of insurance guarantees a yield based on the individual producer’s actual production history. Unlike YP, the available price elections are established by the Risk Management Agency. An indemnity is due when the value of the production to count is less than the liability. Of the small grain crops, only oats, rye, flax, and buckwheat remain covered under the APH plan of insurance for the 2015 crop year.

Visit Website

ag-risk.org
## CROP INSURANCE PLAN COMPARISON

<table>
<thead>
<tr>
<th>Plan Code</th>
<th>YP 01</th>
<th>RP 02</th>
<th>RP HPE 03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage</strong></td>
<td>individual yield</td>
<td>individual revenue</td>
<td>individual revenue</td>
</tr>
<tr>
<td><strong>Insures Against</strong></td>
<td>production loss</td>
<td>revenue loss due to increase or decrease in price, low yield, or combination of these</td>
<td>revenue loss due to decrease in price, low yield, or combination of these</td>
</tr>
<tr>
<td><strong>Administrative Fee</strong></td>
<td>$30 - $300 CAT</td>
<td>$30 - no CAT available</td>
<td>$30 - no CAT available</td>
</tr>
<tr>
<td><strong>Available Unit Structure</strong></td>
<td>basic, optional, enterprise, whole-farm</td>
<td>basic, optional, enterprise, whole-farm</td>
<td>basic, optional, enterprise, whole-farm</td>
</tr>
<tr>
<td><strong>Applicable Price(s)/Price Election(s)</strong></td>
<td>percentage elected by insured of projected price defined by CEPP</td>
<td>projected price and harvest price defined by CEPP</td>
<td>projected price and harvest price defined by CEPP</td>
</tr>
<tr>
<td><strong>Maximum Price Movement</strong></td>
<td>not applicable</td>
<td>harvest price not to exceed projected price x 2.00 (except for corn silage and rapeseed for which the harvest price=projected price)</td>
<td>harvest price not to exceed projected price x 2.00 (except for corn silage and rapeseed for which the harvest price=projected price)</td>
</tr>
<tr>
<td><strong>Coverage Level Percent Available</strong></td>
<td>50%, 55%, 60%, 65%, 70%, 75%, 80%, 85%</td>
<td>50%, 55%, 60%, 65%, 70%, 75%, 80%, 85%</td>
<td>50%, 55%, 60%, 65%, 70%, 75%, 80%, 85%</td>
</tr>
<tr>
<td><strong>APH</strong></td>
<td>required</td>
<td>required</td>
<td>required</td>
</tr>
<tr>
<td><strong>Acreage Report</strong></td>
<td>required</td>
<td>required</td>
<td>required</td>
</tr>
<tr>
<td><strong>Written Agreement</strong></td>
<td>available</td>
<td>Available, but cannot establish revenue protection when coverage for crop is not provided in the state</td>
<td>Available, but cannot establish revenue protection when coverage for crop is not provided in the state</td>
</tr>
<tr>
<td><strong>Guarantee</strong></td>
<td>yield protection guarantee=APH approved yield x coverage level x projected price</td>
<td>revenue protection guarantee=APH approved yield x coverage level x greater of projected price or harvest price</td>
<td>revenue protection guarantee=APH approved yield x coverage level x greater of projected price or harvest price</td>
</tr>
<tr>
<td><strong>Rating</strong></td>
<td>continuous individual yield rated</td>
<td>continuous individual yield rated</td>
<td>continuous individual yield rated</td>
</tr>
<tr>
<td><strong>Premium</strong></td>
<td>(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1 - 2</td>
<td>(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1 - 2</td>
<td>(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1 - 2</td>
</tr>
<tr>
<td><strong>Subsidy Amount</strong></td>
<td>CAT=1.00; basic &amp; optional units @ 50% coverage level = 67; 55-60% = 64; 65-70% = 59; 75% = 55; 80% = 48; 85% = 38; for enterprise units @ 50-70% coverage level = 80; 75% = 77; 80% = 68; 85% = 53; *whole-farm unit</td>
<td>basic &amp; optional units @ 50% coverage level = 67; 55-60% = 64; 65-70% = 59; 75% = 55; 80% = 48; 85% = 38; for enterprise units @ 50-70% coverage level = 80; 75% = 77; 80% = 68; 85% = 53; for whole-farm units @ 50-75% coverage level = 80; 80% = 71; 85% = 56</td>
<td>basic &amp; optional units @ 50% coverage level = 67; 55-60% = 64; 65-70% = 59; 75% = 55; 80% = 48; 85% = 38; for enterprise units @ 50-70% coverage level = 80; 75% = 77; 80% = 68; 85% = 53; for whole-farm units @ 50-75% coverage level = 80; 80% = 71; 85% = 56</td>
</tr>
<tr>
<td><strong>High-Risk Land</strong></td>
<td>eligible for coverage</td>
<td>eligible for coverage</td>
<td>eligible for coverage</td>
</tr>
<tr>
<td><strong>High-Risk Land Exclusion</strong></td>
<td>available</td>
<td>available</td>
<td>available</td>
</tr>
<tr>
<td><strong>Hail and Fire Exclusion</strong></td>
<td>available; however, restricted for a whole-farm unit</td>
<td>available; however, restricted for a whole-farm unit</td>
<td>available; however, restricted for a whole-farm unit</td>
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<tr>
<td><strong>Replanting Requirements</strong></td>
<td>applicable</td>
<td>applicable</td>
<td>applicable</td>
</tr>
<tr>
<td><strong>Replanting Payments</strong></td>
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<td>available</td>
<td>available</td>
</tr>
<tr>
<td><strong>Late Planting Provisions</strong></td>
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<td>applicable</td>
<td>applicable</td>
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<tr>
<td><strong>Prevented Planting Provisions</strong></td>
<td>applicable</td>
<td>applicable</td>
<td>applicable</td>
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<tr>
<td><strong>Notice of Loss</strong></td>
<td>required</td>
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<td>required</td>
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<tr>
<td><strong>Loss Adjustment Procedure Required</strong></td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td><strong>Indemnity If</strong></td>
<td>the production to count x projected price is less than the yield protection guarantee x insured acres</td>
<td>the production to count x harvest price is less than the revenue protection guarantee x insured acres</td>
<td>the production to count x harvest price is less than the revenue protection guarantee x insured acres</td>
</tr>
</tbody>
</table>

1. See the County Actuarial information to determine availability.
2. Currently there are no commodities filed and insured under this insurance plan for which coverage is offered based on whole-farm units, so no subsidy factors are filed as of the date shown.

---

1 See the County Actuarial information to determine availability.

2 Currently there are no commodities filed and insured under this insurance plan for which coverage is offered based on whole-farm units, so no subsidy factors are filed as of the date shown.
<table>
<thead>
<tr>
<th>AYP</th>
<th>ARP</th>
<th>ARP-HPE</th>
<th>APH</th>
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<tbody>
<tr>
<td><strong>area yield</strong></td>
<td>area revenue</td>
<td>area revenue</td>
<td>individual yield</td>
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<tr>
<td>county-wide production loss</td>
<td>county-wide revenue loss</td>
<td>county-wide revenue loss</td>
<td>production loss</td>
</tr>
<tr>
<td>$30 - $300 CAT</td>
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<td>$30 - no CAT available</td>
<td>$30 - $300 CAT</td>
</tr>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>basic, optional, enterprise, whole-farm</td>
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<tr>
<td>45% (CAT), or projected price defined by CEPP</td>
<td>projected and harvest price defined by CEPP</td>
<td>projected price defined by CEPP</td>
<td>percentage elected by insured of price election determined by the Risk Management Agency</td>
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<tr>
<td>not applicable</td>
<td>Harvest price not to exceed projected price x 2.00</td>
<td>harvest price not to exceed projected price x 2.00</td>
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<tr>
<td>not applicable</td>
<td>Harvest price not to exceed projected price x 2.00</td>
<td>harvest price not to exceed projected price x 2.00</td>
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</tr>
<tr>
<td>65% (CAT), 70%, 75%, 80%, 85%, 90%</td>
<td>70%, 75%, 80%, 85%, 90%</td>
<td>70%, 75%, 80%, 85%, 90%</td>
<td>50%, 55%, 60%, 65%, 70%, 75%, 80%, 85%</td>
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<td>required</td>
<td>required</td>
<td>required</td>
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<tr>
<td>not required</td>
<td>not available</td>
<td>Not available</td>
<td>available</td>
</tr>
<tr>
<td>policy protection=dollar amount of insurance per acre x acres x share</td>
<td>policy protection=dollar amount of insurance per acre x acres x share</td>
<td>policy protection=dollar amount of insurance per acre x acres x share</td>
<td>production guarantee=APH approved yield x coverage level</td>
</tr>
<tr>
<td>area yield rated</td>
<td>area yield rated</td>
<td>area yield rated</td>
<td>continuous individual yield rated</td>
</tr>
<tr>
<td>(policy protection x rate) - subsidy</td>
<td>(policy protection x rate) - subsidy</td>
<td>(policy protection x rate) - subsidy</td>
<td>(1) rate x liability x applicable factor(s)</td>
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<td>CAT=1.00; @ 70-75% coverage level=.59; 80-85%=.55; 90%=.51</td>
<td>@ 70% coverage level=.59; 75-80%=.55; 85%=.49; 90% =.44</td>
<td>@ 70% coverage level=.59; 75-80%=.55; 85%=.49; 90% =.44</td>
<td>CAT=1.00, basic &amp; optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 75%=.77; 80%=.68; 85%=.53; *whole-farm unit</td>
</tr>
<tr>
<td>insurable as long as the acreage meets all other requirements</td>
<td>insurable as long as the acreage meets all other requirements</td>
<td>insurable as long as the acreage meets all other requirements</td>
<td>eligible for coverage</td>
</tr>
<tr>
<td>not available</td>
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<tr>
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<td>not available</td>
<td>available; however, restricted for a whole-farm unit</td>
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<td>not applicable</td>
<td>not applicable</td>
<td>not applicable</td>
<td>available</td>
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</tr>
<tr>
<td>no</td>
<td>no</td>
<td>no</td>
<td>yes</td>
</tr>
<tr>
<td>the final county yield is less than the trigger yield (expected county yield x coverage level)</td>
<td>the final county revenue is less than the trigger revenue (expected county yield x the greater of projected or harvest price x coverage level)</td>
<td>the final county revenue is less than the trigger revenue (expected county yield x projected price x coverage level)</td>
<td>the production to count x price election is less than the value of the production guarantee x insured acres</td>
</tr>
</tbody>
</table>

*Current as of July 1, 2014 © 2014 National Crop Insurance Services*
Cara Riekhof has never shied away from expressing her passion for agriculture. With her strengths as an honest, confident, driven, and loyal individual, Cara has affected her farm, crop insurance, and the community in her own creative ways.

“You know how when you’re younger, everyone begs the question ‘what do you want to be when you grow up?’ asks Cara, “Well I knew I wanted to be a spokeswoman for agriculture. I thought that if I could tell my story, others would understand why agriculture is so great.”

With a clear vision beneath her, and the guidance from Agriculture Future of America (AFA) Cara was able to grasp her talents and achieve her dream. “Without attending the AFA conferences through college, I am not sure if I would have recognized all of my abilities. AFA also taught me how to use my strengths to get where I wanted to go.”

But as with any great story, triumph didn’t happen overnight, nor did it come in the form that she expected. And yet immediately out of college, Cara landed the perfect job as a farm broadcaster for KMZU...
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Cara was able to do what she thought she had always wanted to do—tell others the story about agriculture. "Professionally, this was my dream come true, but in my personal life I was missing out. I decided after several years of broadcasting it was time that I found a career that could share my other responsibilities as a farmer and a mother too," explains Cara. Residing in Higginsville, Missouri, a town whose population is just under 4,800 people, Cara looked close to home for a change.

**The Forum**

A two-day development program, held each year during the AFA Leadership Conference (November 7-8, 2014), consists of: continuing education, industry updates, debating issues, networking, personal growth, and professional application. Covering current issues and opportunities in agriculture, the Forum has also addressed professional development topics such as unleashing talent managing people, and intergenerational expectations.

These topics of discussion are selected by the AFA Alliance Planning Committee. The committee includes eight members who serve for two years. This is another occasion where individuals are able to strengthen their skills at recruiting members, marketing, fundraising, and general programming.

To find out more information about how you can support AFA or join the Alliance, visit [www.agfuture.org](http://www.agfuture.org).

radio. Spending countless hours behind the microphone, Cara was able to do what she thought she had always wanted to do—tell others the story about agriculture.

"Professionally, this was my dream come true, but in my personal life I was missing out. I decided after several years of broadcasting it was time that I found a career that could share my other responsibilities as a farmer and a mother too," explains Cara. Residing in Higginsville, Missouri, a town whose population is just under 4,800 people, Cara looked close to home for a change.

"Being in a small town, you don't have the luxury of choosing from a list of job opportunities, so I decided to write to most ag businesses in the 20 mile radius that I thought could use my skills," tells Cara, "I wouldn't have been able to do this without attending the AFA conferences. Not only did AFA make me recognize my strengths, and understand how to utilize them; they taught me to ask. Growing is also about networking and building relationships. Without surrounding yourself with diverse people, you can miss out on a lot of opportunities."

Shortly after launching her job hunt, Cara accepted a position at the local John Deere Dealership as their Public Relations and Communications Coordinator. "I convinced them they needed me," she laughs.

In just a couple of years, Cara helped the dealership grow from 28 employees to 100 employees, on top of merging with two other surrounding dealerships. Moving quickly into the responsibilities as the head of Human Resources, Cara pushed herself beyond what she thought were her limits.

Cara reminisces, "It is not easy to take what use to be rival companies and then make them work cohesively. Being the secretary for seven Board of Directors, in which many were transitioning from sole-proprietors, I was challenged with compromise. There were times when I was overcome with frustration, but looking back I am thankful for the opportunity to grow in ways I never thought possible."

It then came time for Cara to look at what she called, "an opportunity that had been staring me in the face for over five years. I never would have believed that this is where I would be today."

Today Cara works for her family run-business, Crop Insurance Solutions. Her in-laws have built their business upon the basis that farmers need a better understanding about the different options crop insurance policies can provide. "My father-in-law, Gary, decided that since he had spent a majority of his own time researching crop insurance as a farmer, he could share it with other farmers."

What makes their company unlike others in the industry is their ability to focus on the needs of a farmer from an operational view. "We are farmers ourselves and know exactly how important risk management tools can be for a farm's business," adds Cara.

When Cara isn't working crop insurance, she spends most of her time overseeing the farm's accounting and finances.
has learned to continue using her talents as an added value for the family farm. “I have found ways to release my creativity and utilize my strengths thanks to AFA. There are organizations out there that build you to a certain point, but AFA and the Alliance set me up with skills to be a lifelong professional.” (Please see the accompanying article for more information on the AFA Alliance.)

From her experiences with AFA, Cara notes, “It is extremely important to me that I build a relationship with every one of my customers. I take my responsibility to heart—to be there for the farmer. When a farmer calls me just to check-in, that is when I find the most fulfillment from my job.”

Cara has also been on the forefront of hosting two annual client meetings. “At every meeting, we make sure to provide information about policy updates, but we also incorporate related topics that can affect the farmer's operation and therefore their crop insurance plans. Here again, I have made contact with most of our presenters through the networking system I started when attending AFA.”

Impacting agriculture doesn't stop at work for Cara, “I believe there are no limits for what can be achieved.”

With a long list of involvement in her community Cara is continually looking for the next opportunity to educate and communicate for the betterment of the community and agriculture. Cara received the Lafayette County Farm Bureau Woman of the year award, and serves on committees such as the Higginsville Chamber of Commerce, Citizens for Great Schools, and University of Missouri-Extension Council.

“Once it is in your blood, you can't help but to continue participating in AFA and help the rest of agriculture. There becomes this desire to be around diverse, professional individuals found from all different spectrums of agriculture,” says Cara, “There have been times when we've shut the combines down just to make it to the conference.”

Sharing these experiences with her family is as equally important. “We go to community events like this as a family. I want to teach my girls how important learning and networking are in life. I want them to have contacts, confidence, and self-worth.”

As a farmer, a mother, and a leader in agriculture, it seems that Cara has found the perfect combination for herself as she continues pursuing her dream—a spokesperson for agriculture.

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David Gabriel, 89, former president of the National Crop Insurance Association (NCIA, predecessor organization to NCIS), passed away September 12, 2014, in the company of friends and family.

A graduate of Parsons College, Mr. Gabriel majored in business and music. He was an accomplished pianist and organist and enjoyed playing both throughout his life. He was a proud veteran of World War II, during which he served on the crew of a B-17 in the European Theater. Mr. Gabriel had a career of more than 40 years in the property & casualty and crop insurance industry. He retired in 1986 after serving six years as Senior Vice President of the National Farmers Union Property and Casualty Company (NFU) in Denver, Col. Before that, he was the Vice President and Manager of NFU’s Crop-Hail Insurance Department in Cedar Rapids, Iowa. After retiring from NFU, Mr. Gabriel joined the Federal Crop Insurance Corporation (FCIC) as Assistant Manager of Program Administration in Washington, D.C. A position he held until 1991.

In retirement, Mr. Gabriel was active in public service, serving as a board member and president of both the Heather Gardens Metropolitan District and The Heather Gardens Association located in Aurora, Col. He was a Mason and attended the Cherry Creek Presbyterian Church.

Mr. Gabriel is survived by his wife of more than 63 years, Carol Jean; four children, Beth (Gabriel) Martin, Barbara (Gabriel) Hayes, Brian Gabriel, and D. Bruce Gabriel; and, eight grandchildren.

Memorials in remembrance of Mr. Gabriel may be made to: Camp Courageous, P.O. Box 418, Monticello, IA; or Heather Gardens Foundation, 2888 South Heather Gardens Way, Aurora, CO 80014.
In Memory
Kent Petersen

Kent Alan Petersen, 67, Olathe, Kan., passed away Friday, October 9, 2014. Kent had battled multiple myeloma for nearly eight years and had such a desire to beat the disease and continue living, even through such insurmountable odds. All who knew him know how he continued to fight without complaint, even through grueling stem cell transplants and a myriad of medical procedures. He was an inspiration to all who knew him and a mentor to so many friends and employees in business. He fought the disease with grace and dignity right to the end.

Kent was born to Dalton and Anne Petersen in Valley City, ND on July 25, 1947. Kent attended school at St. Catherine’s in Valley City from first grade through high school graduation. He was a graduate of Valley City State University and attended St. Cloud in Minnesota for graduate school. During summers in college, Kent worked for the Forest Service in the Western United States, beginning with a hot-shot fire crew and advancing to become a smokejumper. His years of working with the Forest Service were some of Kent’s fondest memories—the men becoming as close as brothers. He often said it was very much like a fraternity.

After graduation, Kent taught special education and coached in Sauk Center, MN. During summer breaks, he became a loss adjuster for crop hail insurance, as did many teachers during that time. Kent loved people and being of service, so it was a natural that the summer jobs with insurance later became his career path after leaving teaching. Beginning as a loss adjuster, Kent worked his way into various positions—first with Crop Hail Management (later to be acquired by Norwest Insurance and named Rural Community Insurance Services), where Kent became Operations Manager and later President of Rural Community Insurance Company, the reinsuring arm of RCIS. Kent’s assignments/work bases were in Boise, ID; Mt. Horeb, WI; Kalispell, MT; and, Sioux Falls, SD in his 23 years with the company.

In 1997, Kent moved to Hedge Financial in Chicago, which was shortly thereafter purchased by CNA Insurance Company. When CNA sold their crop insurance division, Kent was hired to launch a new crop company, CropUSA, originally based in Idaho but in 2005 moved to the Overland Park area to establish the corporate office. CropUSA was purchased by Hudson Insurance Group in 2008. Kent remained as President of Hudson Crop Insurance Services until his retirement in September of 2013. Kent was a member of many industry organizations including serving on the NCIS Board of Directors from 1992-1997. He was also an active member of the American Association of Crop Insurers, serving as a strong advocate for the crop insurance industry. Being in the industry for 40 years, he was presented a lifetime achievement award at the annual crop insurance convention earlier this year.

Kent’s disease, multiple myeloma, was discovered near the end of 2006, after an especially beautiful and warm day in December when he came home from work early to play golf with his wife, Garneda. On the first tee at Shadow Glen, he swung the driver with his usual force and nearly collapsed in pain. He tried to go ahead and play the round, but gave up after 3 holes. Visiting the doctor shortly after, Kent was told that even though he had a hard swing, it should not have been enough to break ribs in a healthy person. That was when his cancer was discovered and thankfully, in an earlier stage.

Kent is survived by his wife of 24 years, Garneda Lee Petersen. Other survivors include Kent’s sons Scott (Amy) of Wisconsin Rapids, WI and their children, Dalton and Sydney; Steve (Jen) of Wauwatosa, WI and children, Layla and Roman. Stepchildren are Eric Pierce (Dianna) of Trafalgar, IN and their children, Allison and Andrew; Susan Petersen of Billings, MT, and Jonathan Pierce (Leslie) and their 8-week old son, Quentin, of Overland Park, KS.

Surviving siblings are Terry (Larry) Ukestad of Jamestown, ND; Karen (Tom) Klein of Roseville, MN; Craig (Sue) of Knoxville, TN; Jean Narcisi (Rick) of Homewood, IL, and Bob (Marsha) of Knoxville, TN. Also surviving are 15 nieces and nephews.

The family suggests donations be made in Kent’s memory/honor to KU Multiple Myeloma Research in care of Dr. Brea Lipe, 4350 Shawnee Mission Parkway, Fairway Office Park, Fairway, KS 66205.
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After working for NCIS for more than 27 years, Richard Whitmore has decided to trade in his accounting software for some much deserved rest and relaxation.

When Richard joined the staff of the Crop Hail Insurance Actuarial Association (CHIAA) in 1987, a gallon of gas cost $0.89, the Dow Jones Industrial Average was around 1900, and there was no email. And the Internet—as we know it today—did not exist. A lot can happen in 27 years. A lot of change can happen. Companies change—CHIAA became NCIS. Employment patterns change—who works at the same place for 27 years these days? And technology, well, that changes everything.

“I have worked with Richard for most of his 27 years at NCIS,” said Jim Crist, NCIS’ CFO/COO. “And in the midst of all the change going on around us, the things I admire about him are the things that do not change, and have not changed in the entire time I’ve known him: his character, his work ethic, his dedication, his loyalty, his honesty, and his willingness to give his best effort even when change is difficult.”

For his first few years with NCIS, Richard was the MPCI agent manual services clerk and also maintained the membership bulletin services records. Later, Richard moved to the accounting department and became responsible for accounts payables and receivables, as well as compiling much of the documentation needed for NCIS’ annual audit.

Before working for NCIS, Richard taught in Iowa and Illinois public schools for ten years. He took a year off and entered the accounting field, working ten years for a large retail department store. Richard was then hired by Gary Schmidt to work for CHIAA.

“With retirement bringing more changes into Richard’s life,” said Jim, “my sincere hope is that they be good changes, exciting changes, and welcome changes.”

All of us at NCIS echo Jim’s sentiments and hope that our friendships with Richard continue for many years to come. We wish you all the best in your retirement, Richard; good health, much happiness and wonderful memories!

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Federal Crop Insurance: A Different Business Model

In other lines of insurance, companies set premium rates based on their own loss experience, expenses, and rate of return objectives. This is similar to state-regulated crop-hail insurance. The Federal crop insurance program operates on a different basis. In contrast to conventional lines of insurance, RMA establishes the premium rates that farmers pay. RMA premium rates reflect expected indemnities plus a catastrophic reserve. To keep farmer premium affordable, delivery expenses are not included. In addition, farmer premiums are further discounted.

Program delivery expenses and risk-sharing between USDA and the participating insurance companies are determined through a cooperative financial arrangement known as the Standard Reinsurance Agreement (SRA). The SRA defines the responsibilities of the participating insurance companies (known as Approved Insurance Providers or AIPs) in delivering the program and specifies the financial arrangements under which the companies operate. One section of the SRA establishes the amount of delivery expense the government pays to compensate insurers for their cost of delivering the program. Another section of the agreement defines the risk-sharing arrangement between USDA and the crop insurance companies.

Delivery Expenses

Delivery expenses are treated separately in Federal crop insurance. Farmer premiums do not include an expense component. Technically, the delivery expense component is defined in the SRA as “A&O subsidy,” i.e., “administrative and operating (A&O) expenses paid by FCIC (Federal Crop Insurance Corporation) on behalf of the policyholder to the Company.”

Because of this unique feature of the Federal crop insurance program, delivery expense or A&O is often misunderstood. Separating A&O from farmer premium keeps premiums affordable, enabling farmers from all regions greater access to effective coverage. Unfortunately, opponents and critics of crop insurance mis-characterize A&O payments to the companies as profit or subsidy. This is simply not the case. The purpose of A&O is to reimburse companies for their program delivery expenditures that include crop insurance agent delivery costs, company office and information technology (IT) expenditures, and company employee salaries. A&O reimbursement rates have fallen dramatically since the early years of private sector delivery. In the early 1980s, A&O as a percent of premium was in excess of 30 percent. Today, A&O as a percent of premium is just over 10 percent. The independent accounting firm of Grant Thornton has documented that the A&O payment does not fully cover the company cost of delivery. (Federal Crop Insurance Program Profitability and Effectiveness Analysis 2013 Update, June 2014) This “A&O shortfall” is essentially a benefit to both taxpayers and farmers since companies are providing greater delivery services out of their own pockets.

Risk-Sharing Revenue

As mentioned above, premium rates for the Federal crop insurance program exclude any loading for the insurer’s delivery expense and return on investment. Instead, the SRA allows an insurer to retain a portion of the total underwriting gains (defined as the difference between premiums and indemnity payments) produced on its book of business, but it must also cede a portion of the gains to the government. At the same time, the SRA also allows the insurer to cede a portion of any underwriting loss to the government, but it requires the insurer to retain a portion of the loss. Underwriting gains should be considered as risk-sharing revenue. This revenue is not profit nor is it guaranteed—as some contend. What should be kept in mind is that the risk-sharing revenue or loss a company earns in a year depends on weather and crop prices. If weather conditions are favorable and farmers have good crop yields, fewer claims are reported and companies are able to earn positive revenues. In years with poor weather and low crop yields, farmers experience more claims and insurers experience underwriting losses. When poor weather affects a large region, the underwriting losses in those states can exceed the revenues earned throughout the rest of the country. In addition to weather risk, crop insurance policies indemnify farmers for losses in crop prices. The volatility of crop prices in recent years has been a source of concern to the industry. RMA has recently issued a request for comments regarding the price volatility component of its actuarial methodology. It is our hope that this initiative will result in an improved actuarial process in the future.

Because of the potential for widespread losses, often referred to as “systemic losses,” crop insurance is much riskier than most other Property & Casualty (P&C) lines of insurance. The higher riskiness of crop insurance can be illustrated by considering how often an insurance industry has underwriting losses. Industry sources report that the P&C industry as a whole has had underwriting losses only once, in 2001, due to the unprecedented attack on the World Trade Center in New York City. In comparison, the crop insurance industry has had underwriting losses in three years over the past two decades: 1993, 2002 and 2012. The program also had underwriting losses in the 1980s: 1983, 1984 and 1988, when the program was much smaller and in its early stage of development.

Why is Risk-Sharing and Return on Investment Important?

Risk-sharing in insurance is essential in order that the insured and the insurer both have “skin in the game.” For crop insurance, risk-sharing has several dimensions that benefit not only the farmer but also the taxpayer as well. First, the farmer shares in the cost of the premium. This is in sharp contrast to farm and ad hoc disaster assistance programs of the past. Second, crop insurance companies share in the risks with the government, reducing taxpayer expense for agricultural disasters. Lastly, be-

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1 The class of crop insurance business that is state-regulated, is commonly referred to as “Crop-Hail” insurance. Crop-Hail insurance coverage is written primarily in the continental United States through companies licensed and regulated by state insurance departments. Coverage is primarily restricted to hail damage to growing crops, although many crop-hail policies contain endorsements for additional insured perils other than hail. Companies writing “crop-hail” coverage set their own individual premium rates using industry loss statistics assembled by our organization, NCIS. The total premium charged to the farmer includes an expected loss component and a load for company expense and a return to risk. Crop-Hail losses are settled by company loss adjusters using loss procedures developed by NCIS on behalf of the industry.
cause crop insurance companies share in the risk, their adjusters have an economic incentive to pay claims accurately. This protects the program from fraud, waste and abuse.

Another critical aspect of risk-sharing is the opportunity for companies to earn a return on their investment. The crop insurance industry has over 20,000 licensed agents, crop adjusters, and company staff. This infrastructure requires a substantial investment, along with the requisite IT support. Crop insurers must receive an adequate return in order to re-invest these earnings and continually maintain and upgrade their operations. This is particularly true with respect to IT investment. By reinvesting in their operations, crop insurers are able to adopt the most current state-of-the-art technologies. Under a publicly administered program, IT procurement would be hamstrung by regulatory bureaucracy. Given the increasing need for risk management in U.S. agriculture and the expanded complexity of farmer choices under the 2014 Farm Bill, it is imperative that crop insurers be able to invest and upgrade their systems.

**Tipping Point(s)**

With some editorial license, the reference to “tipping point(s)” is attributable to Malcolm Gladwell, Title: *The Tipping Point: How Little Things Can Make a Big Difference* (2000). Gladwell defines “tipping point” as “...the moment of critical mass, the threshold, the boiling point....” For our purpose here, I use the term simply to illustrate that recent events have taken place in the crop insurance industry that have “tipped” the scale and threaten the future viability of the private sector delivery system.

**The 2008 Farm Bill and the 2011 SRA**

One recent tipping point would be the reduction in crop insurance funding as a result of the 2008 Farm Bill. In the 2008 Farm Bill, funding for industry A&O was reduced by $6 billion over ten years, or an average of $600 million annually. A second recent tipping point is the financial terms of the current SRA, which were renegotiated for the 2011 SRA. As a result, funding for A&O was reduced and capped at $1.3 billion annually. The risk-sharing provisions of the SRA were revised to reduce industry underwriting gains. The reduction in A&O payments and underwriting gains was estimated by the government to lower company revenues by $6 billion over ten years or another $600 million annually.

**The 2012 Drought coupled with Recent Weather and Market Events**

After the program changes in the 2008 Farm Bill and the 2011 SRA, the 2012 drought struck. The drought resulted in a record high of more than $17 billion in indemnities and the largest industry underwriting loss in history. Even with record losses the crop insurance industry performed admirably, claims were adjusted timely and the farm sector was able to rebound for the spring of 2013. In addition to the drought of 2012, the United States experienced major flooding along both the Missouri and Mississippi Rivers in 2011 and severe drought in the Southern Plains, acutely in the states of Kansas, Oklahoma, and Texas. Fast forward to 2013 when the dramatic decline in crop prices resulted in widespread losses for crop insurance revenue policies. The program loss ratio (indemnities as a percent of total premium) was again over 100 percent following the 2012 loss ratio of 157 percent. The recent up-tick in weather, or perhaps climate, related disasters coupled with volatile commodity markets should alert the industry and RMA to be ever mindful of the need to maintain actuarial soundness of the program. Recent changes in RMAs actuarial methodology need to be continually monitored to ensure that crop insurance premiums are adequate and accurately reflect the loss experience of the program.

These “tipping points” in revenue streams are the result of both discretionary actions and uncontrollable and unforeseeable events. Taken in isolation, each of these discretionary and uncontrollable events could be managed in the “normal” course of affairs by the crop insurance industry. Taken as a sequence of events with cumulative consequences, crop insurers are left wondering when, and if, the tide will turn. It is also important to note that since 2008 there have been no savings from reduced operational and administrative requirements of the program. In fact, companies and agents have been required to perform more functions and continue to react to catastrophic loss events. In essence, revenues have dipped downward and cost of delivery has increased, resulting in reduced viability of the private sector delivery system.

**The 2014 Farm Bill**

There should be no question that crop insurance was central to the safety net deliberations in the 2014 Farm Bill. As stated time and time again by agricultural leadership and stakeholders, “Do No Harm to Crop Insurance” was, and remains, the rallying mantra for our industry. In the final analysis, provisions in the 2014 Farm Bill expanded both the availability and affordability of crop insurance for farmers. For this we extend our appreciation to Congressional leaders and staff of the House and Senate Agriculture Committees because we believe a better crop insurance program will increase the financial strength of American agriculture.

The 2014 Farm Bill makes available two new major supplemental policies that provide protection against weather disasters and revenue losses. These are the Stacked Income Protection Plan (STAX) and the Supplemental Coverage Option (SCO). Provisions in the 2014 Farm Bill also provide for the availability of new plans of insurance for an array of crops not previously covered. Further, the 2014 Farm Bill improved the affordability of crop insurance for beginning farmers and ranchers and made available significant enhancements to the existing individual coverage, which is the cornerstone of the crop insurance program.

In my mind, the success of the farm safety net as restructured in the 2014 Farm Bill ultimately rests on the success of individual crop insurance coverage and the viability of the private sector delivery system. One has to believe that future Farm Bills will place even greater reliance on the use of risk management and crop insurance. With the implementation of the 2014 Farm Bill, and the emphasis on crop insurance as the primary component of the farm sector safety net, it is more important than ever before for the private sector delivery system to remain effective and economically viable. This greater emphasis on crop insurance will require a greater accountability on the part of the industry. In turn, the Agency will also face greater accountability to help ensure crop insurance remains available, affordable and viable.

**The Current Financial Snapshot**

Since the inception of the 2011 SRA, returns to the industry have been inadequate to sustain the viability of the delivery system that is needed to fulfill the requirements and expectations of the new Farm Bill. With the exception of 2011, industry underwriting revenues have been negative, as was the case in 2012, or well below government budget projections. In addition to lower than expected underwriting revenue, A&O payments have consistently fallen below actual delivery expenses. Consequently, industry net income—comprised of underwriting gains and A&O payments less
delivery expenses—has averaged -1.9 percent of the industry retained premium over the three-year period of 2011-2013.

**Headwinds**

Notwithstanding “Tipping Points” and the challenges and opportunities of implementing the 2014 Farm Bill, the industry also faces some strong headwinds as we look to the future. Here is my short list:

**Lower Commodity Prices**

During the course of 2013, we have experienced a dramatic decline in crop prices, particularly in the corn and soybean markets. This is in contrast to the near doubling of crop prices occurring from the mid-2000s to 2012. The slow growth in the global economy, including in Europe, China and many emerging market economies, strong grain and oilseed competitors in export markets, the enduring productivity of the American farmer and the cessation of the previously strong growth in the amount of corn being demanded for ethanol production have all played a role in this downturn. The sharp price drop is also reflected in lower Net Farm Income (NDI). Based on USDA estimates, NDI for U.S. agriculture in 2014 is estimated to be 14 percent below the level in 2013 and the lowest since 2010. Still, 2014’s NDI is expected to be the fifth highest ever. Part of that residual strength comes from very strong livestock returns, which mask somewhat the much lower crop returns expected in the Corn Belt, Plains States and Mississippi Portal region.

With lower crop prices, the value of the “assets” the insurance industry insures has declined. The reduction in NFI has resulted in farmers having less operating capital and they may consider reducing their crop insurance coverage. Fortunately, farm balance sheets are in pretty good shape; however, many farms locked into high cash rents are likely to experience financial stress. The near term agriculture economy should be considered a headwind.

**Federal Budget Pressure**

Suffice it to say, future funding for any Federal program will face strong headwinds, and crop insurance will surely continue to be buffeted by these same headwinds. For the past several years, the Administration’s budget called for further reductions in funding for private delivery. Although the budget proposal was not adopted, it specifically called for significant reductions in delivery expense payments to the industry and reductions in risk-sharing revenue—in turn, further narrowing the rate of return to the industry—a prime example of reducing economic viability and shortening a leg of the stool.

It is also worth pointing out that the 2014 President’s budget called for reductions in farmer premium discounts. These proposed reductions would raise the effective price of insurance and result in less affordable coverage—weakening another leg of the stool. There should be little doubt that future appropriations proceedings will call for reductions in outlays for both delivery system infrastructure and farmer premium support. Taken together, such reductions threaten affordability and viability of crop insurance and ultimately threaten availability.

**Misinformation and Public Perception**

Lastly, our industry continues to face the prevailing headwinds of misinformation and efforts to misdirect public perception. Opponents of a risk management-based farm safety net continue to paint crop insurance in a negative light. This negative light is likely to shine even brighter as debate continues in a post-2014 Farm Bill environment because direct payments—a longtime lightning rod of opponents’ criticism—were repealed, leaving crop insurance to absorb the brunt of future attacks.

So be it. Fortunately, common sense has prevailed thus far. A national public opinion survey commissioned by NCIS immediately following the Farm Bill’s completion showed that the critics’ main messages have largely fallen flat. Farmers’ favorability rating with the general public remains very high, and American’s support farm policy and recognize its importance to the country. Furthermore, when they learned of the details of the 2014 Farm Bill, respondents agreed that crop insurance was a smart policy for the future.

Of course, the future of crop insurance and the risk management-based safety net as a whole will largely depend on the viability of private sector delivery. This means that industry, farmers, and lawmakers alike must remain vigilant to defend existing funding sources, promote an actuarially sound program, minimize regulatory burden, protect program integrity, and fend off baseless attacks on Capitol Hill and in the court of public opinion.

“Where to Now St. Peter?”

The question still stands, “...Where to now St. Peter?” The viability of the private sector delivery system will depend upon a host of economic and political factors, many of which are beyond the control of the industry or any individual company. Economically, a string of bad weather years or poor actuarial performance can shape future viability and participating companies may be forced to consider alternative deployment of their shareholder’s capital. Politically, it is imperative that policymakers and crop insurance stakeholders remain committed to crop insurance and the farm safety net. For more than 30 years, the private sector has been fully committed to providing the best risk management tools to America’s farmers and ranchers. And by working with our Federal partners we have seen crop insurance become the Lynch-pin of the farm safety net.

This concludes our series highlighting the Availability, Affordability, and Viability of the Federal Crop Insurance program. I believe each of these conditions, or legs of the stool, are interdependent and critical for the future success of the farm safety net. Availability and affordability work in tandem. With both widespread availability and affordable premium, we have greater participation, greater risk-sharing and the demand for ad hoc disaster programs is reduced. As highlighted in this article, I believe viability of the private sector is essential to the successful delivery of the farm safety net envisioned in the 2014 Farm Bill.

Crop insurance is the practical, common sense solution for the farm safety net, and we all benefit from a financially healthy and stable farm sector.

In this issue of **TODAY**, we take a look back at the 14 NCIS summer schools and field days. More than 1,200 loss adjusters attended our schools this year and studied simulated damage on more than a dozen crops. The success of our schools would not be possible without the leadership of the NCIS Regional/State Committees who sponsor the schools and the more than 180 plot leaders who took the time to help guide and teach the attendees. Your efforts are greatly appreciated. Also in this issue is an in-depth look at some of the new herbicides available to farmers authored by Dr. James Houx from NCIS. James explains the pros and cons of these new treatment options and encourages all insurance adjusters to be aware of these developments in crop protection. We also introduce you to the two new NCIS 1890s scholarship recipients—Anissa Taylor, a junior at Alabama A&M University majoring in food science and Jacinda Ruby Lugo, a junior at Fort Valley State University (Georgia) majoring in veterinary technology. We hope you enjoy all that the magazine has to offer this issue and we wish you all a very happy holiday season!
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