Crop Insurance News

Clark Carroll Insurance Agency Inc.

Clark Carroll — 815-564- 7053
Derek Carroll — 815-564-7054
Casey Flikkema — 815-266-1787

201 W. Market Street,
Mt. Carroll, IL, 61053
Office — 815-244-1570

Farm Bill Options Become More Clear

What does the Farm Bill hold for 2015 and beyond? In short, the Direct and Counter-Cyclical Program and the Average Crop Revenue Election program are history. Replacing them are two new programs: Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC).

Under one Agricultural Risk Coverage (ARC) option, production and price targets will be based on a county-wide five-year Olympic average (high and low thrown out). Prices will be based on a period from October 1 to September of the year following harvest. Your actual revenue will be compared to the Olympic average, and a combination of the price and yield calculations will determine if you have a loss. Payments will be calculated on 85 percent of your base. Farmers also will have a one-time opportunity to reallocate crop acreage bases.

A second ARC option is very similar, but payments are based on individual farm yield and price history. In this option, payment is based on only 65 percent of base acres, and farmers are required to provide production to the FSA office every year.

Price Loss Coverage (PLC) provides farmers one more option. PLC offers compensation for calculated yield losses only, with no calculation for revenue losses. If you select the PLC option you may be eligible for the Supplemental Coverage Option (SCO). The SCO is an endorsement that your crop insurance agent would add to your MPCI policy. Be sure to discuss this option with your agent. The PLC component is based on based on USDA target prices that are much lower than recent price levels. In other details:

- Total payments to a person or legal entity for PLC, ARC, marketing loan gains, and loan deficiency payments will be limited to $125,000 per crop year.
- FSA program sign-ups will take place in January and February, with rules released in November.

To learn more about the farm bill, visit: www.fsa.usda.gov.

PriceFlex Means More Price Options

Taking advantage of price fluctuations is one key to capturing farm profit. But the federal crop program limits pricing to two select months, constricting your ability to capitalize on prices. The PriceFlex insurance product, new in 2014, provides more price discovery period options to existing Multi-Peril Crop Insurance (MPCI).

PriceFlex enables farmers to potentially receive additional policy benefits—if the average of the price period they select exceeds the RMA's projected and harvest prices.

For details on how the program works, contact your crop insurance agent. If you're interested in PriceFlex, ask about locking it in now for 2015. Buying early may mean a more economical premium for you.

Measure Remaining 2013 Grain Now

If you are one of the few farmers still holding 2013 grain, be certain to let your agent know about these stocks immediately. An agent will need to visit your farm, measuring the 2013 stores before 2014 crops are added.

ALERT: Consult Agent on Grain Storage Bags!

We're facing a bumper crop and limited grain storage space. We realize you may opt to store surplus grain yourself, using ground-based grain storage bags. If so, consult your agent first. Considered "non-permanent storage," coverage of the bags varies greatly among insurers.

Clark Carroll — 815-564- 7053
Derek Carroll — 815-564-7054
Casey Flikkema — 815-266-1787

201 W. Market Street,
Mt. Carroll, IL, 61053
Office — 815-244-1570

Clark Carroll Insurance Agency Inc.

AgArmour Adds Enterprise Unit Structure

Ag Armour's HarvestMAX is available again for 2015, with a new "enterprise unit structure" that neatly matches up with your federal crop insurance multi-peril unit. HarvestMAX helps growers protect against shallow yield losses, guarding revenue and profit. If you're protecting 85 percent of your actual production history (APH) with federal crop insurance, HarvestMAX can protect the upper end--up to 95 percent of your current APH. Sources say it can protect the 20-odd bushels you might lose in any given year, but couldn't otherwise claim. With lower prices and large carryovers projected, it may be time to protect more of your APH.

Worker's Comp Gives Better Protection

Many Illinois farmers are putting their operations and their farm workers at risk--trusting general liability insurance to cover diverse on-farm risks. What do we mean? Many farmers opt to avoid individual liability insurance, and only carry general liability insurance. These packages may not cover work-related injuries, cover them completely, or cover lost wages. There's also a large burden on the injured worker. They must prove fault, negligence causation and damages.

Many insurers now believe a worker's compensation policy provides better protection to both the farm worker and business owner. They afford injured workers a "no-fault recovery," and provide better protection in situations where general liability becomes sticky. For instance, when a worker is injured repairing a grain truck, some insurers classify it as a "commercial truck" rather than "farm equipment." For the best protection, discuss your options with your agent.

Drones Bring Insurance Considerations

With the falling price of unmanned aeronautical devices (UAD), or drones, more farm-owners are considering the investment. Available for as little as $1,500, some models may now pay their way. Along with their benefits, drones create new risks for the operator, area structures and equipment, and the drone itself. Violations of privacy may be the largest concern for drone operators. If ownership lies ahead for you, consult your agent about appropriate insurance coverage. Remember, the make, model and price will influence your coverage options.

Climate Corp Offers "Pro" Upgrade

Climate Corporation's newest offering may provide a tangible boost, helping you fine-tune your management. A "decision agriculture" tool, Climate Basic provides farmers with hyper-local information on weather, field workability, scouting and more. The company touts creating "over $100 an acre of value on average for corn." Recently added, Climate Pro is an upgrade that doubles available features, adding "advisor" tools for planting and harvest, disease and pests, nitrogen, field health and revenue. To learn more, visit www.climate.com.