



CROP INSURANCE UPDATE FEBRUARY 2023



Planting Intentions

We welcome information as to your planting intentions for 2023. This data is very helpful in a number of ways. By knowing the crops planted to each field, we'll be able to give you an accurate quote on total insurance costs. It will also alert us to any potential added land, new crops, and yield information we may need to set up before the March 15th deadline.

This planting intention information can be moved to our mapping system and allow us to customize and correct errors on fields before you report those acres to the FSA. We'll be able to print helpful mapping reports, color coded per crop, as an aid in relaying planting information to custom floater operators, lenders, employees and the FSA.

These are not intended to replace the maps prepared by the FSA office. Our intention is to have them completed with the acres already calculated and set by the FSA. For those of you who provide planting data with GPS mapping systems, we'll be able to correct any potential reporting errors, gather planting dates, and prepare maps that you can take to your FSA acre certification appointment.

Ideally the colored maps should reduce the number of errors by showing the separate crop colors for anyone with access. Our local FSA office is fully on board with this procedure!

Stop in or call us with your 2023 planting intentions and we'll tell you more about this procedure.

Staff Change

Phillips Insurance Agency has had a change in their staff. Kyle Cruise, who is a Certified Public Accountant, has decided to make tax and accounting services his full time business. Kyle was a valued employee providing insurance expertise and accounting skills to our business. We wish him success in this new venture.

We're very happy to introduce Todd Muller as an addition to our staff. Todd has extensive experience in ag business and has been handling crop insurance duties for the last year in the Kearney area. Todd and his wife, Elizabeth, have two sons, Garrett and Wyatt. Todd is a life long resident of the Kearney area. In addition to crop insurance service, Todd will help administer the growing list of livestock producers by explaining and providing Livestock Risk Protection coverage. We invite you to stop in and meet Todd.

2023 Spring Meeting

Our annual spring update meetings will be held at the end of February. We will be holding 3 separate meetings at our office like we did last fall. The 3 smaller meetings give us the opportunity to talk with more of our customers before and after the meeting. Our meal will be served by Country Catering. We will be in contact by postcard to get you set up with a meeting time.

We're currently attending industry update meetings with our companies to learn of any new options and changes in the crop insurance program. We aren't aware of any major changes that will alter the way you've insured in the past, but new options are always available. We will be looking into those options and will be prepared to answer any questions you may have.

SAVE THE DATE

Monday, February 27th

11:30 AM

Tuesday, February 28th

11:30 AM

Tuesday, February 28th

5:30 PM

2023 Cost Per Acre

The markets during the month of February establish some important coverage details. The “base” price per bushel for corn is established during February using the December 2023 average daily closing price. The soybean price is established using the November 2023 average daily closing price. At present these prices are very close to the 2022 prices of \$5.90 for corn and \$14.33 for soybeans. If no substantial change, the cost you pay per acre will stay very nearly the same of 2022.

The “volatility factor” is another component of setting the premium cost you pay. The volatility factor is used to measure the variability of the market. If the markets are volatile during the last part of February this factor increases as does your premium. If there is less volatility at this time the premium you pay might decrease.

For now, cash flow projections can use last years costs for both Multi-Peril and Crop Hail premium per acre. We’ll have more detailed information at our meeting the end of February.

Changes in Your Operation?

Each year a few producers add new land to their farm operation. This would be land farmed for the first time, not just a new crop on land in your current operation.

It’s important to let your agent know early of any land to be added to the operation in the coming year. There are many rules that apply to added land and early notification will allow the agent to gather the information needed to obtain the best insurance coverage available.

Other items to pay attention to are changes in ownership, marital status, or formation of an LLC or other new entity. For corporations and partnerships any person with more than a 10% interest must be listed. Please notify us prior to the March 15th deadline if any of these changes apply to your operation.



Farming land in a new county for the first time must be added prior to the March 15th sign-up deadline. Crop share changes can be done as soon as those agreements are in affect, but no later than acreage reporting time. When in doubt, give our office a call. We love hearing from you!

Livestock Risk Protection

Livestock Risk Protection continues to grow in popularity as a way to protect falling prices for your feeder or fat cattle. Government subsidies as high as 35% apply to this product. The LRP policy will protect the price you receive for cattle against market moves without limiting upside potential.

The ending price is the price used to determine payable losses. Current ending prices are above \$2 per cwt from August through November. Your cost per cwt ranges from \$4 to \$6 for ending dates for these months. To get exact coverage and pricing information call our office at 308-388-3333.

