

# 2015 Crop Insurance Update & Thoughts for Growers

---

**Jason W. Ludeman**

Crop Insurance Solutions – Spokane, WA

*Cell: (509) 863-7727*

# 2014 Price Re-Cap -- WHEAT

Portland August 2014 Cash Soft White Wheat

Winter Wheat -- \$6.72 (Projected Price)

Winter Wheat -- \$6.88 (Harvest Price)

**2.38% Increase**

Minneapolis September 2014 Futures (MWU4)

Spring Wheat -- \$7.54 (Projected Price)

Spring Wheat -- \$6.17 (Harvest Price)

**18.17% Decrease**

# 2014 Price Re-Cap – BARLEY & CANOLA

Spring Barley -- \$4.03 (Projected Price) – \$167.91/Ton

Spring Barley -- \$3.16 (Harvest Price) – \$131.67/Ton

**21.59% Decrease**

*Based off 87.9% of the Chicago September 2014 Corn Futures (ZCU4)*

Fall Canola -- \$.215/# (Projected Price)

Fall Canola -- \$.178/# (Harvest Price)

**17.21% Decrease**

*Based off Canadian November Canola Futures with Currency Adjustment*

# Revenue Protection (RP) vs. Yield Protection (YP)

- Revenue Protection (RP – *Formerly CRC*)
  - Why is it so “Expensive”???
  - PUT Option – *included*
  - CALL Option – *included*
- Pacific Northwest (WA, OR, ID, parts of CA, NV, UT, & AK)
  - Best Policy in the U.S.A. Period! *But why??*
  - Projected Price = Chicago September ‘15 + 5-Year Average Portland Basis
  - Harvest Price = Portland August Cash Soft White Wheat
- Yield Protection (YP – Still called to **APH** on some Crops).

# Revenue Protection (RP) vs. Revenue Protection with Harvest Price Exclusion (RPHPE)

- Revenue Protection (RP – *Formerly CRC*)
  - Guarantee re-adjusts with a higher Harvest Price.
  - Market can move 200% of Projected Price.
- Revenue Protection with Harvest Price Exclusion (RPHPE)
  - Only gives downside Price Protection.
    - *Both Policies work the same in a falling market.*
    - *Great for Irrigated Acres with minimal Yield Risk.*
    - *Basically a PUT Option.*
  - Does NOT re-adjust your guarantee with a higher Harvest Price.
    - In fact, a higher Harvest Price may work **against** you come loss time.

# 2015 Crop Insurance Prices (Projected Prices)

- Canola (Fall Oleic) – \$.178/# (*actual*)
- Winter Wheat – \$6.20 (*actual*) – *Portland August Soft White Wheat*
- Spring Wheat – \$6.55 (*actual*) – *Minneapolis September Wheat Futures*
- [www.prodwebnlb.rma.usda.gov/apps/PriceDiscovery/GetPrices/YourPrice](http://www.prodwebnlb.rma.usda.gov/apps/PriceDiscovery/GetPrices/YourPrice)
- **Good News?** – Crop Insurance Premiums will be **LESS!!**

# Unit Structure

- **Optional Units**

- The Best Coverage (*The Cadillac*) . . . Section by Section Coverage
- Highest Premium
- Different Ownership Structure leads to a NEW Optional Unit.
- FSA Farm Number is **NOT** identical to a Unit . . . may contain *too many* Sections.
  - *How much record keeping do you want to do?*

- **Enterprise Units**

- Grew in popularity in 2011 as a way for Grower's to save some money.
- All **Crop** in **County** covered as one unit come "loss time".
- Premium is **less** than Optional Units.
- Not recommended for those with a strong Winter Wheat / Spring Wheat mix on farm.
- Not recommended for policies with Units *scattered* throughout the County.

# County T-Yields & “New” Farmers

- **New Producer**

- If you have not grown a particular Crop in the County for more than **Two Years**.
- Your APH Database will be filled with the County T-Yield for up to **Four Years**.
- Each County has different T-Yields.
- **Canola** may be “too low” ???
- **Dry Peas** seem more “in line” ???
- **Information Browser** on Risk Management Agency Website is a great resource.

- **New / Beginning Farmer**

- New for **2015** Crop Year.
- This Application is similar to a Timeline or **Resume**.
- Premium **discounts** for those who qualify.
- So far, pretty rare individual (not on **S.B.I.**, etc.)



# Claims & Farm Storage

- **Claims**

- FSA 578 Acreage Report
- Proof of Yield Report from Elevator (Gross & Net Bushels)
- Schedule of Insurance
- “Three-legged” Stool . . .

- **Farm Storage**

- Do **NOT** co-mingle production from different Crop Insurance Units.
  - Even if you have **Enterprise Units**.
- If there may be a problem, call the Agent so an **Adjuster** can be sent out A.S.A.P.
- **180-Day** Delay in Claim for movement of grain is a nice option.

# Current Wheat Markets

- January 21, 2015 – “Spot” Market
  - Portland Soft White Wheat -- \$6.68
    - Chicago March 2015 -- \$5.36  $\frac{3}{4}$
  - Portland Hard Red Winter Wheat (11.5%) -- \$6.77
    - Kansas City March 2015 -- \$5.72  $\frac{1}{4}$
  - Portland Dark Northern Spring Wheat (14.0%) -- \$8.41
    - Minneapolis March 2015 -- \$5.81
- New Crop 2015 – “Indications Only”
  - Portland Soft White Wheat -- \$6.58
  - Portland Hard Red Winter Wheat (11.5%) -- \$6.75
  - Portland Dark Northern Spring Wheat (14.0%) -- \$7.42

**Be our guest at the 2015**

*Spokane*  
**AG EXPO**

**AgriLogic Insurance Services will be holding several informative meetings regarding the 2014 Farm Bill and how it relates to crop insurance. Let us know you're coming and we'll pay your way in to the show.**

See reverse side for details



AgriLogic Crop Insurance Services  
invite you to an informational meeting being  
held during the Spokane Ag Expo to discuss the  
impact of the 2014 Farm Bill.

**Topics to include:**

SCO - Supplemental Coverage Option,  
PLC, ARC-IC, ARC-CO.

**February 3rd, 2015**

1:30 pm meeting with snacks and drinks  
Attendees that RSVP will receive free admission  
to the Spokane Ag Expo. Room 401A

**RSVP by January 30th** to: 1-844-944-FARM (3276)  
or e-mail: [RSVP@agrilogic.com](mailto:RSVP@agrilogic.com)

While you are at the Spokane Ag Expo visit  
*Crop Insurance Solutions*  
*Pacific Northwest Branch* **BOOTH 120**

Mention this card for a chance to Win a Big Screen TV!



**Thank You!**

***Questions??***

**[jason.ludeman@gmail.com](mailto:jason.ludeman@gmail.com)**