



2021 Winter Forum

Crop Insurance Update

Presented by:
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Valley City, ND



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Team of Experts





- 36 Insurance Specialists
- 13 MPCI Support team members
- 4 Insurance Processing team members
- 30 Part-time Hail Processing team members
- 3 Marketing Specialists
- 1 Hail Insurance Operations Specialist





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Overview

2021 Updates and Changes

General Insurance Reminders

What Your Agent Needs to Know



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2021 Updates and Changes





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Prevent Plant

Prevent Plant coverage is included in your crop insurance policy and pays on eligible *unplanted* acres.

- What is the difference between a “field” and a “unit”
- What are eligible PP acres?
- PP buy-up options available
- Added land? What are the PP coverage rules?
- Cover crop guidelines
- Enterprise unit discounts with PP acres
- PP vs fallow



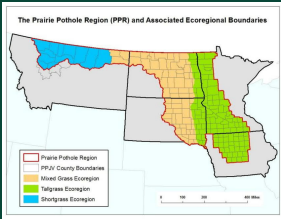

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Prevent Plant Changes

Expanded 1-in-4 planting rule
Now nationwide vs Prairie Pothole Region
Must be physically available for planting

Removed 2-crop history requirement within a unit
Must provide proof of intending to plant a 2nd crop

Revised to allow use of an intended acreage report for a 2nd crop year

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Livestock Programs

Increased subsidies for 2021 crop year
(7/1/2020)

Fed Cattle, Feeder Cattle, & Swine

Coverage Level (Percent)	Previous Subsidy Rate (Percent)	Revised Subsidy Rate (Percent)
95-100	25	35
90-90	30	40
85-90	35	45
80-85	35	50
75-80	35	55
70-75	35	55

Increased limits on feeder & fed cattle

- From 3,000 head/endorsement to 6,000
- From 6,000 head annually to 12,000

Increased limits on swine

- From 20,000 head/endorsement to 40,000
- From 75,000 head annually to 150,000



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Livestock Programs

Modified requirement to own livestock
from last 30 days of endorsement to last
60 days

Added 39 and 52-week swine
endorsements (13, 17, 21 & 26-week
endorsements remain)

Created new feeder cattle and swine types
to allow for unborn livestock to be insured



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Master Yields

Master yield: production from all acres of the crop the producer has in the
county is used to establish an approved APH yield

NEW

- Added Buckwheat as a Master Yield crop in ND
- Added Dry Beans as a Master Yield crop in MN


Additional Master Yield
crops in our association:

Dry Peas	Sugar Beets
Potatoes	Sunflowers



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Forage Seeding & Production



- Summer/Fall seeded acres are now insurable without a Written Agreement.
- Seeding alfalfa (ND, MN) or red clover (MN) after July 17? Contact us by July 31 to discuss coverage options.
- If seeded after the final plant date, those acres are uninsurable on the Forage Seeding policy.
- Loss-adjustment procedures revised to use number of live alfalfa stems rather than number of live plants

AgCountry
Farm Credit Services

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NEW Quality Loss Option (QLO)

Replaces post-quality production with pre-quality yields

- Elect by Sales Closing (3/15)
- NOL must have been filed for QLO to apply
- Will apply to previous quality adjustments
- Option to opt out by PRD
- Only one option, YE, YA or QL can be applied to an actual yield within a database

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Farm Credit Services

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NEW Enhanced Coverage Option (ECO)

Deductible (no coverage)	100-95%	Deductible (no coverage)	100-90%
ECO Coverage Range	95%-86%	ECO Coverage Range	90%-86%
SCO or ARC Coverage Range	86-80%	SCO or ARC Coverage Range	86-80%
MPCI Coverage Range	80%	MPCI Coverage Range	80%

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Farm Credit Services

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NEW


Enhanced Coverage Option (ECO)

Optional endorsement that provides *county-based coverage* for a portion of the deductible of the underlying MPC1 policy

Covers from 86% up to 90% or 95% of approved yield

Similar to Supplemental Coverage Option (SCO) which covers from MPC1 level up to 86%

Uses same expected and final area yields, projected and harvest prices, and payment factors as SCO



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NEW

Enhanced Coverage Option (ECO)


Losses incurred on a county basis. Indemnities triggered when the county average revenue falls below 90% or 95% of the expected level, depending on the ECO trigger selected.

Losses are not affected by whether there is an indemnity payment on the underlying policy. It's possible to experience an individual loss, but not receive an ECO payment, or vice-versa.

Losses paid the summer following current crop year

ARC & PLC participation has no effect on eligibility for ECO


Available with SCO, but not eligible with MP, MP-HPO, ARPI, HIP-WI



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Enhanced Coverage Option (ECO)

Eligible Crops		
Wheat	Canola	Oats
Millet	Rice	Cotton
Flax	Sugar Beets	Corn
Popcorn	Dry Beans	Hybrid Sorghum Seed
Grain Sorghum	Cultivated Wild Rice	Safflower
Silage Sorghum	Hybrid Corn Seed	Dry Peas
Peanuts	Sunflowers	Hybrid Seed Rice
Soybeans	Barley	Buckwheat
Tobacco	Sesame	




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Hemp

2021
Available in MN, ND & WI
for APH coverage in many
counties

Check with your insurance
specialist for details





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Crop Insurance Reminders





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Crop Insurance Reminders

Review production for claims
Need to report production claims within 15 days of harvest
Revenue claims must be filed within 45 days of harvest price announcement
The AIP has the right to deny claims after 60 days from the end of insurance
period or completion of harvest

Production reports
The sooner you get them in, the more accurate your quotes



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2021 Strategies to Consider

Get the correct MPC1 coverage & options in place


- Coverage levels/unit structures
- Added land or new crops

Look at a hail plan and/or supplemental coverage

- Production, Companion, Deductible, Basic
- Endorsements (Wind, WFC, etc.)
- Add additional coverage on top of the MPC1 w/ supplemental coverage

Bundle your MPC1, hail & supplemental coverage

- Be assured your coverage works together



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What Your Specialist Needs to Know





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What Your Specialist Needs to Know

Some things you'll want to discuss with your specialist:

<ul style="list-style-type: none"> • Change in entity structure i.e. operator transitions, SBI changes, tax ID, etc. • Change in name, address, phone, marital status • Change in shares • Planting intentions or prevent plant concerns • Added land or entities 	<ul style="list-style-type: none"> • Marketing plans • Cost of production • Transition plans • New crops and/or practices • Questions regarding unit structures, plans of coverage, 2021 policy changes • Adding a Power of Attorney or Authorize Rep • Any additional plans or concerns
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Questions?





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Thank you
for your
business!





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