

# FEBRUARY 2021 NEWSLETTER



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## Important Dates to Remember:

Thursday, Feb. 18<sup>th</sup>: Crop Insurance Meeting  
at the Hutchinson Event Center 9:00 – 12:00 pm

February 21<sup>st</sup>-27<sup>th</sup>: Grain Bin Safety Week

Monday, March 15<sup>th</sup>: Sales Closing Deadline  
MPCl Payment Deadline

Thursday, April 29<sup>th</sup>: APH Reporting Deadline

## Crop Insurance Risk Management Seminar

Come join David Larson Financial & Insurance Services for a  
**FREE, in-person** Crop Seminar featuring:

### **Darin Newsom**

President of Darin Newsom Analysis, Inc.

Along with this keynote speaker, we will provide crop insurance  
updates and information on several products to protect over the  
top of your MPCl coverage, including the new ECO product.

**Dinner will be served** following the presentations.

**When: Thursday, February 18th, 2021**

**Where: Hutchinson Event Center**

**Time: 9:00 - 12:00 pm**

**For virtual option, see back of card**



## VIRTUAL OPTION

Search: DLFIS CROP MEETING  
2021 at 8:45 day of meeting

OR

Email: [lweir7468@gmail.com](mailto:lweir7468@gmail.com)  
For a zoom link

OR

We will be recording the  
event. Contact our office  
after the meeting for a link

## 2021 Crop Insurance Seminar

2021 will mark the 11th crop seminar David Larson Financial and Insurance Services has put on since opening the doors on January 1st, 2010. This is always an exciting time of year for our office. We get to break out new products, go over changes in crop insurance, and always look forward to our keynote speaker. This year we are excited to bring you Darin Newsom as our speaker. Darin will provide his unique analytical observations and years of experience with DTN, on market outlook, and how markets work in an entertaining and informative manner.

Along with Darin Newsom, with will have a presentation on ARC/PLC. This has become a yearly signup with FSA, and with the grain market surging as of late, changes might be needed from your previous election.

ECO has been a hot topic this winter. This new Enhanced Coverage Option is an over-the-top county-based policy that covers from 86% up to 95%. For those that have taken SCO in the past, it is very similar to this. The main difference is that you can choose ARC and still elect ECO. We will talk about both SCO and ECO at the meeting.

There are lots of different insurance products for your risk management toolbox. With 5 companies at our disposal and numerous products to assist you, we can help devise a plan that covers your needs. I will be talking about several over-the-top products and how to formulate a viable insurance plan that does not break the bank. We will get into some hail ideas and formulate a couple of package ideas for your operation.

Like always, Dave will get into planning and financials for the 2021 crop year.

With COVID 19, we will be taking the states recommendations very seriously at the meeting. We will be spacing tables and chairs out. Masks will be recommended, and we will have hand sanitizer at each table. We will be serving dinner, but we will be escorting tables to limit lines. We will also be doing something new this year. We will be streaming this over Zoom and YouTube. If you would like a link to the meeting, it can be accessed 2 ways. If you would like a Zoom link, please call our office at 320 587 2245 and Lisa will email you a link for the meeting. The second option will be to go into YouTube and search **DLFIS Crop Meeting 2021** after 8:45 on the day of the meeting for video of the meeting. We will also be recording the meeting (hopefully this all works) so we could send you the link to be watched at a later time. This technology is very new to us but think this is a great way for everyone to see the meeting that would like to.

We have most pricing available for our private products but are still waiting on some. I believe some of the add on products will be very popular this year and availability of some might run out. With the run up in grain prices (highest since 2013), the projected volatility in the market, and the hail that devastated some areas last year, I believe people will buy up coverage. MPCI cost will not be known until March 1<sup>st</sup>, but we will have a pretty good idea where they land prior to our meeting.

For your crop insurance review, we will be having in-person meetings as long as state guidelines do not change. If you feel more comfortable, we can utilize emails, phone calls, and one-on-one zoom calls.

Matt Melberg

## Keeping Tabs on your APH

Your Actual Production History (APH) is the cornerstone of your crop insurance contract. It is the 10 Year history of your farming production that is used to determine your yield or revenue guarantees. It is kept by unit or section for your Multi-Peril Crop insurance. Understanding the way, it works, and keeping the information accurate is your responsibility. With 2020's better yields coming in, your oldest yield will drop off. Using a 210-bushel yield in 2020 and replacing a 180-bushel yield (30-bushel improvement) will improve your 10-year history 3 bushels. If you rotate crops, corn, and soybeans then it could take 20 years to build a 10-year history so the 2020 would be replacing the year 2000 production.

In 2012, a buy up on to crop insurance, Trend Yield Adjustment came into play. If elected, the yields in your APH history increases in the elected county. You must have planted and harvested an insurable in at least 1 the last 4 years to qualify. Most of you use this but not all so it is worth checking out. It is available on Corn, Soybeans, Wheat, Dry Beans and Sugar Beets in our area. I was on a farm last year and was asked what this was. His agent had not included it on his policy. It made a huge difference in his yield history.

There are also buyups to provide minimum guarantees for a new or carryover insured data bases. Yield Cup and Yield Floor are used to provide this protection.

When selected, Yield Adjustment comes into play if the reported yield is below 60% of the county T yield then 60% of the T yield replaces your current poor yield. When looking at your yield history you will see a YA yield descriptor if that has been used.

The APH Yield Exclusion allows an actual yield to be excluded for a crop year when RMA determines the county per planted acre yield for a crop year was at least 50% below the simple average of the per planted acre yield for the crop in the county for the previous consecutive crop year. We have not had a lot of this but, Wright County had one on Corn and Soybeans.

When you report your yields to your agent take time to ask about your APH and if there are any buy ups or additions to help improve your yield history.

Keeping good records of your history is also important. APH data mining is and has been a tool used by RMA to check yields and provide targets for audits. It is your responsibility to keep your record history. We suggest that you keep your yield history in the farm map books we provide so if you should be audited you have them. The integrity of crop insurance is based on your accurate history.

The deadline to reporting your history to us is April 29<sup>th</sup>. To do a good job of making a sound risk management plan you should get your yields into your agent before the sales closing so accurate APH numbers can be used.

David Larson

## Looking for more than MPCI coverage for your crops?

There are several options to get you some extra coverage for your crops. From hail coverage to revenue-based products, there are a variety of options available.

Hail – we offer a number of different coverages from a basic offering a 1 to 1 coverage to a Comp 2+ product offering a 2 to 1 coverage after 10%. There are also ad-on products such as wind and green snap that can be married to many hail products.

Revenue – we can offer you products that can increase your revenue guarantee up to 95%. We also can show you products that offer you coverage based on your county's average production.

Stop in or give us a call and we can discuss these products with you and see if we can help you with extra coverage for your crops.

Craig Schmeling

## Reviewing Your Farm Insurance

Running a farm and ranch, you see seasons come and go. Along with the natural changing of things, there are also less-predictable changes to your business, volatility in commodity prices, construction expenses, labor costs and other factors. There are also those occasions when your life changes in some way – marriage, divorce, a death in the family or a new source of income.

You have done the responsible thing, insuring your business and property. But when there are new family members in the picture, or the value of your possessions rises or falls, the insurance coverage you are carrying also should change.

Anything new that happens should be reviewed. Things to consider would be building costs for repairs or new construction, or any major new purchases or sales of machinery etc.

Andy Rostberg

## New Website For DLFIS

A decision was made this last fall to take more control over our web presence. As a result, we have decided to launch a new website! Our new website is [www.larsoninsurancemn.com](http://www.larsoninsurancemn.com) and will be made available to new and existing customers. Our hope is to have an archive of our previous newsletters and all the information pertaining to what we do and how we do it.

Matt Larson



## NEW WEBINAR SERIES FOR GROWERS

Brought to You by Rain and Hail

Please join us at our upcoming webinar series **Crop Marketing & Crop Insurance Decisions** presented by Steve Johnson Ph.D., Farm Management Specialist. Steve has expertise on corn and soybean marketing strategies, tools and market planning. He will discuss marketing strategies that will allow growers to take advantage of the highest crop prices in six years and how to protect those positions with crop insurance, including the new Enhanced Coverage Option (ECO). Steve will also provide insight into the ARC/PLC decisions that growers are faced with this spring.

Webinars are offered during the times below. Note all times are Central time. We are offering up to 15 additional minutes for questions after each webinar, so stick around if you can. We hope you can join us! Register today at [www.RainHail.com/s/growingwithrainandhail](http://www.RainHail.com/s/growingwithrainandhail).

### TUESDAY, FEBRUARY 9

2:00-3:00 p.m. CT  
4:00-5:00 p.m. CT

### TUESDAY, FEBRUARY 16

10:00-11:00 a.m. CT  
12:30-1:30 p.m. CT

### WEDNESDAY, FEBRUARY 10

6:30-7:30 p.m. CT

### THURSDAY, FEBRUARY 18

10:00-11:00 a.m. CT  
12:30-1:30 p.m. CT

### THURSDAY, FEBRUARY 11

2:00-3:00 p.m. CT  
4:00-5:00 p.m. CT

**REGISTER NOW!**

[www.RainHail.com/s/growingwithrainandhail](http://www.RainHail.com/s/growingwithrainandhail)



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**\*\*Come talk with one of our specialists for all your insurance needs!**



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