

Southside Insurance Agency, Inc.

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Acreage reporting deadlines

Below, you will see a list of crops and counties showing the final plant dates and acreage reporting deadline for the majority of crops that we insure. It is extremely important that all acreage is reported to us by the acreage reporting deadlines. Late acreage reports are no longer accepted by the Risk Management Agency (RMA).

Error free reports

It is also very important that your acreage be reported identically to us as it is reported to the Farm Service Agency (FSA). If you will be relying on our office to prepare your federal crop insurance acreage report using an FSA report, it is imperative that your FSA report be error free. If an error is transferred from your FSA report to your

federal crop acreage report, you will be signing an erroneous report with us, which will be almost impossible to correct due to being erroneous both at FSA and with us.

Penalty applied

It is important to know that any errors in reported acreage that exceed 10 percent

See *Acreage reporting* on page 4

2010	Corn		Soybeans		Grain Sorghum		Flue Tobacco		Fire Tobacco		Burley Tobacco	
	Final Plant	Acre Rept.	Final Plant	Acre Rept.	Final Plant	Acre Rept.	Final Plant	Acre Rept.	Final Plant	Acre Rept.	Final Plant	Acre Rept.
Virginia												
Campbell	5/31	7/15	6/30	7/15	6/15	7/15	6/15	7/15	6/15	7/15	6/20	7/15
Charlotte	5/20	7/15	6/30	7/15	6/15	7/15	6/15	7/15	6/15	7/15	6/20	7/15
Franklin	5/31	7/15	6/20	7/15	6/15	7/15	6/15	7/15	6/15	7/15	—	—
Halifax	5/15	7/15	6/30	7/15	6/15	7/15	6/15	7/15	6/15	7/15	6/20	7/15
Mecklenburg	5/20	7/15	6/30	7/15	6/15	7/15	6/15	7/15	6/15	7/15	6/20	7/15
Patrick	5/31	7/15	6/30	7/15	6/15	7/15	6/15	7/15	—	—	—	—
Pittsylvania	5/20	7/15	6/30	7/15	6/15	7/15	6/15	7/15	6/15	7/15	6/20	7/15
North Carolina												
Alamance	5/20	7/15	6/30	7/15	6/15	6/30	6/15	6/30	—	—	—	—
Caswell	5/20	7/15	6/30	7/15	6/15	6/30	6/15	6/30	—	—	6/20	7/15
Durham	5/20	7/15	6/30	7/15	—	—	6/5	6/30	—	—	—	—
Edgecombe	5/15	7/15	6/30	7/15	6/15	6/30	5/31	6/30	—	—	—	—
Granville	5/20	7/15	6/30	7/15	6/15	6/30	6/5	6/30	—	—	6/20	7/15
Guilford	5/20	7/15	6/30	7/15	6/15	6/30	6/15	6/30	—	—	—	—
Lee	5/20	7/15	6/30	7/15	6/15	6/30	6/5	6/30	—	—	—	—
Montgomery	5/20	7/15	6/30	7/15	6/15	6/30	6/5	6/30	—	—	—	—
Moore	5/20	7/15	6/30	7/15	6/15	6/30	6/5	6/30	—	—	—	—
Orange	5/20	7/15	6/30	7/15	6/15	6/30	6/5	6/30	—	—	—	—
Person	5/20	7/15	6/30	7/15	6/15	6/30	6/15	6/30	—	—	6/20	7/15
Randolph	5/20	7/15	6/30	7/15	6/15	6/30	6/15	6/30	—	—	—	—
Richmond	5/20	7/15	6/30	7/15	6/15	6/30	6/5	6/30	—	—	—	—
Rockingham	5/20	7/15	6/30	7/15	6/15	6/30	6/15	6/30	—	—	6/20	7/15
Stokes	5/31	7/15	6/30	7/15	6/15	7/15	6/15	6/30	—	—	6/20	7/15
Surry	5/31	7/15	6/30	7/15	6/15	6/30	6/15	6/30	—	—	6/20	7/15
Vance	5/20	7/15	6/30	7/15	6/15	7/15	6/15	6/30	—	—	—	—

**Sales closing dates: NC= All 02/28 except burley 03/15; VA=all 03/15

**Determine the latest AR date for all the crops on the policy. This is the AR date for all spring crops on this policy.

Crop Hints

Once again we are nearing the end of cereal leaf beetle season. The beetle seems to do the most damage to wheat when the season is warm and dry. Thin stands of wheat, in particular, show injury faster than thick stands. Fields should be scouted every four to five days. Thresholds for making spray applications of insecticides are one egg (orange in color) or larvae (black in color) per four stems.

Karate and Warrior

One practice that has been successful in our area is applying Karate or Warrior in the last application of liquid nitrogen. This has reduced the need to go in and perform a rescue application, which results in another trip across the field and trampled wheat by tractor or spray rig tires. Syngenta, the manufacturer of Karate and Warrior, have given respray assurance in the past. They offered to give product to a grower if he/she has to go back and respray. They have been doing this for about the last three years in our area, and so far, I cannot recall one instance where the application of Karate or Warrior, in mid-March through early April, did not keep the beetles below threshold levels all season long.

By now, many of you have begun or finished planting tobacco. Hopefully, this year Mother Nature will be a little more uniform with rainfall, temperature swings and insect pressure. Last year was a tough crop year, starting with above average rainfall in the spring, continuing with a very dry summer and ending with an extremely wet fall and winter. Insect pressure was another problem that was made worse, because insecticide applications had to be postponed due to wet weather.

Insect management

One topic of discussion that is near and may have even begun in some instances is insect management. Proper timing, correct rates, thresholds, proper personal protection equipment are critical in making chemical applications. Thresholds are defined as the point at which it is economically feasible to make a chemical application. These thresholds and others can be found in the tobacco guides put out

by N.C. State and Virginia Tech.

Flea beetles and aphids may be controlled by a preventative application of Admire or Platinum in the greenhouse or in the transplant water. Threshold recommendations for a curative treatment for small plants are four or more preplant and 60 or more beetles for large plants. For aphids, treat when 10 percent or more of plants have as many as 50 aphids on the upper leaves. Populations of aphids may increase rapidly once they reach this level and a rescue application will be needed immediately. Orthene is widely used for flea beetles and aphids.

Cutworms have a threshold of when five percent or more of small plants are injured, usually two to three weeks after transplanting Orthene is used in most cases for cutworms as well.

For budworms, most recommend treating when 10 percent or more of plants are infected. Orthene, Warrior and Tracer are widely used for budworms.

For hornworms, the threshold is one worm larger than one inch per 10 plants. Also, worms in a cocoon stage count 1/5th of a worm that is one inch in size. So, five in the cocoon stage will be the threshold per 10 plants. Again, Orthene, Warrior and Tracer are some chemicals used to treat hornworms.

Follow label/production guidelines

There are many different types of chemicals used to control insects. Each chemical has different rates, re-entry intervals, pre-harvest intervals and personal protection equipment requirements. Always read the label.

The tobacco production guides put out by N.C. State and Virginia Tech is filled with detailed information concerning chemical rates, timing of chemical applications, pest and disease management. They can be picked up at your local Extension office.

Again, we at Southside Insurance Agency wish you a productive and safe crop year for 2010. 

****Growing tips given here are an effort to add value to your relationship with Southside Insurance Agency. However, you should contact your crop production services provider for his/her recommendations.*

E-mail addresses wanted

If you would like to receive an advanced copy of subsequent newsletters, please send us an e-mail to tlacy-southsideins@embarqmail.com. Also, there are times when information might be beneficial to you, and with your e-mail address, we will be able to get this information out to you as quickly as possible.

Coverage for late planted acres

Most crops provide for coverage even if a crop is planted beyond the final plant date. In fact, a grower is required to insure any crops planted during the late planted period if he/she has federal crop insurance coverage for that crop.

For grain crops other than fall planted crops, the late planted period extends 25 days beyond the final plant date. For tobacco, the late planted period extends 15 days beyond the final plant date.

For grain crops, there is a 1 percent reduction in coverage for each day beyond the final plant date that the crop is planted. For tobacco, there is a 1 percent reduction in coverage for the first 10 days beyond the final plant date and a 2 percent reduction in coverage for the 11th through 15th day beyond the final plant date. The premium per acre is the same for timely planted and late planted acreage.

Any crop that is planted beyond the late planted period can be treated in one of two ways: (1) the grower may elect to uninsure those acres, or (2) the grower may elect to insure the acres at the prevented planted guarantee.

The prevented planted guarantee is typically 60 percent of the normal guarantee for grain crops and is 35 percent of the normal guarantee for tobacco.

Because the late planted guarantee for soybeans extends beyond the final reporting deadline, if you will be planting soybeans beyond July 10, you should report all crops other than soybeans by the final reporting deadline for those crops. 

Hay and pasture insurance

For the 2010 growing season, new coverage was made available for any farmers producing hay or pasture crops, officially known as the Pasture, Rangeland and Forage (PRF) policy.

The policy pays a loss if rainfall is below average for your grid area. A grid area is approximately 12 miles square and represents one quarter of one degree in longitude and latitude.

Farmers can vary the amount of coverage per acre and can also vary the percentage of average rainfall at which a loss is triggered. Because of large federal premium subsidies, the PRF policy would have generated greater than \$1.50 per \$1 of premium over the last 10 years in almost every area in which we operate.

If you have an interest in the PRF policy for 2011, an application and acreage report must be completed by Sept. 30, 2010. Our office will be contacting all farmers for which we are aware of hay and pasture production during this summer.

For the 2010 hay and pasture crop, our efforts were concentrated on existing customers due to a short amount of time that was allowed for writing new coverage for 2010. The response for coverage was simply overwhelming. However, there is ample time to accommodate all growers who have a desire to write PRF coverage for 2011.

If you have a particular interest in the PRF policy, please contact us soon so that we can begin work on your coverage as soon as possible. 

Tobacco policy changes made

By now, most tobacco growers are aware of the changes that have been made to the federal crop insurance policy on tobacco. The policy will function in large part as it did in the past. This is especially true with regards to any losses due to yields below your guaranteed pounds. Your guaranteed pounds are the average yield for a farm serial number *times* your coverage level *times* the acreage on the farm serial number. A shortfall in pounds below the guaranteed pounds will be paid at a rate of \$1.75 per pound.

The largest change for the 2010 crop regards quality adjustment. In order to receive quality adjustment on tobacco, your average price per pound must be below \$1.31 per pound. Also, **an adjuster must verify problems with quality in the tobacco field prior to that tobacco being harvested and sold.**

With this in mind, it is more important than ever that any problems with your tobacco crop be reported to us as soon as it occurs. Once an adjuster has witnessed the quality problem, **any subsequent problems of a different nature should be reported to us as it occurs.**

It is our belief that these changes to the federal crop insurance program for tobacco will discourage tobacco being planted that is not contracted with a tobacco company; however, we also anticipate that there are many growers that do not understand the quality adjustment procedures and will "over plant" tobacco acreage. We feel it is important that everyone understand how the tobacco policy will function going forward so that they're not unpleasantly surprised after the crop is grown and sold.

If you have any questions regarding your tobacco coverage, please call us. 

Prevented planted coverage on wheat

Many growers were unable to plant part, or all, of their wheat crop this season. Accordingly, there were a significant number of prevented planted (PP) wheat acres that were filed with us. Many of these claims have already been adjusted and other claims are still being worked. Any PP wheat claims paid thus far prior to planting spring crops were paid at a reduced rate of 35 percent of the normal PP wheat settlement. The reason these claims were reduced is due to the fact that 35 percent is the minimum payment made on eligible acreage even if the grower qualifies for a 100 percent payment.

After all spring crops have been planted, the adjusters will revisit all

PP wheat claims to determine if a 100 percent settlement can be made on all or at least part of the acreage that was eligible for payment.

To receive 100 percent payment for PP wheat, a grower must have history of double cropping or must leave the land idle. Idle land can be planted in an approved cover crop, and the cover crop cannot be hayed, grazed or harvested before Nov. 1, 2010. The cover crop can be destroyed in order to plant small grains for harvest in 2011.

If you have not been contacted by an adjuster regarding your 2010 wheat, oats or barley claims by this point and time, please call us so we may contact your adjuster. 

SRA renegotiation may result in reduction

Currently, the Risk Management Agency (RMA) is renegotiating the Standard Reinsurance Agreement (SRA) with the companies that administer the federal crop insurance program. These negotiations will result in a reduction in funds paid to the companies for administering the program.

This reduction in funds to the companies will certainly be passed in part if not entirely to agents that write federal crop insurance. Considering that the current amount of reduction being proposed is 31 percent, it is without question that there will be a dramatic effect on agent commissions. Change will be effective for the 2011 crop year and beyond.

Currently, there is no discussion involving any reduction in premium subsidies that benefit the farmer. When the full impact of these changes is known, we will communicate to our policyholders our plan for servicing your crop insurance business in this new economy. Your input to your politicians regarding this issue is welcomed. 

Acreage reporting
Continued from page 1

results in a penalty called the MIF (misreported information) factor.

The MIF factor is calculated on the acreage that was reported in error and is equal to the percentage in error over 10 percent. Of course, this penalty only applies if a claim is made, and the error is discovered. The penalty is applied by crop against any loss settlement that is paid on any farm that was reported to us in error.

Acreage reporting forms will be mailed to every grower with insurance for spring planted crops in early May. Depending on the crops that you plant, you may need to hold the acreage reporting form until you finish planting all crops.

If you plant multiple crops in the spring, your acreage reporting deadline is the latest reporting deadline of all of the spring planted crops that you insure.

If you grow any organic crops, a copy of your certified organic certificate for that crop should be provided with your acreage report. Also for tobacco growers, if there are written land-lease agreements that exist on land for which you have planted tobacco, a copy of these lease agreements are now required with your acreage report. 

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A reminder to wheat growers

If you raise wheat and double crop, remember to keep records of production separate for acreage that will be double cropped to soybeans versus acreage that will not be double cropped. This is true, especially if you will have wheat that will be double cropped and wheat that will not be double cropped on the same farm serial number. This type of recordkeeping is required for proving double-cropping eligibility for future prevented planted claims and also for obtaining maximum payment on future wheat crops due to double-cropping rules. As always, you should keep production records separate by farm serial number regardless of whether you double crop or not. 

Crop hail insurance available

Wheat

In recent years, wheat commodity prices have made wheat a more viable "moneymaker." This sentiment is diminished most recently due to a soft wheat straw market. While federal crop insurance protects against hail damage to wheat, there is supplemental wheat crop hail insurance available at low cost. The crop hail insurance for wheat has a zero percent deductible and has a cost of \$1.40 per \$100 of coverage. As wheat has now headed out, we are at a time that makes us most vulnerable to hail damage. If you have an interest in purchasing supplemental crop hail insurance for your wheat, please contact us.

The maximum coverage per acre permissible for wheat crop hail is \$300 per acre, which amounts to a \$4.20 per acre premium. Also, any payments made on a wheat crop hail policy do not affect your federal crop insurance for wheat. In other words, double dipping is allowed.

Also, crop hail insurance is also available at the same rate for barley with a maximum coverage of \$300 per acre.

Tobacco

If you have purchased a crop hail

insurance policy for tobacco in the past, we will be contacting you regarding coverage for the 2010 crop during



the month of May. Many tobacco growers already have crop hail insurance in place due to an endorsement known as "Auto-Crop." Auto-Crop policies roll-over from year to year unless changes are made to the Auto-Crop endorsement before May 31 of each year.

Crop hail insurance for tobacco is supplemental and adds to your federal crop insurance coverage. In 2009, crop hail insurance was very helpful to many growers.

A hail storm presents the largest threat to a tobacco crop and can wipe out your hard work in a matter of minutes. Crop hail insurance can be pur-

chased with deductibles of zero percent (Basic), 5 percent (XS 5) or 10 percent (XS 10).

Crop hail insurance attaches seven days after tobacco is planted, and replant coverage is an integral part of the crop hail policy, unlike federal crop insurance.

If you're a tobacco grower and have not taken crop hail insurance in the past to supplement your federal crop insurance and wish to consider doing so, please call us immediately. 

Tobacco plant clearinghouse

Over the past few years, we've discovered that a service we can offer is matching growers with extra tobacco plants with other growers who are in need of tobacco plants. If you have tobacco plants for sale, call and let us know how many plants and in which varieties you have. If you're in need of tobacco plants, let us know what you need. We provide this service at no charge to the growers.