

“CROP TALK”

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**SONNENBERG
AGENCY, LLC
INSURANCE**

PASTURE FIRE POLICY

This is a new policy that covers perennial pasture, rangeland or forage used to feed livestock. You must have an insurable interest in the ground. It is an annual policy and coverage takes effect 30-days after receipt of the signed Application. A few highlights of the policy are:

- Maximum coverage limit is \$20 per acre.
- Any loss due to fire must be reported within 5-days from the date of damage.
- All losses are subject to a \$100 deductible.
- The policy does not cover losses from fire due to arson, vandalism or failure to follow recognized good farming/ranching practices.
- *In Northeast Colorado, the rates per \$100 of coverage per acre vary from \$1.25 to \$1.84, depending on the county.*
- Premium is due by November 1st.

CAT ENDORSEMENT CHANGE

The Endorsement Fee for Catastrophic (CAT) policies used to be \$300 per crop, per county. Effective 4/30/2019, the CAT Fee is now \$655 per crop, per county. This is more than a 100% increase in the Fee. If you have a CAT policy, it may now be more cost effective to purchase a Buy-Up level policy. The same perils are covered, but it now may actually cost less for better coverage.

The level of coverage on CAT policies = 50% of your Actual Production History (APH) x 55% of the Price. This means CAT policies cover approximately 25% of your operation (50%, then only 55% of that value). We encourage you to please visit with your agent if you have a CAT policy.

INDUSTRY UPDATE (AG CENSUS DATA)

The USDA released a few interesting stats (that we actually believe). The average size of a farm = 441 acres. 96% of farms and ranches are family-owned. 56% of all farms have at least one female decision maker. The average age of producers is 57.5 years. And lastly, wheat production is down nation-wide from the 2012 census.



SPECIAL POINTS OF INTEREST

⇒ CHOPPING CORN

FOR SILAGE? Call us immediately so we can schedule an appraisal.

⇒ REPORTING A CLAIM

Per policy provisions, claims need to be reported within 15 days of harvest or they may not be accepted.

⇒ SALES CLOSING DATE—WHEAT SEPT 30th

If you need to make changes to your wheat policy, cancel a policy or have a new policy written for 2020 wheat—9/30 is the deadline.

⇒ MARKET FACILITATION PROGRAM (MFP) PAYMENT

The Trump Administration MFP 2.0 Payments were being issued starting in August at a rate of \$15 per acre (for covered commodities). Payments are based on actual planted acres. Another payment may be made in November.



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*“Sonnenberg Agency, LLC is an equal
opportunity provider and employer.”*

PRODUCTION RECORDS

With our electronic storage capabilities, we aid in the keeping of Production Records as best as we can. By policy provisions however, it is the insured’s responsibility to accurately maintain all Production Records for at least the last 3 crop years + the current crop year’s records (4 years in total). Production Records are either ‘Soft Copy’ or ‘Hard Copy’ and they are written records showing annual production and used to determine the yield for crop insurance purposes. ‘Hard Copy’ Production Records are the approved type and ‘Soft Copy’ Records must support the ‘Hard Copy’ Records.

More specifically, ‘Soft Copy’ Production Records are: hand-written or typed records made by the insured. (For example: a notebook or Excel Spreadsheet.) ‘Hard Copy’ Production Records are: verifiable records created by the warehouse or buyer of the insured crop or measurement of farm-stored production created by an insurance company representative (I.E. an adjuster).

INUDUSTRIAL HEMP COVERAGE (in 2020)

The 2018 Farm allows for insurability of Industrial Hemp starting in 2020. At this time, it sounds like the insurance companies will follow through and have Multi-Peril Insurance available next year. There are a few compliance items for Hemp to be insurable. They are: 1) Hemp production must be in accordance with applicable plan (State, Tribal or Federal); 2) Must be grown under a marketing contract; 3) No replant payments available; 4) “Hot Hemp” will not be a considered an insurable loss.

There are still some regulatory pieces missing and RMA will be re-examining as more information becomes available. Lastly, at present, Crop Hail coverage is available for Hemp.