



Things You Need to Know:

- **CLAIMS DEADLINE**— there is a claims deadline. You must notify us immediately if your spring-planted crops have a claim. The claim submission deadline is 2-weeks after the completion of harvest.
- **SALES CLOSING DATE** for wheat policies is Sept 30th. Policy coverage level changes, new policies, cancellations are due by 9/30.
- **IT HAS TO MATCH**— what you report to the FSA Office must match what you report for crop insurance, and vice-versa.

Information to Know

- ⇒ *The statutory crop insurance language is now official—corn IS NOT a Cover Crop*
- ⇒ *If you do not currently have a POA or an Authorized Representative appointed for your crop insurance policy, it is something you should consider*
- ⇒ *Entity changes for Wheat Policies must be made by Sales Closing—Sept 30th*

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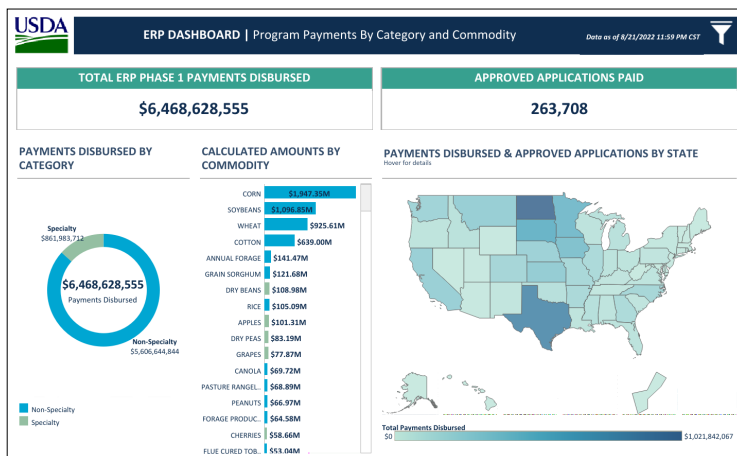
Emergency Relief Program (ERP) - FSA Office

In late-spring of this year (2022), the USDA with Congress, released the ERP Program to help agricultural producers offset the impacts of the wide-ranging natural disasters in 2020 and 2021. The initially funding level was \$6 billion **paid through the FSA Offices**. Some of the funding was “leftover” COVID-19 money and according the USDA, “the *Emergency Relief Payments will help offset the significant crop losses due to major weather events and help ensure farming operations continue to be viable into the next growing seasons and beyond.*”

The other part of the funding came from the ‘*Extending Government Funding & Delivering Emergency Assistance Act*’ that President Biden signed into law on September 30, 2021. The ERP Program has 2 primary phases and several sub-phases within Phase 1 and Phase 2. Phase 1A used crop insurance indemnity

data from 2020 and 2021 that was transferred from the AIP’s (crop insurance companies) to the Farm Service Agency to determine initial eligibility. If an ERP payment is made — after the producer signed the paperwork, a Crop Insurance policy (at a level equal to or greater than 60%) must be maintained for the next two available crop years. The chart below shows the payment data for Phase 1A. Phase 1B payments are currently being

calculated and covers producers who received a NAP (FSA Program) payment in 2020 and 2021. Phase 1C is supposed to catch any errors from Phase 1A and include any crop insurance producers, who qualify, that were missed in Phase 1A. Phase 1C paperwork is supposed to be mailed out in late-summer/early-fall. Phase 2 is scheduled for fall/winter 2022 — although we have not seen any solid information yet on Phase 2.



IMPORTANT Prevented Planting (PP) Claims Information

Due to the extreme ongoing drought conditions present in Colorado, PP Claim questions for wheat are being asked. Here is the “high level” overview of PP Claims: **First:** PP Claims are submitted when planting cannot reasonably occur within the stated deadlines due to excess precipitation or lack thereof. **Second:** PP is submitted to the company as a Notice of Loss. The agent can

only submit a Notice of Loss after notified by the insured. The PP Notice of Loss can only be filed after the Final Plant Date (Oct 15th), and no later than Oct 30th. **Third:** PP payments are made to compensate the producer for **ACTUALLY INCURRED** pre-planting costs and documentation must be provided to prove that such costs have actually been

incurred. **Fourth:** PP Claims are paid at 60% of the applicable Multi-Peril Guarantee AND the premium is still billed for the PP Units. **Lastly:** If the PP acres are hayed or grazed during the crop year or planted to another crop in the spring (for example), all or part of the PP claim indemnity may be required to be paid back to the insurance company.



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All crop insurance companies now accept electronic payments and can pay claims with electronic deposit

Carbon Credits are coming!

Regardless of what we may think, understand, or don't understand (at this point), Carbon Reduction—and the accompanying Carbon Credits will be hitting the production agriculture sector (crop insurance included) in earnest within the next 2-5 years. This is because the federal government has allocated more than \$21 billion in Grant Funding to "Green Initiatives". Companies, such as FedEx, have openly pledged to be completely "Carbon Neutral" within the next 10-15 years — and the agriculture sector will be looked to as one of the primary markets. The companies, like FedEx, will likely be partnering with third-parties to facilitate relationships with agriculture producers and codify those

relationships in the next 2-5 years (hence that short-term timeframe in the first sentence.)

What does all this mean for you? No specifics at this point, but as we know, the production agriculture sector is one of the most environmentally responsible industries. The job is literally taking care of the ground and doing it to the best of your ability. So if other industries are forced by the government to offset their practices by paying farmers/ranchers to do what they already do (I.E. offset) — why not pay attention to how this market is developing in the next few years. It may be additional income to your operation because there is real interest in a \$21 billion "pie". Stay tuned!

PRF Policy

The Pasture, Rangeland, Forage (PRF) policy provides coverage on your pasture or hayland acres. The program is designed to cover replacement feed costs when a loss of forage for grazing or harvested for hay is experienced due to lack of precipitation. **SALES CLOSING DATE IS DECEMBER 1ST.**

The policy has several improvement in the last couple of years:

- 1) Subsidy increased to more than 50% of premium (previously it was less than 20%);
- 2) Billing Date is September 1st of the following year;
- 3) Increased number of Weather Reporting Stations to ensure greater accuracy of data

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