

# THE HOME AGENCY

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# President's Thoughts



FROM THE DESK OF JIM BALDONADO...

**G**reetings! When I write my article, I try to wait until the very last day possible to be as current as I possibly can. I also like to look back at articles I have written in magazines for the same time frame for the last two years.

If you can remember, two years ago I wrote on July 13th that it felt like it was the middle of October; cloudy skies, rain and temps in the mid-70s. Very little irrigation had been done and no wheat had been harvested.

Well, jump forward to last year and we couldn't catch a break. Irrigation in some areas started in late May, we couldn't buy rain and 100 degree temps were very common. I also stated that in the middle of June last year December corn was trading at 5.13 and on July 3rd, 2012, corn quotes at 6.74. November beans in

Commodity Prices <i>CHART 1.1</i> 2012	
Mid June 2012 Dec Corn \$5.13	July 3, 2012 Dec Corn \$6.74
Mid June 2012 Nov Beans \$13.75	July 3, 2012 Nov Beans \$14.74
Mid June 2012 July Wheat \$6.38	July 3, 2012 July Wheat \$7.85

middle of June 2012 were at 13.75, and on July 3rd, 2012 they were at 14.74. July wheat the middle of June last year was at 6.38 and on July 3rd it was at 7.85. (Chart 1.1)

Oh, what a difference a year makes!

Jump forward to this year now and we have had a few rains, at least enough in most areas to get our pastures going. The length of time the cattle will be able to stay in them though, only time will tell. Now, remember I'm speaking about south central Nebraska, southwest Nebraska, and the west half of Kansas and

eastern Colorado. Those who live in eastern Nebraska, western Iowa and eastern Kansas seem to be the lucky ones this year with all the rain.

We are just starting to get some good heat unlike last year when it was so unbearably hot. Now looking at the prices for this year (Chart 1.2), December corn 2013 closed Friday, July 5th, at 4.91 and a year ago at 6.74. November soybeans on July 5th, 2013, closed at 12.28 and a year ago 14.74. And July wheat was at 7.85 on July 12th, 2012, and one year later was at 6.76. Irrigation is in full bore now and a nice two inch rain would really be great. But

Commodity Prices <i>CHART 1.2</i> 2012 vs 2013	
July 3, 2012 Dec Corn \$6.74	July 5, 2013 Dec Corn \$4.91
July 3, 2012 Nov Beans \$14.74	July 5, 2013 Nov Beans \$12.28
July 3, 2012 July Wheat \$7.85	July 5, 2013 July Wheat \$6.76

for the most part we have had very little hail and our irrigated crops look fantastic. Our dry land crops, depending on where you live, look fairly good. They start rolling up in late afternoons, but still look okay. Remember, I am writing this July 6th.

When you read this the first week of August, I hope some things change a little. Mainly that we get some timely rains, the hail stays away and the markets become our friends again. Like I said earlier, oh, what a difference a year makes.

## REVENUE POLICIES

Something to be thankful for is that most of you purchased a revenue policy which locks you in at this past February's December corn and November beans prices. Remember, those prices were 5.65 on corn and 12.87 on soybeans. So when marketing your grain you know you will either raise your guarantee bushels at 5.65 on corn or 12.87 on soybeans, or if the market goes down like it is now, it will take more bushels at a lower price to get you what you were guaranteed in February. For example, 5.65 base price for corn, times your guarantee of 150 bushel, which is 75 percent level for Multi-Peril on 200 bushel corn, 5.65 times 150 bushel equals 847.50.

Now, let's say prices continue to go down and the average price on December corn during the month of October averages 4.50. So now divide 4.50 into 5.65 base price, and you get a factor of 1.255. Take your Multi-Peril guarantee of 150 times the factor of 125 and you get 188.3 bushel. This number now becomes your new trigger yield bushel for payment. As it now takes 188.3 bushel at 4.50 to get the 847.50 which is what 150 bushel at 5.65 guaranteed you in February.

You have heard me say a number of times, prices go down, guaranteed or trigger yield bushels go up. Prices go up, guaranteed bushels stayed same. Hopefully some things change soon with these markets or we will be having a number of revenue losses this fall.

Some of you that have been around for awhile will remember when we had CRC plus. It added extra dollars to our base price,

and back then you could almost guarantee the price falling at harvest. This is just one of the reasons I always like to talk about higher levels of insurance.

In the prior example, if you would have purchased 85 percent level, your guarantee would have been 200 times 85 percent equals 170 bushel, and if the market goes to 4.50, you would take 170 times 1.255 and now your trigger yield bushels are 213.4.

Now, let's say you raise your APH of 200 bushel. You are short 13.4 bushel times 4.50 and you get \$60.30, which is your claim per acre. In some areas this will pay your entire Multi-Peril premium, and in others it will pay most of your premium, where the 80 percent or lower will pay you nothing. There is a good reason why some of you purchased higher levels.

I understand hindsight is 20/20, but looking at The Home Agency's website, I see that on September 17, 2012, December 2013 corn closed at \$6.65, and on September 14, 2012, November beans closed at \$14.09. That's a \$1.74 decrease on corn and a \$1.81 decrease on soybeans from the highs last September on

2013 Corn & Soybean Prices <i>CHART 1.3</i> Highs & Today	
Sept 17, 2012 2013 Dec Corn \$6.65	July 5, 2013 Dec Corn \$4.91
Sept 14, 2012 2013 Nov Beans \$14.09	July 5, 2013 Nov Beans \$12.28

this year's corn and soybean prices that we have today (Chart 1.3). I always say that it's hard to

go broke when you're making money. Figure out what a good rate of return is, and use your crop insurance as a tool to market your grain with very little risk.

PIVOT COVERAGE

For years I have been trying to get a Diversified Ag contract that covers pivots and it finally happened. There are several things I really like about the policy. First, it is a stand-alone pivot company; they don't have to have the farm coverages written along with the pivot policy. This means you don't have to worry about having a loss on your pivots and it affecting your farm and auto policies. If the pivots are written as part of the farm policy it's possible you could have a few pivot losses and your farm policy could be non-renewed due to either frequency of losses or loss ratio.

In addition, most loss adjustments can be made through your local dealer where the pivot was purchased, which is fantastic.

The company also offers replacement cost coverage on pivots up to twenty-five years of age and not the standard 5, 7, or 10 offered by most companies.

Give The Home Agency a call with all of your pivot questions!

FAMILY AND FRIENDS

As most of you know, I have two things I really love to do, one is snow skiing and the other is fishing. It's been a great year fishing for walleye. As you can see from the pictures, some really nice ones have been caught. In the pictures below, starting on the left side is Uncle Bud Lovitt from Arkansas. He came to visit and caught this very nice 24" walleye. Next is a new fishing buddy, Jason Seim, who I have learned more about walleye fishing from during our 11 hour long day. He caught a 25.5" walleye that day. Shannon Poggendorf caught this nice 25" walleye and Hudson wanted in on the picture. And the last picture is of Carter Davis. He caught a nice seven pound catfish.

The rule with Jason the day we went fishing was that all walleye over 21 inches long must be released. I really like putting the big ones back hoping someone else will get the chance to reel a big one in like we did. Maybe it will be Hudson or Axten a few years down the road!

The picture on the opposite page is from when Axten and I were jigging for crappie at our house on Plum Creek. Uncle Bud and Hudson were doing the same thing that evening. Axten seemed to like it pretty well, but he got heavy wearing him like that!

I love spending time with family and friends on the water and for any of you that would like to go just give me a call. I would love to take you if we can make it work! Even better yet would be taking you with your kids and/or grandkids!

With these hot summer days we are having, we all get hot and tired quickly, so slow down, go inside and cool down. Stay safe! There's always another day and we all want to be in it! ■

*fin*







# Crop Insurance Corner

By Cindy Davis

There is no doubt that the 2012 crop year will be a year to remember. The drought of summer 2012 affected over sixty percent of the contiguous United States, and while there has been some relief in the last couple months, we can only hope it continues to improve in the near future. The 2012 crop year claims are nearing a record setting \$17 billion of indemnities paid to producers. (This information was as of April 22, 2013.) Without the vital protection that crop insurance provides, some producers wouldn't have acres planted for the 2013 crop year; they couldn't have purchased their fertilizer months in advance, and may not have received their operating loans from financial institutions. Crop insurance continues to play an imperative role for America's farmers!

In April of this year, the NCIS (National Crop Insurance Services) issued a very detailed question and answer document, "Crop Insurance: Just the Facts", addressing critics and some common questions of the crop insurance program such as: "How does crop insurance benefit the public?", "What is the role of the federal government in the crop insurance program?," and "Should the federal government share in insurance losses?." The article was very interesting and gave some thorough explanations and facts on this essential program. This complete piece can be found at <http://www.cropinsuranceinamerica.org> and then choosing the "about crop insurance" tab. In April, NCIS also published agriculture factsheets for each state. Below are some highlights for our region.

## Nebraska

- Nebraska's agriculture industry contributes more than \$18 billion to the state's economy.
- Crop insurance protected \$8.7 billion of liability on growing crops in Nebraska in 2012. There were 15.7 million acres insured and more than \$1.4 billion paid to farmers in indemnities for production and/or revenue losses.

## Iowa

- Iowa ranks first in the U.S. in corn, soybean, hog, and egg production with the agricultural industry contributing more than \$24.6 billion in farm receipts in 2011 to the state's economy.
- Crop insurance protected \$15 billion of liability on growing crops in Iowa in 2012. There were 22 million acres insured and more than \$1.7 billion was paid to farmers in indemnities for production and/or revenue losses.

## Kansas

- Kansas is an important agriculture state, ranking seventh among states in total agriculture production, with farms contributing over \$15 billion to the state's economy annually.
- Crop insurance protected \$5.7 billion of liability on growing crops in Kansas in 2012. There were 18.3 million acres insured and more than \$1.3 billion was paid to farmers in indemnities for production and/or revenue losses.

## Colorado

- Colorado's agriculture industry contributes more than \$6.8 billion to the state's economy.
- Crop insurance protected \$1.4 billion of liability on growing crops in Colorado in 2012. There were 6.1 million acres insured and more than \$254 million was paid to farmers in indemnities for production and/or revenue losses.

## WHEAT PRODUCTION NEEDED

It's that time of year again, wheat harvest is complete and hopefully went well for everyone, row crop harvest will be here before we know it, as well as sign up for next year's wheat crop coverage – throw in the drilling of the 2014 wheat, and I'd say this will make for a busy three months. First things first, your agent is in need of your wheat production, if you have not already submitted that information; so they can update your databases and check for any losses. The harvest prices for wheat in our area are set either in June or July, depending on your state. The chart for these prices and dates is shown below.

2013 Winter Wheat Prices and Harvest Tracking Dates		
State	Projected Price-Yield Protection (YP) and Revenue Protection (RP)	Harvest Price Tracking Dates*-Revenue Protection (RP)
NE, CO, SD	\$8.79	Sept KCBOT July 1-July 31
KS	\$8.78	\$7.22
IA	\$8.57	Sept CBOT July 1-July 31

## PRECISION FARMING

More and more producers are using precision farming technologies in their operations. In order to use records from these systems for crop insurance purposes, there are several requirements that must be met, beginning with planting data. The following is a summary of the guidelines pertaining to Precision Farming and crop insurance records. If you will be using these systems to report acres, and/or harvested production be sure to let your agent know.

**Companies do advise that producers maintain alternate records by unit in the event the precision farming records are determined unacceptable.**

Acceptable Precision Farming Systems must include at least the following components:

- (1) GPS technology integrated with planter monitors, combine monitors, yield mapping software
- (2) Planting and harvesting summary reporting; and

- (3) Calibrations performed per manufacturer's requirements.

For production records from these systems to be acceptable, the producer must provide the following information, in conjunction with planting data:

- Calibration of the automated yield monitoring system
- Insured's name
- Unit number
- FSA farm/tract/field ID number
- A printout, **by unit**, of the following precision farming technology information: Crop name, acres planted/acres harvested, date harvested, total production (unadjusted for moisture), average moisture content and yield maps and acreage/production summary records. These records must show separate production records were maintained by unit and/or practice.

### 2013 ROW CROP HARVEST

As you begin row crop harvest, we encourage you to call your agent at the first sign of a loss. Don't wait until harvest is complete to report to your agent. Companies must adhere to strict rules regarding losses, and the common crop policy states you must give notice, by unit, within 72 hours of your initial discovery of damage or loss of production (but not later than 15 days after the end of the insurance period, even if you have not harvested the crop).

Be sure to keep your production separate by unit, even if you elected Enterprise Units. It seems each year we see units that have to be combined because production was commingled – and in some cases this has taken a producer completely out of a loss. The sooner your agent has your production the better.

If you purchased a **production hail** policy this year, those claims cannot be finalized until your production has been received. We recommend you keep production separate by field and/or pivot in the case of production hail claims.

If you will be chopping any acres for silage, be sure to contact your agent **prior** to doing so, and never destroy any acres without prior approval from an adjuster; this could result in a very negative impact on your APH.

The following chart shows the 2013 projected prices for corn, grain sorghum and soybeans, as well as the tracking dates for the Harvest Price on Revenue Protection plans.

2013 Spring Crop Prices & Harvest Tracking Dates			
Crop	States	Projected Price Set-Yield Protection (YP) and Revenue Protection (RP)	Harvest Price Tracking Dates-Revenue Protection (RP)
<b>Corn</b>	CO, IA, KS, NE, SD	\$5.65	Dec Corn CBOT Oct 1-Oct 31
<b>Grain Sorghum</b>	CO, IA, KS, NE, SD	\$5.53	*Dec Corn CBOT Oct 1-Oct 31
<b>Soybeans</b>	CO, IA, KS, NE, SD	\$12.87	Nov Sbean CBOT Oct 1-Oct 31
*Multiplied by the price percentage relationship between grain sorghum and corn as determined by RMA.			

### 2014 WHEAT

The 2014 wheat crop year will soon be underway. The **Sales Closing Deadline is September 30, 2013**. Be sure to meet with your agent prior to this date to make any necessary changes to your wheat policy. Below are a few things to review with your agent:

- Verify all social security numbers and/or EIN's on your policy, as well as the entity type. (Have you created a new trust or partnership or corporation, has anyone passed away who is currently listed on the policy, has there been a marriage, or divorce? These are all instances that need to be addressed at Sales Closing).
- Do you have a policy for all counties in which you plan to plant and insure wheat?
- Will you be insuring for your landlord or tenant? This type of agreement must also be put in place prior to Sales Closing.
- RMA re-classifies high risk land frequently – review your ground with your agent to make sure it isn't included in this classification. If you do have ground located in high-risk areas, there are options available, but they need to be addressed prior to the Sales Closing Deadline.
- Will you be breaking out new ground, or have ground that has not been planted and insured in 1 of the last 3 crop years? A new break written agreement may be required and is due at Sales Closing as well.
- New Producer – RMA is actively data mining on this procedure. A new producer is defined by the crop insurance handbook as: A person who has not been actively engaged in farming for a share of the production of the insured crop in the county for more than two APH crop years. If this describes your situation on any crop, be sure to discuss this with your agent. If your tax id is linked to another entity with additional years of history on the crop, this could take you out of new producer status also, and possibly reduce your yields.
- Sales Closing is also the time to visit with your agent about coverage for hay land or grazing land. Check with your FSA office to see if coverage must be obtained to comply with any government programs. Your agent can tell you which crop insurance options are available in your county, such as PRF policies and/or forage plans.

### FARM BILL

Looking back at last year's article I made the comment that with any luck we would have a new Farm Bill soon. Well, obviously the luck ran out; a year later we are still without the new Farm Bill, however; just this week (mid-June) the Senate did their part and passed their version of the 2013 Farm Bill by a vote of 66-27. Work will now continue as the bill moves to the US House of Representatives for debate and perhaps to a "conference committee" following that. A long time in the making for this new Farm Bill but hopefully worth the wait and the crop insurance industry will not have to withstand any new cuts.

If you have any questions, don't hesitate to give us a call. We wish you all a safe harvest! ■

# Cattle News



## COOLER SPRING AIDS THE DROUGHT: PASTURES ARE GREEN

By Arlyn Rieker

As we move into the summer of 2013, what does Mother Nature have in store for us? Compared to the early heat and wind last year, this year we have had a cooler spring which has helped the grass situation a great deal. As of now (mid-June), we have green grass in the pastures and the cows that have been taken to grass are enjoying it. Personally, we delayed bringing in cattle to our pasture until the first of June and reduced the number of head grazing so hopefully with some moisture we can extend our grazing period through the summer and fall.

How does this effect LRP you might ask? As this heat continues (tomorrow is forecasted to be 98 degrees with more wind) producers are already discussing early weaning in order to preserve as much forage as possible for cows. Some producers I have visited with have been fortunate enough to have had rain and are hoping to get through to their normal weaning time. We want to make sure producers understand the effect early weaning and selling could have on their LRP coverage. It is important for all producers with LRP contracts to be aware of and understand the policy provision that you have to have the cattle at least 30 days prior to the end date of the contract.

For example: if the coverage ending date is October 30<sup>th</sup>, the producer is required to have the cattle as of October 1st in order for the coverage to stay in effect. After this date, with feeder cattle, the producer can sell or retain ownership and it has no bearing on the coverage. However, if he sells more than 30 days prior to the end date, it voids the coverage.

Below, I have listed some of the coverages we have written on 599# and 600-900# steers, and as you can see, some of the ending dates are in August and September for producers that may not have the feed or pasture resources to get their cattle to

Steers Type 1 <599#			Steers Type 2 600-900#		
Contract Date	Ending Date	LRP Coverage Price	Contract Date	Ending Date	LRP Coverage Price
2/7/13	11/7/13	\$177.79	1/8/13	8/6/13	\$161.75
4/1/13	8/26/13	\$169.39	2/5/13	8/6/13	\$159.69
4/2/13	10/29/13	\$171.60	4/24/13	9/18/13	\$151.83
4/24/13	10/23/13	\$169.30			

their normal marketing time later in the fall. If they can retain ownership and have enough feed supplies, these producers have discussed purchasing more coverage after their initial contracts expire.

It's also worth noting that due to the extreme drought conditions during the 2012 LRP crop year, RMA (Risk Management Agency) waived the 30 day requirement so if a producer had an indemnity, the revenue losses were still paid on the LRP contracts even if the cattle were sold more than 30 days prior. To date, RMA has not waived this requirement for the 2013 LRP crop year.

The flexibility of the LRP policy is one of the things I like about it, which allows you to establish an ending date anytime throughout the year to match with your time of marketing, so we can personalize the coverage for each producer's unique situation.

A final note: on some of the policies written in January 2013 on 900# steers, producers were paid losses of \$138/head on contracts that expired during April as the market softened. If your coverage is written timely, it can have a positive effect on your bottom line.

Feel free to call if you have questions and we will be happy to discuss your LRP needs.

Hope you all get some rain! ■

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# Insuring ATVs

## RISK MANAGING ALL-TERRAIN VEHICLES

By Diane O'Donnell

A property owner who owns a 70 acre farm was asked to allow friends with ATV's to access the property for off-road riding. He was concerned about the liability associated with this permission should he consent. Does his insurance protect him? Is there anything else he can do?

In the field of risk management, there are several methods of handling risk. One of those is called "avoidance". The best risk decision is to not give permission for the use of ATV's on property you own. Jim Mahurin, CPCU, ARM is a Nashville, TN based risk management and insurance consultant who has seen "friendly" situations such as this escalate into extraordinary liability claims once a serious injury transpires.

ATV operation is dangerous. A sizeable number of mostly young people are killed on these machines every year. A far larger number suffer catastrophic injury. The injury profile arising from ATV use includes a high incidence of debilitating intracranial and cervical trauma. If the riders wear helmets, the injury patterns are more upper and lower cervical with a reduced incidence of intracranial trauma. The secondary traumatic pattern tends toward legs and pelvis areas. A not uncommon problem is brain embolism. Both primary and secondary traumatic injury patterns frequently result in permanent disability or death.

ATV operators are usually young and the costs associated with fatalities often pale in comparison to the expense of caring for a permanently and totally disabled youth. As you pose the question about reducing or transferring liability, let me suggest you assume the situation from which you have to defend yourself is a quadriplegic or catastrophic brain injured youth facing fifty years of nursing home confinement. This is more common than you think and juries are quite sympathetic.

The industry has worked to develop some procedures for the operation of ATV's on private land and address the issue of liability. The industry materials are usually available from ATV dealers.

The issues of liability are complicated. Since each state has differing laws with regard to negligence, the involvement of an attorney is very important. A separate problem with ATV operation is the uninvited user. If an area is used by one party, other ATV riders may show up uninvited and use the site as if it were public property. This creates a different set of problems.

In addition, the landowner would want evidence that the ATV owners/riders have insurance. In general, if they have homeowner's coverage, it will not protect them or persons they injure while using an owned ATV off their own premises. Special recreational vehicle policies are usually necessary and they should be written with very high limits of liability and most likely in conjunction with a personal umbrella policy with at least \$2 million limits.

Please contact your agent at The Home Agency with any questions you may have on ATV coverages.

Here are some web sites with info about ATV's and accident statistics:

- Study Web- [www.studyweb.com/links/3639.html](http://www.studyweb.com/links/3639.html)
- Children's Safety Network – [www.cdc.gov/niosh/nasd/doc-s4wi98001b.html](http://www.cdc.gov/niosh/nasd/doc-s4wi98001b.html)
- Risk Management Internet Services (subscription only) – [www.rmis.com/sites/safsport.htm](http://www.rmis.com/sites/safsport.htm) ■

Information provided by ILABA Virtual University at <http://vu.iiiaa.net>



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"Medical Bankruptcy in the United States, 2007: Results of a National Study," *The American Journal of Medicine*, 2009.

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# Health & Wellness



## READING NUTRITION LABELS

By Morgan Yardley

**M**ost people know there is a nutrition label on all of our food products, but have you really taken time to read these labels? They can be very helpful when you know what your body needs nutritionally on a daily basis. If you look at a nutrition label you will see lots of numbers, percentages, and words that some consumers may not even be able to pronounce. Well, understanding the information on nutrition labels can help you make informed and hopefully healthier food choices. I think some of you may be surprised at what all is in the products you purchase!

### STEP 1: START BY READING THE SERVING SIZE OF THE FOOD YOU ARE EATING

Let's take cereal for example. On average the serving size is  $\frac{3}{4}$  cup. Many of us will eat about double that if we just pour it into a bowl. Therefore your serving size will increase. Knowing the exact serving size will keep you on track to staying within a 2,000 calorie intake for the day. (2,000 calories is the daily average recommended for most of us, although this can vary based on your specific needs).

### STEP 2: TOTAL UP THE CALORIES AND CALORIES FROM FAT

If you eat more than one serving you will need to calculate this accordingly and add the total to your daily calorie count.

### STEP 3: TOTAL UP THE TOTAL FAT

Total fat includes both fats that are good for you (monounsaturated, polyunsaturated and omega-3 fats) as well as fats that are not good for you (saturated and trans fat). Limit yourself to 56-78 grams of fat per day with that consisting of no more than 16 grams saturated fat and less than 2 grams Trans fat.

### STEP 4: KNOW THE SODIUM CONTENT

Sodium is found in many processed foods including soups and

tomato sauces. Sodium is table salt which is not good for you if you eat too much.

### STEP 5: LOOK AT THE CHOLESTEROL

There are two types of cholesterol, HDL (the good cholesterol) and LDL (the bad cholesterol). Keep your daily cholesterol intake at less than 300mg.

### STEP 6: KNOW YOUR CARBOHYDRATE INTAKE

This one is important if you are counting carbohydrates or are on a low carb diet. Make sure you stay within reason for this because some carbohydrates become sugar when they are digested.

### STEP 7: FIBER

More fiber the better for you! Your body functions better when you have plenty of fiber in your system. But do remember to drink plenty of water if you are on a high fiber diet!

### STEP 8: PAY ATTENTION TO THE AMOUNT OF SUGAR PER SERVING

Many of us eat way too much sugar in a given day. I just started looking at this in what I eat and purchase and I was very surprised! Women should consume no more than 30 grams of sugar per day and men should consume no more than 45 grams per day.

### STEP 9: CHECK OUT THE PROTEIN

Protein is very good for us. The more you consume the better. It keeps us strong and lean. Keep in mind you don't need to eat red meat every day to get your protein. Switch it up with chicken, pork, seafood, low fat dairy or beans (such as pinto, kidney, garbanzo and soybeans) and nuts.

### STEP 10: VITAMINS, MINERALS AND MORE VITAMINS

It's important to make sure you reach your 100% daily intake for vitamins A, B, C, E and minerals such as iron and calcium. All of these vitamins and minerals are a necessary daily for our bodies to be healthy. If you are not getting 100% from your diet, then you could take a multi-vitamin.

If dealing with percentages is easier for you, just add the percentages for each of the listed items to help you reach the recommended daily amounts (higher for things like fiber and vitamins and lower for items like fats and cholesterol)

I think many of us would be surprised at how many calories we eat in a day, let alone how many nutrients we are missing. Start by looking at the nutrition facts and figuring out what you consume in a day. You may be very surprised! ■

References: [www.heart.org](http://www.heart.org) and [www.wikibow.com](http://www.wikibow.com)





Name: *Justin and Sara Sloan*

Hotel: *Cancun Hard Rock*

What was the best part about your trip: *Being able to relax and enjoy the scenery.*

What extras did you partake in: *We went on the boat tour around Cancun, spent some time in the spa, had pictures taken, went to an amazing wine tasting and we went and got massages.*

What did you think of the ocean/beach: *It was very pretty.*

What was the pool life like: *It was a lot of fun, we met a really awesome bartender who was a real joy to be around and made you feel at home.*

What would you tell people heading to Mexico: *Take the time to do extras; they are a lot of fun and a great experience.*

How many times have you traveled with us: *One time with Cancun VIP Reservations*

If you can, sum up your trip in a sentence: *A great time with lots of options and very helpful people at the resort.*



Name: *Gale and Sara Dinkelmen*

Hotel: *Cancun Hard Rock*

What was the best part about your trip: *All inclusive!*

What extras did you partake in: *None this time around.*

What did you think of the ocean/beach: *Perfect, we got lucky with the weather!*

What was the pool life like: *Really fun, love the pool bars.*

What would you tell people heading to Mexico: *We felt completely safe traveling to the resort area; Beautiful weather; No problem with language, as you can always find someone who speaks English.*

How many times have you traveled with us: *We have traveled with Cancun VIP Reservations four times.*



Name: *Steve and Jeannie Johnson*

Hotel: *Cancun Hard Rock*

What was the best part about your trip: *The beach, pool and the warm weather we had in January when we traveled.*

What extras did you partake in: *We have done snorkeling, golfing, submarine reef tour and the romantic dinner that they offer.*

What did you think of the ocean/beach: *The beach is one of my favorites.*

What was the pool life like: *The pool is always a great time!*

What would you tell people heading to Mexico: *If you like a break from winter and love the sun and water, it is perfect for you.*

How many times have you traveled with us: *We have traveled with Cancun VIP Reservations four times.*

If you can, sum up your trip in a sentence: *We loved every minute of it!*



Name: *Enos and Jill Grauerholz*

Hotel: *Cancun Hard Rock*

What was the best part about your trip: *All inclusive food and drink.*

What extras did you partake in:

*Para-sailing, downtown restaurants, trip to Cozumel by ferry and golf.*

What did you think of the ocean/beach: *The ocean is clear and blue and beautiful.*

What was the pool life like: *Relaxing in the morning, fun and entertaining in the afternoon.*

What would you tell people heading to Mexico: *It is safe and very very CLEAN. Service is amazing.*

How many times have you traveled with us: *Six or seven times with Cancun VIP Reservations. We'll never miss it again!*

If you can, sum up your trip in a sentence: *Relaxing, exciting and a beautiful getaway.*



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myardley@thehomeagency.com

**210 Smith Ave**  
**PO Box 326**

**Cell: 402.314.5338**

**Elwood, NE 68937**

**Office: 800-245-4241**

**Fax: 308-785-2560**

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# LegalShield

## LEGAL TIPS EVERY PARENT SHOULD KNOW

**T**he Home Agency has been working with LegalShield for the past few years to provide our customers with legal services and identity theft protection. There are numerous ways LegalShield can help protect you and your family. Once you sign up for LegalShield you will be provided with your LegalShield provider law firm that you will work with on any legal issues or questions you may have. This article is going to focus on legal tips that every parent should know.

Whether you are expecting, preparing to adopt or already have children, it is important to make sure your family is legally protected. It is never too early to prepare for your children's future, but waiting to prepare could be disastrous. These tips are designed to help guide parents through the planning process.

- **Develop an Estate Plan** –Protect your family's financial interests with an estate plan. You may start by completing the LegalShield will questionnaire, which you can obtain by calling LegalShield or your provider law firm after you sign up for LegalShield's services.
- **Carefully Select a Guardian (Custodian)** –Selecting a guardian for your children can be difficult for many reasons. However, it is important to carefully consider the willingness, financial responsibility, age and health of a potential guardian. It may be beneficial to appoint a separate trustee (conservator) to govern your children's finances. Your provider law firm can help you understand the laws where you live and guide you towards the best decision for your family.
- **Purchase Life Insurance** –Term life insurance is often more affordable for parents, but examine all of the options available and consider how much your children would need if something were to happen to you. It may be beneficial for women planning a pregnancy to purchase life insurance before becoming pregnant. Some health issues that

may arise during or after pregnancy could affect the cost or ability to purchase insurance.

- **Review Health Coverage** –Examine the costs and exclusions included in your health insurance plan. Adding a child or children can be expensive. Expectant parents should also understand the potential costs of labor and delivery and save accordingly.
- **Know Your Employer's Leave Policies** –Some policies may be governed by state or federal law while others may be at the discretion of your employer. Discuss your rights with your LegalShield provider law firm.
- **Consider Short- and Long-term Disability Insurance** –Working mothers should prepare for maternity leave by purchasing short-term disability insurance to cover any unpaid portion of their leave. This insurance generally needs to be purchased before becoming pregnant so plan accordingly. Long-term disability insurance is every bit as vital as life insurance. An extended illness can be financially devastating. Before you sign up for any insurance have your LegalShield provider law firm review the terms.
- **Savings** –It is important to save first for emergencies. Once you have enough savings to cover one to two months without income you should begin saving for your children's education. There are multiple options for college savings such as prepaid tuition plans and tax-advantaged savings plans. Examine all of your options to find out which plan is best for your family. Your LegalShield provider law firm can help you understand the terms and legal ramifications involved in saving for college.

If you have questions about how LegalShield can help you and your family, please give The Home Agency a call at 800-245-4241 and an agent will walk you through it. ■

*Information for this article is taken from LegalShield's Legal News, Issue 8, Volume 2, June 2013.*

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Identity Theft Shield is a product of Legal Shield which gives you access to the resources you need to understand your credit score and to fight the ID theft protection battle. Identity Theft Shield is designed to alert you to suspicious account activity, to restore any resulting damage to your credit history and to reimburse you for covered personal expenses you may incur in the process, and with the added benefit of legal consultation, Identity Theft Shield is easily the strongest ID theft protection plan available.

*"The average identity theft victim spends more than \$1200 in the quest to clear his or her name."*  
-Federal Trade Commission

*10.2% of children reported that someone else had used their social security number fraudulently."*  
-Creditreport.org



## INSURANCE FEATURES AND BENEFITS FOR IRRIGATION EQUIPMENT

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*Following is a list of the most common insurance perils encountered.  
Most claims can be adjusted through your local dealer.*

DIVERSIFIED AG	PERIL/LOSS	STANDARD FARM & RANCH POLICY
Yes	THEFT	Yes
Yes	VANDALISM/MALICIOUS MISCHIEF	No
Yes	WIND/TORNADO	Yes
Yes	REPLACEMENT COST COVERAGE (On units less than 25 years old)	Varies
Yes	HAIL	Yes
Yes	FIRE	Yes
Yes	LIGHTNING	Most
Yes	FLOOD	No
Yes	COLLISION WITH FARM IMPLEMENTS	No
Yes	RODENT DAMAGE	No
Yes*	MECHANICAL/ELECTRICAL FAILURE	No

\*Added by Endorsement

**Call The Home Agency for more information about  
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*Sara Ross*

SUN  
Sce



*Chris Barnes*



*Peg Christiansen*



*Chris*



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# Regional Office News



## STRATTON, CO

By Penni Fox

**A**s I write this Colorado is once again facing the devastation of wildfires. They are calling the Black Forest fire the largest Colorado has ever seen. To date it has engulfed over 16,000 acres, destroyed almost 500 homes and taken two lives with the fire burning strong. It hits close to home having cousins that are only four miles away but blessed to have the interstate separating them. Watching the news I kept thinking how it could be any of us facing the same tragedy with the dry conditions and strong hot winds. This leads me to the 4 P's of fire safety.

**Prevention-** Make sure when you are leaving your home that appliances (curling irons, coffee makers, clothes dryers, candle warmers, etc) are off and no candles are left burning.

**Prepared-** Purchase home fire extinguishers. They are available at hardware stores and are relatively inexpensive. Make sure **all family** members know where they are located and how to use them. Teach your children and grandchildren the difference between putting out a fire with water versus a grease fire which is put out with an extinguisher, flour, corn starch or baking soda. Grease fires need to be smothered. Water will only ignite them further.

**Planning-** Implement a detailed home evacuation. Make a blueprint of the layout of your home and highlight the emergency routes and exits in red. Post in each of your children's bedrooms and common areas. Decide on a safe place for everyone to join back together. If you have an elderly neighbor, include them in your plan.

**Practice-** Once a month practice, practice, practice. It may seem like over kill but when it becomes natural on how to get out and where to go it will soften the panic in case of a fire. Teach your children what to say to 911 if they are the one making the call. Tell their name, parent's name, address and cell phone number. Keeping calm will help them get the information out, allow the

dispatcher to understand and teach them how to be in control of an emergency.

I hope everyone is enjoying summer. Thank you for your loyalty and entrusting me with your insurance needs. ■

## MCCLELLAND, IA

By Kevin Ross

Around here things are starting to finally shape up. It has been a long spring to say the least with rains every couple days. We have been fortunate to have missed the torrential rains in our area as most were to the north and east

of us, hitting nearly all of Iowa at some point this spring and in many cases multiple times. I would estimate the crops hereto be anywhere from two weeks to a month behind our normal schedule close to home.

There is little prevent plant in southwest Iowa, but in many other parts of the state farmers are dealing with that scenario who have never once thought about that being an option. Most of those acres are in the north central to northeast part of Iowa. There are also a lot of acres that would typically be corn on corn that have switched to soybeans. I don't know of many here that switched acres, although maybe my last planted corn should have been. We will know in a few months I guess. Who would have ever thought there could be this big of a difference in weather patterns so quickly? Hopefully we can catch a few timely rains this summer and come out with an abundant crop. We could sure use one to recover some markets and take some pressure off of the industry as a whole. Good luck to all in the growing season! ■

## BENKELMAN, NE

By Meghann Pursley

Units in the bucket! That's what I and other eWeather Heat Contract buyers are telling ourselves every time we go out in this scorching weather. Only in the mid-west could it be 69 degrees one day and 102 the next!

Not surprisingly, this has been a different year as far as claims go. Due to the severe drought last year and its effect on our subsoil there were many wheat claims this spring. Then the moisture we needed for the wheat came just before row crop final plant date and we were worried about getting our corn in the ground by the 25<sup>th</sup>. Up on the divide we were blessed with more rain by the middle of May than we had last spring and summer combined; hopefully it continues. It's so nice to see green pastures again. With rain comes the hail however. So far the corn and beans aren't far enough along to have been damaged much.



Just a couple reminders:

Are you following the Farm Bill updates? If not, you should be!

If you plan to chop any acres for silage, please let us know prior to doing so. We MUST have an appraisal done first.

Lack of irrigation water due to the Republican River Compact is NOT covered by Multi-Peril Insurance as it is not an act of God.

September 30<sup>th</sup> –2014 Wheat sales closing date

October 31<sup>st</sup>– Wheat claims must be filed

November 14<sup>th</sup> - Deadline for reporting wheat production

November 15<sup>th</sup> - Deadline for reporting 2014 wheat acres

December 10<sup>th</sup> -Corn and Soybean claims must be filed

*Anyone who says sunshine brings happiness has never danced in the rain. ~Author Unknown ■*

RUSKIN, NE

By Dave Meyer

It is the middle of June as I am writing this and weather-wise, so far in 2013, it has been a wild ride in south-central Nebraska. After some timely rains in the summer of 2012, for the better part of nine months, the faucet was turned off. Extremely cool conditions in March and April resulted in later than normal planting dates for corn and soybeans; then, in April and May, above normal rainfall and cool conditions continued to delay planting. After missing out on some good chances for rain in early June, it appears that we are settling in to hot and dry conditions once again.

Crop conditions vary greatly. All of the crops are behind schedule; some of the corn and beans look great, but other fields show the effects of being planted in mucky conditions. ■

CLAY CENTER, KS

By Chris Hauserman

As I write this article wheat harvest is in full swing and for the most part it has been good yields in this area. We are very fortunate as a lot of the state has experienced very poor wheat yields.

The harvest price for wheat is going to come in around \$7.22 so there will be a good revenue factor this year. Do not forget to report your production as soon as possible so we can determine if you happen to have a production or more likely a revenue loss.

Hopefully by the time you are reading this harvest is over and the fall crop fields are muddy!!! ■

BELOIT, KS

By Enos & Jill Grauerholz

Time is flying this summer! As we write this, we are getting ready for wheat harvest. Let's hope it is all finished up by the time you read this. As August gets going, we will be getting super busy with school activities. Gage is a senior this year. Not

sure how we feel about that, it is bitter sweet. Gannon is a freshman and running in cross country. Garner will be in 5<sup>th</sup> grade and playing Salvation Army football which is a great thing, but very time consuming. And of course we will be watching the Wildcats play football too!

As far as the Farm Bill goes, it is passing this week (in June). It appears all the direct payments will be gone. Support price levels in the new bill are still unrealistic. ACRE payments and the county program payments will not amount to much until corn prices reach the \$3.50/bu. level, which is \$3.00/bu. lower than we are today.

Marketing with a revenue based crop insurance policy is more important than ever. Several years of very depressed corn prices has been predicted. You need a crop insurance provider who understands cost of production forward marketing strategies. Producers can easily use their policies to market guaranteed bushels to cover high production costs. This helps us, as producers, have some control.

To bring the revenue home, you have to take action to sell it. It is much easier to make decisions when you are not being pressured with cash flow demands.

We hope to see you at our fall meeting coming up soon! ■



We have the  
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When faced with a historic drought and a record claims season in 2012, RCIS had the resources, technology, and experience to promptly pay producers' claims. If the unexpected hits your crops, you want a crop insurance provider that's prepared to respond to your claims quickly and keeps your operation going. That's RCIS.



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## HOME, KS

By Paula Brown

As I'm writing this the harvest price on wheat is tracking and revenue losses are looking likely. Our projected price set at \$8.78 and currently the harvest price is in the \$7.30 range with a couple weeks of tracking left. Higher levels of coverage may result in claims for many producers even without a production loss. You will want to get your wheat production turned in quickly so we can check for losses. Most of the wheat in our area looks better than we had expected. Freeze damage was a concern early on but appears to be minimal. Some early hail damage is paying out in a few localized areas. We have had some timely rains to bring the row crops around nicely, and after some concern over soybean stands due to crusting and getting everything timely planted, the majority of our area is in good shape. The grass looks really good and the swathers and balers are out in full force taking advantage after last year's meager crop which left little, if any, reserve. In August and September we'll be looking at options to protect the 2014 wheat crop. Crop insurance products continue to be the best defense against the unknown and uncontrollable. Thank you for your business and friendship; it is a privilege to work with you and for you. Wishing you a safe and successful harvest! ■

## KIRWIN, KS

By Rhonda Jones

Little rain – lots of wind!! That summarizes what's happening in north central Kansas. Wheat harvest had not started yet when I was writing this article in the middle of June. The cooler days in May and early June slowed the ripening of the wheat but lack of moisture was burning it up. The late freeze had farmers calling for adjusters as they were finding few berries in the heads. This is one harvest that the farmers had many obstacles to deal with. I hope everyone had a safe harvest!

Fishermen have been catching a lot of crappie this year at the Kirwin Lake. Vincent counted as many as 65 boats on the lake at one time. He and his dad went out one day and didn't catch a thing but watched everyone around them reel them in.

William and I will be married 30 years this August and our kids have planned a family vacation to Minnesota. We are looking forward to this time away from the farm for a little "R and R". Hopefully as you are reading this, the area has received more rain and the spring planted crops are looking good! ■

## LARNED, KS

By Clark Redding

One of these days I'm going to write one of these articles and begin with, "Man is it raining out there, and it's going to be one heck of a year!" I guess you all know I'm not going to do that this time. As I write, it's somewhat cooler than it has been. That would be the low 90's and not a hundred degrees. Rain in western Kansas has been spotty at best. The wheat crop west of Dodge City to the Colorado border is pretty much a wreck. For a lot of these guys this is two tough ones in a row. Not a lot of subsoil to begin spring planting, so we need rain in the worst way.

Pawnee County was lucky, in that we actually had some moisture this winter and were looking at a decent wheat crop as we rolled into spring. Some really hot weather with no rain and guess what? We're back in the same boat with the rest of western Kansas. We did get a godsend of a rain about two weeks ago, and we just might have a chance at something of a crop, but not nearly what our expectations were going into early spring. We'll take what we can get.

Eastern Colorado is drier than last year, if that's possible. No subsoil to speak of and it's hot as hell again. Rain is spotty and when it does rain, we're getting hail. There is one huge dome of heat on top of northwest Kansas, southwest Nebraska and northeast Colorado that just won't go away. It's going to take one heck of a front to move it out, and when it does, look out. Corn in eastern Colorado actually looks pretty good despite the high temps and no supplemental rainfall. However, we're gonna need some help here before it's all done.

We've had several more producers look at and purchase weather contracts to try to hedge against these conditions. Drought or heat contracts seem to be the most popular, because we've got a problem with both again this year. I keep waiting for the good old days when it rained kinda regular like. Remember? ■



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## New Agent Rana Williamson

**H**i, my name is Rana Williamson. I am an insurance agent at The Home Agency in Gothenburg. I have lived in Gothenburg my entire life. I began my insurance career in 1992 working as a receptionist and secretary for the Jorgensen Insurance Agency here in Gothenburg. In January 2002 I got my license in Property and Casualty and became the office manager for Jorgensen Insurance. I came to The Home Agency in March 2012. I have really enjoyed working with and helping people with their insurance needs the past 21 years.

I have been married to Keith Williamson for the past 30 years, and together we have two sons; Cory is 29 years old, and Zane is 24 years old. My husband is a Dawson County Deputy Sheriff. Cory, and his wife Anna, live and work in Lincoln, NE. Cory is a manager for Orkin Pest Control, and Anna works for Channel, the seed company. Zane lives in Gothenburg and is an electrician for All Anderson Electric. I love being outdoors, maintaining my yard and flowers and I golf every chance I get. And nothing clears my head more than riding my bicycle to work on warm sunny days.

I look forward to meeting and working with all of you in the future! ■

### Comments and Suggestions

Email us at  
[sross@thehomeagency.com](mailto:sross@thehomeagency.com).

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**MAY 2013 ANSWERS**

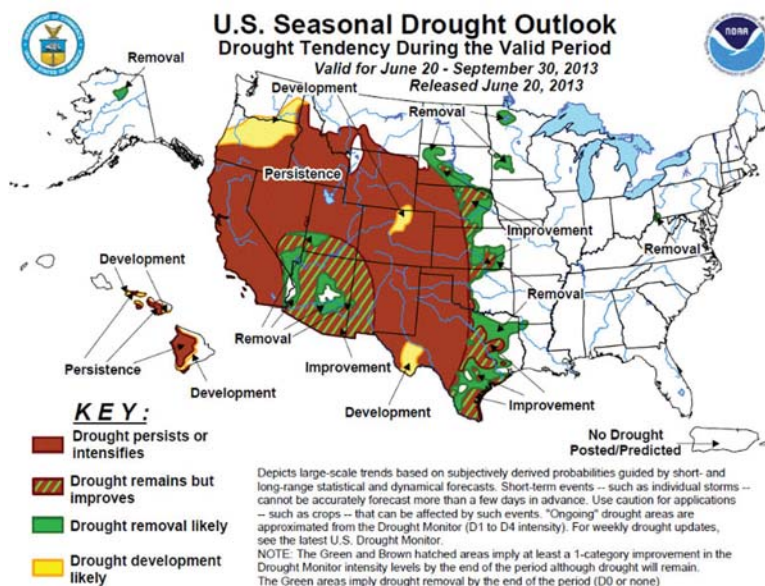


# Weather Contracts

## WHAT'S FALL OUTLOOK...

By Jim Jubb

In the last edition, we talked about the 2013 summer season and now what is forecast for the rest of 2013. As we all know, this year had some really crazy weather developments causing late spring freezes, havoc in planting and pollination and late harvest for wheat causing beans to either not be planted at all or be exceptionally late and risk of an early fall freeze. This edition, we discuss what to expect this fall and weather risk strategies you should consider.



## WHAT THE FORECASTS SHOW FOR THIS FALL...

Producers throughout The Home Agency network want to know what weather may be in store for them. Drought is still a major concern from Kansas to Nebraska and eastern Colorado and as we said earlier, freeze is also an issue with dry ground producing lower dew points and increasing freeze risk. In addition, this year's harvest moon is September 19<sup>th</sup> which brings an elevated freeze risk around that date.

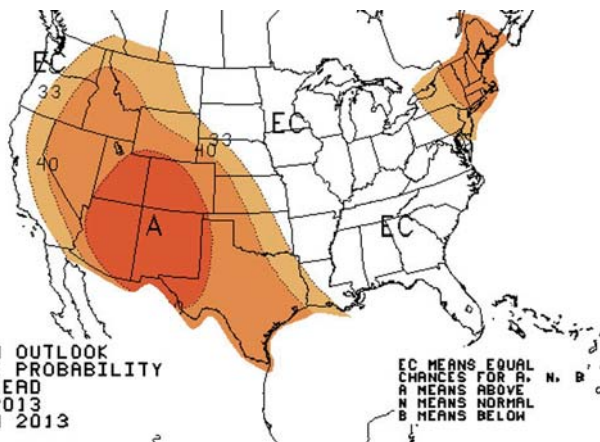
The current drought outlook updated in June to the left shows continued persistence for most of The Home Agency Network through September 30 2013. This map shows where the drought is most severe and through reinforcement by excess heat that comes with, where drought should persist. Freeze hedges and drought hedges for wheat and pasture are highly recommended. As with all weather hedges, you can purchase these ahead of time and "lock-in" your rate, term and rainfall guarantees. Talk to your The Home Agency agent about how you can get the best guarantee, now.

NOAA's temperature forecast (at the top of the next page) is for August, September and October showing above normal temperatures, affecting much of the western side of country. Throughout the Home Agency area, there is a mixed bag so-to-speak where we have the warmth moving west and south and equal chances in most of NE and eastern KS. By looking at both temperature and drought outlooks, you can develop a weather risk strategy to compliment your crop insurance or if you have grass, this shows you what to expect this season and how to protect it. We can't emphasize enough that freeze be added to your risk strategy for this fall if you are anywhere behind with your crops.





THREE-MONTH OUTLOOK  
TEMPERATURE PROBABILITY  
1.5 MONTH LEAD  
VALID ASD 2013  
MADE 20 JUN 2013



Your Home Agency Agent can give you the history for temperature and drought in your specific area plus show you various levels of protection that are available to you. The Home Agency Agent can also give you an idea where the best freeze temperature protection range might be or what the "inch guarantee" might be for drought. Then, you can find the best level to protect your profit range. Plus, they can build either a drought or freeze quote quite quickly and show you how affordable they can be. All you need to do is pick up the phone and give them a call.

## WHAT TO EXPECT IN THE FORECAST FOR THE REST 2013?

The weekly Home Agency WeatherManager has both long range forecast trends and short to medium term forecasts that can be very beneficial in your financial decisions. You can't find these on television nor hear about the long range on the radio. You can find these forecasts on the Home Agency website, though.

For a long term trend, it all depends where you are. The Home Agency's Weekly WeatherManager has the current NOAA forecasts and headlines that are important to you. To see the latest drought outlook, just type this address into any browser: [http://www.cpc.ncep.noaa.gov/products/expert\\_assessment/seasonal\\_drought.html](http://www.cpc.ncep.noaa.gov/products/expert_assessment/seasonal_drought.html).



Every week we talk about the weather that is important to your operation and offer ideas on how to hedge your weather risk

If you haven't received a copy of The Home Agency WeatherManager, simply go to <http://www.thehomeagency.com> and download the most recent one. Or call your agent and have them send one to you in the mail. ■





## This Ain't Your Daddy's Social Security Part II

By Alan E. Kuzma, CLU ChFC

**W**elcome back! This article is directed towards all you Baby Boomers out there and there are quite a few of you, 75 million to be exact; give or take a couple million.

One of the most important decisions you will need to make in the next 5-10 years is when to elect Social Security. Important in the respect that for most the part Baby Boomers have been better spenders than savers. For the average Baby Boomer Social Security will represent between 20-60% of their retirement income.

In addition, you only get one chance to make the correct Social Security Election. The difference between the best election and worst election can well be over \$100,000 of lifetime benefits in today's dollars.

### PART I

In Part 1 of this article, I gave a brief history of Social Security and an update regarding the solvency of Social Security. The good news is that Social Security is considered to be fully funded through 2036.

We also looked at the three step process as to how Social Security benefits are calculated: 1) computing the Average Index Monthly Earnings; 2) calculating the Primary Insurance Amount and 3) applying either an actuarial reduction or earning a delay retirement credit.

When is the best age to apply? Unfortunately, there is no single best age. It depends on three variables: 1) Earnings record; 2) Longevity potential; and 3) When you elect.

The last item I touched on was the use of a break even analysis to elect benefits. Essentially this says if you elect benefits at 62 you will get more checks, but they will be smaller. If you delay taking benefits until 66 your checks will be larger, but you get fewer of them. Simple math tells us that if you live longer than 74, you do better waiting until 66. If you defer until age 70 your Social Security checks will be larger still, but you need to live to at least 78 to come out here. That in a nutshell is break even analysis.

If you are single this strategy makes sense, but if you are married, read on.

### WHERE BREAK EVEN BREAKS DOWN

A recent Boston College study concluded the average couple when they elect Social Security leaves on average \$14,000 unclaimed. Please note: this figure doesn't include Survivor Benefits. In fact I regularly see mistakes that can cost couples \$20-30,000 in lifetime benefits and the number can top \$100,000.

So why does a break even analysis break down for married couples? Because they have far more election options.

Everyone can elect between ages 62-70. That's nine years for the husband and 9 years for the wife. If you think of this as a grid; that's nine elections for the husband and nine for the wife or a possible total of 81 election options. Which one is correct?



A standard Break Even analysis only looks at your benefits. A married couple has two options open to them not available for single recipients: 1) Spousal Benefits and 2) Survivor Benefits.

You need to keep in mind that Social Security was implemented in 1936. America was dramatically different. In the average household the husband earned the pay check while the wife stayed home and raised the family. The authors of Social Security recognized this valuable contribution of the wives with the aforementioned benefits.

What is a spousal benefit? A spouse is entitled to the higher of his or her own benefits (Social Security is gender neutral-the highest earning spouse is the primary the other is considered the spouse) or 50% of the Primary Worker's full retirement benefit.

### CHART 1.1

Comparisons Between Primary and Spousal Benefits		
Age	Solo (%)	Spousal (%)
62	75	70
63	80	75
64	86 2/3	83 1/3
65	93 1/3	91 2/3
66	100	100

There are differences between the Primary and Spousal Benefits. The chart to the left shows the differences between the early/late spousal calculations (Chart 1.1).

### CHART 1.2

Delayed Benefits for Singles		
Age	Solo (%)	Spousal (%)
66	100	100
67	108	100
68	116	100
69	124	100
70	132	100

In addition, Spousal Benefits don't get delayed credits (Chart 1.2).

### OVERLOOKED

One of the most overlooked areas as to when to elect benefits

is the matter of survivorship benefits. If both spouses are collecting Social Security benefits at the death of the first spouse the smaller check goes away.

To illustrate this let's look at our old grade school friends Dick and Jane. Dick has always been a max earner and his full retirement benefit (age 66) is \$2,400. Jane's full retirement age benefit is \$1,100.

Dick elects at 62 receiving \$1,800. Jane waits till age 66 and collects \$1,100; a combined \$2,900/month. Dick passes away at age 76. Jane's smaller benefit goes away and her survivorship benefit is \$1,800/month.

Had Dick waited till age 66 to elect Jane's survivorship benefit would have been \$2,400/month and if Dick had deferred electing benefits till 70 Jane would have collected over \$3,200/month in survivorship benefits.

Why is this important? We all know that women outlive men on an average of seven years. Most couples that I see there is a 2-3 year age difference with the husband being the senior. That means ladies it is conceivable that you will be widows for 10 years after your husbands predecease you.

So let's do some math. You lose \$1,100/month in benefits at the death of your spouse. That's \$13,200/year and if you are widowed for 10 years that's \$132,000!

Now allow me to get on my soapbox. Wall Street has the notion that once you enter into retirement there is no need for life insurance. The kids are gone, the house is paid off; let's cash in those policies and invest the money is what I hear. If you had talked to me about whether it is prudent to cash in your life insurance I would have taken you through the Survivor's Benefit scenario and you could have made up your own mind.

### EARNINGS TEST

Another key consideration as to when to elect is the earnings test. If you elect prior to age 66 you can earn up to \$15,120, elect benefits and have no adverse effect. However for every \$2 that you earn above \$15,120 you lose \$1 in benefits.

The year in which you turn age 66 you can earn \$40,080 and collect benefits with no reduction. For every \$3 in earnings over that you lose \$1 in benefits.

If you read between the lines, the government is quietly urging us to work till at least age 66.

### SWITCH STRATEGIES

Pay particularly close attention to this next section. Switch strategies can put an additional \$20-30,000 in lifetime benefits in your pocket and very, very few advisors and SSA personnel know the following options exist.

They are called "Switch Strategies" because it entails electing a limited benefit for a period of time and then "Switching" to a higher benefit in the future.

The first thing you have to know is that if you elect prior to age 66 you are deemed to be receiving all the benefits you are entitled to.

After full retirement age (FRA) you have the ability to selectively file. Essentially you can choose to take only one benefit, while continuing to get delayed credits on a different benefit, and then switch the higher benefit at some point in time in the future.

Every married recipient has these Switch Strategies available to them:

File and Suspend-Allows an individual to file, then request checks to stop. During the period in which no checks are received, you earn delayed retirement credits.  
Restricted Application-Allows an individual to limit an application to only one benefit, which may allow another benefit to

receive delayed credits.

Now I know this is clear as mud, so let's look at a case study.

### DICK AND JANE

I mentioned them earlier. Dick is due to get \$2,400/month in Social Security benefits while Jane will get \$1,100/month. Their advisor recommends that Dick defer till age 70 while Jane elects her benefits now.

Dick and Jane wonder if they should use Switch Strategies.

They have several available to them:

Dick Files and Suspends, making the spousal benefit available to Jane. Remember the spousal benefit is the larger of Jane's benefit (\$1,100) or 50% of Dick's \$2,400. Clearly Jane is better off taking \$1,200.

Dick can file a restricted application for spousal only benefits. From age 66-70 Dick can get 50% of Jane's \$1,100. That's \$550/month for 48 months, and then he can "Switch" to his delayed higher benefit at age 70.

Dick Files and Suspends, Jane files a restricted application for Spousal only benefits, then switches to her own benefit at age 70.

Here is the bottom line folks; if Dick and Jane had taken their advisor's recommendation they would have left \$26,400 on the table.

That was a fairly simple example. The decisions become much more complicated when there is: 1) Age difference; 2) Life expectancy difference; 3) Earnings record difference; 4) COLA assumption and 5) Discount rate assumption.

Make sure you are working with someone who is in knowledgeable in this area because the difference between the best election and the worst can well be over \$100,000.

### FIXING A MISTAKE

If you now realize you have filed too early and if you are within 12 months of making your election, Form 521 is your friend. By filing form 521 you can fix the early election mistake. If you are past the 12 months you still have the option of suspending payments between 66 and age 70 to earned delayed credits.

### FREE OFFER

As you can tell by now, there are lots of variables to consider when to file for Social Security and there is a lot of math to do.

I used to do these calculations by hand which were excruciatingly laborious. So I went searching for a software solution and I found it.

The best software out on the market place is Social Security Timing. This package quickly takes into account all the variables and comes up with the optimum strategy for your election.

As a reward for staying with me to this point I will offer you a

free, no strings attached Social Security Timing Report.

Why would I do this?

The Social Security Timing software is the best on the market- you don't have to look for a software program, I've done the work for you.

If you have read this far obviously this decision is important to you. You get one chance to elect and the Social Security Timing Report absolutely nails your best strategy.

Some of you may hire me as your advisor.

If you do want the report you can reach me at 402-438-4200 or email me at [ak53504@windstream.net](mailto:ak53504@windstream.net).

For almost all of us Social Security was a mandatory program we were required to participate in. Doesn't it make sense to get all you are entitled to? ■



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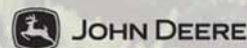


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# Fall Favorites

## Restaurant Style Salsa

From: Sharri Baldonado

### Ingredients:

10 lbs. tomatoes  
4 c. green pepper, coarsely chopped  
5 c. onion, coarsely chopped  
½ c. jalapeño peppers, coarsely chopped  
7 cloves of garlic  
½ c. fresh cilantro leaves, packed  
3 tsp. salt  
1 c. white vinegar  
¼ c. lime juice  
1 Tbs. ground cumin

### Directions:

Wash and quarter tomatoes, squeezing as much water and pulp out as you can. Place tomatoes and the rest of the ingredients in a large pot and cook until all ingredients are soft and thoroughly cooked. Take part of the mixture



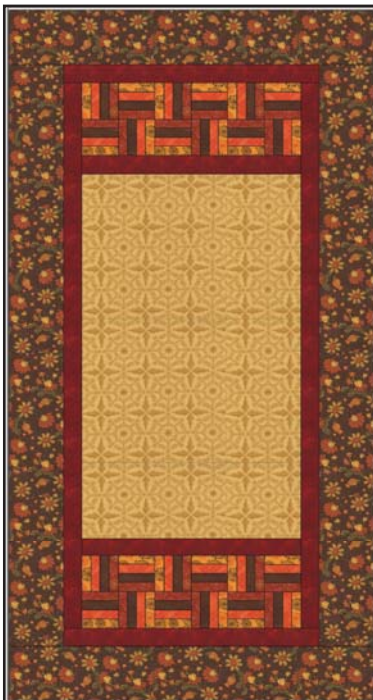
and place into a blender or food processor. Puree until smooth. Continue with the remainder of the mixture. Return to pot and simmer for 15 minutes, stirring occasionally.

If you would like to can this salsa, ladle hot salsa into hot, sterile pint jars, leaving ¼ inch headspace. Apply lids to clean jar rims and tighten ring. Process in boiling water bath canner for 15 minutes. Let cool and make sure they seal properly. Enjoy!

*This recipe is perfect at the end of the summer when the tomatoes are ripening in the gardens and the jalapenos are abundant.*

*This makes a large batch to either share with family and friends or to can and eat at a later time.*

*If you would like to share a recipe in this magazine, please e-mail it to: sross@thehomeagency.com.*



**Runner Finished Size: 20" x 38"**

### Cutting:

**Cream: Center (3/8 yard)**

(1) 12 1/2" x 20 1/2"

**Crimson: Sashing (1/8 yard)**

Cut (4) 1 1/2" strips, sub-cut into:  
(2) 1 1/2" x 12 1/2", (2) 1 1/2" x 14 1/2", (2) 1 1/2" x 30 1/2"

**4 Dark Prints: Log Cabin (1/8 yard EACH)**

Cut (2) 1" strips from EACH

**Brown Print: Border (1/2 yard)**

Cut (3) 3 1/2" strips

**Brown Print: Binding (1/3 yard)**

Cut (4) 2 1/2" strips

**Backing: 3/4 yard**

**Batting: At least 24" x 42"**



Make 2 strip sets using 1 strip each of 4 colors.  
Cut into a total of 24 units 2 1/2" x 2 1/2".



## Fall at the Cabin Tablerunner

Construction: All seam allowances are 1/4"

### Half-Square Triangles:

1. Sew the four 1" strips together side by side, arranging colors as desired. Press seams in one direction. Unit should now measure 2 1/2" tall. Make 2 units.
2. Cut units into a total of (24) 2 1/2" x 2 1/2" squares.
3. Arrange four of the squares into a four-patch, rotating squares as shown in diagram. Sew the four squares together. Block should measure 4 1/2" x 4 1/2". Make 6 blocks.
4. Sew three blocks together side by side. Make 2 sets.
5. Sew a 1 1/2" x 12 1/2" sashing strip to the top of each block set. Sew to both ends of the 12 1/2" x 20 1/2" cream rectangle.
6. Sew a 1 1/2" x 30 1/2" sashing strip to each side of the runner. Sew a 1 1/2" x 14 1/2" sashing strip to each end of the runner.
7. Cut two border sections to 3 1/2" x 32 1/2", sew to sides of runner. Cut two border sections to 3 1/2" x 20 1/2", sew to ends of runner.
8. Layer runner, batting, and backing. Quilt as desired.
9. Bind using the 2 1/2" strips.

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# Crossword Puzzle

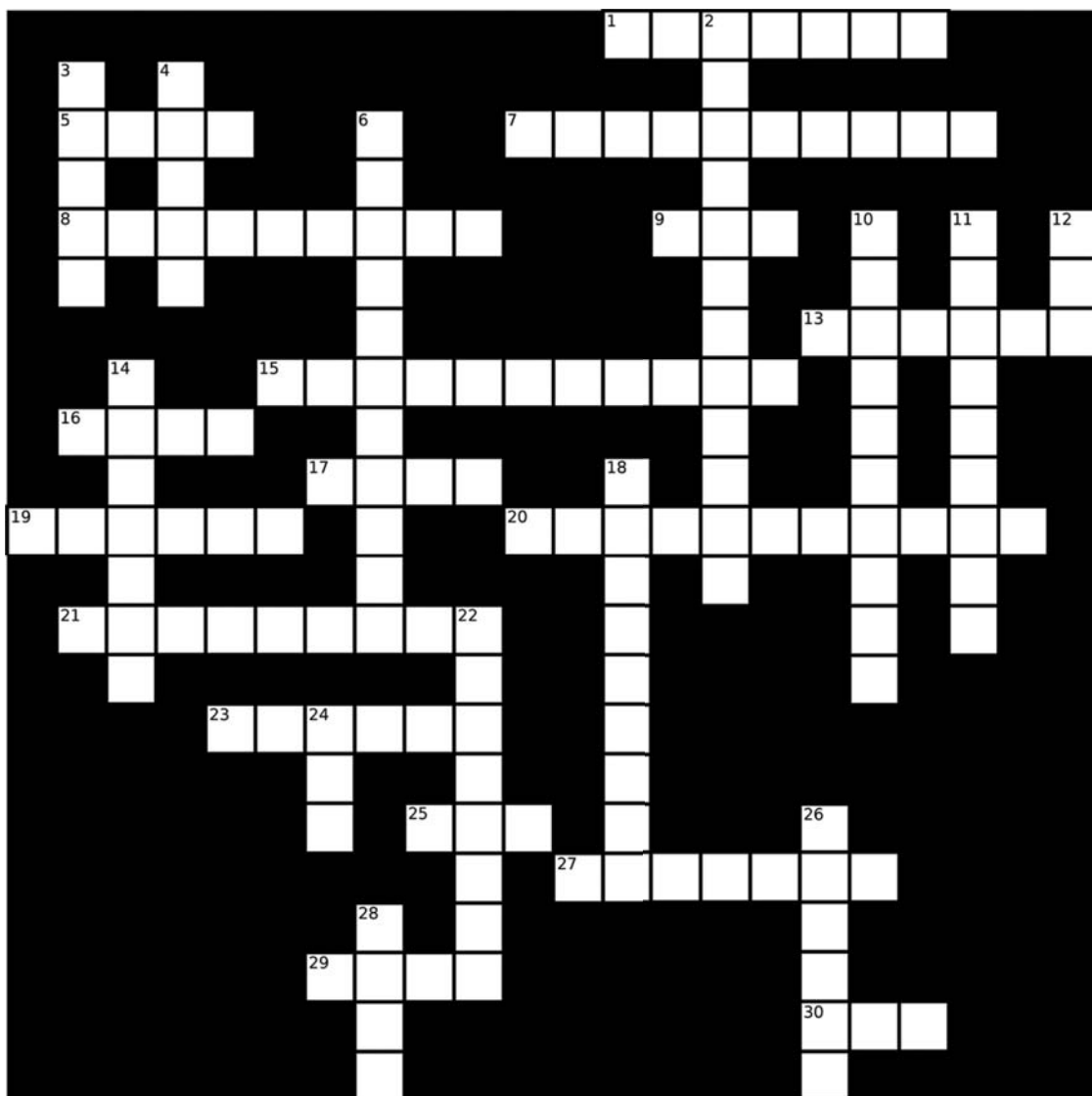
Please enjoy this crossword puzzle.  
You will find every answer somewhere  
in this magazine. The correct answers  
will be in the next issue.

## ACROSS

- 1 One of Jim's favorite hobbies.
- 5 Companies do advise that producers maintain alternate records by \_\_\_\_ in the event the precision farming records are determined unacceptable.
- 7 Be sure to keep your production separate by unit, even if you elected \_\_\_\_ Units.
- 8 One method of handling risk is \_\_\_\_.
- 9 Cancun \_\_\_\_ Reservations is where you can book your next trip to Mexico!
- 13 One of the most important decisions that a Baby Boomer will make is when to elect \_\_\_\_ Security.
- 15 Nebraska's \_\_\_\_ industry contributes more than \$18 billion to the state's economy.
- 16 \_\_\_\_ insurance continues to play an imperative role for American farmers.
- 17 There are about 75 million \_\_\_\_ Boomers in the United States.
- 19 One way to protect your family's financial interests is with an \_\_\_\_ plan.
- 20 The \_\_\_\_ of the LRP policy allows you to establish an ending date anytime throughout the year to match with your time of marketing.
- 21 Colorado is once again facing \_\_\_\_.
- 23 \_\_\_\_ hedges and drought hedges for wheat and pastures are highly recommended.
- 25 The good kind of cholesterol is \_\_\_\_.
- 27 \_\_\_\_ is still a major concern from Kansas to Nebraska and eastern Colorado.
- 29 As you begin row crop harvest, we encourage you to tell your agent at the first sign of \_\_\_\_.
- 30 You should have less than \_\_\_\_ grams of Trans fat a day.

## DOWN

- 2 One of the most overlooked areas as to when to elect benefits is the matter of \_\_\_\_ benefits.
- 3 Some carbohydrates become \_\_\_\_ when they are digested.
- 4 The Home Agency recently got a contract with Diversified Ag, who is a stand-alone \_\_\_\_ company.



- 6 It may be beneficial to appoint a separate \_\_\_\_ to govern your children's finances.
- 10 One of the excursions that you can go on while on vacation in Cancun.
- 11 A problem with ATV operation and insurance coverage is the \_\_\_\_ user.
- 12 The bad kind of cholesterol is \_\_\_\_.
- 14 \_\_\_\_ helps keep us strong and lean.
- 18 This year's harvest moon will be \_\_\_\_ 19th, which brings on elevated freeze risk around that date.
- 22 Baby boomers have been better \_\_\_\_ than savers.
- 24 Iowa ranks first in the United States in corn, soybean, hog and \_\_\_\_ production.
- 26 With an LRP policy, you have to have the cattle at least \_\_\_\_ days prior to the end date of the contract.
- 28 New agent Rana Williamson likes to ride her bicycle to \_\_\_\_ on warm sunny days. ■

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*Photo on the front cover is by Jill Grauerholz.  
Design and layout of The Home Agency  
Magazine is by Sara Ross.*

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