

THE HOME AGENCY

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FROM THE DESK OF JIM BALDONADO....

Boy it seems like the year should be half over and we are only one month into it.

BIt all started last November when we began working on the Farm Bill. Then we had six Farm Bill meetings with Dr. Art Barnaby in December, followed up with 15 more in January and now in February. We are almost Farm Billed out!

By the time we are through with all of the Farm Bill meetings we will have attended over 20 meetings. Most people will attend one, maybe two, meetings and sometimes three if they don't have anything else to do, but 20 is unheard of. We feel it's important to attend as many as possible as we seem to learn something new at each of them. Also, at most all of them we will run into an insured or two which is nice as well. You will see on page 4 some highlights of each part of the Farm Bill. If you have any questions when working on your farm, please give Shannon or Andrew a call as they should have most of the answers or can get you the answer quickly. The only answer they will not have is which one should I sign up for. That's all up to you!

2014 CROPS

Oh what a year last year was. The areas that got hit by hail kept getting hit by hail and in some cases it only took half an hour or less to make some people take most of the summer off from farming.

You have heard me say hundreds of times, if you get a hail storm, get it early and make it a bad one. No irrigation, no harvest and this year's prices went down, down, down. So when it was all said and done people with good coverage still made out okay. Yes we would much rather grow a crop, but sometimes it's not meant to be.

A lot of our customers had the 85% level of coverage at 4.62 per bushel. Add \$.81 for APO to the guaranteed bushels which now you have \$5.43 on your guaranteed bushels.

If you add 120 HPP for hail and wind at 4.62 per bushel, getting hailed out last year with the way prices ended up was not the worst thing that could have happened!

ADDED PRICE OPTION

Once again we have several supplemental coverage options available for the 2015 Row Crop year. **Added Price Option (APO)** is written through RCIS and allows you to buy up the projected

price of a bushel of corn or soybeans. In our region it is available in Nebraska, Iowa, Colorado, and South Dakota. With this product you pick an added bushel price within a range over your current MPCI price election and get paid when your harvested bushels fall short of your **yield** guarantee. Losses can be paid on an optional/basic unit basis even if you choose the enterprise unit option on your MPCI policy. APO can be purchased with a yield (YP) or revenue (RP) MPCI policy. There are a number of price discovery products on the market and some require you to guess which period of time the highest price for your commodity will occur. APO is a simple product that eliminates the guesswork and gives you the option of locking in a bushel price election higher than the MPCI projected price. APO will not pay when there is a revenue loss, only on the underlying MPCI policy unit. And the APO price election will not increase regardless of the price fluctuation under the RP policies. This coverage must be elected by the Sales Closing Deadline of March 15, 2015. The maximum available price per bushel for the APO coverage depends on your underlying MPCI coverage level – they are listed below:

- 75% level MPCI – Maximum 33.3% of MPCI projected price
- 80% level MPCI – Maximum 25.0% of MPCI projected price
- 85% level MPCI – Maximum 17.6% of MPCI projected price
- Any price between 1% and the maximum calculated by level is available for bushel price selection.

Another product available for Nebraska, Iowa, and South Dakota for the 2015 Crop Year is **HarvestMax**. It is brought to you through AgArmour. This product will be available for corn or soybeans on a crop/county basis. In Nebraska the crop/county basis is expanded in some counties to insure by practice as well. HarvestMax is designed to protect against shallow losses,

protecting up to 93-96% of your APH. This product is based on the entire crop unit (ECU) and you must identify all entities and acres farmed by grower, and must insure a minimum of 75 acres of the insured crop. The grower can choose the number of bushels to protect, the market price per bushel (based on the limits below), how many acres to protect and a deductible level. HarvestMax can be purchased as a stand-alone policy or written to compliment your MPCI policy. It is not available on high risk land, AAA, or BBB rated ground. The coverage for HarvestMax is **Yield** coverage only; it does not include price fluctuation. The coverage options for corn and soybeans are shown below:

- Choose deductible: Corn 10 – 25 Bushels; Soybeans 3 – 10 Bushels
- Choose Number of Bushels to Protect: Corn 25-50; Soybeans 10-25
- Select Price (price is set during the month of December looking at December futures)
 - Corn 30% - 120% of the Base Price Set
 - Soybeans 30% - 110% of Base Price Set

FAMILY AND GIFTS

As you can see from this photo we had everyone home around Thanksgiving and were able to get a family picture taken. It was the guys' idea to take one with the camo and orange on, but then the girls made us change into something a little nicer for a few other pictures. This one was my favorite though and is now hanging in my office. Sara also got a decent one of the boys with both of them standing still, somewhat looking at the camera, and



both smiling at the same time! Those two are just go, go, go all the time. Kind of reminds me of someone!

Every year I get asked what I would like for Christmas. My comment, like most, is "nothing." And when I say this, I hear, "you are the hardest person to buy for." So this year when asked I said, let me think for a bit. A friend of mine told me not too long ago what he wanted from his daughter and it sounded perfect to me.

What I asked Sara for was to go rabbit hunting with me sometime this year. Sara growing up was my hunter, and as she got older became a good shot with a hand gun. Some of our favorite

times have been driving around, hoping not to get stuck, looking for those little bunnies sitting on the snow. So Sara gave me a rabbit hunt sometime this year. I asked Morgan to go camping with me. We camped a lot when the girls were little and if you ever wanted it to rain just have us go camping. We spent a number of nights in the back of the van after getting flooded out at Johnson Lake. Of course, that all ended when we moved to the lake, but along with camping comes fishing, and I could always count on Morgan to go fishing with me whether she really wanted to or not. So Morgan gave me a camping trip for Christmas. I asked Megan to go to a basketball game with me. Not just any basketball game but a Duke men's basketball game at Duke. That is something she and I have talked about for years and how much fun it would be to do that. Our whole family loves sports, but Megan likes basketball more than most I think and once the 'big dance' starts in March, she is always trying to take money from her dad. So Megan and I will be going to Duke sometime, once we find good tickets. When un-wrapping my gift from Sharri I saw a toy horse, so I quickly put the paper back on it and looked at her and said this must be a gift for one of the grandsons. She said, "No, it's not." So I opened the gift and not only was it a horse, but a horse with purple colors on it and a jockey standing with it. I sat there looking at the box thinking...she didn't buy me a horse did she? Then I was told



to turn the box over. There was an envelope with a note inside which read, "I heard you say one time that you would like to go to the Kentucky Derby, well you're going." May first and second we will be at the

Derby, just Sharri and I, betting on #3 or the purple colored horse. Thanks girls and Sharri for some very special gifts.

One last gift I received was via a text message and it said, "Gifts come every Christmas, but a true friend only comes once in a lifetime. Thanks for being my best gift ever. Merry Christmas!" That came from the best friend a guy could have, someone that is or will always be there and for sure is only a phone call away; someone who is like part of the family and like another brother, just a lot closer. Thanks buddy.

Well, it's harvest time for me, as we have until the 15th of March to get all our spring crop business renewed. So if you see me flying down the highway, give me a call and tell me to 'slow down, as there is always another day and we want you in it.' I would like that, thanks! ■

A. Lin

2014 FARM BILL FACTS

IMPORTANT DATES TO REMEMBER

- 2/27/15 – Deadline to update program payment yields
- 2/27/15 – Deadline to Reallocate Base Acres
- 3/31/15 – Deadline to make Farm Bill Program Election
- April-June 2015 – Farm Bill Program sign-up (this deadline is not yet known)

PAYMENT YIELD UPDATE

- Producers can update payment yields using 90% of average farm yields from 2008-2012.
- Payment yields only apply to the Price Loss Coverage (PLC) program for the 2014 Farm Bill.
- Payment yield updates are done on a farm-by-farm and crop-by-crop basis.
- This election will be made by the landowner.

BOTTOM LINE: If updated yield is higher than previous program yield = UPDATE!

Base Acre Reallocation

- Based on 2009-2012 Planted/Prevented Planting acreage. The proportion (%) of planted acres/crops during these years will be applied to the current total base acres that will result in a "Reallocated" mix of base acres.
- Producers cannot increase or decrease the total amount of base acres – ONLY REALLOCATE.
- Producer can elect to keep base acreage as of 9/30/13.
- This election is made by the landowner.

PROGRAM ELECTION

- A Farm-by-Farm election decision is made between three program choices.
- The program election will be made by the "current producers" on the farm.

PRICE LOSS COVERAGE (PLC)

- Price Loss Coverage is a price protection program.
 - Similar to the Counter-Cyclical Program of previous Farm Bills.
- PLC program payments are triggered when the effective price for a covered commodity is lower than the respective reference price for that commodity.
- Payment rate is the difference between the legislated reference (target) prices and the NASS Marketing Year Average (MYA) price.
- Payment is made on 85% of the base acres for that respective commodity.

AGRICULTURAL RISK COVERAGE – COUNTY LEVEL (ARC-CO)

- Provides crop-by-crop revenue protection based on a comparison of current year county level crop revenue against a 5 year historic county level revenue for that crop.
- Payments are earned when there is a qualifying revenue shortfall (county level) AND a farm has base acres for the crop with the revenue shortage.
- There is no requirement to plant the crop on which the payment is received.
- Payment is made on 85% of the base acres for that respective commodity.

AGRICULTURAL RISK COVERAGE – INDIVIDUAL LEVEL (ARC-IC)

- Provides farm-by-farm revenue protection based on a comparison of current year farm level revenue (Total Revenue of All Program Crops Planted) against a 5 year historic farm level revenue (Based on the Current Year's Planted Crops Historical Revenues).
- Payments are earned when there is a qualifying revenue shortfall at the farm level.
- Payment is made on 65% of the base acres on that farm number.
- If multiple farm numbers under the same producer are enrolled in ARC-IC then for the purposes of this program those farms will be joined together in ARC-IC as one overall farm.

FOR ADDITIONAL INFORMATION CONTACT:

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Added Price Option

Maximize revenue on your corn and soybeans.

available through



We grow stronger every day — together SM

You can't predict your harvest next year. You put a lot of effort into increasing the yield on your corn and soybeans — why not add to the value per bushel in case of a yield loss? Added Price Option (APO), through RCIS, allows you to buy up the projected price of a bushel on your corn or soybeans. There are a number of price discovery products on the market. Most require you to guess which period of time the highest price for your commodity will occur. APO through RCIS is easy and it eliminates the guesswork. Just pick an added bushel price within a range over your current MPCI price election and get paid when bushels fall short of your yield guarantee.

Cover marketing decisions and input costs

An APO plan through RCIS offers these advantages:

- You're not required to select a specific price projection month.
- Losses can be paid on an optional/basic unit basis even if you choose the enterprise unit option on your MPCI policy. There is no limit on the number of optional/basic units on APO.
- Allows you to get a yield loss indemnity payment even if harvest price is higher than the projected price.
- Purchase APO as a supplement to a yield or a revenue MPCI policy.
- APO applies to trend-adjusted yields.
- Use it to pay forward contract non-delivery penalties in the event of a yield loss due to insured perils.
- Supplement MPCI coverage to cover input costs.
- You have the option of locking in a bushel price election higher than the MPCI projected price.

APO details

- APO is available on corn and soybeans in Colorado, Delaware, Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin.
- Sales closing deadline is the applicable February 28 or March 15 MPCI sales closing date.
- APO will not pay when there is a revenue loss only on the underlying MPCI policy unit.
- The APO price election will not increase regardless of the price fluctuation under the revenue protection policies.

Determining APO maximum price per bushel

Multiply MPCI projected price by the following factors to calculate the maximum APO price election:

- 75% level MPCI - 33.3%
- 80% level MPCI - 25.0%
- 85% level MPCI - 17.6%
- Any price between 1% and the maximum calculated by level is available for bushel price selection.

APO loss calculation example

Subtract harvested bushels from guaranteed bushels by APO unit and multiply the result by the APO price election.

Unit guarantee:	150 bu
Actual unit yield:	116 bu
Unit bushel loss:	150 - 116 = 34 bu
\$3.50	price
x 34	bu
\$119	MPCI indemnity
\$.50	APO bushel price election
x 34	bu
\$17	APO indemnity
\$119	MPCI indemnity
+ 17	APO indemnity
\$136	indemnity per acre

RCIS, a leader in crop insurance, offers risk management protection in all 50 states through a national network of more than 4,000 professionally trained and licensed agents. Contact your RCIS agent today to find out how to maximize revenue on your corn and soybeans with an APO plan through RCIS. To find an RCIS agent near you, go to RCIS.com.



Crop Insurance Update

CROP INSURANCE UPDATE

By Cindy Davis

As I sit down to write this article, I'm watching the snow fall out the window in late December and reflecting on the past year – so much to be thankful for, and amazed at how fast another year has flown by. I hope 2014 was good to all of you as well and that the New Year brings you all peace, joy, and prosperity.

The 2014 crop year is now in the books. It definitely kept us all on our toes. Eastern Nebraska, Iowa, and parts of Colorado had their share of hail early in the season. One of our crop companies saw a record number of hail claims in 2014. When you add in lower commodity prices, and numerous revenue claims, the 2014 crop year kept the agents and adjusters extremely busy.

FARM BILL

It seems the focus of discussion for many producers and agents alike last year was The Agricultural Act of 2014, also known as the 2014 Farm Bill, which was signed by President Obama on February 7, 2014. The new Farm Bill has brought about many changes for producers; not only for crop insurance, but in other areas such as Conservation Compliance and the Title 1 Programs administered by the Farm Service Agency (FSA). I hope to clarify many of the new changes to crop insurance in the remainder of this article.

Before I begin with crop insurance changes, I will touch on some of the other areas of change contained in the Farm Bill. First of all, direct payments, countercyclical payments, and the Average Crop Revenue Election (ACRE) were repealed with the 2014 Farm Bill. Producers now have the option of two programs administered by FSA: Agricultural Risk Coverage (ARC) split into ARC-County and ARC-Individual and Price Loss Coverage (PLC). Along with these two new programs, producers have

the option of updating their program payment yields and reallocating base acres. Supplemental Coverage Option (SCO) is another new program which provides additional coverage on crops. This coverage is written in conjunction with your crop insurance policy. It cannot be elected if you choose the ARC program at FSA. **It is important to note that the decisions being made now for these new programs are a one-time election and will be effective through 2018 at least, when the current Farm Bill expires.** With that being said, if your updated yields are higher than the previous program yields you may want to update. Regardless of the program election a producer makes, the updated yields could be a benefit for future programs beyond 2018. Base acre reallocation is based on 2009-2012 planted/prevented planting acreage. You **cannot** increase or decrease the amount of base acres, only reallocate. A producer can elect to keep the same base acreage as of 09/30/13. The main strategies for reallocation would be to align payments with current farm level risk and to maximize payments. The deadline to update program payment yields and to reallocate base acres is February 27th, 2015, and the deadline to make the Farm Bill Program election of PLC or ARC is March 31st, 2015.

In early December of 2014, The Home Agency was fortunate enough to have Dr. Art Barnaby of Kansas State University, Department of Agricultural Economics, present six meetings across Nebraska on the ARC and PLC programs. Those in attendance learned how each program works, along with specific examples on a number of different scenarios. If you weren't able to attend one of these



meetings and have questions on these new programs, give us a call. We can sure help you find the information you need to make your decisions. The following websites also have a lot of information on the Farm Bill programs: www.AgManager.info and www.fsa.usda.gov/FSA.

Another important provision of the 2014 Farm Bill is Conservation Compliance; its purpose is to reduce soil loss due to erosion; protect the Nation's long-term ability to produce food and fiber; reduce sedimentation and improve water quality as well as assist in preserving the acreage and functions of the Nation's wetlands. Since the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs had been linked to conservation compliance. The 2014 Farm Bill re-links Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) compliance with the premium subsidy paid by the Federal Crop Insurance Corporation (FCIC) under the federal crop insurance program. To put it in simple terms, **any** farmer or rancher interested in benefiting from a crop insurance premium subsidy must file an **AD-1026** form with USDA's Farm Service Agency by **June 1, 2015**. USDA suggests "all persons" seeking a crop insurance premium subsidy to sign and file the AD-1026 form, regardless of: the type of crops produced, the presence of HELC or WC, or the producer's participation in other USDA programs. Any person who does not have form AD-1026 on file with FSA on or before June 1, 2015, can obtain crop insurance, but will be responsible for the full premium amount for all policies and plans of insurance they obtain for the 2016 reinsurance year. If you have any questions concerning this requirement, give your agent or your FSA office a call.

Let's now turn to some of the 2014 Farm Bill changes pertaining to crop insurance. The one change many producers are inquiring about is the APH Yield Exclusion (YE). RMA just recently came out with the initial rules for this option. Yield Exclusion, when elected on your crop insurance policy, and eligibility has been made by RMA per crop per county, allows the exclusion of actual yields for a certain crop year when RMA determines the **county** per acre yield for a crop year was at least 50% below the simple average of the per acre yield for the crop in the **county** for the previous 10 consecutive crop years. When YE is elected, insureds may exclude actual yields in any eligible crop year(s) that are identified in actuarial documents. When a crop year is determined to be eligible for YE for a crop in a county, insureds in contiguous counties will also be eligible to exclude actual yields for that crop year under YE. Below are some of the rules regarding APH Yield Exclusion:

- YE must be elected by crop, by county on or before the applicable Sales Closing Date – for row crops eligible, the first deadline will be March 15, 2015.
- YE is a continuous election that remains in effect unless cancelled.
- Eligible crop years for exclusion are identified by RMA in the actuarial documents. There is no limit to the number of actual yields in eligible crop years that can be excluded from an APH database.
- Provided YE is shown available in the actuarial documents, it will be effective for the following 2015 crops: corn,

soybeans, spring wheat, cotton, grain sorghum, rice, spring barley, spring canola, sunflowers, peanuts, and popcorn. This option is scheduled to be available for wheat beginning with the 2016 crop year.

- YE must be cancelled in writing on or before the cancellation date for the crop for the effective crop year.
- When YE is elected, it automatically applies to **all** actual yields in eligible crop years qualified for exclusion, as identified by RMA, for all APH databases **unless** the insured "opts out" and notifies the company in writing by the production reporting date of any actual yield(s) they choose to retain. Example: although a crop year is eligible for exclusion, the insured's actual yield in an APH database is above the average for the crop year and the insured chooses to not exclude the actual yield.
- Any approved APH Yield using yield exclusion is not eligible for yield limitations such as Cups and Floors.
- The most recent crop year will not be identified as eligible for yield exclusion since the production data necessary for RMA to determine whether the most recent crop year meets the criteria for exclusion is not available until after the Production Reporting Date for the crop year.
- Any crop year prior to 1995 will not be identified as eligible for yield exclusion.
- Actual yields in an eligible crop year that are excluded are still subject to APH review.
- A producer may elect and apply both Yield Adjustment (YA) and Yield Exclusion (YE) on a policy and within an APH database. Only one option, either YA or YE can be applied to an actual yield. If a producer has elected both YA and YE, and a crop year qualifies for both, YE will apply to an actual yield, unless the insured chooses to not exclude that yield in the APH database.
- Any excluded actual yield is not considered for trend adjustment.
- Premiums could be higher on databases where there is an excluded yield(s) since excluding yields can result in an increased approved yield. The higher premium would account for the increased risk of loss.
- It is important to remember that the years of eligible exclusion are not based on a producer's individual yields, but instead based on county yields collected by RMA.

Another new Farm Bill program is the Beginning Farmer and Rancher (BFR). The intent of the program is to assist insured policyholders that are just beginning to farm or ranch. A beginning farmer or rancher is an individual who has not actively operated and managed a farm or ranch with an insurable interest in a crop or livestock for more than five years. This includes an insurable interest as an individual or as a substantial beneficial interest (SBI) to any other entity, such as a corporation or LLC. For example: a corporation is made up of four individuals. If all individuals in that corporation qualify as Beginning Farmers and Ranchers, then the corporation would qualify as a Beginning Farmer and Rancher. Crop years when the beginning farmer/rancher was under the age of 18, enrolled in post-secondary studies (not to exceed five crop years) or on active duty in the U.S. military may be excluded from consideration of the five

years of insurable interest. The benefits of being a beginning farmer or rancher include: exemption from paying the administrative fee for CAT or buy-up policies, an additional 10 percentage points of premium subsidy for buy-up policies that have premium subsidies, use of production history of farming operations where the beginning farmer or rancher was involved in the decision making or physical activities; and an increase in the substituted yield for yield adjustment, which allows a replacement of a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable T-Yield for the crop in the county. To apply for BFR benefits contact your agent. You will need to fill out an application and provide acceptable documentation for any crop years you wish to exclude from the qualification process. The applications for BFR are due by Sales Closing Deadlines. Once you have five crop years of insurable interest in a crop or livestock, including having a substantial beneficial interest in another entity that has an insurable interest in a crop or livestock, you are no longer entitled to BFR benefits. Once you elect and qualify for BFR status, it is continuous until the earlier of: you have had an insurable interest in a crop or livestock for more than five years, five crop years of BFR benefits are exhausted, or you cancel the BFR application. Contact your agent if you have any questions concerning the Beginning Farmer and Rancher program.

A couple more long awaited Farm Bill changes will be available for the 2015 row crops. Separate enterprise units for irrigated and non-irrigated acreage, and also separate coverage level elections for irrigated and non-irrigated acreage. I will first discuss separate enterprise units for irrigated and non-irrigated acreage. The requirements for enterprise units in our area are: you must have at least two sections of the insured acreage and must have planted acreage that constitutes at least the lesser of 20 acres or 20% of the insured crop acreage in the enterprise unit. These requirements for enterprise units must be met for each of the irrigated and non-irrigated acreage for you to qualify for separate enterprise units by practice. It is not allowed to have an enterprise unit on irrigated acreage and basic or optional units for non-irrigated acreage (or vice-versa). If you do not qualify for separate enterprise units by practice, you can still have one enterprise unit for the crop, as long as you meet the qualifications for EU as discussed above. The EU option must be elected in writing on or before the Sales Closing Deadline.

The option to have separate coverage levels by practice is fairly simple. If the actuarial documents for your crop(s) in your county provide for separate coverage for irrigated and non-irrigated practices, you may select one coverage level for



all irrigated acreage and one coverage level for all non-irrigated acreage. If the crop provisions allow the option to separately insure individual crop types and the actuarials provide for separate coverage for irrigated and non-irrigated practice, you may select coverage levels by irrigated and non-irrigated practice for each separate type. Separate coverage levels are not allowed on high risk land insured under the CAT endorsement; however, they are allowed on high risk ground insured under the High-Risk Alternate Coverage Endorsement as long as the level on the high risk ground does not exceed the levels on the buy-up policy insuring the non-high risk ground. If enterprise units are also selected, but you do not qualify for EU, it does not impact separate coverage levels by practice. The separate coverage levels you elected will apply to the unit structure you are eligible for. Separate coverage levels must also be elected by sales closing deadline. If your crop, type, or practice is not listed on your application, the coverage level will default to the lowest coverage level on the application for the crop.

The changes discussed above are by no means all inclusive of the 2014 Farm Bill, and could very easily be changed prior to final implementation by USDA or RMA. A lot of the information above was found on RMA's website and there is much more information available there pertaining to the 2014 Farm Bill. The link to RMA is: www.rma.usda.gov. In the center of their home page is the tab to the Farm Bill.

SALES CLOSING DEADLINE

Now that I have discussed some of the changes coming our way, I should add some of the Sales Closing reminders and charts that always make their way into the February issue. **The Sales Closing Deadline for 2015 row-crops is March 15, 2015.** All changes to your crop insurance policy must be made by this date. The 2015 row crop prices will begin tracking in February. The chart below lists the days and month that are tracked for corn, grain sorghum and soybeans on the Chicago Board of Trade.

Revenue Protection/ Yield Protection	Projected Price Tracking Dates
Corn	Feb 1-Feb 28 Dec Corn-CBOT
Grain <small>(Multiplied by price percentage relationship between corn and grain sorghum, as determined by RMA)</small>	Feb 1-Feb 28 Dec Corn-CBOT
Soybeans	Feb 1-Feb 28 Nov SBeans-CBOT

The Sales Closing Deadline is right around the corner and as you can tell there are a number of new programs and changes you should talk to your agent about. Listed below are some items to keep in mind and visit with your agent about prior to Sales Closing:

- Review all crops, elected plans, levels of coverage (will you be electing different coverage levels by practice, if available), and ALL options on your policy.
- Verify all names and entities on the policy, as well as all Social Security Numbers and Employer Identification Numbers.

- Is there an entity change? (Has a new trust or corporation been formed, a new marriage or death of an insured or spouse?)
- Are all crops you intend to plant and insure listed on your policy?
- Have you acquired new ground in a new county? If so, a new application is needed.
- Insuring for a landlord, or for your tenant? This option must be elected at Sales Closing Deadline and listed on your policy.
- Have you broke out new ground, or intend to do so? If so, a written agreement may be necessary to request coverage on this ground. If the ground broken out is considered Native Sod, the new Farm Bill has additional rules and procedures for this as well. The deadline for submitting these requests is also March 15th.
- Coverage is now available in many counties for organic crops. Check with your agent to see if your counties are included. Organic producers are required, on the date acreage is reported to submit to their agent a current organic plan, a written organic certificate, or documentation from a certifying agency indicating an organic plan is in place.
- Contract Pricing is available in some counties for certain specialty crops such as Blue Corn and High Amylase Corn and also some types of Certified Organic crops. This option has to be added to your policy at Sales Closing Deadline also.
- Trend-Adjusted APH (TA) is available again in certain counties for corn, grain sorghum and soybeans. The TA option adjusts yields in qualifying databases to reflect increases in yields through time in the county. This option must be elected by Sales Closing Deadline also.
- Precision Farming – for those using Precision Farming technologies, remember in order to use this data for production reporting and claims the requirements begin at planting. Contact your agent if you would like the complete set of rules and regulations. These have been in several of the prior issues as well.
- Several of the crop companies are again offering separate Named Peril and Hail coverage plans. Policies such as APO-Added Price Option, Harvest Max, Price Flex, and Production Hail will be offered again in 2015. Sales Closing is a great time to visit with your agent about these products as well.
- All new applications and cancellations must also be signed and submitted by Sales Closing Deadline.
- If you have any questions, give your agent a call or stop in to see them. This is the time to get all changes made and any questions answered!

SHORT-RATING WHEAT FOR 2015

To short rate wheat, a request must be signed and submitted on or before March 15, 2015. Short-rating wheat provides a producer a reduced premium (normally 35% of the initial pre-

mium will be due) when the acreage is intentionally destroyed before harvest by grazing or other means. Your wheat database for this acreage is not impacted by short-rating wheat. Contact your agent prior to the deadline, if you would like to utilize this option.

2014 ROW CROP PRODUCTION

Finally, I will end this article with a reminder to turn in your row crop production, if you have not already done so. Your agent will need to get your databases updated to give you the most accurate quote for your 2015 row crop coverage. The chart below will show the final 2014 Row Crop prices for Corn, Grain Sorghum, and Soybeans. As you already know, commodity prices took a huge hit last year, which in turn left the Harvest Prices on Revenue Protection (RP) down and the number of claims high. Let's hope there is some recovery before Base Prices are set in February! ■

2014 ROW CROP PRICES			
Crop	States	Projected Price Set - Yield Protection (YP) & Revenue Protection (RP)	Harvest Price - Revenue Price (RP)
Corn	NE, KS, IA, CO, SD	\$4.62	\$3.49
Grain Sorghum	NE, KS, IA, CO, SD	\$4.46	\$3.37
Soybeans	NE, KS, IA, CO, SD	\$11.36	\$9.65



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UNCERTAIN CATTLE PRICES

By Arlyn Rieker

As we start the 2015 year, calving is in full swing for some and some of you are just starting. Looking back a year ago we were at all-time highs in the cattle market and the market kept the pedal down as it continued to climb throughout the year. As producers wrote LRP coverage, which at the time looked to be extraordinary coverage, the prices continued to rise and blew through the LRP coverages when the contracts expired in the fall. Little did we know the feeder cattle market would continue to go up in November to \$237.40, which was a record high!

During mid-December we saw numerous days limit down on the feeder cattle market, catching producers by surprise even though corn prices had appeared to level out and live cattle was strong. As a result of this, on December 18th the CME with its emergency authority changed the daily price limit for Feeder Cattle to \$4.50 per hundredweight which was an increase from prior \$3.00 limit. Additionally, effective December 19th, these limits were given the ability to expand to 150% or \$6.75 per hundredweight on any business day in the event that one of the first two contract months settles at limit on the previous trading day.

Daily price limits for CME Live Cattle futures remained unchanged at \$3.00, but on December 19, were given the ability to expand by 150 percent to \$4.50 per hundredweight in the event that one of the first two contract months settles at limit on the previous trading day.

The implementation of these new limits allows the potential for larger price swings, which in turn gives the producer more to manage. Just a reminder, whenever the limits are met on the Feeder Cattle, the LRP product is unavailable for that day.

As you look for risk protection, LRP is a viable and flexible option. Currently we are looking at \$232.50/cwt coverage on 600#-900# steers and \$255.75/cwt on steers less than 600#. Remember the weight you insure is the expected weight of the animal when you plan on marketing the cattle. As you are calving, coverage is available once the calf is born. For the back-grounder, coverage is available once you have possession of the calf and have an estimated time for market. If you listen to our radio ads you will hear us quote steers. We also get questions about coverage for heifers and the different prices and contract end dates covered. Below is a chart showing the PAFs or Price Adjustment Factors and how the ending prices are factored.

You can see on the table, the steers have a 10% higher coverage price than the heifers, and this same 10% is factored on the ending price. Give me a call about this, and I will be happy to discuss this with you.

From time to time I like to note some of the endorsements that have been written and losses that have been paid to the producers. With the feeder cattle index dropping at the end of the year, we had losses paid to producers. On some 750# calves the loss payment was \$77.70 per head and some 830# calves the payment was \$96.45 per head. These are just some examples of coverages that expired at the end of 2014 for these producers.

As I mention often, I enjoy visiting with producers about what is going on in their world, in their operation, and welcome the opportunity to help you, the producer, learn about LRP and how to use it as a risk protection tool.

I look forward to visiting with you at the Nebraska Cattlemen's Classic at the Buffalo County Fairgrounds February 14th – 22nd. Please stop in or give us a call. We will visit with you about LRP and how you can use it for price protection to help manage your cattle risk. ■

Example of Coverage prices

Insured Weight Range	Steers	Heifers
Wt. 1 < 6.0 cwt.	\$258.42 (110%)	\$234.93 (100%)
Wt. 2 6.0 – 9.0 cwt.	\$234.93 (100%)	\$211.44 (90%)
Steers Wt. 2 price based on Mercantile 750# Steers		

Example of Ending prices/Index set at \$220.00

Insured Weight Range	Steers	Heifers	Example of loss: \$234.93 -\$220.00 = \$ 14.93/cwt.
Wt. 1 < 6.0 cwt.	\$242.00 (110%)	\$220.00 (100%)	\$14.93 X 900# = \$134.37 loss per head
Wt. 2 6.0 – 9.0 cwt.	\$220.00 (100%)	\$198.00 (90%)	
Index is Weighted Ave 650-849# steers			

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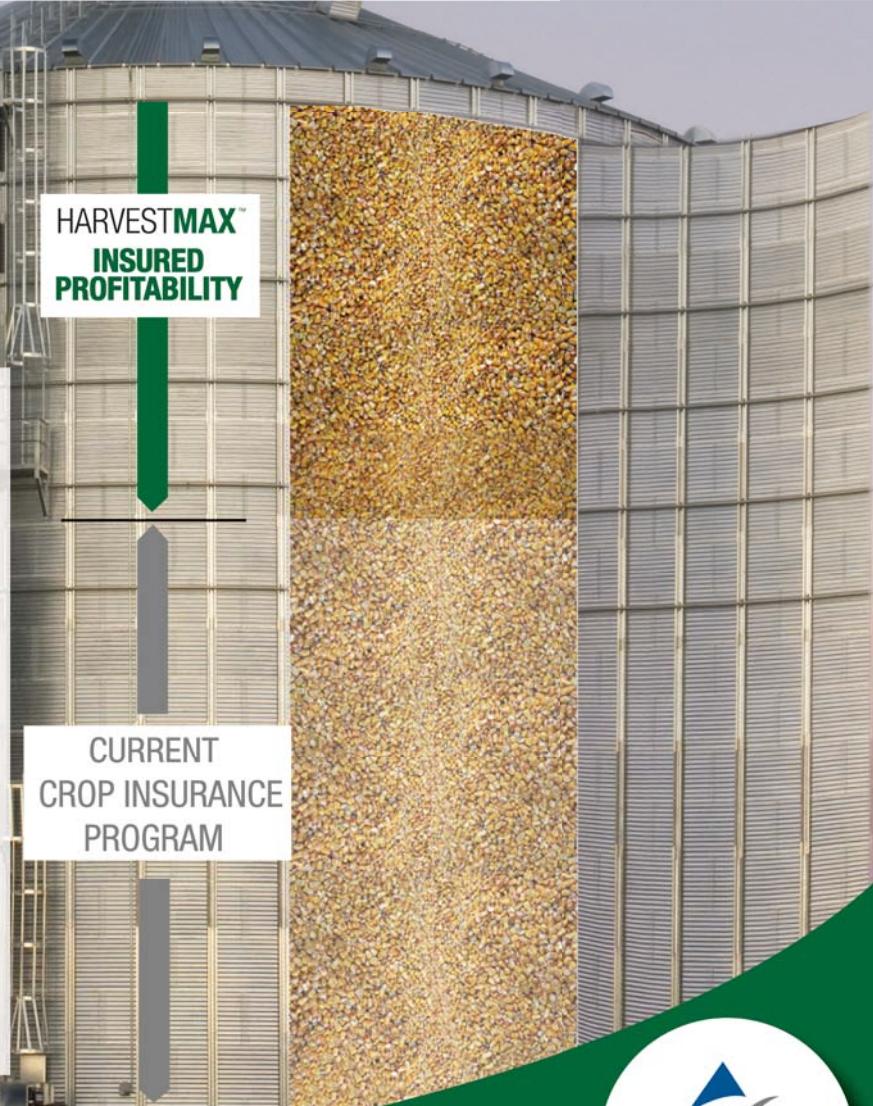
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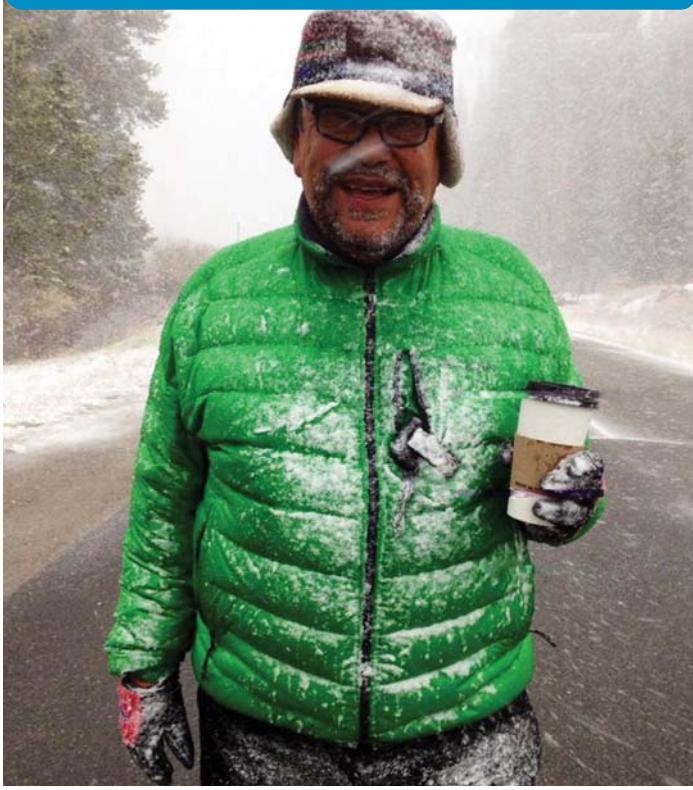
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WALKING

By Morgan Yardley

I know I have told you many times about the benefits of working out. It doesn't have to be anything strenuous on your body. It's not like you have to spend hours upon hours working out each day to see health benefits. Just a simple brisk walk can help improve your health. There are many articles out there stating the benefits of walking each day and reaching at least 10,000 steps. For some of us we may think that reaching 10,000 steps a day is impossible. Many of us sit behind a desk for eight-plus hours a day. If you can make time in your day to walk no more than 30 minutes you will reach your 10,000 steps.

Jim Baldonado is proof that walking everyday has helped his health. He first went to the doctor in July of 2013 to get a physical. Again, I do hope that everyone is going once a year to get a physical so you know what your numbers are health wise.

Last year in August of 2014 here are where his numbers were:

- Triglyceride 337 (Normal range is **lower** than 150)
- Cholesterol 226 (Normal range is **lower** than 200)
- HDL 36 (Normal range is **higher** than 39)
- Non-HDL 190 (Normal range is **lower** than 130)
- Cholesterol/HDL Ratio 6.3 (Normal range is **lower** than 5)
- LDL 123 (Normal range is **lower** than 100)
- LDL/HDL Ration 3.42 (Normal range is **lower** than 3.55)

As you can see from Jim's numbers they were not looking very good. He decided to change what he was doing. He started working out in September of 2014. He accomplished 27 workouts which accrued to 23.74 hours and 93.28 miles. On an average day he walked 3.45 miles. In the month of September

he lost 11 pounds.

In the month of October 2014 he did 31 workouts! This accrued to 35.9 hours, 131.87 miles with an average of 4.25 miles per day. He did not miss one day in October. He lost another 8 pounds that month.

After two months of working out he went to the doctor again to check his numbers. Here is where he was sitting at:

- Triglyceride 118 (Before was 337. Normal range is **lower** than 150)
- Cholesterol 142 (Before was 226. Normal range is **lower** than 200)
- HDL 50 (Before was 36. Normal range is **higher** than 39)
- Non-HDL 92 (Before was 190. Normal range is **lower** than 130)
- Cholesterol/HDL Ratio 2.8 (Before was 6.3. Normal range is **lower** than 5)
- LDL 68 (Before was 123. Normal range is **lower** than 100)
- LDL/HDL Ratio 1.36 (Before was 3.42. Normal range is **lower** than 3.55)

As you can see from two months of working out he improved significantly all of his numbers! It is amazing that it only took him about one hour of walking a day to improve these numbers.

He wasn't just satisfied with that though. In November of 2014 he again did 30 consecutive days of walking. He averaged 35.68 hours and 213.31 miles. That is an average of 6.88 miles per day! He lost another three pounds for a total of 22 pounds lost as of November 2014. That is only three months of working out.

In December 2014 he did 28 workouts, with an average of 27.34 hours and 167.02 miles. That is an average of 5.96 miles per day. He lost another four pounds for a total of 26 pounds so far. He has continued to walk and workout right on into the New Year!

So as you can see from all of the statistics above, which it really is not that hard to workout, just a simple brisk walk will do wonders for your body. Try to reach 10,000 steps per day and make sure you sweat at least 30 minutes, five times a week. Your body will thank you! ■

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THE HOME AGENCY

NEBRASKA ONE BOX

By Jim Baldonado, Sara Ross, and the Official Press Release by Nebraska One Box

Each November the Nebraska One Box Pheasant Hunt hosts hunters from all over the country for three days of shooting competitions, hunting activities, award banquets, and social events. From sunrise to sunset, select hunters search the sky for majestic pheasants to take flight. Equipped with ONE BOX of shells, only ONE five-member team can share the glory of bagging the most birds.

The Nebraska One Box Pheasant Hunt is a corporation of stockholders which was formed in 1961 by the late Tom Varney, Jr. of Broken Bow, NE. Mr. Varney had been active in the One-Shot Antelope Hunt held in Lander, Wyoming. He hoped that he could encourage a pheasant hunt of the same nature here in Nebraska. The corporation is composed of local residents whose objective is to promote the fine hunting, sportsmanship, and

held each year at the Cobblestone Hotel and Nebraska One Box Convention Center in Broken Bow, NE. Since its beginning the One Box Pheasant Hunt has grown to be an annual event of interest to sportsmen of the United States, Mexico, Canada, England, and the Panama Canal Zone.

"This is something that I had heard of over the years, but never thought I would have a chance to shoot in. Reading about whom some of the past hunters have been (Coach Tom Osborne, Gen. H. Norman Schwarzkopf, Neil Armstrong, Pete Coors, Sen. Bob Kerry, among many others). I thought it would be an honor to be asked, but never knew it would happen. When asked to submit an application I didn't know if I really wanted to, thinking I may be turned down. But once the application was approved I needed to find some shooters. Not go out and find some sharpshooters to try to win the thing, just some that I would want to share this event with and hopefully not get embarrassed. So the first two I asked were my son-in-laws Kevin Ross and Kyle Yardley. My daughter Megan's boyfriend

Andrew Bellamy and long time family friend and co-worker Shannon Poggendorf rounded out our team," said Jim Baldonado.

"The people of Broken Bow and the surrounding area should be very proud as they put on one heck of a show. From the time we got there on Thursday to the morning we left on Sunday we were catered to by our host couples. They were Jeff and Jenny Denson, Scott and Jane Duda, Randy and Kim Leibhart, Dell and Kristine Moninger, and Tim and Heather Wright. They treated us like we were someone special, and by the end of the hunt on Saturday we really thought we were," he added.

The 54th One Box Pheasant Hunt featured seven new teams and 54 past shooters. Jim's team name was The Home Agency and with one box



of shells, the five-member team scored 77 points shooting 15 pheasants and one quail to take first place! Local guides Bob Allen and Mike Bell, dog handler Dean Weems, and scorekeeper Ed Schaaf shared in the glory as part of the team, too.

PLACING	POINTS	TEAM
1 st	77 Points 15 pheasants, 1 quail	The Home Agency
2 nd	45 Points 9 pheasants	Wiechman Pig Company, Inc.
3 rd	45 Points 9 pheasants	VIP Team
4 th	40 Points 8 pheasants	Nebraska Team
5 th	40 Points 8 pheasants	Power Hunters
6 th	25 Points 5 pheasants	The Georgia Boys
7 th	22 Points 4 pheasants, 1 quail	The Falls Guys

Being the Captain of the team you only get one time ever to win the One Box, as you never can go back to compete in the One Box. You can go back as a past shooter, which Jim hopes to do, but he personally cannot compete in the One Box again. Now, one of his team members can, but he has to have a whole new team. So basically once you are a Captain you better win it as that's your only shot!

Jim wants to personally thank everyone that had anything to do with the One Box. As for him and his teammates, it was a hunt of a life time. He'd like to thank Bob Allen and Ryan Winberg for asking him more than once to submit an application. Also, he would like to thank guides Bob Allen and



Mike Bell, dog handler Dean Weems, and scorekeeper Ed Schaaf for making up the other half of the winning team. "We could not have done it without you! And to my teammates, Kevin, Kyle, Andrew, and Shannon thanks for being on my team. I personally didn't care if we won the One Box, but knowing you guys like I do, I knew if we found the birds we were going to have a shot at it. And also thank you so much for the double barreled, double hammer 12-gauge shot gun you gave me for asking you to be on the team. That is a moment I will never forget. Thanks again Nebraska One Box!" ■





STRATTON, CO By Penni Fox

It's starting to look a lot like Christmas on Colorado's eastern plains on the 23rd of December. Blistery cold, snow, and 50 to 60 mile an hour winds have shut the interstate and highways down. Getting news a good friend got stranded on an exit without services made me think that winter driving would be a great topic since there is plenty of winter weather left.

It's impossible to envision every travel problem; however, you should always keep some kind of emergency kit in your vehicle during winter months. Things to consider are how far you will be traveling and how long you will be gone. That will determine what items and how much you need to pack. Will you be driving main roads with services or remote areas where there are many miles in between towns? Prepare even if weather is good when you head out as it can change quickly. Always start with a full tank of gas never allowing it to get past half full.

Essentials to carry: jumper cables, phone charger, flashlight, extra batteries, first aid kit, ice scraper, shovel, kitty litter for traction in snow/ice, several jugs of water, nonperishable food for at least three days (protein bars, nuts, peanut butter, dried fruit, and jerky), spare clothes, blankets or sleeping bags for each passenger, and special foods and medicines for elderly, children, or infants.

If you are stranded make sure to turn on your hazard lights so other vehicles can spot you. Only run your vehicle for a few minutes at a time. Open a window slightly to avoid carbon monoxide poisoning and make sure exhaust is clear of snow.

Keeping my fingers crossed for moisture this winter. With that said, stay warm, toasty, and SAFE!! ■

MCCLELLAND, IA

By Kevin Ross

Greetings from SW Iowa! Winter has settled in with its typical vengeance here and another long harvest has been in the books for a bit. The 2014 crop year around here was definitely one that a lot of farmers in our area were glad to see over. There were some exceptions with a few truly record setting yields and those that had damages while insuring with us are financially going to be in good shape also. They did, though, take a whack to the APH from that great white combine more commonly referred to as our not-so-good-friend named Hail. I guess if you're farming long enough everyone will get hit by a real bad one sooner or later, even here in Iowa. All of that is in the books now and we look forward to a brand new beginning for 2015 and hopefully some unpredicted upward

moves in these prices. Here's to a fresh start and thanks for insuring with The Home Agency! ■

BENKELMAN, NE By Meghann Pursley

I'm writing this late December in hopes that you've had time to plan for 2015. This will be a year of many changes and many options as far as multi-peril and other government farm programs are concerned. Reallocating base acres, ARC vs. PLC, and SCO are all choices we are facing at this time. I'm sure some of those topics will be discussed at our appreciation meeting. Some basic information you'll want to remember for this coming year: the wheat projected price is locked in for 2015 at \$6.42, down from \$7.11 in 2014. Wheat harvest price will be set in July. Corn projected price will be tracking December futures prices from the 1st-28th of this month. Corn harvest price will be set in October.

Some of you took advantage of the high cattle prices and locked in some all-time-high LRP guarantees. I am curious to know what the outcome of those contracts will be at the time of this publication. You can always get an LRP quote by going to our website www.thehomeagency.com and clicking on the LRP tab.

There were many losses last year due to drought, hail, and price. I just want to thank you all for being patient with the claims process and with me coming back from maternity leave. I can't tell you how much I appreciated all the cards, phone calls, and visits from you all. The Home Agency truly has the best customers, there's no doubt about that.

Here's to another great year! And as always, thank you for trusting us with your insurance business! ■

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(SE) '13 JD 8335R Stk#: 153511, 369
Hrs, IVT 40 kph, Duals. \$274,900



(BB) 2013 JD 8235R #152265 296 hr
235 hp, IVT, 7" color display. \$204,275



(DC) 2006 JD 7520 #151016 6815 hr
125 hp, MFWD, IVT, Air seat. \$59,999



(BB) '05 JD 9620 Stk#:155477, 1895
Hrs, 500hp, PS, Duals \$179,500



(MC) 2012 JD 9560R #152340
503 hrs, 560 hp, Power shift. \$307,400



(ON) '13 JD 9560R #156769 779 Hrs
560hp, PS, Loaded! \$309,000



(MC) '11 JD 4730 #158588, 1082 Hrs,
90' Boom, Leveling \$179,995



(NP) '09 JD 4930 Stk#:158730, 2187
Hrs, 120', Boom Leveling ... \$150,995



(MC) 2008 JD 4730 #149369 5093 hr
90 ft bm, ss tank, hyd tread. \$122,000



(MC) '13 JD 4830 Stk#:152274, 1128
Hrs, 100', Guidance-ready .. \$226,900



(EL) '13 AG-CHEM RG1300 Stk
#:157110, 1200 Hrs, 100' ... \$241,400



(ON) '13 JD 4940 #151579, 355 Hrs
120' boom, leveling \$297,900



(BB) 2013 JD 4830 #152273 595 hrs
100 ft bm, ss tank, guide rdy \$187,290



(MC) '11 JD 4930 Stk#:145122, 604
Hrs, Very nice, 120' \$257,500



(GE) 2011 JD 9770STS #149240
721hr, 360hp, Mauer Ext... \$215,790



(MC) '12 JD S670 #158721, 975 Hrs
PRWD, Lat Tilt \$255,000



(NP) '13 JD S680 #157311, 391 Hrs
Yield Monitor, Duals. \$329,000



(EL) 2010 JD 9870STS #142336
923hr, yld monitor, tilt fdrhse \$193,165



(SE) 2009 JD 612C #139922 12R30
Oppsed Straight Fluted Stalk.. \$37,590



(ON) 2008 JD 608C #155872 8R30
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RUSKIN, NE
By Dave Meyer

It is December 23rd as I am writing this, and another farming cycle has been completed. An inch-and-a-half of rain over the past four days has almost certainly brought any fall/winter field work to an end.

The 2014 yields in south central Nebraska and north central Kansas, for the most part, were extremely good. Most of my clients did have some small revenue losses; if the yields would have been in the average range, the payouts would have been massive.

The Art Barnaby meetings addressing the Farm Bill were a huge success. I was told by many of the attendees that after the meeting their mind was made up and they were confident in the direction in which they were heading.

To all of my clients, thank you for allowing myself and The Home Agency to serve you, and for entrusting us with your crop insurance needs. To any of you who are considering an agency change, please contact me and let me tell you more about the advantages of doing business with The Home Agency. ■

BELOIT, KS
By Enos & Jill Grauerholz

We hope 2015 is starting off great this year. We certainly are ready for a better year for agriculture! 2014 was a roller coaster with violent storms, hail, drought, grain price dives, and livestock prices soaring and dropping again. Whew, let's see if we can be a little more "normal" this year. But we need to take 2014 as a reminder of the risk and volatility we are exposed to. The Beloit office paid out huge indemnities for 2014, and we are happy we could help our insureds.

We also want to put out a safety reminder. We had multiple accidents involving machinery in our area. Please check your vehicles and machinery for working lights, mirrors for left turns, caution signs, and flashing lights.

We had a great turnout to our Farm Bill Meeting with Dr. Art Barnaby in Beloit the beginning of December. We were able to take away a better understanding of what choices we have for our operations. We thank everyone who took the time to fill the ballroom and attend! ■

HOME, KS
By Paula Brown

With the holidays behind us and the fields put to rest, we look toward the 2015 crops. So far most conversations are wrapped up in the Farm Bill changes and learning the ins and outs of the new programs. Crop insurance records are being used to update yields and base acres at FSA. This information is available to you anytime; just remember the February 27th decision deadline.

I have attended several Farm Bill meetings and seem to learn

something new at each one. Dr. Art Barnaby will be at the February 12th meeting in Frankfort, and I look forward to getting more insight from him. At one of his previous meetings something he said really stuck with me. He said "92% of your risk management will be your crop insurance and 8% will be Farm Bill programs." This reminds me of the importance of taking time to review your crop insurance each renewal period to determine what, if any, changes need to be made.

Price tracking for 2015 corn, soybeans, and grain sorghum will track Feb 1-28. There are some crop insurance changes for 2015; including yield exclusion, beginning farmer, and conservation compliance, and we will cover all of that at the spring update meeting. Hope to see you all there! ■

KIRWIN, KS
By Rhonda Jones

Welcome to the New Year and a new Farm Bill!!

Farmers will have several new options to look over. There will be a meeting presented by Art Barnaby on February 10th at the Phillips County Fair Building. I highly encourage you to attend.

The FSA offices have mailed out information for you to check over your yields. If you have not received your 10-year production history from me, please call and I will get it to you. It is my understanding that we have until the end of March to get signed up.

Every New Year brings new challenges, goals, and decisions. Mother Nature plays a big part of them. I certainly hope that the drought is coming to an end and wetter weather is in our forecast!

My family will be expanding this year with another grand baby. Our oldest daughter Rachel is expecting in May. Cooper wants a baby sister!

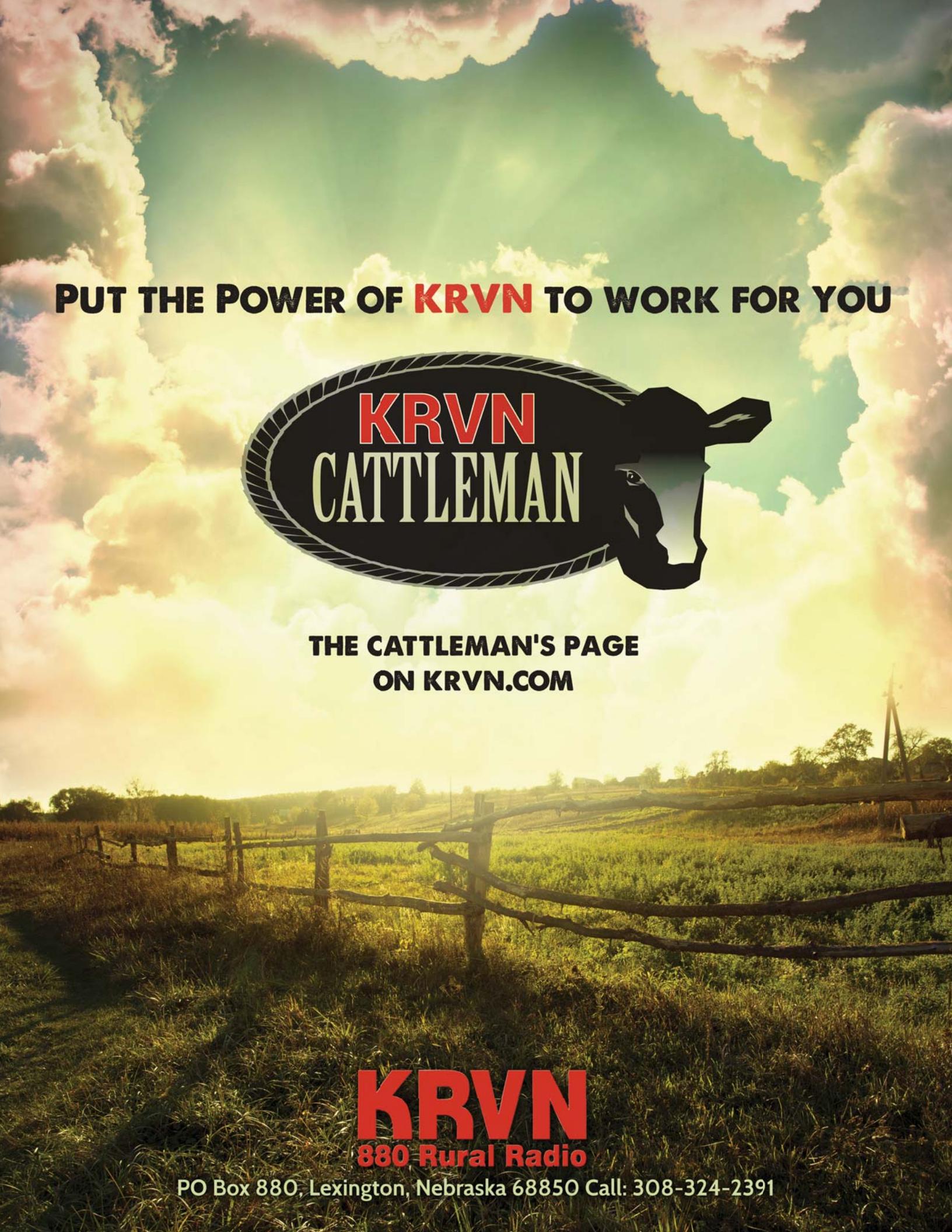
Vincent will be graduating from high school in May, and he is looking forward to college at NCTA where he received a scholarship to be on the crops judging team.

Thank you for your business these past years, and I'm sincerely looking forward to working with you in 2015 and beyond! ■

LARNED, KS
By Clark Redding

Getting ready for Santa in Kansas! Just had another rain the other day and it looks like we may get some more before Christmas. It may not be a white Christmas here, but it might be a wet one. In Kansas moisture is moisture.

The wheat looks pretty darn good here in Pawnee County. Our fall harvest was pretty much a success and here we have much to be thankful for. Compared to a year ago, it's a whole new world here.



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I'm wondering how thankful we should be over this new Farm Bill though. I've been to two FSA meetings to hear the directors explain to area producers just what is in store. They all said the same thing pretty much. "This program is pretty complicated and you have to pay attention to try to get it right, but the bottom line is there might not be much in it for you." Sound familiar? Thought so. Maybe I'm just old and jaded. Old for sure. When it's all said and done, your best bet will be to set up the best Revenue Insurance program you can and pay attention to your marketing plan. With these prices, the marketing becomes so much more important.

Eastern Colorado is looking soooo much better than last year. They also had a good fall harvest. In fact, it was a remarkable harvest. Even with the hail, and boy did they get some hail, some of the numbers were all-time highs. They were due, as the drought has been pretty hard on them and the change will do them good.

Speaking of hail, I was in the Christmas spirit last night and thought of this:

Twas the night before Christmas and all
through the farm,
Not a creature was stirring, there was no
alarm,
The stockings were hung by the mailbox with
care,
In hopes the HPP checks, soon will be there.

Oh, yeah, those HPP checks in eastern Colorado are being waited on with great anticipation. We had some hail in Colorado this year and those irrigated producers who had the HPP hail policy on their corn are going to be glad they did. Anyone with irrigated corn that is not looking at the HPP Production Hail policy in those areas where hail is a way of life, needs to take another look. It might be worth your time.

By the time you read this it will be way past Christmas, but I'm going to wish you all a very Merry Christmas anyway. Preparing, as usual, for a great new year. How am I going to do that? Why I'm going to hope for the best, but I'm going to prepare for the worst. You do the same! ■



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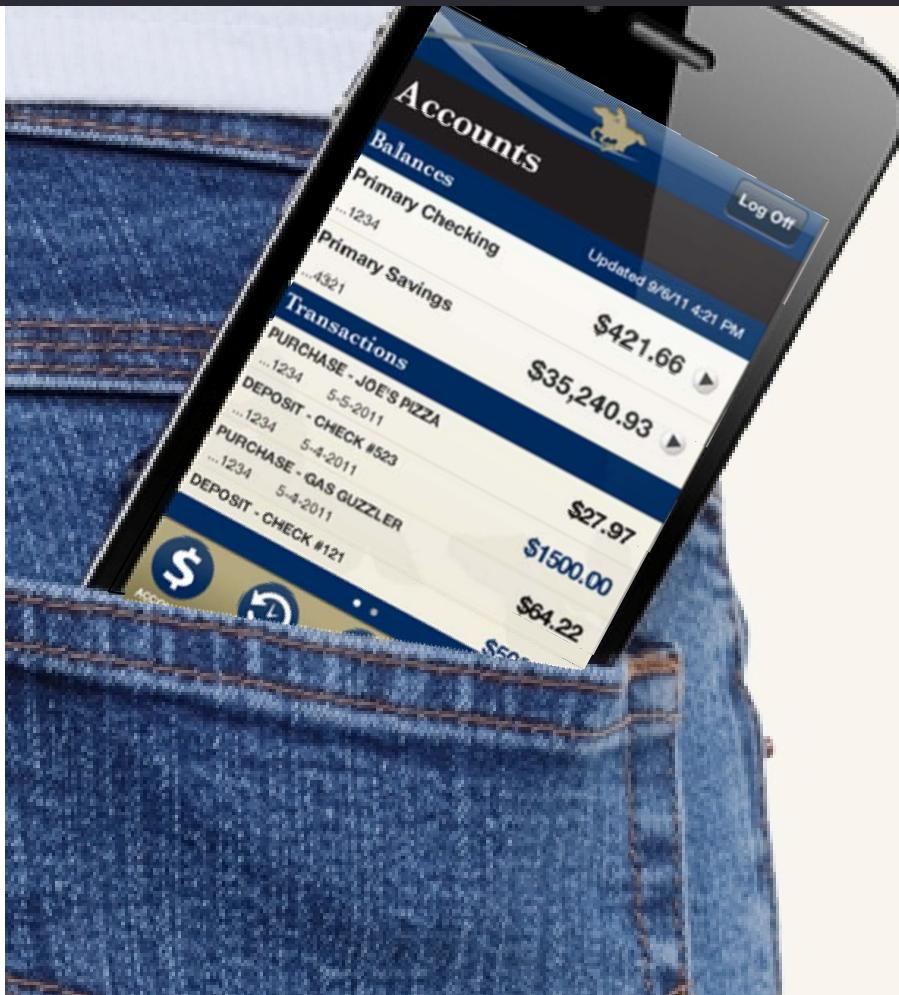
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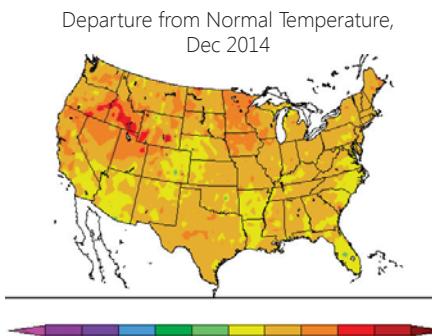
By Brian O'Hearne

In this edition, we will discuss the biggest weather risks to your operations and offer recommendations for mitigating weather risks by using eWeatherRisk's weather contracts. Remember, every Thursday morning we release a Home Agency WeatherManager that features our weekly commentary, medium- and long-range forecasts, drought monitors, and numerous other weather updates that are vital to managing your weather risk. Request a copy of this week's Home Agency WeatherManager from your agent today or find it on their website at www.thehomeagency.com.

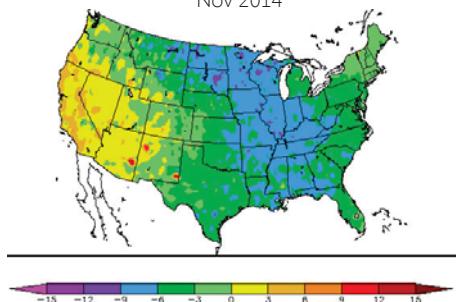
NOVEMBER-DECEMBER RECAP

In the last issue we discussed risk of winter kill and your Home Agency Agent helping you with that exposure.

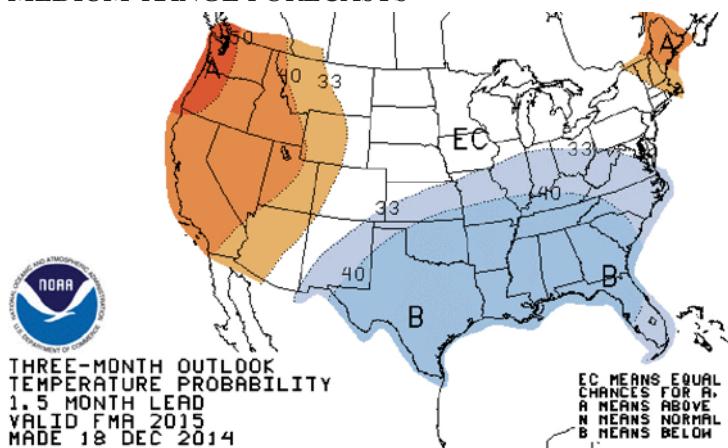
Sure enough, temperatures plummeted to start November which alarmed growers of winter kill potential on the wheat crop. This was in addition to a lack of snow cover across much of the Plains. December had a big warm up which led to rapid melt of any accumulated snowfall only to be followed by a massive cold spike heading into the final days of 2014, which we expect did cause wide spread winter kill. The Home Agency team can show you different winter kill coverages available through eWeatherRisk, just give your agent a call and ask about it today!



Departure from Normal Temperature, Nov 2014

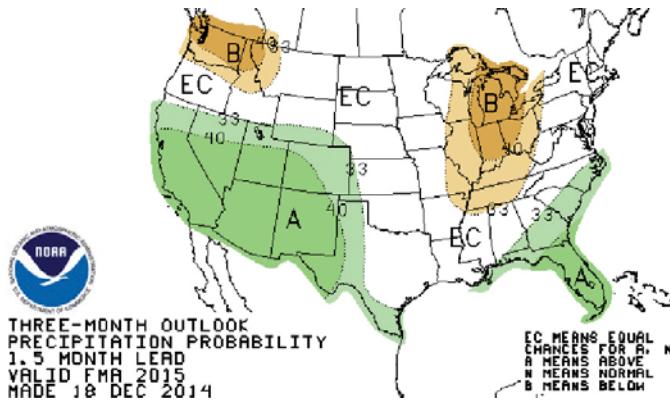


MEDIUM-RANGE FORECASTS



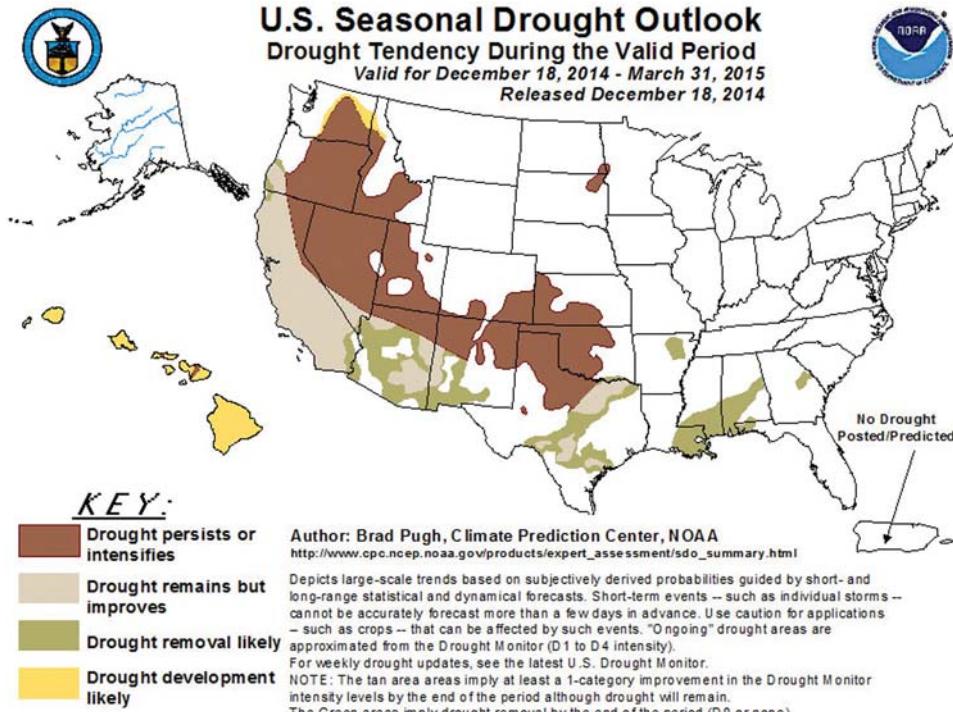
The National Weather Service's February – April Temperature Outlook forecasts a greater likelihood of colder temperatures in Kansas, with equal chances for above- or below-normal temperatures in Nebraska and Iowa. For livestock producers, feedlots, and dairies, colder weather increases energy usage, feed consumption, and mortality risk. eWeatherRisk offers cold weather coverages which can mitigate the financial losses due to greater feed use as well as mortality, just ask your agent to provide you with a quote!

Looking ahead to spring, cooler weather could cause planting delays and germination issues, so cold weather hedges for winter and spring can double as effective coverages for those



operations. Excess precipitation hedges at planting can protect against planting delays, replant costs, and potential for an immature crop in the fall.

We found an interesting article in the December 29th edition of Corn & Soybean Digest titled, "Why climate deniers?" by Kurt Lawton. He said, "Climate scientists are confident that extreme weather events will continue to increase, especially higher spring and summer rainfall, for at least one to two decades." Certainly, the twin tornadoes are still in our minds from the 2014 replant in Nebraska and Iowa, and these short-term cycles tend to persist for several years. So focusing on protecting your spring planting windows with an excess rainfall weather contract is a great solution.



SEASONAL DROUGHT OUTLOOK

Based on the Seasonal Drought Outlook, Eastern Colorado and Western Kansas are at the greatest risk of intensifying drought, but remember that long-term forecasts may or may not verify which is why you should consider purchasing weather contracts to protect against drought over the next few months to protect winter wheat and rangeland. Contracts purchased soon will be much cheaper than if these drought conditions begin to materialize.

eWeatherRisk's weather contracts are the most flexible products in the industry, so call your agent to discuss any weather-related issues you are experiencing and your agent can provide you with the most cost-effective weather coverages available.

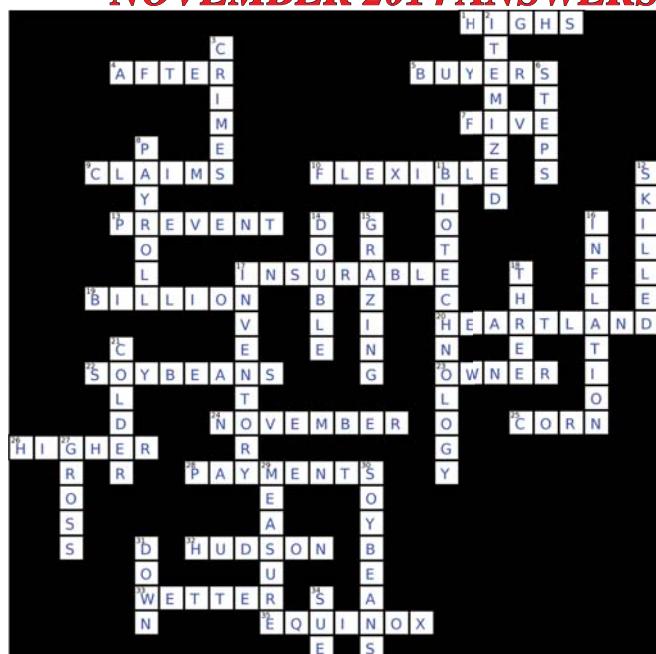
All you need to do is pick up the phone and give them a call! ■

**STAND ALONE PIVOT
COVERAGE**

- **Replacement Cost Coverage** - Insure any machine for full replacement cost.
- **No Age Restrictions** for coverage.
- **Stand Alone Coverage** - Takes some of a farms highest risk equipment off of a farm policy and moves it to a policy of its own.
- **Coverage for Mechanical and Electrical Failure** on the System.
- **Pivot Dealer Adjusted** In Most Cases.
- **Per Occurrence Deductible** - One deductible for all machines on the same policy damaged in the same event.

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NOVEMBER 2014 ANSWERS





THINKING OUTSIDE THE BOX

By Alan E. Kuzma, CLU ChFC

Investment Advisory Services offered through Global Financial Private Capital, LLC

An SEC Registered Investment Advisor

Quick, here's a question for you: What would you do if you found out that your house had a 50% chance of burning down in the next 10 years?

I hope your answer was to contact the good folks at The Home Agency to make sure your homeowner's insurance is up to snuff.

The reason I ask such a question is that according to the General Accounting Office of the United States government 52% of American's over the age of 65 will need some kind of skilled nursing care. It could be 30 days for rehabilitation or 10 years on an Alzheimer's ward. The average stay is 2.93 years. The average cost in Nebraska is rapidly approaching \$200/day; \$6,000/month; \$72,000/year. So let's just use round numbers and call it that you will need \$210,000 in case of a long-term illness that requires custodial care.

Now extrapolate those numbers 25 years into the future—are you sitting down—they are staggering. The costs are \$25,000/month; \$300,000/year and \$900,000 for a 3-year stay.

So where is the money going to come from to pay for these costs?

The last article I talked about how to select a long-term care policy. Some of you that read it probably thought long-term care is too expensive. If you think long-term care insurance is too expensive—try going through a nursing home without it. Or let me put it like this: walk into a nursing home and the first family

you see with their loved one, ask them two questions:

1. How are things financially?
2. How are things between the brothers and sisters?

I think you will find the answers very interesting.

OLD SCHOOL

My father was born in Pennsylvania on October 6, 1921. Dad grew up in the coal fields during the Depression. Things were tough, real tough. He told me about going to bed hungry and not knowing where his next meal would come from. Dad knew the value of a dollar. He was also an excellent planner. But planning for long-term care baffled him. I remember us having three or four very serious discussions about long-term care insurance—the need, the cost, etc. In the long run Dad did not buy it. Why? Because he told me that just like any insurance if you don't use it you lose the premium.

And that is exactly what would have happened because on December 5, 1997, Dad died suddenly of a heart attack.

LONG-TERM CARE ALTERNATIVES

In the 17 years since Dad died a lot has changed in this world. Things have also changed in planning for long-term care. If you have an attitude like my father did, read on.

Today there are hybrid products to help pay for long-term care. Here are examples of two products I use in my retirement income planning business:

Life insurance with a long care insurance rider - for those frugal souls like my late father here's something to think about. With this type of policy, you have a traditional life insurance death benefit or you can use the death benefit for long-term care. In other words your premium dollars do double duty.

Just like a traditional long-term care policy you want this hybrid to pay in four types of scenarios: 1) in a nursing home; 2) at home; 3) community care; and 4) adult day care.

Benefits are triggered when the insured is unable to do two of six activities of daily living: eating, bathing, toileting, transferring, dressing, and incontinence. Another trigger is if the insured is cognitively impaired and requires substantial supervision.

The amount of benefit available for chronic illness typically is the least of: 2% of the death benefit; the monthly equivalent of the IRS daily benefit limit at time of claim (2014 benefit is \$330/day or \$9,900/month) or the monthly equivalent of the IRS daily benefit compounded at the Daily Limit Compound Rate normally found in the contract data page of the policy.

Another feature offered on these policies is a terminal illness rider. If the insured has less than 6-12 months life expectancy he/she can take a lump sum payment. Typically the lump sum is approximately 75% of the net death benefit. Please note that if you do exercise the terminal illness feature the chronic illness feature is no longer available.

One more critical feature to look for is a no lapse guarantee. This means as long as you pay the premiums, the policy will always be in force.

So it sounds pretty good so far. Here are other parts of the equation. Since you are buying a life insurance policy, you must go through medical underwriting. The healthier you are when you apply the better the annual premium rate. Speaking of premium, you can pay either annually or in one lump sum. If I am working with someone that doesn't have LTC, but they have had life insurance for many years, in some instances it makes sense to exchange the old life insurance policy for a new one with long-term care benefits. Another thing to consider: if you are over 70 ½ you must take a Required Minimum Distribution from your IRA and use that to pay premiums. Oftentimes I find IRA owner's take their distribution, pay the taxes on it, and stick it back in the bank. Why not take that RMD and purchase a life/LTC insurance policy? Doesn't that make more sense than earning .6 of 1%?

Pay particular attention to the financial strength of the company and work with a broker that can present quotes to you from multiple companies.

ANNUITIES WITH A LONG-TERM CARE RIDER

Instead of laboriously detailing this product, let me tell you a story about how it helped one of my clients.

I met Mary after she attended a seminar I gave in 2007. Her husband Brian had died 18 months earlier and she was looking for information. After the seminar Mary wanted to talk about several topics. One of those topics was long-term care insurance. I asked her what her game plan was in the event she needed skilled nursing care. She replied that she had about \$70,000 of Brian's life insurance proceeds in a CD. That was Mary's plan for

long-term care.

She asked me to get her quotes for long-term care, but didn't think she could fit it into her budget. And like Dad, she said that if she didn't use the insurance the premium is gone.

So I offered Mary an alternative: a fixed rate annuity with a long-term care rider. It works like this: for every \$1 Mary put in she would have \$3 in long-term care benefits. It pays if she is at home, in community care, adult day care, or a nursing home. The fixed rate on Mary's annuity is 3.0%-compare that to a bank CD. If she needs the money for non-health care issues it's available. If she doesn't need the money and dies with the account intact, the funds go to her sons free of probate. If she does need the long-term care benefits now instead of \$70,000 she has \$210,000 available.

IN SUMMARY

No one likes to think about your health declining and needing skilled nursing care. People don't plan to fail, they just fail to plan. With skilled nursing care you need a plan.

If you have questions please contact the good folks at The Home Agency or feel free to contact me at 402-438-4200 or by email at alan@kuzmafinancialservices.com.

Till next time, be well and may God bless. ■



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Winter Favorites

Cocoa Browned Butter Brownies

From: Sara Ross - Adapted from an unknown source.

Ingredients:

10 tablespoons unsalted butter
 1¼ cup sugar
 ¾ cup cocoa powder
 2 teaspoons vanilla
 2 large eggs
 1/3 cup + 1 tablespoon flour
 3 Skor candy bars, smashed
 2 teaspoons water
 ¼ teaspoon salt

Directions:

Preheat oven to 325°. Melt butter in a nonstick pan over medium heat. Continue cooking until butter stops foaming and browned bits form on the bottom of the pan



(approx. 5 mins). Remove the butter from heat and add sugar, cocoa, water, vanilla, and salt. Stir until blended and then let cool for 5 minutes. Add eggs one at a time, stirring vigorously with a rubber spatula. Add flour and stir. Stir in Skor chunks. Pour into a 8x8 greased pan. Bake at 325° for 20-25 minutes or until a toothpick comes out clean. Let cool and then enjoy!

Valentine's Day is right around the corner! This recipe for Cocoa Browned Butter Brownies is the perfect treat to make for the special occasion. Not only are they so easy to make (it only takes one pan to mix it all up), they are so delicious too!



Finished Size: 36 1/2" x 44 1/2"

Cutting:

Cream: Background (1 yard)
 (108) 2 1/2" x 2 1/2"

(216) 1 1/2" x 1 1/2"

At least 78 Assorted 5" x 5" squares, cut:
 (108) 2 1/2" x 4 1/2" for hearts

(48) 2 1/2" x 4 1/2" for pieced rows

Red: Sashing/Binding (1 1/4 yards)
 (10) 2 1/2" x 36 1/2" (Sashing)

(5) 2 1/2" x 42" (Binding)

Backing: 1 1/2 yards

Cherry Chocolate Hearts

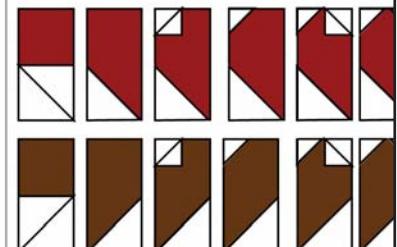
Hearts:

1. Draw a diagonal line across the wrong side of the 1 1/2" and 2 1/2" cream squares.
2. Pair the 2 1/2" cream squares right sides together on the lower half of 108 of the assorted 2 1/2" X 4 1/2" rectangles. Refer to diagram for direction of the diagonal line, half will go in one direction, half will go in the opposite direction. Sew on the drawn line. Trim seam allowance to 1/4". Press towards cream.
3. Pair the 1 1/2" cream squares on the upper corner of the rectangle. Sew on drawn line. Trim seam to 1/4". Press towards cream. Repeat on opposite upper corner.
4. Sew the two heart halves together. Block should measure 4 1/2" x 4 1/2" at this point.

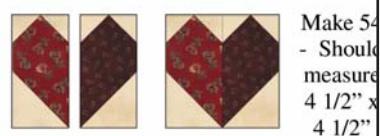
Assembly:

1. Sew hearts into 6 rows of 9 nine hearts each.
2. Arrange ten 2 1/2" x 4 1/2" rectangles into 5 rows. Trim the end rectangle in each row to 2 1/2" x 2 1/2". Sew rectangles into rows.
3. Arrange rows of hearts, sashing, and pieced blocks as shown. Sew rows together.
4. Quilt as desired. Bind using the 2 1/2" strips of red.

*All seam allowances are 1/4"



Make 54 of each direction



Make 54
 - Should
 measure
 4 1/2" x
 4 1/2"



Make 6 - Should measure 4 1/2" x 36 1/2"



Make 5 - Should measure 2 1/2" x 36 1/2"



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Crossword Puzzle

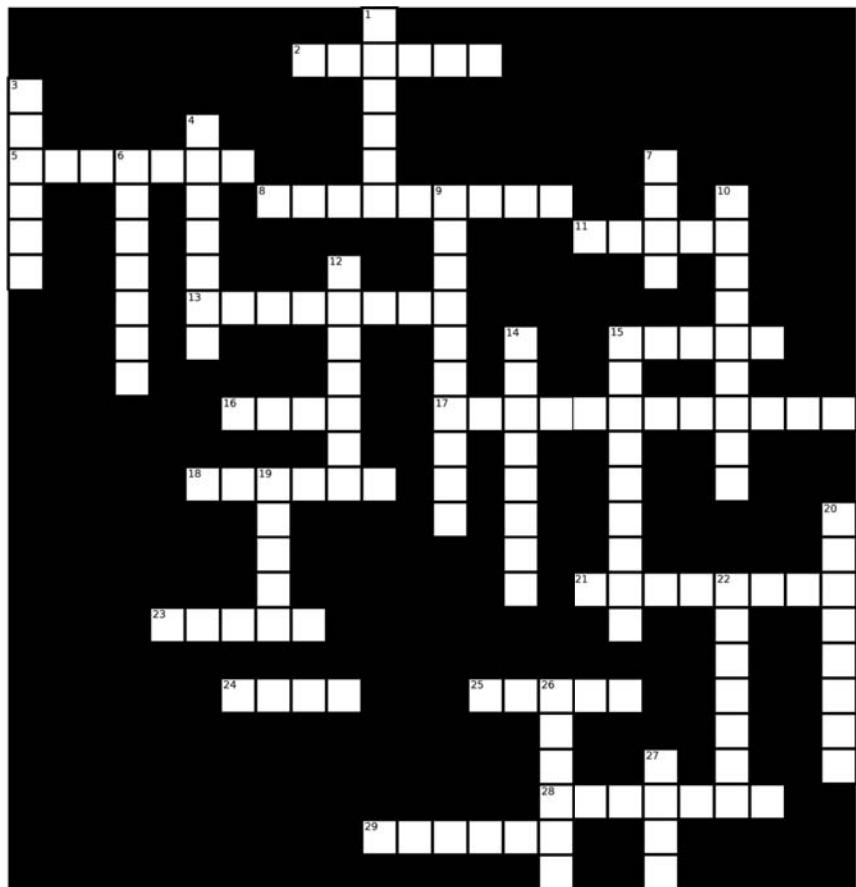
Please enjoy this crossword puzzle. You will find every answer somewhere in this magazine. The correct answers will be in the next issue.

ACROSS

- 2 As farmers look for risk protection, LRP is a ____ and flexible option.
- 5 According to the General Accounting Office of the United States government 52% of American's over the age of 65 will need some kind of skilled ____ care.
- 8 A famous past Nebraska One Box hunter was Neil ____.
- 11 The PLC program payments are triggered when the effective price for a covered commodity is ____ than the respective reference price for that commodity.
- 13 Another feature offered with a life insurance policy with a long care insurance rider is a ____ illness rider.
- 15 Jim walked an average of 6.88 ____ each day in November.
- 16 A beginning farmer or rancher is an individual who has not actively operated and managed a farm or ranch with an insurable interest in a crop or livestock for more than ____ years under the new Farm Bill program.
- 17 Another important provision of the 2014 Farm Bill is ____ Compliance.
- 18 The Sales Closing Deadline for 2015 ____ row-crops is March 15, 2015.
- 21 Climate scientists are confident that extreme weather events will continue to ____ for at least one to two decades.
- 23 The average stay in a skilled nursing facility is 2.93 ____.
- 24 HarvestMax can be purchased as a stand-alone policy or written to compliment your ____ policy.
- 25 Each day, everyone should strive to reach 10,000 ____.
- 28 The decisions that farmers have to make under the new Farm Bill are a one-time election and will be effective through 2018, when the current Farm Bill ____.
- 29 At the Nebraska One Box, teams are equipped with only one box of ____.

DOWN

- 1 In early December, The Home Agency was fortunate enough to have Dr. Art Barnaby of ____ State University present six Farm Bill meetings across Nebraska and Kansas.
- 3 The massive cold spike during the final days of 2014 probably caused wide spread ____ kill on the wheat.
- 4 With a fixed rate ____ that has a long-term care rider, for every \$1 put in you have \$3 in long-term care benefits.
- 6 HarvestMax is designed to protect against losses, protecting up to 93-96% of your APH.
- 7 During mid-December we saw numerous days limit ____ on the feeder cattle market.
- 9 Under the new 2014 Farm Bill, producers cannot increase or decrease the total amount of base acres, only ____ them.



- 10 Added Price Option is written through RCIS and allows you to buy up the ____ price of a bushel of corn or soybeans.
- 12 The Home Agency team shot ____ pheasants and one quail to take first place at the Nebraska One Box hunt.
- 14 A gift that Jim received for Christmas was tickets to the ____ Derby.
- 15 The weight ranchers insure their cattle under LRP is the expected weight of the animal when they plan on ____ the cattle.
- 19 With a life insurance policy with a long care insurance ____ , you have a traditional life insurance death benefit or you can use the death benefit for long-term care.
- 20 Nebraska's One Box is the nation's top ____ hunt set in the beauty of the Sandhills.
- 22 When Yield Exclusion is elected, insureds may ____ actual yields in an eligible crop year(s) that are identified in actuarial documents.
- 26 ____ precipitation hedges through eWeatherRisk at planting can protect against planting delays, replant costs, and potential for an immature crop in the fall.
- 27 The Agricultural Risk Coverage-County Level provides crop-by-crop revenue protection based on a comparison of current year county level crop revenue against a ____ year historic county level revenue for that crop. ■



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Design and layout of The Home Agency Magazine is by Sara Ross.*

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