

■ The ■ Home ■ Agency

COMBO Policy Update
Conservation Reserve Program
Estate Planning & The Federal Estate Tax
HEALTH & WELLNESS



President's Thoughts

Greetings! Writing this the 6th day of July after a nice 2-3 inch rain over the 4th of July weekend sure makes everything look good. The rain couldn't have come at a better time as the wells were just getting fired up. But now once it dries up some producers need to start harvesting wheat.

Looking back at the last two years' issues of The Home Agency Magazine I've talked about how wet it has been and it looks to be three years in a row. With early rains in April and May slowing planting down and some timely rains in June and now in July, it looks like we have the makings of a real good year. (**Gothenburg, NE had some severe storms roll through on July 10-11. Both days brought hail and Sunday the winds were up to 94 mph. It leveled the soybean and corn fields in the area.)

With wheat harvest ready to begin here and finished in most of Kansas at the time of this writing, I bet I have heard at least ten times or more from some of my insureds that the CRC or RA price is so good they would be better off getting hailed out. That of course is coming from people that have no or very little wheat priced. Did you know the Kansas City futures price on March



Adjuster Darren Huxoll with insured Larry Burke and grandson Logan.

30, 2008 hit \$11.20? Now, over two years later we are down to less than half of that price.

We show these numbers at all our meetings, and we talk at length on how to use your crop insurance as a tool to market your grain, but it still concerns me that grain does not get marketed. If anyone out there can give me some ideas on what I can do better to convince producers to market grain early, please let me know.

Combo Policy Update

For 2011, RMA has mandated a universal change to the coverage for several important crops including corn, soybeans and wheat. This change involves the basic insurance policy terms, price elections, premium rates, data processing and validation requirements.

The current situation is cumbersome at best. For instance for corn, we have a CAT policy, a yield (APH) policy, a revenue assurance policy (RA), a crop revenue coverage policy (CRC), a group risk policy (GRP), a group risk income policy (GRIP) and an index policy (IP). These variations date back to the 1980's for yield, 1990's for CAT and CRC, 2000's for RA and GRIP and you get the picture. Each policy has its own set of rates and specific policy terms outlining the terms and conditions. This is repeated for wheat, cotton, soybeans, etc.

While burdensome, the industry has been able to manage the complicated process due to the fact these new policies and changes have come piecemeal and generally with a limited "pilot program" for the first several years of a new program. These "pilot programs" are usually limited to one new crop program in 3-4 states and often just a few counties within each state. This allows the insurance providers, agents and growers to test the program with limited liability for coverage problems, rate problems, system problems, claims, etc.

The Combo Policy has been on the front burner for several years as a "program simplification" project. It was originally to roll out in 2008 or so, but lack of Information Technology (IT) resources within USDA kept delaying the necessary changes most all stakeholders believe will be helpful over time. The 2008 Farm Bill included some \$50 million for RMA IT issues and the combo policy was the focus of that funding.

So, we fast forward to today, and RMA prepares to launch the long awaited program changes known as Combo. The timing is again a problem, as the RMA 2011 SRA proposal includes substantial reductions to the industry revenue stream at the same time they mandate a huge combo project to the providers. Conventional wisdom is the industry will struggle to roll out these mandated changes as the policy changes are significant.

The Combo Policy changes are in and of themselves significant. For example, again on corn, we will have a basic yield policy and then a more limited number of options. Revenue coverage will be an option and those growers that had RA or CRC in 2010 will be "rolled" to this Combo Revenue option in 2011. The approved insurance providers (AIP) will all be given identical instructions from RMA on how the 2010 policy will be renewed in 2011. It

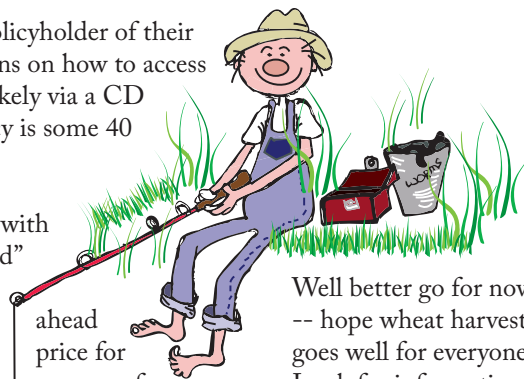
appears the AIP will have to notify the policyholder of their policy status for 2011 as well as instructions on how to access a hard copy of the new Combo Policy – likely via a CD or they can see their agent. The new policy is some 40 pages long or so.

The commodity price process will change with the Combo rollout. The use of “established” prices for the APH policy has been replaced with the “price discovery” process of the sales closing date. So, the spring corn for the revenue option is a weighted the February observations of the December – this becomes the spring price for the

In closing, we should all expect there will be “issues” 2011. There will be on all sides and policyholders are necessary, but before we see any real “gain”. As has always been the case with crop insurance program changes, we at The Home Agency will be on top of all changes and will do our best to lead the pack. So if you have a neighbor or a friend who does not understand all the changes please have them give us a call, or better yet, give us their name as we would love to call them.

ahead price for average of ber futures prices APH policy.

will be “issues” 2011. There will be on all sides and policyholders are necessary, but before we see any real “gain”.



Well better go for now -- hope wheat harvest goes well for everyone! Look for information on wheat meetings coming to your area in August and September. Take care and be safe! ■



Hudson with hair like his Grandpa's!

fin




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Tank goes splash as Duke heads to the front of the boat!

✿ As you can see by the picture, the dogs and I have been doing some fishing. And if you recall, in the last issue I stated that one of us three would end up in the water before the season was over. Well, guess which one it was? The night we were taking pictures, you guessed it, Tank went in. I really think Duke pushed him, but either way an 80 pound soaking wet dog is not an easy thing to get out of the water and into the boat. After I got him in, the two of us were soaking wet and Duke just sat up front and watched, saying to himself, “I keep telling you to leave that dumb dog at home.”

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FALL WHEAT & HARVEST UPDATES

By Cindy Davis

2011 Wheat Crop First to See New Combo Policy

We have been told for several years now that FCIC and RMA have been working on a new “Combo Policy” and it looks like it is finally here. For producers in our area, the 2011 wheat crop will be the first to see this new coverage. The biggest change most of you will see will be in the revenue plans. In prior years, you had to choose between RA and CRC coverage. For the 2011 crop year those plans have been combined into one and it is called **Revenue Protection**. If you elected APH coverage in the past that plan will still be available, but only for crops in which revenue protection is not available. Oats, Rye and Flax are a few crops still available for the APH plan. Instead, if you had APH coverage in the past, most likely your coverage will roll to the new plan called **Yield Protection**, unless you choose to change plans and go with revenue protection. In prior years you have probably heard us talk about a base price (the initial price set for CRC and RA) and also the harvest price (the price set in the fall). In the new policy those will be called **projected price** and harvest price for both the Revenue Protection (RP) and Yield Protection (YP) plans. The projected price for Revenue Protection and Yield Protection, along with the “established price” for APH will be set for Winter Wheat during the period of August 15 – September 14. This timeframe remains the same as in past years, with the excep-



tion of the APH plan. No longer will the established price be set before the projected price. As in the past, with all three plans, you will still need to choose a level of coverage and the different options you want to include on your policy.

With the **Revenue Protection** plan, 100% of the projected price must be used. The guarantee is determined by multiplying your production guarantee by the greater of the projected price or harvest price. The projected price is used to determine premium, replant payments and PP (prevented planting) payments; the harvest price is used to value production to count.

With the **Yield Protection** plan, a producer may elect a percentage of the projected price and the guarantee is determined by multiplying the production guarantee by the projected price only. The projected price is used to determine premium, replant payments, PP payments and to value production to count. The harvest price is **not** used with the Yield Protection plan.

More than likely there will be numerous other changes we will be learning about leading into this new crop year, but be assured the agents of The Home Agency will do our best to bring you the most up-to-date information available. The Sales Closing Deadline for 2011 Winter Wheat has NOT changed; it is still **September 30th**, which means you will need to get in to see your agent prior to that deadline to get your new coverage in place for this year's wheat.

A few other things to keep in mind as you go over your coverage with your agents:

- Be sure to review all social security numbers and/or EIN's to make sure they are listed correctly on your policy. All person's and/or entities with a 10% or more interest in the policy also need to be listed.
- Make sure to let your agent know if the entity listed on your policy has changed. For example, if there has been a new marriage and a spouse needs added to your policy; or a divorce

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or change in a corporation or partnership.

- Do you have a policy for all counties in which you need to insure crops in? If you have acquired new ground lately you may need a new policy written. Also, make sure to include all crops you intend to plant and insure on the policy. They cannot be added after the sales closing deadline.
- Another situation that has become more popular in recent years is tenants insuring landlords share or landlords insuring tenants share on their own policy. This type of agreement must be made **PRIOR** to sales closing deadline. The entity that is insuring the other's share must report it before sales closing and must also include the other parties SSN or EIN. The landlord or tenant who is being insured cannot have an active MPCI policy of their own in the same county.
- Another situation that seems to cause trouble if not reviewed **before** the Sales Closing Deadline is High-Risk Land. If you are not sure if you have high-risk ground in your farming operation, ask your agent to check on this for you. Acres planted in high-risk areas are often subject to additional premium and sometimes different t-yields as well. There are different options available for high-risk land if we are aware of it before the deadline.

2010 Wheat Production

I hate to sound like a broken record, but once again we have experienced abundant rainfall this spring and summer and in many areas too much rain. Hopefully this didn't delay wheat harvest too much and you were able to complete harvest without much difficulty. If you remember, the base price for 2010 Wheat was set back in September at \$5.42. The chart below will show you

2010 WHEAT TRACKING DATES			
PLAN	STATES	BASE PRICE	HARVEST PRICE
CRC	CO, KS	AUG 15-SEPT 14 JULY HARD RED WHEAT KCBOT \$5.42	JUNE 1-JUNE 30 JULY HARD RED WHEAT KCBOT \$4.79
CRC	IA, NE, SD	AUG 15-SEPT 14 JULY HARD RED WHEAT KCBOT \$5.42	JULY 15-AUG 14 SEPTEMBER HARD RED WHEAT KCBOT \$N/A
RA	CO, KS, IA, NE, SD	AUG 15-SEPT 14 JULY HARD RED WHEAT KCBOT \$5.42	JULY 1-JULY 14 JULY HARD RED WHEAT KCBOT \$5.38

when the harvest prices will be set for 2010 wheat, but keep in mind these dates will be changing, beginning with the 2011 crop year.

As you can see, the CRC harvest price for CO and KS has been set as well as the RA harvest price, and the harvest price for CRC for IA, NE and SD will continue tracking until August 14th. If you haven't already done so, get your wheat production turned in to your agent as soon as possible so they can get your production history updated and double check your policy for losses.



Row Crop Harvest

With any luck, wheat harvest is complete and before we know it harvest will begin on row crops. Here are your annual harvest reminders:

- Production must be kept separate by unit! Units will be combined and you could lose your optional unit structure if production has been co-mingled between units.
- Losses must be turned in timely. The provisions state that in event of damage or loss of production for a planted crop, the producer must give notice, **by unit**, within 72 hours of the initial discovery of damage or loss of production. Give your agent a call as soon as you discover any damage or production losses for any unit – don't wait until you have completed harvest for the entire crop.
- Contact your agent PRIOR to chopping any acres for silage. If possible call a few days before you will begin so your agent has time to get an adjuster out to do an appraisal.
- Never destroy a crop without prior approval from an adjuster. Crops destroyed without consent will take a "zero production" for the year for the corresponding database. That "zero production" will stay in the database for ten years.

The chart at the bottom of this page will show you the 2010 row crop base prices along with the tracking dates for harvest prices. Remember, similar to the wheat chart, the tracking dates are subject to change with the new plans and provisions for 2011. ■

2010 SPRING CROP PRICES WITH HARVEST TRACKING DATES			
CROP/PLAN	STATES	BASE PRICE	HARVEST PRICE TRACKING
CORN/CRC	CO, IA, KS, NE, SD	\$3.99	OCTOBER 1-OCTOBER 31 DECEMBER CORN-CBOT
GRAIN SORGHUM/CRC	CO, IA, KS, NE, SD	\$3.90	OCTOBER 1-OCTOBER 31 DECEMBER CORN-CBOT
SOYBEANS/CRC	CO, IA, KS, NE, SD	\$9.23	OCTOBER 1-OCTOBER 31 DECEMBER SBEAN-CBOT
CORN/RA	CO, IA, KS, NE, SD	\$3.99	NOVEMBER 1-NOVEMBER 30 DECEMBER CORN-CBOT
SOYBEANS/RA	CO, IA, KS, NE, SD	\$9.23	OCTOBER 1-OCTOBER 31 NOVEMBER SBEAN-CBOT



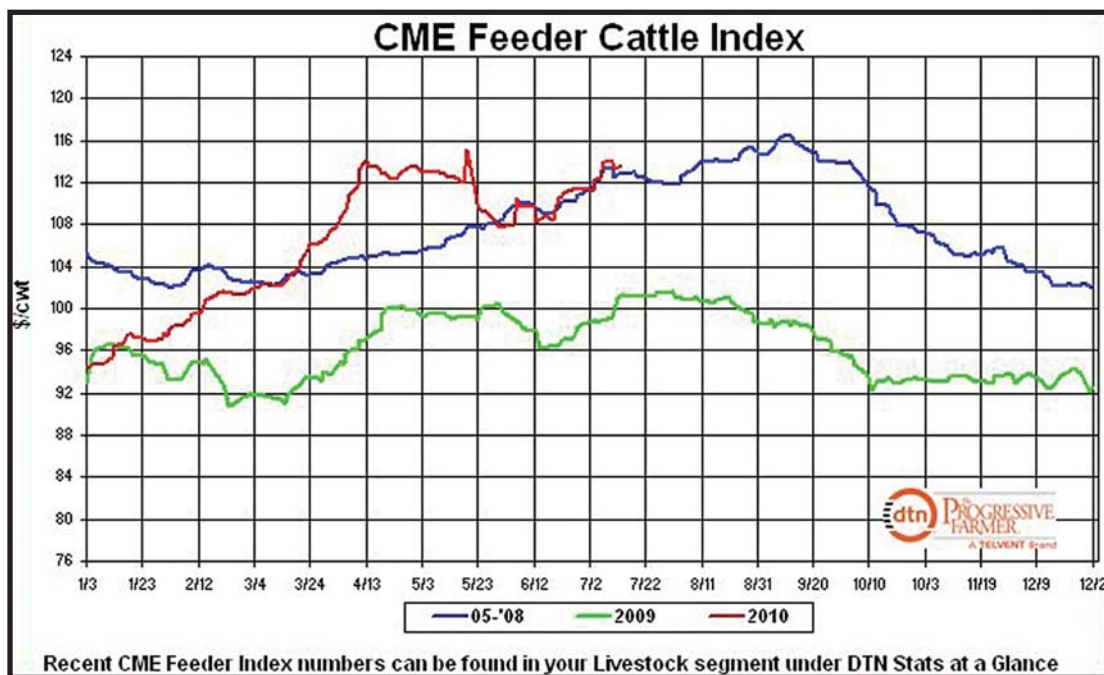
was uncommonly early. We saw a high in early April to late May, with a sharp drop into June. As we look at these charts and watch the trends, we normally see the prices drop into the fall and continue through the spring time frame, which is nothing new to the cattle market.

We use these trends to help producers decide when to buy coverage in relation to when they plan to market their livestock. As we compare this chart with the LRP payout chart, it is easy to see the correlation between when the producer gets his LRP coverage in place and the time he plans on marketing his cattle. On the following table, you can see in 2008 some of our highest coverage was written in the same time frame as the market was trending up in August. In 2009, the highest coverage was written in the July time period. In 2008, a loss on a 599# steer resulted in a payment of \$144.78 per head. In 2009, the loss was in the \$62 per head range on the same weight steer. The main difference for the large payout in 2008 was that the coverage price was about \$10 to \$15 higher in 2008 than it was 2009. In both of these examples, the ending dates are in the fall with similar ending indexes, \$105.31 in 2008 and \$102.93 in 2009, a mere \$2 difference. By using LRP, we are able to protect the producer

CATTLE CYCLES AND LRP RISK MANAGEMENT FOR THE LONG HAUL

By Arlyn Rieker

Markets of all types have their yearly, somewhat consistent, market trends. Livestock markets are no exception. At The Home Agency, we spend a great deal of time watching the markets and looking at trends. This enables us to use insurance, whether it's crop insurance or Livestock Risk Protection, as a tool to protect your bottom line and to add value to your crops through marketing. As we get more experience working with producers and LRP, we look at LRP as a Value Added Product to the livestock sector. The Feeder Cattle Index chart illustrates the closing price on the index from 2005 to the current date. The chart shows us that in 2005-2008 we saw the highs come in from late July to early September. In 2009, the highs were set in July and August. In 2010 the high



against the normal tendency of the index to trend down in the fall. We can't guarantee these results, but we do chart these prices and run LRP quotes daily to help manage your livestock risk. As for 2010, we have seen an early rise in the markets and have kind

PREVIOUS LRP PAYOUTS

TYPE	TARGET WT.	POLICY LIFE	COVERAGE PRICE	ENDING PRICE	AVE COST/HEAD	LOSS PAYMENT/HEAD
STEERS 1	599	8/1/08-10/31/08	\$125.98	\$105.31	\$13.74	\$118.40
STEERS 1	599	8/1/08-10/31/08	\$129.48	\$105.31	\$24.53	\$144.78
STEERS 1	599	7/16/09-11/12/09	\$114.36	\$102.93	\$22.60	\$62.87
STEERS 1	599	7/9/09-11/5/09	\$110.11	\$102.37	\$19.64	\$45.76
STEERS 1	599	4/27/10-10/26/10	\$125.40		\$28.88	
STEERS 1	599	4/9/10-11/5/10	\$123.50		\$29.24	

of backed off a little on the coverage prices into the early summer. Hopefully, we will see a rebound on the prices through the summer months and look at adding coverage to your calves. The 2010 ending prices and loss payment/head column are blank, as we are waiting on the ending price of the index to see whether losses will be paid out this fall.

One of the things we saw this year, with the early upward price movement, was some very good coverage prices written in late April. The coverage was written to expire in late September on a 599# steer for \$127.64 with a premium of \$28.51 per head. If

the index trends down at this time, we could see some losses paid out. If we don't see those losses, that means the cash market is high and the producer will likely sell his calves for a very good price at the barn.

As you can see, we put a great deal of time into LRP. If you have any questions about how this risk management tool works, don't hesitate to call any of our office locations and one of our agents will be glad to visit with you about LRP. ■

HARVEST SAFETY REMINDERS

By Tom Dorn, UNL Extension Educator
University of Nebraska-Lincoln Extension in Lancaster County
Nebline

Harvest will soon be underway and we will be into one of the busiest times of the year for farmers. Long hours and dangerous working conditions are accepted as a normal part of the life of a farmer, but no one should become a statistic for the sake of getting it done a day or two earlier.

Some Safety Tips for Farmers

- **Stay alert.** Take breaks—get out of the cab and walk around every few hours.
- **Shut down before working on a machine.** If the combine becomes clogged, shut off the motor, not just the header, before attempting to unplug it by hand.
- **Know where your co-workers are.** Visibility is poor around large machinery. Many deaths are the result of bystanders being run over or crushed between machines.
- **Never trust hydraulic systems when working under a machine.** Always use a safety prop if you must work under a header or other heavy machinery.
- **Never step over a rotating PTO.** A few extra steps to walk around the tractor isn't worth losing your life over.
- **Never stand on grain that is being moved.** Every year people "drown" in grain carts and grain bins that are being emptied.
- **Keep grain auger grates and shields in place.**
- **If you must move machinery on a roadway after dark,** have working headlights and flashing front and rear warning lights.

Safety Tips for Rural Residents

- **Remember to be watchful on county roads during harvest.** A car going 50 mph coming up behind a farm implement moving at 15 mph closes at a rate of over 50 feet per second.
- **Don't pull out in front of farm vehicles.** Heavily loaded trucks and grain trailers can't stop as quickly as a passenger car.
- **Watch out!** Trucks and farm equipment may be enter-

ing the roadway from field lanes in places where you wouldn't normally expect them.

- **Give them room.** Eight-row headers are over 25 feet wide and take up nearly all of a roadway. When overtaking a combine, give the farmer time to see you and to find a place where he/she can pull over and make room for you to pass. Never try to pass a combine or other implement on the shoulder of the road and never attempt to pass until the driver is aware of your presence.
- **Harvest activity can disturb deer causing them to be on the move** during times of the day they are usually lying down. Be especially alert for deer during harvest. ■

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close proximity to yours are burning, there's a chance the government will close roads and/or prevent you from entering your property even though it has not yet suffered a direct loss. In this situation, additional living expense payments are often limited to two weeks.

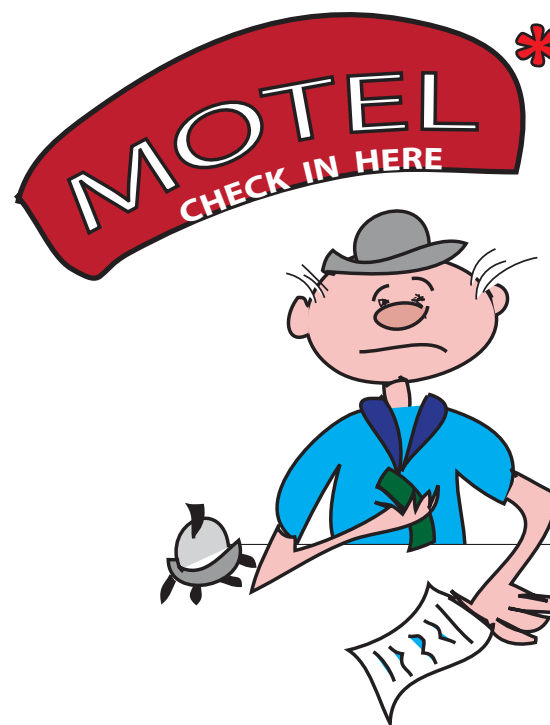
Homeowners who receive additional income by renting a portion of their home should also pay close attention to the Part D limit. This limit also applies to replacing lost rental income while the damaged house is being repaired.

Here's the important question: How do you know if your policy's Part D limit is sufficient? The trouble is that important factors are variable. For example, how do you know how long you will be out of your house? Building codes and permits cause rebuilding efforts to proceed slowly in many parts of the country. Calling a local building contractor to gain some idea is a good start, but there is no exact prediction.

Further, how do you know what expenses you will incur? According to Hotels.com's 2009 hotel price index, the average hotel room in the U.S. costs \$115 per night! Add this and other expenses to a lengthy, unpredictable repair schedule and the possibility of eclipsing your Part D policy limit before your home is habitable could become a serious problem.

The last thing you want to hear is that your loss-of-use coverage has run out before you can go home. Fortunately, your Home Agency Trusted Choice® insurance agent understands this exposure and can help you weigh your options, including those that may increase your loss-of-use coverage limit. For a thorough review of your homeowner's policy, call The Home Agency today. ■

Source: *TrustedChoice.com, November 2009*



WHEN YOU CAN'T COME HOME: WHAT DOES "LOSS OF USE" COVERAGE ACTUALLY COVER?

By Deb Arends & Lori Rahjes

Your homeowner's insurance policy will pay to repair damage to your home caused by a fire, windstorm or other covered cause of loss. But when you and your family incur expenses for moving out while repairs are made, who picks up the tab?

An often-overlooked but essential function of your homeowner's policy is "additional living expenses" (also called "loss of use" or "Part D") coverage. Additional living expenses coverage will pay the necessary increase in living expenses required to maintain your family's current standard of living while the house is being repaired. Examples of expenses typically covered include the cost of hotel, food bills *in excess* of normal grocery/restaurant bills, cooking supplies and the cost of moving property into storage.

The good news is payment for these expenses usually does not stop if the policy expires. Rather, the company will continue to pay until the limit is used up, the home is repaired to a habitable state, or you permanently relocate.

The bad news is many homeowners erroneously believe the policy covers 100 percent of additional living expenses until the home is habitable. Realistically, very few policies do this. In most cases, home insurance companies place a limit or cap on loss-of-use payments. For example, many homeowner policies will only offer loss-of-use coverage as a percentage of the limit of insurance carried on the dwelling; 20 percent is common. Others may specify a flat dollar amount.

Usually, a covered loss must occur for any insurance dollars to be paid for additional living expenses. The one exception is if your home is not accessible due to civil authority or government mandate triggered by nearby damage. For example, in 2009, wildfires in California triggered mandatory evacuations that prevented tens of thousands of homeowners from going home. If homes in

WHAT IS A FARMER?

From an old newspaper clipping—date and author unknown.

A farmer is a paradox—he is an executive with his home and office, a scientist using fertilizer attachments, a purchasing agent in an old straw hat, a personnel director with grease under his fingernails, a dietitian with a passion for alfalfa, ammonia and antibiotics, a production expert with a surplus and a manager battling a price-cost squeeze.

He manages more capital than most of the business men in town.

He likes sunshine, good food, state fairs, dinner at noon, auctions, his neighbors, his shirt collar unbuttoned and, above all, a good soaking rain in August.

He is not much for droughts, gullies, throughways, weeds, the 8-hour day, grasshoppers or helping with housework.

Farmers are found in fields—plowing up, seeding down, rotating from, planting to, fertilizing with, spraying for and harvesting. Wives help them, little boys follow them, city relatives visit them, salesmen detain them and wait for them, weather can delay them, but it takes Heaven to stop them.

A farmer is both faith and fatalist—he must have faith to continually meet the challenges of his capacities amid an ever-present possibility that a late spring, and early frost, tornado, flood, drought, disease or bugs can bring his business to a standstill.

He is your countryman—a denim-dressed, businesswise, fast growing statesman of stature and when he comes in at noon, having spent the energy of his hopes and dreams, he can be recharged anew with the magic words, "the market's up."

Fun Farming Fact:

Abraham Lincoln created the U.S. Department of Agriculture in 1862. At that time about 90 out of every 100 Americans were farmers. Today, that number has shrunk to just 2 out of every 100 Americans.

Still the motto of the U.S. Department of Agriculture is the same today as it was nearly 150 years ago. Across the bottom of the official USDA seal, are the words

"Agriculture is the foundation of manufacture and commerce."

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HEALTH MANAGEMENT

By Morgan Baldonado

Stress, work, family and life in general can cause many things to go wrong with you and the way you handle your health on a daily basis. There are many easy ways to get around eating healthy. We have fast food that people and families resort to because they do not have enough time in their day to sit down and eat a healthy meal. Snacking has also been a huge issue within the United States. Many people resort to eating sugary and salty snacks over healthy fruit and vegetable snacks. Obesity trends among the United States have risen significantly over the past 25 years. In 1985 the highest percentage of obesity was 14% in eight states. In 2010 so far, the highest percentage is 33.8% in Mississippi and seven states average in the 31st percentile. The lowest percentage is in Colorado with 19.1%. Colorado is named the leanest state in the United States. For more information on your state you can visit www.calorielab.com.

This year in May, Jim Baldonado attended a "Wellness" meeting at the University of Nebraska at Lincoln put on by Head Volleyball Coach John Cook. There they talked about the physical strains on the human body and how to improve these problems of everyday life. The Cooper Clinic told Baldonado and many others the side effects of stress on the human body.

The physical manifestations of stress can be weight loss/gain, fatigue, chest pain, high blood pressure, heartburn, diarrhea, low back pain, difficulty sleeping and an inability to concentrate.

Stress can also cause psychological effects such as depression, boredom/tiredness, suspiciousness, negativity, loneliness, anxiousness, nervousness, nightmares and helplessness.

Also at this "Wellness" meeting at the University they talked about mindfulness as being a part of your everyday life. Mindfulness is the inner stability that needs to be strengthened. You do this by dealing with stress when it arises and you create stability under stress. You make a conscious choice of how you want to

react to stress and then you align it with values that you have. Ways to create inner stability are to step back, think, organize and trust.

Todd Whitthorne, CEO Cooper Concepts, shares with us some tips to improve your health. This means you may need to change some habits.

- Take a 15-30 minute brisk walk
- Wear a pedometer (Ultimate goal should be 10,000 steps a day)
- Strength train (life weights) twice a week
- Every meal should include at least one serving of fruits or vegetables
- Log what you eat (Calorieking.com, Fitday.com, My-pyramid.gov)
- Identify any "deal breakers" you may be consuming (Ex. super size fast food meals)
- Strive to eliminate 100 calories from your daily intake
- Hydrate with 8 glasses of non-caloric fluid per day
- Moderate alcohol
- Eat breakfast
- Take a multivitamin
- Eat fish
- Restaurant eating can be a killer (Suggestion: get sauces on the side)
- Divide your plate into 4 equal quadrants (eat only 25% of protein, 25% of starch, and 50% of vegetables/fruit) ■

A Successful Weight Loss Story

This year Jim Baldonado came back from a winter vacation weighing more than he ever has. He said, "It hurt to get out of bed in the mornings, my feet hurt all day, and so did my back and hips. Going to the chiropractor a couple times per week wasn't working." So on January 11, 2010, he decided it was time for a change. Marty Hughes, a friend from Benkelman, NE, introduced Baldonado to "BeachBody". BeachBody is a fitness program that offers health and wellness along with fitness regimens that you follow. After five months of doing BeachBody, Baldonado started seeing great results. "I have a goal to lose 62.5 pounds by Christmas of 2010. At the time of this article, the end of June 2010, I have lost around 45 pounds. Hopefully by September 1st I will have met my goal and lost the 62.5 pounds."

Loosing this weight has been great on Baldonado's body, but it has not come easily. Jim has registered 169 BeachBody workouts since January, and 90% of them are at 5:30 in the morning. He says that it makes him feel so much better, and that he actually looks forward to working out, even if it is at 5:30 in the morning.

Not only has Jim lost the weight but he is also losing inches and that makes him feel good. If you would like to check out to see how he is doing, you can go to www.beachbodycoach.com/pep1 and you can see that he has lost 8 inches off of his waist, 3 inches off of his hips, and 3 inches off of his chest.



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CRP Land

CONSERVATION RESERVE PROGRAM

By Sara Ross

On February 27, 2010, USDA Secretary Tom Vilsack announced that there will be a general sign-up for the Conservation Reserve Program (CRP) this year. This will be the first general sign-up since 2006.

According to the Sustainable Agricultural website, "CRP pays annual rental payments to landowners who idle cropland in contracts that last 10 years. CRP contracts on close to 4.5 million acres expire in September 2010 and another 4.5 million in September 2011, which could mean a significant drop in acreage. Some of those acres will be re-enrolled, but in the past few years, many landowners responded to federal and state incentives for corn ethanol production and periods of higher commodity prices by taking land out of the CRP and putting it back into row crop cultivation. Secretary Vilsack emphasized his concern that the large amount of acreage coming out of CRP will lead to increased wind and soil erosion and the loss of important wildlife habitat, especially in Colorado, Kansas, Montana, North Dakota, Oklahoma and Texas."

Possibilities for land coming out of CRP:

- Re-enrollment
- Contract extension
- Crops
- Pasture
- Wildlife habitat
- Organic farming
- Biomass fuel production

The Secretary stated that USDA's goal for the 2010 sign-up is to replace the 4+ million acres leaving the CRP with newly enrolled acreage that can provide higher

environmental benefit. He also indicated the sign-up would target acreage where the program could reduce farm runoff into the Missouri and Mississippi Rivers and noted the importance of buffer strips and other practices that are part of the continuous CRP sign-up.

Q&A on Converting CRP to Cropland

This section is taken from Kansas State's Website under their Agronomy e-Updates.

There are many questions about converting CRP ground to cropland after the CRP contract has expired. The following are some of the most commonly asked questions we have heard at several meetings across the state (Kansas), and our best answers at this time. *Before making any management decisions regarding CRP coming out of contract, be sure to consult with the USDA Farm Service Agency (FSA) about your plans to make sure you follow all regulations that apply to your particular case. If regulations are not followed, there can be penalties.*

Question 1: Can former CRP ground be cropped immediately?

Answer: Yes, but you should expect marginal yields at best the first year, and you may get overrun with weeds. In the western half of Kansas, you may get better yields on the first crop if you wait a year before planting.

Question 2: Which crop do you think will do better the first year after CRP: corn, soybeans, grain sorghum, or wheat?

Answer: In drier climates such as northwest and west central Kansas, Roundup Ready corn would be the first choice in many cases. If planting corn, producers will have to use plenty of nitrogen fertilizer to get even an average yield the first year after converting from CRP.

Question 3: What is the primary concern when recommending corn for western Kansas?

Answer: In general, the top three considerations for any crop will be moisture requirements, fertility needs and weed control options.

Question 4: Is there a place for Clearfield wheat in this scenario?

Answer: Clearfield wheat may be more appropriate for the second year after CRP conversion, following corn.

Question 5: What are considerations for the first-year crop in former CRP ground?

Answer: Reduce grass and broadleaf weed competition as much as possible. A soil test will be essential to determine the level of available nutrients, and how extra fertility will be needed.

Question 6: What are typical soil test values on long-term CRP ground?

Answer: They are typically very low. Mineral nitrogen would be very low, and most of the N would be tied up in the residue, while P may range from 5-10 ppm. Potassium levels are generally not as low as N and P.

Question 7: What are some of the perennial weeds that could be expected in cropland following conversion from CRP?

Answer: In Kansas, some of the potential perennial weeds in cropland following CRP would include buffalograss, switchgrass, big bluestem, little bluestem, Indiangrass, sideoats grama, field bindweed and possibly various trees and brush species.

Question 8: How well will herbicides penetrate the CRP canopy?

Answer: It depends on the height of the canopy. With taller grasses, it may be necessary to mow or burn so that herbicides can be applied to live tissue.

Question 9: If weeds become a problem after the first-year crop is up and growing, can they be controlled?

Answer: If you use Roundup Ready crops (corn or soybeans), that will give you the best opportunity to control weeds in the first-year crop. Post weed control in wheat and grain sorghum is more challenging.

According to the Farm Service Agency website, it states that as of June 4, 2010 of the 30 million acres in the US that are in CRP there are 4.7 million acres coming out of CRP on September 30, 2010. In Kansas alone there are 614,611 acres coming out of CRP which accounts for 22% of the total CRP acres in the state. Colorado has 464,006 acres or 23% coming out of CRP, Nebraska 187,334 or 18% and Iowa has 170,435 or 11% of the CRP acres expiring.

Question 10: I'm taking CRP out of contract on September 1, 2010 for planting of soybeans in spring of 2011. What is the best herbicide to put on this fall, and when should it be applied?

Answer: Spray with a minimum of two quarts per acre of generic glyphosate as soon as it is allowed under regulations. If it

is warm season CRP grasses, the grasses will probably be dormant by October 1 and there is no point in spraying it then.

Question 11: Does tillage work when converting CRP to cropland? What weeds will it work on?

Answer: Tillage will work, but once you start working the ground you are basically locked into working the ground multiple times until you have a smooth seedbed.

Question 12: How can I smooth CRP fields that have gopher mounds and root balls if I plan to convert it back to crop production using no-till?

Answer: You might try light disking. If the entire field is disked, you will have to continually work it to prepare the seedbed. If the gopher mounds and root balls are just a problem on a small percentage of the field, you should just work that area and leave the rest of the field no-till.

Question 13: When taking CRP out of contract using no-till production, how many years does it take to get rid of the grass clumps?

Answer: Probably two or more.

Crop Insurance Coverage for Former CRP Land

Federal crop insurance policies require that acreage must have been planted or harvested in at least one of the three previous crop years unless such acreage was left unplanted in order to comply with any other USDA program. Therefore, acreage coming out of a CRP contract would be insurable.

To establish a production guarantee for the acreage emerging from CRP, the policyholder may provide acceptable production history for the year(s) the crop was grown prior to the acreage's enrollment in CRP. If the crop was grown prior to enrollment in CRP; but, acceptable production history is not provided, yields are established differently based on whether the CRP acres are a separate unit.

For acreage emerging from CRP that will be a separate unit:

- Coverage will be based on a percentage of the Transitional-Yield (T-Yield). The T-Yield percentage will be based on the number of years of production records the producer has on other land for the same crop and county.
- If the entire farm operation (all cropland acres) were enrolled in CRP, the percentage of the T-Yield will be 100 percent.
- If the CRP acreage is part of an existing unit, it will take the approved yield of the existing unit.
- Also, all carryover policyholders must provide production reports.

CRP Transition Incentives Program (TIP)

Beginning on Monday, May 17, 2010, "farmers who have land coming out of CRP and plan to retire in five years can apply to get two extra years of their CRP payments if they sell or lease their land to a startup producer," says Dan Looker, Business Editor of Successful Farming Magazine.

The new TIP program was announced on Friday, May 14th by Agriculture Deputy Secretary Kathleen Merrigan. "Access to land is one of the greatest challenges faced by new farmers," Merrigan said. "The Transition Incentives Program is one more tool in the USDA toolkit to protect family farms and support beginning and socially disadvantaged farmers."

Requirements for the retiring farmer include selling or having a contract for sale to a beginning farmer or minority farmer. Or the landowner must have a long-term lease with the startup farmer for at least five years. The CRP landowners can apply for the program when their CRP land is in its last year of the contract.

In order for a beginning farmer to qualify, he or she must have been farming for no more than 10 years and be substantially involved in the operation. And the young farmer must have a conservation plan approved by the Natural Resources Conservation Service.

Ferd Hoefner of the National Sustainable Agriculture Coalition fought to get TIP into the 2008 Farm Bill, so the sign-up for this new program is retroactive for land that came out of the CRP in 2008 and 2009. The deadline for any retroactive applications is September 30, 2010. ■

Sources: www.nrcs.usda.gov, www.agriculture.com, www.hpj.com, www.sustainableagriculture.net, www.content.fsa.usda.gov, K-State Extension: *Agronomy e-Updates*.



Jim Maldonado



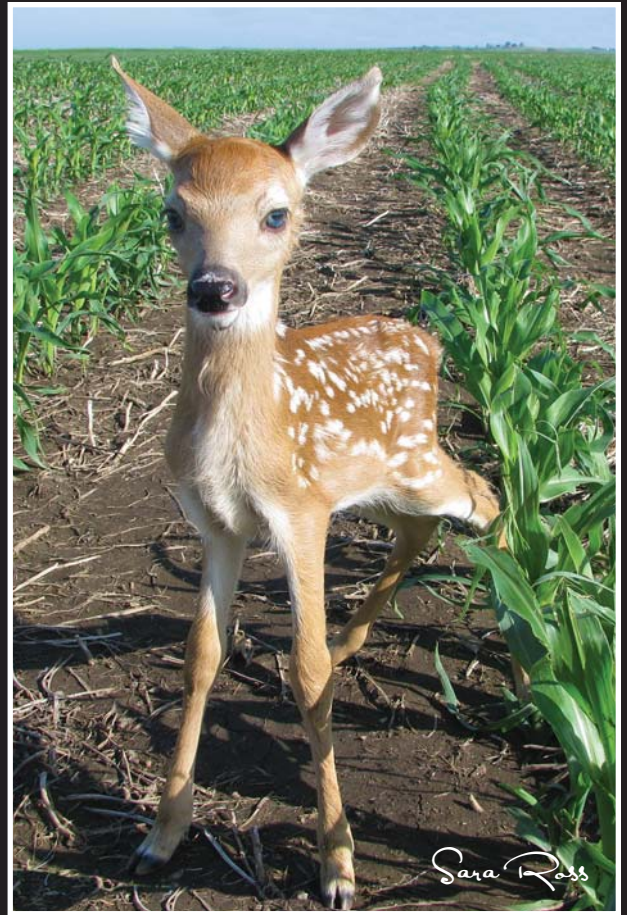
Jeri Schultheiss



SUMMERTIME PHOTOS

PHOTOS CLOCKWISE FROM TOP LEFT CORNER:

- *Moonlit Johnson Lake, NE.*
- *Hail damaged corn north of Brady, NE on July 11, 2010.*
- *Newborn deer in Iowa corn field.*
- *A cicada shedding its shell.*
- *Sunset on Johnson Lake, NE.*





With the coming of the Great Depression and the threat of World War II taxes were adjusted again. The Gift Tax was reinstated and Estate Taxes were increased several times. 1941 saw the highest Estate Tax ever with a rate of 77% for estates over \$50,000,000!

The Tax Reform Act of 1976 brought sweeping changes to the gift and estate tax with a cap of 70% for estates over \$5,000,000.

In 1981 the Economic Recovery Act phased in an increase in the unified tax credit transfer from \$47,000 to \$192,000. In other words, an individual could pass from \$47,000 to \$192,000 to heirs with no tax. In conjunction, the 1981 act lowered the maximum Estate Tax rate from 70% to 50%.

Then in 1997, only 13 short years ago, The Tax Payer Protection Act increased the amount an individual can leave to heirs without tax from \$600,000 in 1997 to \$1,000,000 in 2006.

Current Law

Our current estate tax law is the result of yet another tax act, this being the Economic Growth and Tax Relief Reconciliation Act signed into law in 2001. The 2001 Act gradually decreased the maximum estate tax from 50% in 2002 to 45% in 2009. In addition, the amount exempted from Estate Tax was increased from \$1,000,000 in 2002 to \$2,000,000 in 2008 and then to \$3,500,000 in 2009. Last year a couple could leave a combined \$7,000,000 in assets to heirs, with proper planning, without Estate Tax.

On January 1, 2010 the Estate Tax was repealed. For example, an individual dying with a \$50,000,000 in assets can pass the entire estate to heirs without giving Uncle Sam a nickel.

If there was ever a perfect time to “check out”, 2010 is it!

There is a caveat to the Estate Tax repeal. In previous years, if you inherited property, your cost basis was the value of the asset when you inherited it. Then if you sold the asset, capital gains tax was calculated on the appreciation above your inherited cost basis. For example, let's say that under prior law if a son and daughter inherited the family farm worth \$5,000,000 as equal beneficiaries, their cost basis was the stepped up value of \$2,500,000 each. If they sold the asset for that value, no capital gains tax was due.

This year the same scenario is taxed differently. Now it is taxed as a gift. If you are a non-spouse beneficiary and inherit assets and then sell them, the gain above \$1,300,000 plus the original basis is subject to capital gains tax which is 15%. In our example, a son and daughter are equal beneficiaries of the family farm valued at \$5,000,000. The original cost basis was \$500,000. Son and daughter sell the farm in 2010. The tax due is calculated as such: each receive \$2,500,000 - \$1,300,000 (beneficiaries new cost basis) = \$1,200,000 (50% of original cost basis) = \$950,000 subject to capital gains tax of 15%. Tax due from each is \$142,500. So much for a “kinder and gentler IRS”.

THE WINDS OF CHANGE...

By Al Kuzma

There is an old saying; the only thing constant is change. I, like every other Nebraska fan never dreamed that our beloved Huskers would ever be a member of another conference, but lo and behold the process unveiled before our very eyes.

There is another change on the horizon that will impact agribusiness in the Cornhusker State. This change dictates a watchful eye.

I'm referring to the pending changes in the Federal Estate Tax.

Taxes are a fact of life. Uncle Sam, state and local government have their hands out and in our pockets from womb to tomb. And the final tax just might become one of the cruelest.

In order to see where we are heading, it is helpful to look back.

A History of the Estate Tax

The modern day Estate Tax didn't come into existence until 1916. Prior to 1916 estate taxes were imposed to raise funds for a specific purpose. For example, the first estate tax was imposed by Congress in 1797 to raise funds for the formation of the American Navy. The Revenue Act of 1862 enacted an inheritance tax and introduced a gift tax to help fund the Civil War effort. Then in 1898 the War Revenue Act was enacted to help fund the Spanish American War.

The Revenue Act of 1916 imposed taxes on estates based on the value as of the date of death. The rates varied from 1% for estates under \$50,000 to 10% for estates over \$5,000,000. Like most taxes they have gone up. By 1924 the tax rate soared to 40% for estates over \$10,000,000 and a gift tax was added. Interestingly, in 1926 the gift tax was eliminated and the tax rate lowered to 20% for estates over \$10,000,000.

But before you get too excited, remember the only thing constant is change.

As it stands today (June 21, 2010) the estate law is to “sunset” on January 1, 2011. Unless Congress restructures the law, the clock gets turned backward to 2001. Meaning, the amount an individual can leave to heirs without tax reverts to \$1,000,000.

The history of the tax indicates the US Government has used the Estate Tax as a source of revenue when times get tough financially. With the war draining resources and the current recession, it seems possible that Congress will not extend the tax relief provided in the 2001 Act.

The Perfect Storm

There are two schools of thought on what may occur. Some experts feel that Congress will reinstitute the \$3,500,000 personal exemption. While others feel that with the current spending in Washington, the personal estate tax exemption will revert to \$1,000,000 per individual.

As usual, politics play a huge part in this debate. The Estate Tax is seen as a Republican Tax. With mid-term elections looming and the balance of power in House and Senate dependent on the November vote, some feel the Democrats will keep putting this issue on the back burner.

If the personal exemption does revert to \$1,000,000, passing the family farm on to future generations becomes very expensive.

With land prices at dizzying heights it won't take much to exceed the personal exemption. Just last night I had a conversation with a client who farms east of Lincoln. He was dejected, yet relieved that his bid on 160 acres near Elmwood was too low. That piece of ground sold for \$6,500/acre. If you do the math, that's \$1,040,000.

If you think the Estate Tax is someone else's problem and not yours, think again. Let's say you and your wife own “only” 640 acres with a value per acre of \$4,000. The land is paid for and you wish to pass the farm on to your heirs. The value is \$2,560,000. This looks great on paper, but not on a Federal Estate Tax form 706. Even with proper planning the Federal Estate Tax bill could be as high as \$252,000. If the value is \$4,500/acre the tax bill could reach \$396,000. If the value is \$5,000/acre; Uncle Sam collects \$540,000.

The tax is expected to be paid in cash 9 months after the date of death of the second spouse.

This could get real ugly for a lot of agribusiness men and women if Congress doesn't extend the relief as provided in 2001.

Now What?

Before I make my recommendations, I need to throw in my disclaimer for the “legal beagles”. I am not an attorney—I cannot give legal advice. I am not a CPA—I cannot give tax advice. I am a professional life underwriter that specializes in helping individu-

als and business people transfer their assets smoothly and in a cost efficient method. After spending 37 years in this arena, one knows what works and what doesn't.

So what can you do?

- Be pro active. Let your elected officials in Washington know how you feel.
- Review your estate plan. Ask your attorney if an A/B trust is appropriate for your situation.
- Review the ownership of your life insurance. Remember the IRS is interested in how many assets you own at your death. A life insurance policy owned by you is included in your estate. Ask your attorney about the pros and cons of an Irrevocable Life Insurance Trust.
- If your heirs will be asset rich and cash poor at your death, consider life insurance. Especially, second to die life insurance. This type of policy is exceptionally economical and designed specifically for paying estate taxes.

Stay tuned - the only thing constant is change!

If you have questions, please contact the professionals at The Home Agency. They are there to help you. ■

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NEW AGENT

MORGAN BALDONADO

Hello everyone, my name is Morgan Baldonado and I am the newest employee of The Home Agency. I started my new career with The Home Agency in July 2010. My primary job will be starting a wellness program for The Home Agency as well as marketing. I will also be taking my insurance exams in the near future to become a licensed agent. For those who may not know me I am Jim and Sharri Baldonado's daughter, and yes, I am one of the twins! I have grown up working for The Home Agency and being around crop insurance since I was a baby.



Originally I am from Elwood, NE. I started working for The Home Agency when I was quite young. My first job was to clean The Home Agency office with my sisters. When I was in Junior High I started doing little things around the agency, such as filing and mailings. In High School, I moved up in the ladder and started doing some auditing and some more mailings.

After High School I moved to Lincoln, NE to attend the University of Nebraska at Lincoln. As that did not quite spark my interest, two years later I attended The Myotherapy Institute where I studied Massage Therapy and received my Associates Degree in Applied Science of Massage Therapy. For the past two years I have been working at Madonna Proactive as a Licensed Massage Therapist and a Certified Prenatal Specialist. I have found great pride in working for Madonna and as a Licensed Massage Therapist. It truly is a great feeling to make people's pain, anxiety, and stress go away on a daily basis.

After a year of working at Madonna Proactive I decided I wanted to get my Bachelor's Degree in Business. This time I decided to go about my Bachelor's Degree in a different way. I decided to take all my classes on-line from AIB College of Business out of Des Moines, IA. I went to school full-time and worked at Madonna Proactive full-time. I recently graduated from AIB College of Business with my Bachelor's in Business Administration and am excited to utilize my Business Degree for The Home Agency.

In my spare time you can find me at Spikes playing either sand volleyball or indoor volleyball. I also enjoy traveling, snow skiing, movies, Husker sports and spending time with family and friends any chance I get.

I am very fortunate to be working for such a great company and also for my Dad. I am happy to be "Home" again! ■

MILITARY UPDATE



Former Home Agency employee, Airman First Class Tara Schultheiss, recently graduated from Basic Training at Lackland Air Force Base in San Antonio, TX. ■



Comments and Suggestions

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THE MANY USES FOR SOYBEANS

By Ashley Dean

Environmental benefits of U.S. soybean farming and processing are unmistakable and results from a recent study released by the United Soybean Board (USB) and soybean checkoff prove it. Topping the list is the fact that the 3.36 billion bushels of soybeans grown in the United States in 2009 removed the carbon equivalent of taking 21 million cars off the road. Additionally, the study shows specific greenhouse gases significantly reduced, 20 percent less direct energy being used in soybean farming due to reduced diesel and gasoline usage and a 12 percent increase in soybean yield. The increased demand for soybeans is apparent, but many people don't know what the crop is truly capable of.

This precious plant originated in China more than 3,100 years ago and has always been a principle food crop, but recent research and modern technologies are aiding other discoveries. According to the February 2010 issue of the Iowa Soybean Review, 26 new soy-based products hit the market in 2009. This year, soybean oil for industrial use will be between 1.15 and 1.35 billion pounds, or 120 million bushels. That's up from the 80 million bushels used in 2008.

The soybean checkoff, through farmers' investments, funds the development of new technology that leads to soy products. Over 120 product introductions took place in the last five years alone.

The USB, comprised of 64 volunteer farmer-directors, oversees investments of the soybean checkoff, a research and promotion program funded by U.S. soybean farmers. Their website states that "It is the USB's mission to increase soybean demand through advancements in soy-based research and technology. The Board focuses efforts on five target areas including: adhesives, coatings and printing inks, lubricants, plastics and specialty products."

The variety and quantity of soy food products has risen steadily

in years past. Studies show soy protein is good for the human body. In certain products, soy has proven to boost energy levels, contribute to weight loss and even reduce hot flashes and night sweats in menopausal women. Furthermore, in recent years soybeans have moved into industrial products as well. Many companies have made positive business and environmental decisions by "going green" with a soy-based product, however, many consumers don't realize they may be kicking back to watch TV, reading, walking on or writing with products made partially from soybeans.

In 2006 a family-owned furniture store in Newton, MN, was one of the first furniture companies to use soy-based foam in its products. Today, more than 30 nationally recognized companies join them, including Crate and Barrel, La-Z-Boy, Ashley Furniture and Martha Stewart Living.

Crate and Barrel assistant upholstery buyer William Doherty is quoted saying, "We have taken the important step of minimizing petroleum-based foam in many of our upholstery cushions with more energy-efficient alternatives, such as soy or plant-based foam and fibers, without sacrificing an ounce of the quality or comfort that our furnishings are known for." He goes on to say that the company is bringing these upgrades, that are "better for everyone", without added expense.

Like corn and other plants that are heated to make resins, the foam manufacturing process involves a reaction between petroleum-based polyols and other petro chemicals. Soy polyols can be substituted for a portion of the petroleum polyols, at varying

soy content levels.

Did you know that these products, and many others, are also made from soy?

- **Crayons**
- **Shampoo and conditioner**
- **Candles**
- **Furniture**
- **Ink**
- **Cleaning products**

Industry experts claim soy polymers represent a large potential market for soybeans and predict the use of soy-based industrial prod-

ucts will continue to rise. Similar to the foam used in furniture, another soy product is popping-up on sports fields across the country.

BioCell™, a soy technology, is being used to create turf backing on sports fields made by AstroTurf®. Eliminating the need for petroleum based polymers, BioCell™ reduces dependence on foreign oils and landfill waste while extending product durability and improving indoor and outdoor air quality.

Professional and collegiate teams including the St. Louis Rams, Buffalo Bills, Duke University and Wichita State University are just a few athletic organizations using the soybeans grown from Midwestern farm fields. AstroTurf® currently has similar projects at Stanford University and West Texas A&M. Stadiums and other recreation facilities use the product as well.

It's an amazing innovation to use earth-friendly soybeans in the production of synthetic turf. The latest development is a related product called BioCell Home™, which provides backing for carpet, bringing the soy technology to products for the home as well.

According to a recent issue of Beyond The Bean® Magazine over 5,000 dealers now offer BioCell Home™ carpet backing nationwide. The technology is especially impressive as it withstands any environment including one with pets, moisture and the need for frequent cleaning, making it useful in residential settings.

Another interesting fact about the BioCell Home™ product is the volume of soy it uses. The carpet backing uses 100 percent soy polyol, compared with a smaller percentage of the soy component found in many other soy products.

While the list of new soy-based products goes on, products that have been around for some time continue making advances. For example, soy ink recently celebrated 20 years of use in newspapers throughout the United States. Currently, over 90 percent of the America's 1,500 daily newspapers use soy ink in their presses. A new product, not yet available to consumers, is an ink-toner for copy machines and computer printers.

Currently, over 90 percent of the America's 1,500 daily newspapers use soy ink in their presses.
-United Soybean Board

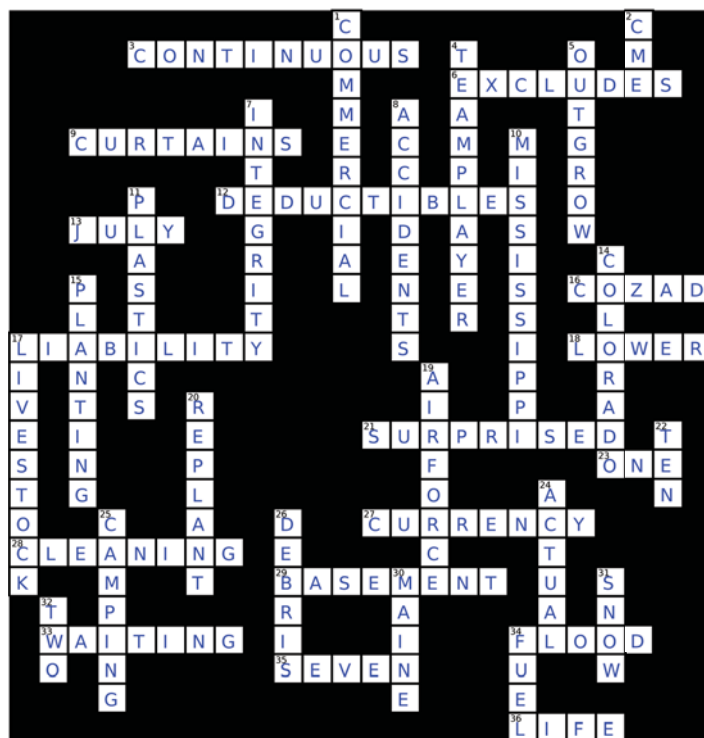


Ford Motor Company recently released its all-new 2011 Ford F-series Super Duty® diesel pickup that is fully compatible with a 20 percent biodiesel blend (B20). The engine will also reduce Nitrogen oxide emissions by more than 80 percent. Ford representatives say this is the first of many announcements in new clean diesel technology.

The facts speak for themselves and it is obvious that soybean farming plays an unmistakable role in America's food supply, economy, and its industries. Next time you watch a football game, style your hair or read the newspaper, remember that soybeans may have contributed not only to the product but was improving our environment along the way. ■

Sources include: United Soybean Board and soynewuses.org; Iowa State University Soybean Extension and Research Program; Beyond The Bean® Magazine; astroturfusa.com; soyworld.com; Iowa Soybean Review, Feb. 2010.

MAY'S CROSSWORD PUZZLE ANSWERS





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MCCLELLAND, IA

By Kevin Ross

Hello All! It has been a pretty good spring here in Southwest Iowa. It would have been much tougher had we not had a mostly dry April. With all the snow this winter and the rains in May and especially in June, things could have been really messy around our area. As it is, there are some acres that didn't get planted, a lot that got flooded out on bottoms, and some that look good in the hills if you look past the yellow wet spots. On the opposite end there are also lots of acres that look phenomenal, most of the beans and early planted corn especially.

The last few months, through calving, planting, meetings and insurance have been good. We have had a lot of changes with the little one around. Everyone says your life changes and I am pretty sure we are just at the tip of the iceberg on that. He has been sleeping through the night since the first week.... not really, but Sara pretty much is the one that gets up with him so it seems like it for me. With so much going on, I'm not sure what I would do without her organization. I don't say it enough, so thanks to her.

The new office has worked out great and we have gotten settled in and are trying to be there as much as possible. We still have plenty of work to do so we can serve the needs of our clients better, and we appreciate the patience and all the support we have received. It is truly humbling to see all the people that want to see you succeed.

Good luck to everyone this summer with the crops and hay. Stay cautious as it is a dangerous job we all do. If anyone is looking for a short vacation in August, I recommend a day or two at the Iowa State Fair in Des Moines. It is always one of the most spectacular summer events in the state of Iowa, and is a great getaway for a day or so. Hope to see some of you there! ■



STRATTON, CO

By Penni Fox

Hello from the eastern plains of Colorado. There have been some changes in the Colorado offices. Shane Erickson is no longer with us. Shane and his wife, Danielle, chose to move back to Hastings, NE to be closer to family. I am very excited about my new position with the agency. With new responsibilities come new goals. One of my priorities is to increase customer service. We want our customers to know their needs come first and foremost. Having a full understanding of the time constraints that farmers and ranchers fall in; we are more than willing to come to you. Whether sitting at your kitchen table or a meeting in our vehicles, we'll make every effort to make it workable for the insureds. I am also thankful to have Clark Redding, The Home Agency's field crop specialist, on board. Clark is in our area two to three days a week to help with crop insurance. He currently serves the Kirk and Yuma offices on Wednesdays as well.

It seems we are having a bit of season confusion here. Hail arrived early in spring followed by a spurt of very hot, dry, windy weather. This past weekend turned out just plain cold, damp and dreary, however, it did produce a bit of needed moisture. Wheat is headed out, looking a gorgeous green. The weather pattern seems a bit unstable this year but we're crossing our fingers that the hail will not intrude on good crops.

With wheat harvest right around the corner, along with the hail policies we are getting out the word on fire coverage. Unless fire is started by lightening your CRC-RA-MPCI policy does not cover it. What you can do is purchase a fire policy for as little as 25cents per \$100 coverage that will cover ALL fires (cigarettes, truck, combine, fireworks, railroad etc). You may insure up to \$350.00 on dry land and \$400.00 irrigated.

I look forward to working with all of you. Please don't hesitate to call with questions or concerns. I picked up a new motto that I believe fits The Home Agency to a T: "You don't just get an agent, you get a team". ■

BELOIT, KS

By Enos & Jill Grauerholz

As this article is being written, we are right in the middle of wheat harvest. We hope that by the time you read this, all wheat Hail and wheat MCPI claims have been completed and finalized. Here in north central Kansas, we had a very rough start to harvest. Huge storms with hail, tornados or large rainfall amounts damaged many of our clients' fields. Those who purchased hail insurance on their wheat were very glad they did. It also gave others peace of mind when the storms were threatening the area. Wheat is trading at \$4.83 on June 25th, which means there is a factor to increase your guaranteed bushels.

Spring planted crops are looking good in a lot of places, however, there are many with hail damage and flooding from the same

Regional Office News continued on next page....

storms that took out the wheat. Please let us know as soon as possible if you need to report a claim or if you wish to chop or swath your spring planted crops for feed.

We will be having a wheat policy update meeting in late August or early September. The new combo policy is out and we will have information on the changes that have taken place. It is very important for you to attend these informative meetings.

Well, we better get back to the field. We will be in touch soon with information on our wheat meetings! ■

CLAY CENTER, KS

By Chris Hauserman

As I am writing this, wheat harvest is winding down, the river at Clay Center is finally going down, the hail adjusters are everywhere and replanting questions are frequent conversations. What a start to summer 2010!

Believe it or not, it will be time for wheat sign-up very soon and the new Combo Policy will be out. Thank goodness we will not have to decide between CRC and RA anymore. As of this writing today, we have not learned all the details of the new policy yet, but rest assured The Home Agency will be doing a lot of Producer meetings this fall to make sure everyone is well informed of the changes.

I want to thank all of my insureds for their business and to let them know I really appreciate them. I am lucky to have such a great group of farmers and ranchers, neighbors and friends that I work with. I hope everyone has a great summer! ■

HOME, KS

By Paula Brown

The 2010 wheat harvest is "in the books" and as we head into August and September it's time to look at MPC coverage for 2011 wheat. Changes are expected with the new combo policy and will be discussed at the fall meetings. As more information is provided, we can review changes and evaluate how well the coverage levels and unit structure you selected in 2010 protected your crop bushels. Summer storms have impacted our area affecting yields and putting crop-hail policies to work. With hail and wind damaging wheat within just a few days of harvest this June, weather has proven its unpredictability once again. We are reminded that until the bushels are harvested they are at risk. I look forward to working together to manage that risk and find the right protection for you.

I continue to watch for strong LRP endorsements for cattle producers wanting to protect the bottom on their feeders. A late summer price rally could provide the opportunity we need to see some good coverage available for those who sell into late fall and winter.

Our booth at the Marshall county fair held in July was a great time to visit with insureds and potential customers about The Home Agency and the services we provide. ■

KIRWIN, KS

By Rhonda Jones

Flooding and hail delay wheat harvest! June brought more rain than needed for the residents of Phillips County and the surrounding area. As farmers were making plans to start wheat harvest, Mother Nature surprised them with torrential rains and devastating hail. The storms greatly impacted the fall crops causing local producers to assess the damage and decide whether or not to replant. Thunderstorms rolled across North Central Kansas dumping inches and inches of rain. With rivers and creeks flowing out of their banks, the Kirwin Reservoir reached well beyond maximum capacity. For the first time in over 40 years, the spillway was opened to release the excess water. The area below the gates was a "hot spot" for local fisherman.

There are many changes happening for next year's wheat sign-up. I encourage you to attend my Fall Sign-up meeting prior to sales closing which is September 30th. Date, time and location for this meeting will be announced at a later date. ■

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A close-up photograph of a pair of hands cupped together, holding a large amount of dark, rich, moist soil. The hands are weathered and the soil is clumpy. In the background, a blue metal bucket and a person's leg in blue jeans and a brown boot are partially visible.

Feeding a Hungry Planet

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CROP INSURANCE

Summer Favorites

Cherry Cake

From: Ruby Dinkelman



Ingredients:

- 1 cup sugar
- $\frac{2}{3}$ cup butter
- 3 eggs
- 1 tsp. baking soda
in $\frac{1}{2}$ cup sour milk
- $1\frac{1}{2}$ cup flour
- 2 tsp. cinnamon
- $1\frac{1}{2}$ -2 cups fresh cherries

Directions:

Cream butter and sugar together, add eggs and mix well. Mix cinnamon into the flour and add flour mixture alternately with the sour milk. Stir in cherries. Bake at 350° for 25 minutes or until done.

Since the cherries are ripe and ready to be picked, try out this delicious recipe with family and friends!

Also, if you would like to share a recipe with us to use in an upcoming issue of this magazine, please send it to us via e-mail at tha.magazine@hotmail.com. Thanks!



Super Simple Baby Blankie

Finished Size: $39\frac{1}{2} \times 48\frac{1}{2}$ "

Center: 1 yard (42" or 60" wide)

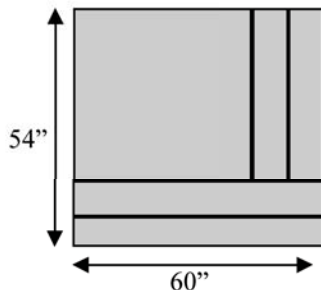
Cut: 31" x 40"

Borders/Backing: 1 $\frac{1}{2}$ yard (60" wide)

Cut: Cut two strips 5" x approximately 60" wide for border. You should have a section left that is approximately 44" x 60". Cut two lengthwise strips 5" x 44". This will leave you with a section approximately 44" x 50" for backing.

**Use a $\frac{1}{4}$ " seam allowance.*

1. Cut the 5" wide strips down to 40". Sew one strip to each side of the center panel, then to the top and bottom of the center panel.
2. Place quilt top right sides together with backing fabric.
3. Sew around quilt, leaving a 6" opening on one side for turning. Turn quilt right sides out through opening. Hand stitch opening closed.
4. Set sewing machine to narrow zig-zag. Use zig-zag to create bar tacks to hold layers together. Can stitch in the ditch along borders as well.



The One-Two Baby Blankie

Finished Size: $39\frac{1}{2} \times 48\frac{1}{2}$ "

Center: 1 yard (42" or 60" wide)

Cut: 31" x 40"

Borders/Backing: 2 yards (42" wide)

Cut: Cut four strips 5" x approximately 42" wide for border. You should have a section left that is approximately 42" x 52" for backing.

Binding: $\frac{1}{2}$ yard: Cut (5) $2\frac{1}{2}$ " x 42"

Batting: 42" x 52"

**Use a $\frac{1}{4}$ " seam allowance.*

1. Cut the 5" wide strips down to 40". Sew one strip to each side of the center panel, then to the top and bottom of the center panel.
2. Layer backing right sides down, batting, then quilt right sides up. Quilt using a diagonal grid or as desired.
3. Join the 5 binding strips end to end. Fold lengthwise in half wrong sides together, press. Sew raw edge of binding to raw edge of quilt, mitering corners. Bring folded edge around to back of quilt. Hand tack in place.

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Crossword Puzzle

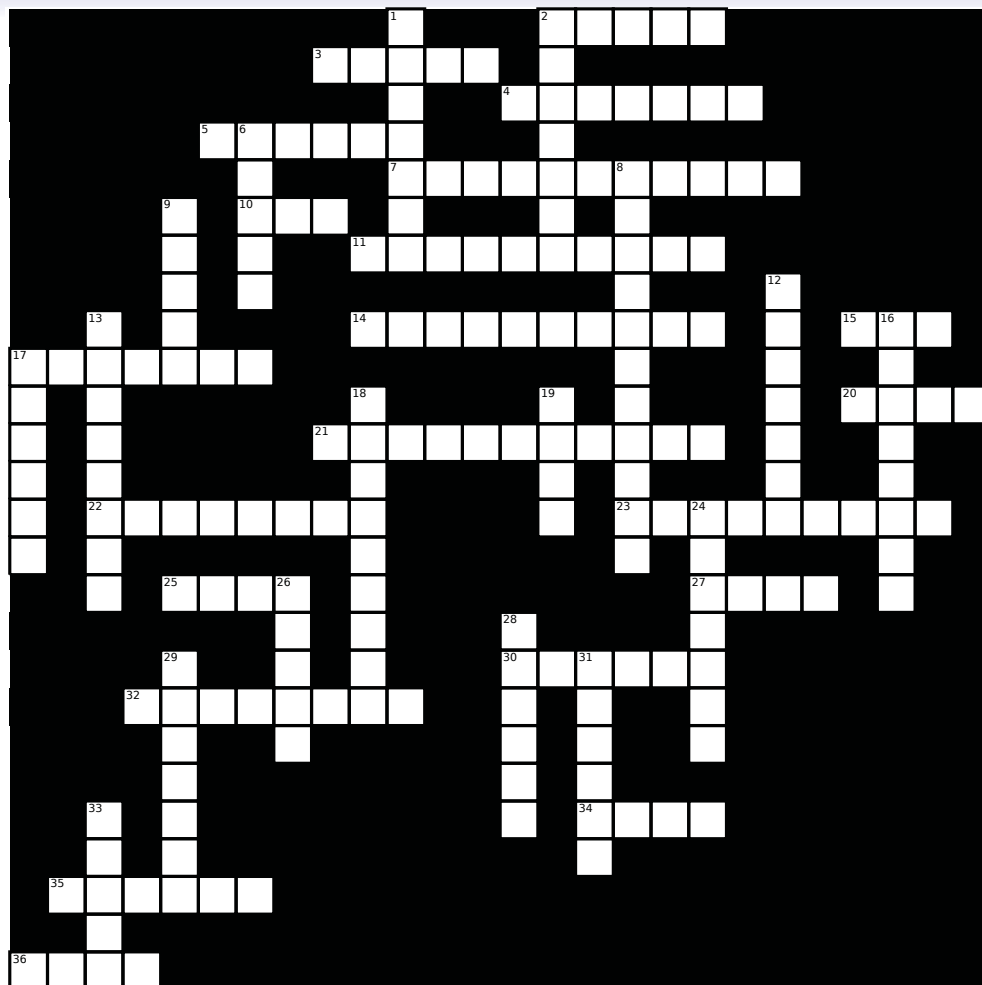
Please enjoy this crossword puzzle. You will find every answer somewhere in this magazine. The correct answers will be in the next issue. Also, please check out page 9 for our crossword puzzle contest!

Across

- 2 The new ____ policy involves changes in the basic insurance policy terms, price elections, premium rates, data processing and validation requirements.
- 3 Which 2011 crop will be the first to see the new Combo policy?
- 4 A possibility for land coming out of CRP.
- 5 There is an old saying; the only thing constant is ____.
- 7 Stress can cause psychological effects such as ____.
- 10 In order for a beginning farmer to qualify for the CRP TIP, he or she must have been farming for no more than ____ years and be substantially involved in the operation.
- 11 Stress can cause psychological effects such as ____.
- 14 The Estate Tax is seen as a ____ tax.
- 15 When taking CRP out of contract using no-till production, at least how many years will it take to get rid of the grass clumps?
- 17 The cost of moving property to ____ is an expense typically covered by the Loss of Use section in your homeowner's insurance policy.
- 20 A crop still available for the APH plan.
- 21 A primary concern when planting corn after having the land in CRP.
- 22 Never destroy a crop without prior approval from an ____.
- 23 Sales closing deadline for 2011 Winter Wheat is ____ 30th.
- 25 The first Estate Tax was imposed by Congress in 1797 to raise funds for the formation for the American ____.
- 27 A crop still available for the APH plan.
- 30 History indicates that the US government has used the ____ tax as a source of revenue when times get tough financially.
- 32 Former Home Agency employee, Airman First Class Tara Schultheiss, recently graduated from ____ Air Force Base.
- 34 Which one of Jim's dogs fell off of the boat and into the water?
- 35 ____ must be turned in timely.
- 36 For 2010, LRP has seen an early ____ in the markets.

Down

- 1 In the new Combo policy, the RA and CRC coverages will be combined into one plan called ____ Protection.



- 2 A product made from soy.
- 6 A ____ bill is an expense typically covered by the Loss of Use section in your homeowner's insurance policy.
- 8 A perennial weed that could be expected in cropland following conversion from CRP.
- 9 Soybeans originated in ____ more that 3,100 years ago.
- 12 A physical manifestation of stress.
- 13 The leanest state in the United States.
- 16 New agent Morgan Baldonado's primary job will be starting a ____ program for The Home Agency.
- 17 Contact your agent PRIOR to chopping any acres for ____.
- 18 A physical manifestation of stress.
- 19 Production must be kept separate by ____!
- 24 Studies show that soy ____ is good for the human body.
- 26 If you had APH coverage in the past, most likely your new Combo policy coverage will be the ____ Protection plan.
- 28 The Loss of Use also applies usually to replacing lost ____ income while the damaged house is being repaired.
- 29 A product made from soy.
- 31 ____ percent of the limit of insurance carried on a dwelling is what many homeowner policies will offer for Loss of Use coverage.
- 33 A possibility for land coming out of CRP.



The Home Agency is an equal opportunity provider.

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*Photo on the front cover by Sara Ross
Design & Layout of The Home Agency Magazine
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