

THE

# HOME AGENCY

MAGAZINE

## **President's Thoughts**

FROM THE DESK OF  
JIM BALDONADO

## **Crop Corner**

INFLUENTIAL QUESTIONS  
FOR GRAIN RISK MANAGEMENT

## **Cattle News**

UPDATING MARKETING PLANS,  
LIMITING RISKS

## **Property & Casualty**

DO YOU VOLUNTEER YOUR  
TIME AND INSURANCE





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# CONTENTS



## **PRESIDENT'S THOUGHTS**

3 FROM THE DESK OF JIM BALDONADO

## **CROP CORNER**

4 INFLUENTIAL QUESTIONS FOR GRAIN  
RISK MANAGEMENT

5 CROP INSURANCE UPDATE

## **WEATHER UPDATE**

7 2017 WEATHER OUTLOOK:  
HOW TO PROTECT YOURSELF

## **CATTLE NEWS**

10 UPDATING MARKETING PLANS,  
LIMITING RISKS

## **P & C**

11 DO YOU VOLUNTEER YOUR  
TIME AND INSURANCE

## **PHOTOGRAPHY**

12 WINTER

## **WHAT'S HAPPENING**

13 REGIONAL NEWS

17 MAKE-A-WISH NEBRASKA

18 KREIGHTON'S STORY

## **LIFE INSURANCE**

19 BEST OPTION

## **BALDONADO PERSONALS**

22 A MEANINGFUL GIFT

THE HOME   
AGENCY 





## FROM THE DESK OF JIM BALDONADO

Starting this month, we are beginning our 31st year in business. This past winter we did something we have not done before. We started doing small meetings with Central Valley Ag (CVA) in the northeast part of the state. We put on 19 meetings in all, and it brought back a lot of memories from years gone by.

We are working with insureds we have not worked with in the past, so I started doing some of the same meetings I was doing 20 years ago, and we had a great time.

Most of you remember me saying we need to learn how to use our crop insurance as a tool to market our grain with very little risk. I remember working with a program called the Crop Revenue Profiler, and one of the first things we did back then is figure cost of production. Marketing works a lot better when you know what it costs to raise a bushel

of corn, soybeans, wheat, or milo. Without knowing your cost of production, how do you know if you are making any money or not?

Some of the numbers we were working with in 2016 included: Irrigated corn cost per acre of \$781.26, expecting to raise 220 bushel, with a \$3.55 breakeven; non-irrigated corn cost per acre of \$399.52, raising 100 bushel with a breakeven of \$4.00 per bushel; and irrigated soybeans cost per acre of \$601.65, expecting to raise 75 bushel for a breakeven of \$8.02.

I know a lot of corn was sold the week of June 17 in the \$4.40 range, using a 35-cent basis, for a cash sale of \$4.05. Well, if your breakeven was \$3.55, that's a 14% return on your investment. This beats the heck out of not selling and now storing it somewhere, hopefully at home and not paying storage, and hoping we can get those numbers back sometime soon. You have also heard me say that we need to "sell early - sell often", and "it's hard to go broke when you're making money". Bottom line, you have to get a good handle on your cost of production.

When giving these presentations, what do you think is the first thing someone says about marketing? "Yea, but what if the market goes up?" I say that's great! Sell more, and if you're out of this year's grain, sell some of next year's. Remember, you always hope your first sale is your worst sale.

It seems like we have gotten away from a number of things we did seven to eight years ago. When we have high prices, marketing is not a problem. Let's just see how much money we can make. Now with the market swinging the other way, we now need to manage, in some cases, how much money we want to lose.

We always want to help, as you are very important to us. You will be hearing this over and over up until the 15th of March. If you need some

help with some programs that are out there, give me a call. There is a company out of Gothenburg that is fantastic - Crop Tech Solutions.

Other topics of discussion when doing these meetings include Livestock Risk Protection (LRP) and pivot coverage. Arlyn has a great spreadsheet showing someone buying 10 LRP contracts throughout 2016 on 710 head. Bottom line, he paid \$42,755 in premium and collected \$84,445. LRP does work.

Pivots are also a major topic of discussion at these meetings. As I tell producers, the two worst things you can have on your farm policy are teenage drivers and pivots. Not much we can do with teenage drivers but hope they grow up safely, soon. But with the pivots, they can be moved to a policy of their own. That way, if you lose a couple over the next year or two, it won't affect your farm policy. Let the pivots stand alone on their own policy. ■





# INFLUENTIAL QUESTIONS FOR GRAIN RISK MANAGEMENT

BY MATT ASHTON - SR. VP OF GRAIN, CVA

As the calendar rolls forward into February, we are reminded that we are getting closer and closer to one of the most anticipated times of the year in agriculture, planting season! Each spring, thousands of producers get ready for another year filled with hope of good crops, good prices and a safe family. February also means the spring insurance price is being set on corn and beans, which presents a great opportunity to finalize your grain marketing plan for the upcoming year.

During the month of February, the market will be trying to answer many questions that will have an impact on your farm prices and profitability.

How many additional acres will be planted to beans in the US? The latest reports we are hearing is there could be an additional 2-4 million acres planted in the US this spring. During the month of December, bean prices were over a dollar higher than the previous year at the same time. The market believes this acreage shift will come in large part, at the expense of wheat. Corn acres are expected to remain largely unchanged for the upcoming growing season. If you are planning to change your crop rotation, have you made sales to account for those production changes?

How big or small is the South American corn and bean harvest going to be? Reports at the time of this writing suggest Brazil is going to have a record crop and while there are dry areas in Argentina, they will also have a very good crop. Paraguay, Uruguay and other areas of South America also continue to increase in production. Our ability to compete on beans and corn in the global market continues to be dependent on production and logistic challenges in South America.

How do we compete in the export arena for our crops? The big challenge for our commodities is the current value of the US dollar. As of the first of the year, our dollar was at fifteen year highs. This does affect our exchange rate with other currencies and potentially could inhibit export sales. How does the US election change our relationship and policy with countries we currently export commodities?

Is there an El Nino or La Nina weather event and how does it impact you at your farm as well as the global market?

Have you locked in all your crop inputs for the upcoming spring? As of the first of the year, fertilizer markets were \$100 per ton cheaper than the previous year.

As you can see, these are just a few of the many questions producers as well as the marketplace are trying to answer prior to spring. Each of these potentially have a profound impact on your farm. There are two places you can go to help you through these questions. Central Valley Ag Cooperative and The Home Agency. Crop insurance and grain marketing go hand in hand and the relationship between these two companies have the same goal: to help you succeed. The Home Agency is working closely with CVA producers to provide insurance coverage that gives the peace of mind that your production is covered to then be able to forward contract grain with CVA at profitable levels. Central Valley Ag Cooperative offers an array of contracting options that provide the producer opportunities to lock in profitable levels. Some of these contracting options are only offered by CVA and our ProEdge team. CVA currently has 11 ProEdge Specialists and three ProEdge Consultants on staff to help you with your marketing plans and offer these contracting options to you and your farm. I would encourage you to reach out to The Home Agency to look over your insurance coverage for 2017 and contact the CVA ProEdge team about contracting options for 2017 and beyond.

These are challenging and exciting times in agriculture. Together, The Home Agency and Central Valley Ag Cooperative would like the opportunity to help you navigate through the markets and provide peace of mind and sound marketing solutions for your operation. Please contact The Home Agency and Central Valley Ag Cooperative today and have a safe and prosperous spring season. ■



# CROP INSURANCE UPDATE

BY CINDY DAVIS

Looking back on prior articles, there seems to be one common theme for my introduction – time; and this year is no different. Once again I am asking myself, how can we already be in a new year? I will say that even though 2016 is history, it was certainly a good one. All of us at The Home Agency hope the past year was filled with blessings for you and yours!

The 2016 crop year was also a good one, at least for yields. For the most part in our area we saw average to above average yields, with very few claims. The past couple of years have proved very helpful in offsetting poor yields from some of the drought stricken crop years a few years back. Crop prices, on the other hand, were a different story in 2016, and cash flows were put to the test. Many producers had to take a hard look at costs and inputs, as well as adequate crop coverage. We saw an increase in supplemental policies, as producers tried to find additional dollars to help reduce their risk and bring coverage up close to break evens. Hopefully we will see an increase in prices in the next couple of years so risk management strategies are a little more bearable.

## 2017 Row Crop – Sales Closing Deadline

As the New Year begins, another crop insurance deadline is not far away. The 2017 row crop sales closing is March 15, 2017. All changes to your coverage, new applications and also cancelations must be completed before this deadline. It seems with each new crop year, there are changes and new products that need to be reviewed and this year will be no different. The chart below shows when the base prices will be set for the 2017 row crops.

Revenue Protection/ Yield Protection	Projected Price Tracking Dates
Corn	February 1 - February 28 December Corn - CBOT
Grain Sorghum (Multiplied by price percentage relationship between corn & grain sorghum, as determined by RMA)	February 1 - February 28 December Corn - CBOT
Soybeans	February 1 - February 28 November Soybeans - CBOT

We encourage you to get in to see your agent before the Sales Closing Deadline. There are a number of things to go over with your agent. Besides your Multi-Peril Crop Insurance coverage for the upcoming year, some producers also like to look at hail coverage at this same time and your agent would be happy to look at these numbers with you as well. Below are some of the newer features and/or changes to the MPC policy for 2017 that you may want to take a look at with your agent:

- Beginning Farmer Rancher (BFR) – this benefit began a few years back, but is a great feature for new farmers. Producers who qualify can be eligible for up to 5 years of benefits. The benefits include a 10% increase in subsidy if yield adjustment is elected on the policy, and increase from 60 percent to 80 percent of applicable T-yield for replacement yields, and a BFR may use the APH of the previous producer when the BFR was previously involved in the farming operation. The BFR benefits are a great benefit to those who qualify.
- Yield Exclusion (YE) – this option has also been available for a couple years and came about with the 2014 Farm Bill. When elected, a producer can exclude eligible yields in a crop year if RMA determined 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. The option is not available on all practices or crops. Check with your agent for availability on your crops and your counties.
- A couple other options brought about with the 2014 Farm Bill are: Separate Enterprise Units for Irrigated and Non-Irrigated acreage (if qualified) and Separate Coverage Levels for Irrigated and Non-Irrigated acreage.
- New for 2017 will be a change to Prevented Planting (PP) on corn. Instead of the 60% coverage factor as it was in the past, PP coverage factor for corn, beginning in 2017 will be 55%. Also keep in mind once you get into planting season, PP still has very strict rules regarding claims. These types of losses must be turned in to your agent within 72 hours of the final planting, or late planting (if applicable) deadlines. Call your agent as soon as you suspect you may have prevented planting acres.



In addition to the options and changes listed prior, be sure you review the following with your agent before the Sales Closing Deadline of March 15, 2017, for row crops:

- Make sure you have a policy for every county you need coverage in, and you have all the crops on the policy you want to insure! If you have acquired new ground, or intend to, a new application will be needed prior to Sales Closing Deadline.
- Verify all the information on your policy...coverage plans, coverage levels, and options. Also double check the entity name and EIN for the primary insured and all the people listed under that entity.
- Has there been an entity change? (A recent marriage, or divorce, a new trust or partnership set up, has someone on the policy passed away). If an entity, such as a corporation or partnership or joint venture has had someone pass away, the crop companies may require legal documentation to verify whether or not the entity lawfully continues.
- Trend Adjustment (TA) – although this is not a new option, it could prove very beneficial to your yields. The TA option adjusts yields in qualifying databases to reflect increases in yields through time in the county. If you haven't already looked at this option, it would definitely be one to look at with your agent, if it is available for your county/crops/practices. This option must be elected by Sales Closing as well.
- Have you broken out new ground or Native Sod? If so, a written agreement may be needed to request coverage on this acreage. These requests are also due by Sales Closing Deadline. Native Sod acreage comes with very strict regulations. It would be a good idea to check with your agent before you break Native Sod acreage to go over the rules and coverage available. In some cases there is a significant decrease in coverage for up to four years and also a loss of premium subsidy.
- Are you an organic producer? There is coverage available in most areas for organic crops. Let your agent know if you will farming organically. Your agent will also need, on the date your acres are reported, 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 certain counties for certain specialty crops and also for some organic crops. Ask your agent about this option

if you are considering a contract price for some of these types of crops.

- If you will be using Precision Farming techniques in your farming operation, be sure to check with your agent for the crop insurance rules regarding this method of reporting. There are a number of requirements that must be met with Precision Farming, and they begin with planting.
- Conservation Compliance was among many of the changes added with the 2014 Farm Bill. All producers should have an AD1026 on file with FSA. For some of you, this is nothing new, but where we run into issues with crop insurance is with new farmers. If someone new begins farming, they also need to have the AD1026 on file with FSA prior to June 1 to receive subsidy on their policies for the next crop year. Many new producers are not aware of this rule. Keep in mind a new entity also has to have the AD1026 signed. For example, if you have been farming as a married entity but then decide to farm as a LLC or different type of entity – that new entity must sign the AD1026 as well. In an effort to help new farmers with this, RMA has a "First Time Farmer Certification" which is a one-time exception form that may help them keep subsidy the first year of farming. If you are a new farmer it is very important that you check with FSA and complete Conservation Compliance paperwork there, in addition to the crop insurance forms.

As I said earlier, crop insurance is changing and/or adding different options all the time. It's so important to visit with your agent before March 15, 2017.

Earlier in this article I spoke about supplemental policies. This year we will again be offering several different options for supplemental coverage, and if prices don't rebound it could be another year in which every dollar counts. Be sure to ask your agent which type of supplemental coverage is available in your area.

### **2017 Winter Wheat – Short Rate**

March 15, 2017, is also the deadline for short rating wheat. This option is available in most counties. If you would like to short rate your 2017 wheat, and pay a reduced premium (normally 35% of the original premium), you must submit a written notice to your agent before March 15, 2017. Short rating wheat gives producers the option to pay the reduced premium, intentionally destroy the crop before harvest, by grazing or other means, while not having any impact on their approved production history.

*(Continued on next page)*



(Continued from page 14)

## 2016 Row Crop Production

One final reminder, if you have not turned in your 2016 row crop production, please get it to your agent as soon as possible. They need to update all of your crop databases (APH's) so they can get you the most accurate quotes possible for the new 2017 spring crop year. The chart to the right will show you where the 2016 Harvest prices were set.

As always, if you ever have any questions feel free to give us a call. We are here to help you with all areas of your risk management program. ■

## 2016 Row Crop Prices

Crop	States	Projected Price Set - Yield Protection (YP) & Revenue Protection (RP)	Harvest Price – Revenue Protection (RP)
Corn	NE, KS, IA, CO	\$3.86	\$3.49
Grain Sorghum	NE, KS, IA, CO	\$3.72	\$3.37
Soybeans	NE, KS, IA, CO	\$8.85	\$9.75

# 2017 WEATHER OUTLOOK: HOW TO PROTECT YOURSELF

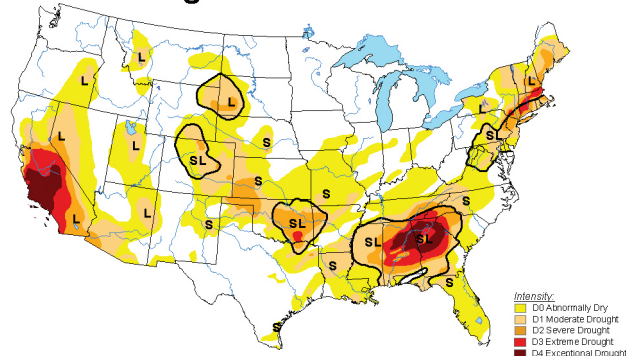
BY BRIAN O'HEARNE

This edition, we talk about this Spring into next Summer. The El Nino officially ended in May 2016 and we are officially in a mild La Nina as of December 2016. The Home Agency team has the tools you need to cover seasonal issues, and the important thing to remember is that using a weather hedge to offset weather risk is an effective way to keep your overall return on investment protected. This is an essential component of your annual risk management program.

Next year could see a La Nina develop. These tend to last several years. The last El Nino was summer of 2009, followed by 3 years of La Nina hot and dry summers for The Home Agency territory: 2010-2011 and the very hot and dry 2012. The Home Agency customers that bought heat or drought contracts in 2012 were paid very well and should be thinking about buying heat and drought hedges again this winter for next summer.

The map to the right is the US Drought Monitor as of December 13, 2016, with extreme to exceptional drought in the Southeast and developing drought in a good part of The Home Agency territory. Elwyn Taylor, the Climatologist at Iowa State, agrees with us that all Corn Belt droughts start in the Southeast. In that regard, the severity of the drought in the Southeast looks similar to 2011, which led to the hot and dry summer of 2012. You can use an eWeather drought or a heat hedge for your extra irrigation expense, to protect pasture and crop yields, as well as to protect any livestock. Instead of waiting for the summer, you should explore buying protection during the winter for the summer of 2017, when you make your crop insurance decisions. To help minimize your expense and maximize your protection, eWeather and The Home Agency offer early purchase discounts if you buy before the end of February for summer risk! ■

## U.S. Drought Monitor







## New, simpler revenue coverage options

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# UPDATING MARKETING PLANS, LIMITING RISKS

BY ARLYN RIEKER

This time of year, producers have either completed or are working on their cash flows for the year. A part of that process is developing a marketing plan. Having a working and adjustable plan you are comfortable with is critical to the profitability of your operation. I feel it is important to have the flexibility to update your marketing plan on a regular basis. Obvious components of a marketing plan include thinking about what you plan on producing in the coming year, when you plan on having it ready to market or sell, and where you plan on delivering it. Your goals are set in terms of the price you would like to receive for your product using the various marketing tools available to you that could help you achieve those goals. As the information changes throughout the year,

your marketing plan should also be updated with more current information.

As you look for risk protection, Livestock Risk Protection (LRP) is a viable and flexible option. Currently we are looking at \$126.16/cwt coverage on 600#-900# steers and \$138.77/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 backgrounder, coverage is available once you have possession of the calf and have an estimated time for market. If you listen to our radio ads, we will normally quote steers. We also get questions about coverage for heifers, and the different prices and contract end dates covered. Below is information explaining the PAFs, or Price Adjustment Factors, and how the ending prices are factored.

As you know, we are in a volatile market situation and updating your risk management plan is critical to your operation's success. If we can help lock in a price floor for your cattle, give us a call. I enjoy visiting with producers about what is going on in their world and in their operations, 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 many of you at the Nebraska Cattlemen Classic at the Buffalo County Fairgrounds February 18th-26th. We can answer your questions about LRP and how you can use it for price protection to help manage your cattle risk. ■

## Feeder Cattle Price Adjustment Factors

Price adjustment factors (PAFs) are applied to the expected ending values, coverage prices, and actual ending values prior to RMA publishing. LRP feeder cattle insurance coverage prices and rates are based on the CME Feeder Cattle contract, which is cash settled to the CME Feeder Cattle index.

The CME Feeder Cattle contract and the CME Feeder Cattle index are only based on the price series for steers weighing 650 to 849 pounds, excluding predominantly Brahman or dairy breeds. Because the CME Feeder Cattle futures prices are for steers of certain type and weight, a PAF is used to calculate expected ending values, coverage prices, and actual ending values for other types and weights of feeder cattle (heifer, predominantly Brahman, and predominantly dairy). Prices are adjusted by multiplying the appropriate daily LRP expected or actual ending value by the appropriate PAF.

To determine the applicable PAF, locate the correct cattle type and weight on the following chart. ■

Weight Range	Price Adjustment Factors by Cattle Type			
	Steers	Heifers	Predominantly Brahman	Predominantly Dairy
< 6.0 cwt	110%	100%	100%	85%
6.0 - 9.0 cwt	100%	90%	90%	80%



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# DO YOU VOLUNTEER YOUR TIME AND INSURANCE

BY CORBETT HAHN

As someone who recently agreed to volunteer on the board of a local non-profit organization, I thought it might be a good idea to talk about the insurance ramifications of that decision. Many people volunteer their time and are glad to do so. A person's time can be more valuable than money to many non-profit organizations. Because I'm an insurance agent, I'm often the downer of the group. I tend to focus on the "what happens if" scenarios. When we volunteer, we give of ourselves freely and often assume there will be no consequences for our actions because we are doing a good thing. As the article shows us, the old saying "no good deed goes unpunished" can be true.

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Millions of Americans donate time—their most valuable asset—to serve as a volunteer board member on non-profits, booster clubs, churches, PTAs and civic organizations, just to name a few. The decisions these folks make can have a dramatic impact on their respective organization—and not always for the better. If a volunteer endeavor goes bad, would a volunteer board member have coverage against a lawsuit under his or her homeowner's policy?

## Homeowners Insurance

The last thing volunteers want to consider is what would happen if their favored organization filed suit against them as a result of their efforts. But it happens, and not infrequently. This happens, especially when volunteers make decisions that directly influence the finances of an organization. Often, the only insurance these volunteers have to back their efforts is a homeowner's policy. Unfortunately, this policy may be of little assistance.

The reason a homeowners policy does not usually cover liability stemming from actions as a volunteer is the nature of the claim. The policy is designed to cover claims of "bodily injury", such as someone slipping on cracked pavement in your driveway and/or "property damage", such as accidentally setting your neighbor's house ablaze when burning brush on a windy day.

Claims against board members do not usually involve bodily injury or property damage. Rather, they involve bad decision making that results in financial loss to the organization, such as the decision to invest in an IT system that turns out to be a debacle, costing the organization tremendous time and money.

There is another problem. Homeowner's policies do not cover "professional services." This is important to note, because board members are often asked to serve in a capacity consistent with their profession. For example, a church member who is a CPA may be asked to serve on the church's board as finance chairman. Even though he is not paid for his services, the "professional services" exclusion under his homeowner's policy would still apply.

In addition to the above, homeowners policies do not cover claims of personal injury unless this coverage is specifically added. Personal injury insurance is added to the homeowner's policy to cover claims such as libel, slander, wrongful eviction, and false advertising.

## What to Do

Events causing claims are unpredictable. While the reasons shown above prove it's unlikely, not all claims against volunteer board members are excluded by a homeowner's policy. Decisions to purchase personal injury coverage and a personal umbrella policy will increase your ability to find coverage for a suit against you.

The best method for insuring the actions of board members is for the organization to purchase a directors and officers (D&O) liability policy. These policies are relatively inexpensive for most non-profits. Before volunteering, request information on the organization's D&O policy. The absence of this insurance leaves you at risk of having no personal insurance to defend a suit brought against you by the organization and should influence your decision to serve.

Please call our office to determine if your volunteer activities are covered and if your insurance limits should be increased. ■

*Intro by Corbett Hahn, Article provided as a member service of The Independent Insurance Agents & Brokers of America, Inc. All Rights Reserved.*

*NOTE: Policy coverages and circumstances can change at any time, so the information above may not be accurate at the time of reprinting or subsequently to that time. IIBA does not assume and has no responsibility for liability or damage which may result from the use of any of this information. The most current, up to date version of this article can be found at IIBA's Virtual University at [www.bigivu.com](http://www.bigivu.com).*



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# WINTER



2.



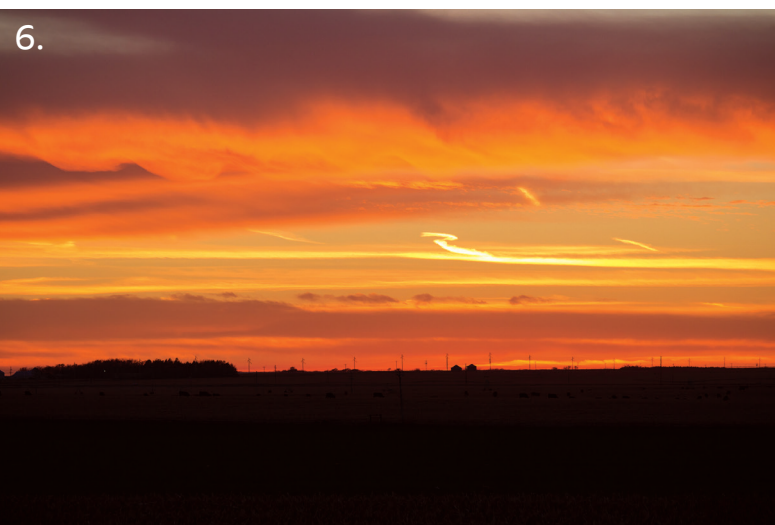
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6.



7.

1., 7. Jeri Schultheiss

2. Sharri Baldonado

3. Sara Ross

4. Tara Schultheiss

5., 6., Karen Kloepping

\*If you would like to have a photo featured in upcoming editions of the magazine, please send submissions at any to [jedson@thehomeagency.com](mailto:jedson@thehomeagency.com).



# REGIONAL

## NEBRASKA

### RUSKIN, NE

#### • DAVE MEYER

Hello from South Central Nebraska.

Another harvest is complete, with corn and soybean yields varying greatly in our area. Rain was spottier than it has been the last few years. As always for the dryland crops, the timing of the rains proved to be crucial. Wind was the big event this year for corn in parts of this area. Some fields were absolute disasters. Obviously, along with velocity, timing and varieties were the main factors that affected the level of damage.

Thanks again to all my clients for trusting me with your crop insurance needs. I really appreciate it. ■

### BENKELMAN, NE

#### • DANA MULLANIX

Hello from Southwest Nebraska! I am writing this at the end of 2016 and wondering what 2017 holds in store. I have been with The Home Agency for 18 months and have witnessed a dry year and a wet year in that short time, making me realize more than ever that we are definitely not in control. It also makes me recognize how resilient farming communities are. We certainly live on faith in this part of the world!

Corn, bean, and wheat harvest are behind us, and though the markets were not good, the bounty was amazing. It is always the hope that “next year” will be better. Now that all of the field work is behind us, it might be a good time to discuss your commodity coverages before the baby calves start hitting the ground.

As I mentioned in my last article,

The Home Agency offers stand alone pivot insurance. We would be happy to come and visit with you about the benefits of a policy like this. Financially, we think this is a good product as well as a good business move for anyone who irrigates.

I know I write mostly about the farming industry in my articles but we offer so much more than coverage for the farmers. If you are needing business, home, auto or other coverages, The Home Agency has a nice variety of companies we write for. There are all kinds of e-insurance offers out there, but will they be there for you should you ever have a claim? How much money will they really save you? I have re-written a few policies for people that tried the online thing and we actually saved them money on their coverages. I would be happy to quote for you any time!

Since the Christmas season will be behind us as this magazine comes out I will end by wishing you all a happy, healthy, prosperous New Year. ■

## KANSAS

### BELOIT, KS

#### • ENOS & JILL GRAUER-HOLZ

2016 was a roller coaster with storms, hail, flooding, the grain price dive, and livestock prices dropping. We want you to know we are here for you when these things happen. We also want to put out a safety reminder. Please check your vehicles and machinery for working lights, mirrors for left turns, caution signs, and flashing lights.

As we look at commodity prices, we need to also look closely at our

costs. Are you keeping a close eye on your cost of production? Many times we find hidden costs we have forgotten to figure in.

We will be having our spring meeting soon to talk about anything new. We will have your spring quotes and renewals at that time to look over. Our renewal deadline is March 15, 2017. This is also the final date to short rate any wheat acres you might be grazing out or want to tear up.

We are busy calving heifers and feeding cows this time of year. Hopefully the weather is cooperating!

We hope 2017 is starting off great this year. We certainly are ready for a better year for agriculture! Please let us know if we can do anything for you! ■

### KIRWIN, KS

#### • RHONDA JONES

Reflection of 2016 for the Kirwin area...

A RECORD BREAKING YEAR! I wrote in my December 2015 article the quote “dust it in – bust the bin”! Well, the wheat crop was one of the biggest on record. But on the flip side, the grain and livestock prices were horrible! Precipitation records were higher for the year with major flooding in the western part of the county, filling up the Kirwin Lake. There are thousands of geese. Huge piles of grain invaded the elevators. Dryland soybeans in some areas were averaging 75 bu./acre. Mid December was bitterly cold, setting new lows at -15 degrees and daytime highs in the single digits. Rhonda’s Sweet Shoppe baked over 250 dozen



# NEWS

cookies in November and December. That's a lot of cookies!!

What does 2017 have in store for us? A new president and Make America Great Again! I appreciate your business and look forward to serving you in the New Year! ■

## LARNED, KS

### • CLARK REDDING

As I am writing this, it is just about Christmas time. I don't want to go outside because it's way too cold. I mean really cold. 15 degrees below zero wind-chill cold. You see what I mean. One thing about a really cold winter is that it tends to pare down the insect population going into the next spring. Let's hope so, because we've had our share already.

Finishing up fall production and the consensus is that 2016 was another fantastic year...for production, that is. For marketing, not so much. We are going to need a little help in the price department in 2017. You can't spend another year farming for nothing. There has to be some profit sooner or later.

Having said that, here are some things I know are true. 1) We live in the greatest country in the history of mankind. 2) As bad as it seems here at times, it is far better here than anywhere else on earth. 3) We as a country can, and probably will, change things for the better. Here's to a great 2017. ■

## COLORADO

## STRATTON, CO

### • PENNI FOX

Happy New Year Everyone!!

It seems hard to believe that we are

about to celebrate Christmas and step into a new year. It was hard to get in the Christmas spirit with all the beautiful weather but December brought in the frigid temperatures and a bit of snow. So... ho, ho, ho! Looking back on the past year, our family has so much to be grateful for. Our youngest daughter got married to a wonderful guy and now are expecting a new little boy in April. For Don and I, those grandsons are the ying to our yang. Everyone remained healthy with one little hiccup, and we didn't lose anyone in our family. I would say that's a year full of blessings.

As we are in the midst of winter, keep in mind traveling during snowy weather. Things to consider are how far you will be traveling and how long you will be gone. Will you be traveling main roads with services or remote areas where there are many miles between towns? Prepare ahead if starting out in good weather as we all know it can change in an instant. Always start with a full tank of gas and never let it get below half.

Essentials to carry include: jumper cables, phone charger, flashlight, extra batteries, first aid kit, ice scraper, shovel, kitty litter for traction, jugs of water, non-perishable food, blankets or sleeping bags, and medicine.

If you are stranded, make sure you turn on hazard lights so other vehicles can spot you. Only run the vehicle for a few minutes at a time, and crack a window to avoid carbon monoxide poisoning, and make sure exhaust is clear of snow. With that said, stay warm, toasty and safe!!

Thank you for your business in 2016. I enjoy working with each and every one of you. ■

## IOWA

## MCCLELLAND, IA

### • KEVIN & SARA ROSS

Happy New Year everybody! First off, we want to thank everyone who attended our annual dinner at the McClelland town hall. We hope you were filled up with good food and took away some new items to think about for your marketing or insurance.

I have been in a lot of meetings already this winter and many folks are very concerned about where agriculture will be headed in the next year. It seems unlikely that a farm bill will move in 2017, as tax and health care reform will be major topics to tackle. Trade was a topic that seemed to get hammered on during the presidential campaign. As you all know much of the price of our commodity crops and meats is attributable to exports. With a new administration there is an education process on the issues that affect each industry and President Trump's will be no different. Being vocal about our issues in agriculture and not being bashful about maintaining profitability will be key to make sure changes in ag policy are the right ones for our time, and to ensure that we keep a competitive edge against the rest of the world.

We are looking forward to an exciting 2017 and working with you to insure the value in your crop and enhance your marketing abilities and strategies. Your time and resources are valuable, so let us help you use them wisely and stay profitable in this next crop year. Good luck and thanks for working with us at The Home Agency! ■



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## MAKE-A-WISH® NEBRASKA

BY SARA ROSS

In 1980, a seven-year-old boy from Phoenix, named Chris Greicius, realized his lifelong wish to become a police officer. Many of those responsible for fulfilling Christopher's wish wanted to do the same for other children with life-threatening medical conditions, which led to the formation of Make-A-Wish®, the largest wish-granting charity in the world with 62 chapters in the U.S. and its territories and 39 international affiliates granting over 270,000 wishes since inception.

The Nebraska chapter was formed in 1983, and since then has granted wishes to over 2,400 children throughout the state, now averaging 110-115 wishes per year. 350+ volunteers help spread and support the organization's mission across the entire state, with the headquarters in Omaha and satellite offices in Lincoln and Kearney.

Their mission is to “grant the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength, and joy!” Wishes are granted to children between the ages of 2 ½ and not yet 18 who medically qualify for a wish. Make-A-Wish listens to the children's quiet whispers and dreams and helps make their wish a reality!

The Home Agency along with Jim and Sharri Baldonado have teamed up with Make-A-Wish recently and are in the process of granting their first wish. Jim said “I had heard of Make-A-Wish for a long time, but had always wanted to figure out a way to do it myself. But after

being introduced to Hannah Stone at Make-A-Wish, I learned about all the connections they have all around the world and I couldn't compete with that. Hanna convinced me to join with Make-A-Wish and we are extremely happy we did!”

The Home Agency is working with Make-A-Wish to grant some wishes in their area and the first one will be for Kreighton. Kreighton is a 3 ½ year old who was diagnosed with holoprosencephaly (see more about his story on the next page) over two years ago. Jim and Sharri, along with The Home Agency staff, were

able to meet Kreighton and his family a few weeks back and are looking forward to sponsoring his wish, a trip to Disney World!

After meeting Kreighton and his family, Jim said, “What a fantastic family! Having Kreighton in the office and walking him around to meet the staff and watching him shake hands with everyone was priceless. I've been told God only gives you what you can handle. This was first told to me when we found out we were having twins 30+ years ago. Well, I'd said the same goes for parents who have children with special needs, whatever those may be. Kreighton has some very special parents who are trying to provide him with the best life possible. And being able to give them all this trip to the most magical place on Earth is really an honor.” ■

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*Funding comes through donations from individuals, businesses, fundraising events, charitable trusts, bequests, and foundations. Make-A-Wish Nebraska is a private, non-profit 501(c)(3) organization with an annual budget close to \$3 million. If you'd like to make a donation, please visit [Nebraska.wish.org](http://Nebraska.wish.org) or call 800-760-WISH.*





# KREIGHTON'S STORY

BY NIKKI DONOHUE (MOTHER)

My whole pregnancy with Kreighton was pretty “normal,” there were no complications or anything that alerted doctors. In the beginning, we attempted breastfeeding, but that didn’t work, so we changed to bottles. With the bottles, he was always making noises and milk was constantly running out of the side of his mouth. It felt like we went through every type of bottle and nipple made, trying to figure out which would be best for him.

When Kreighton was about six months old, I noticed he still wasn’t trying to roll over, let alone trying to sit up. At his next Well Baby appointment, I made the doctor aware I was concerned about this as well as his weight. The doctor was more concerned with his weight so at that 6-month appointment, we were referred to a wonderful Gastrointestinal (GI) specialist who took Kreighton under his wing to try to figure out why he wasn’t maintaining weight. While we were visiting with our GI doctor, he changed Kreighton’s formula and he told us to come back in three months for a checkup.

Well, three months later at that next checkup, we were referred to a neurologist to figure out what was going on because he still was unable to sit unsupported, crawl, or even roll over. While visiting with the Neuro doctor, he said Kreighton was very hypertonic (meaning he has very tight muscles) and most likely just a “slow learner” and prescribed physical therapy for three months. So, three months later, Kreighton was four days away from turning one and the neurologist was still unsure why Kreighton was not able to sit, was still not crawling, or rolling over. He suggested we get an MRI done soon. That appointment was over, so we went to the GI appointment. They weighed him and found he had lost weight, four pounds in two weeks. They admitted him into the hospital right away and put in an NG feeding tube. This was inserted the second day while in the hospital. Two months after the NG placement we found out the feeding tube was going to be long term so we ended up getting a G tube placed. A day later, they did the MRI that the neurologist requested, and the following day, we got the devastating news. Two doctors and three nurses entered the room and told us the results of the MRI showed Kreighton had holoprosencephaly, which is a congenital brain disorder caused by a failure of an embryo’s forebrain to divide to form bilateral cerebral hemispheres (the left and right halves of the brain), causing defects in the development of the face and in brain structure and function. They went on to tell us that we will have to take care of him for the rest of his life. We were devastated by this news, but knew we had to do what was best for him! ■



## Statistics of Holoprosencephaly (HPE):

- Estimated that HPE affects between 1 in 5,000-10,000 live births.
- Current studies show that only 3% of all fetuses with HPE survive to delivery, and of that 3%, only 1% live past six months old.
- HPE is a condition without a cure or standard course of treatment.
- Treatment is mostly supportive and symptomatic.



# BEST OPTION

BY ALAN KUZMA

It's Sunday, December 18 as I write this. The Fed just raised interest rates by .25% this past week. As you read this, who knows what has transpired on the interest rate horizon? My guess is not much. Here is what I do know. There are only three places to put money; Wall Street, banks, and insurance companies. Another thing I know. The two biggest concerns Baby Boomers have heading into retirement: out living their money and what happens in the event of a long-term illness.

## Tough Sledding

I've had a lot of people ask me, "If I don't want the risk of Wall Street, where is a good place to put money these days?" Candidly, if you could get 4-5% on a Certificate of Deposit we wouldn't be having this discussion. This past summer I was introduced to a place to put money that merits consideration.

What if I told you that your money could:

1. Grow on a tax deferred basis, meaning taxes are due when you take dollars out, not year to year; i.e. provide tax benefits
2. Have the ability to earn up to 12.5% annually?
3. Provide a tax free death benefit of on average \$2.00 for every \$1.00 deposited.
4. Let you get your money back at any time without penalty; Liquidity
5. Provide a minimum guaranteed interest rate
6. Let you use the death benefit in the event you have a long-term illness.

Does it sound a little too good to be true? Well, it's not! In some instances, it has fit like a glove.

## Breaking It Down

I'm a football guy and I hear the experts talk about breaking down a game. Well, here is how what I just described breaks down. The product is a single premium indexed Universal Life insurance product. Sounds complicated, but it's really not.

Here's how it works:

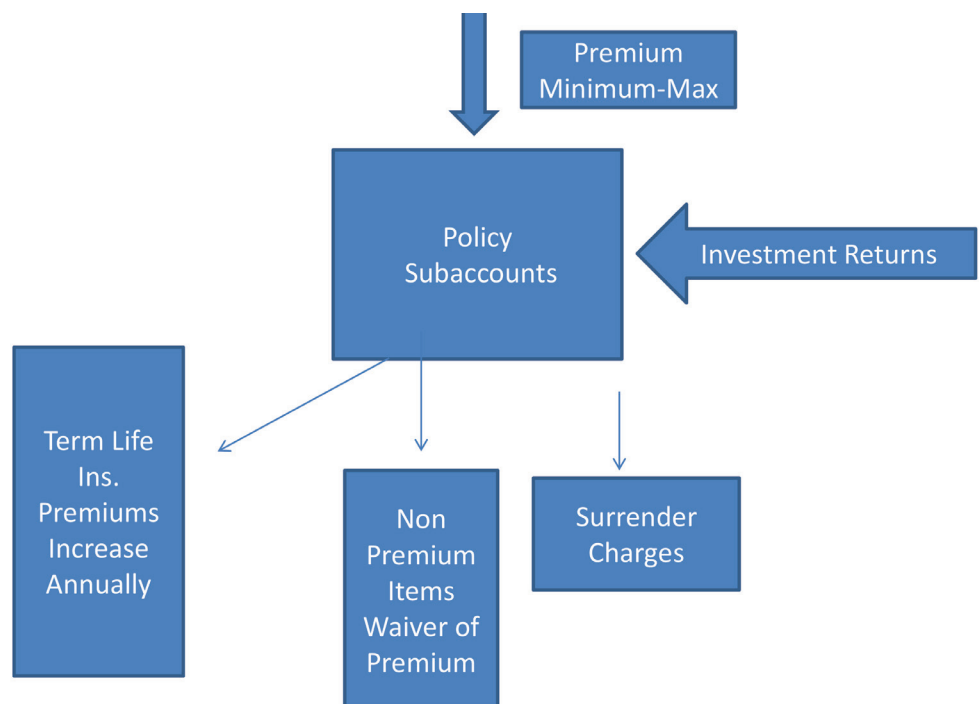
As you see by the diagram at the bottom of this page, the funding for this product comes from a single deposit, or premium as we call it. It has been my experience that people put money from two primary sources into this account: either CD's or they will take an old whole life insurance policy and swap it for the new product.

This is rule of thumb, but for every \$1,000 you deposit, the death benefit is approximately \$2,000. Sometimes more, sometimes less depending on age, health considerations, and smoking status. The death benefit is an annual renewable term life insurance policy where the premium increases annually.

Liquidity; you can get your money back at any time you want-no questions asked.

Accelerated benefits; If you are unable to perform two of the six activities of daily living, then you can use most of the death benefit for long term care, home health care, or community care or adult day care. There is formula that is applied which typically pays 18-20% of the death benefit for four years.

Your money earns interest depending on what happens with the Standard and Poor's Stock Market Index. It is important to note that your money is not in the market, but rather linked to it. Here is what happens: if the S&P 500 Index goes up during a contract 12-month period, you can earn up to 12.5%. If it goes down, you earn



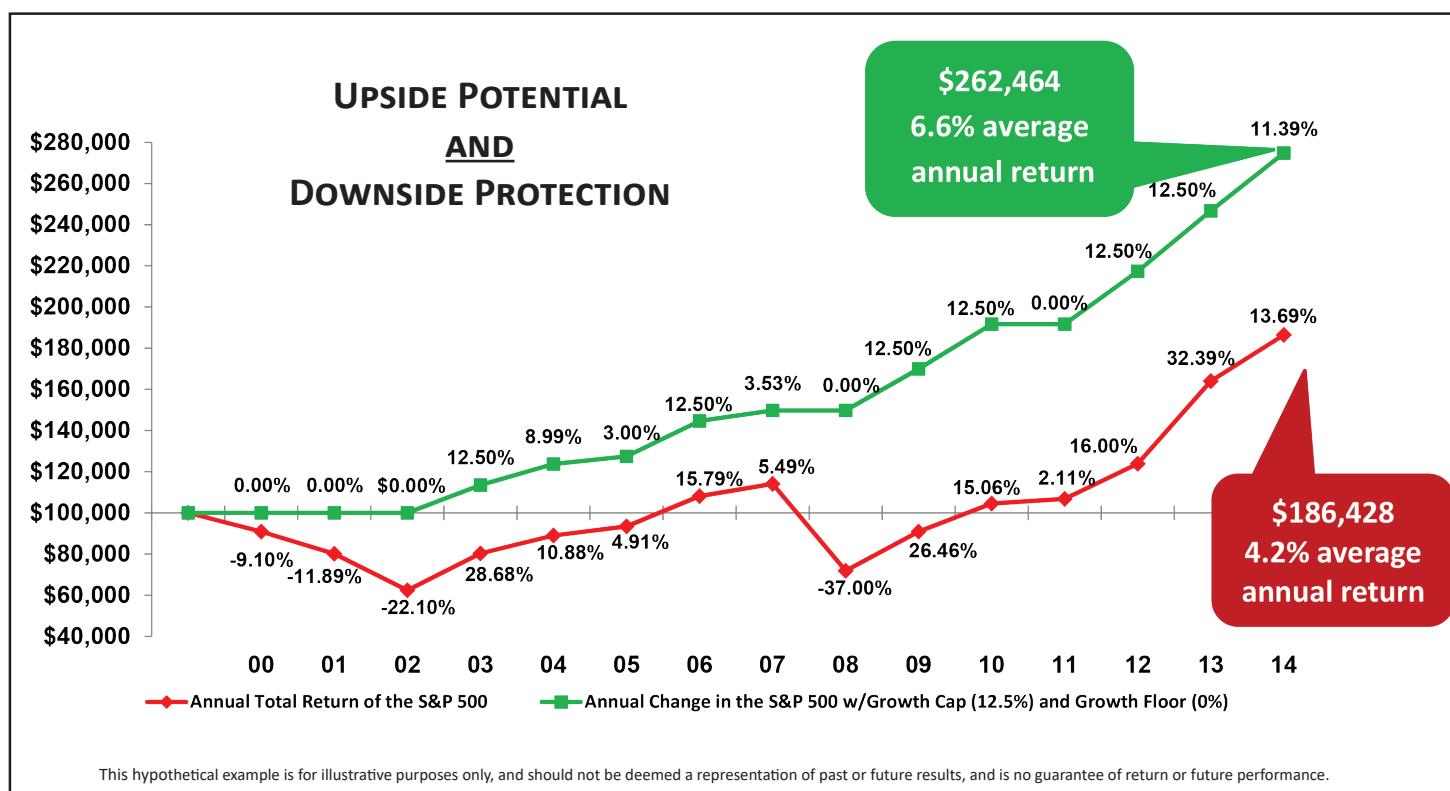


nothing. Look at the chart below closely. The red line shows the ups and downs of the S&P 500 from January 1, 2000, until December 31, 2014. With two major stock market corrections in 2001 and 2008, this period returned 4.2%, including dividends. The green line shows what can be accomplished if you limit the upside potential to 12.5% and limit the downside to zero in negative years. By eliminating the down side, the return for the same period was 6.6% average return.

Since the growth in the policy is linked to a stock market index, there is no guarantee the S&P 500 index will ever have positive gains again. So the contract offers a 3% guaranteed growth.

So there you have it; a package that offers tax free death benefits, tax advantages, and guarantees, benefits for long-term care, liquidity, and returns linked to the S&P 500 Index. All of this offered by an A+ rated life insurance company. These are the highlights. You will need to examine the terms of the policy to see if it is appropriate for you. If you think it might be, please contact the good folks at The Home Agency or call me.

Until next time - may God bless you.



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**BALDONADO**  
*Personals*

Each year our kids will ask, “What do you want for Christmas?” I answer the same way every year, “I really don’t need anything.”

Last year, December 2015, our daughter Megan gave me a small book titled, well, you figure it out. You see, Megan is an Official Court Reporter at Douglas County District Court in Omaha, and one of the ways she writes is called stenography, or steno for short. To be a stenographer, you must type 225 words per minute with 97% accuracy. The court reporting machine she uses has 22 unmarked keys. When looking at a page of this typing and trying to figure out what it says, I will just tell you that unless you read steno, you'll never figure it out. The book was titled, "My Dad, His Stories, His Words." This small book contained 38 questions she wanted her dad to answer about himself.

Now you may think this would be an easy task. Well, it really wasn't, and I finished it just in time for a Christmas gift back to Megan. I answered these 38 questions and forwarded my answers to a good friend of Megan's (Laura) who is also a stenographer. She typed out the questions and my answers in "steno". So, when Megan was given this binder back at Christmas, only she would be able to read it.

This book may have cost \$10-\$15 at most, but to have my daughter want me to fill it out in my own words so she learned more about her dad was priceless to me.

Fin





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