

Preparing for 2021

Winter Newsletter

January 13, 2021



WILLIAMSON CROP INSURANCE

Hi Everyone,

What a year 2020 turned out to be! Putting it as politely as possible - I don't know that I have talked to anyone not ready to flip the calendar to a new year. Fortunately, the New Year has started with the Buckeyes making it to the National Championship game only to face an outstanding Alabama team. With that said, we will always cherish the oh so sweet victory over Dabo Swinney and Clemson!

Joking aside, the start of 2021 has been exciting on the commodity markets and has most feeling optimistic preparing for the upcoming planting season. The rising grain markets are providing an opportunity to see profits in 2021. We are excited to discuss the crop insurance options – some new, others improved – that can help you secure these profitable opportunities. Inside this newsletter you will find an article about the new Enhanced Coverage Option (ECO) that provides great top end coverage with a 95% trigger! We will also discuss Supplemental Coverage Option (SCO) and options like RAMP and RPP. More importantly, we developed tools to help you see and understand the way these policies can work for your operation.

Since we won't be having our usual farmer meetings, we have a series of videos that you can access by going to our website at cropcoverage.com and clicking on the green banner at the top of the page. Topics included are: Enhanced Coverage Option (ECO), Farm Bill—ARC vs PLC, Private Products, & DecisionMAXX.



We are excited to review these options with you this winter. Look forward to talking with you soon!

Go Bucks!

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Reviewing Your Policy

Each winter we set out to service our clients in a one-on-one setting. Renewal season is an enjoyable time when we visit many homes. We appreciate the opportunity to learn about your operation and your family.

While we strive to provide the best service for your crop insurance needs, the way we meet this winter may be altered. We do not want to unknowingly bring this nasty virus to your kitchen table. There will be circumstances that warrant meeting in person. You are always welcome at our office as it allows for social distancing and can easily be disinfected between appointments. We also plan to make on farm visits when necessary. If you prefer we discuss your policy over the phone, Facetime, or Zoom, any necessary signatures could be gathered via mail or email.



It is our goal to provide you excellent service and preserve the health of your family. We will reach out to you earlier than normal this year to be sure we review each policy by the March 15th deadline. We look forward to the time when we can gather around the kitchen table again. Until then, keep in touch and stay safe.

Website

Cropcoverage.com Website Overhaul + Integration with DecisionMaxx.com

We launched our new website in November 2020. This is an excellent resource to access crop insurance base and harvest prices, as well as county yield data. This yield data will be important to understand in the current farm policy.

You have access to our important dates calendar and can register for our update meetings online, when we are able to schedule them again.

There are links to your insurance provider's website, where you can access policy documents and pay your premium.

We will also be integrating the login to DecisionMaxx into cropcoverage.com allowing you to access both tools through our website.



Yield Source Changes

Change in County Yield Data Sources

Historically, NASS was the source of county yields for crop insurance and farm bill programs. Beginning in 2020, county yields are derived from farmer production and acres submitted to RMA. The data requires a minimum 5000 acres of the crop reported to RMA in the county, and a minimum 20 different producers reporting yields. If that is not met, information from adjacent counties will be used in determining yields.

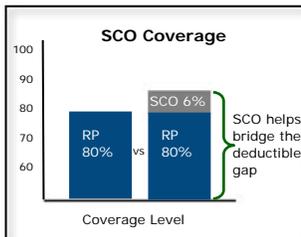
ARP, AYP, Margin Protection, ECO & SCO Yield Establishment

The trend line yield used for these tools is based on 25 years of actual county yields per RMA data. These yields are trend adjusted using a factor similar to RP&YP plans of insurance.

Farm Bill

Crop Insurance SCO can Accompany PLC acres elected at FSA

For 2021, those electing PLC will be able to purchase the Supplemental Coverage Option (SCO) through crop insurance. SCO is similar to ARC-CO coverage. It triggers from 86% down to your coverage level.



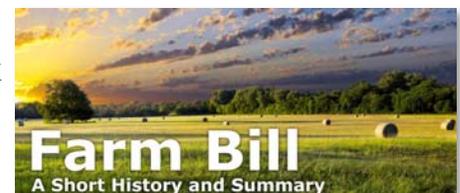
****Example:** If you carry an 80% level of coverage, you would have a 6% band of revenue coverage on the county yield and revenue on your planted acres. This 6% band of coverage generally costs around \$4/acre and provides about \$40/acre coverage. ******

ARC-CO triggers on county revenue and does include a bushel trigger or the harvest price option like RP-SCO. SCO uses the same base price and harvest price as RP insurance.

Talk with your agent to learn how SCO can complement your farm safety net.

Moving Away from ARC-IC

ARC-IC will not be the likely farm program of choice for 2021. It worked well in 2019 because we were looking back at prevent plant. Looking ahead, PLC or ARC-CO will be more popular options. Ask your agent to learn more!





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ATTENTION!
IMPORTANT POLICY INFO INSIDE

Proprietary Analytical Tools

Our team has multiple tools available to compare crop insurance products to help analyze what best fits your operation. Want to compare ECO with RAMP? SCO with ECO? All 3 stacked together? ARC-CO vs SCO? No problem. Within seconds, we can compare each of those products and show the value they bring to your operation. We also can show what historical payouts would have been for ECO and SCO, if they had been available in those years. **These analytical tools are built by our agency.** An in-depth analysis of the newest products in the industry has never been easier. Call your Williamson Crop Insurance agent today and we can manage the risk on your operation together.

REMINDER:

All changes to your policy must be made by **March 15th.**