

RPowerD™ - Stressed producers are looking for a plan forward

June 25, 2019

If you have customers dealing directly with Replant and Prevent Plant, or even customers glued to the news about these issues as they wade through the sometimes accurate and often misinformed blog posts regarding MFP, Cover Crop, Disaster Program, etc., you are not alone.

Many farmers are in some combination of crisis or magical thinking mode about how 2019 will turn out. For many it does not look good at all. For some, obtaining operating money for 2020 will be a challenge. We know spot basis levels for stored crops are extremely high but farmer selling is light. We know there will be logistic abnormalities all winter and through to the 2020 harvest next year as 2019 grain has to be pulled away from normal markets into domestic demand centers where production was limited. We know basis and spreads will be volatile as a result. Board of Trade prices on which crop insurance guarantees are based will likely be volatile in both directions too.

Every producer can tell you stories about how they over stayed their hand and missed profitable pricing opportunities only to be forced into the perpetual “wait, hope, pray” routine yet again. The good news is you have a solution. So what can an agent do?

Helping those with large claims get ready for \$200,000 reviews comes to mind. Being the voice of factual information regarding approved cover crops for their county and prevent plant rules is imperative. Agents can also both empathize with their customer’s 2019 plight and help them document a plan forward for a better 2020 season right now with minimum revenues that cover expected costs.

If you read this letter you know RPowerD is giving growers opportunity to establish the minimum crop insurance price now by “Opting-in” to the previous sessions closing price, this is called RPowerD Market Price. This feature has afforded many producers the opportunity to establish a minimum revenue that covers expected 2020 cost of production. Adding Alternative Discovery Periods expands their opportunity for 2020 for just a few cents/bu more. Tell the story, show the matrix, they are interested.

While setting 2020 minimum revenues your producers might also be interested in learning more about the Margin Protection policy that covers at 95% of expected yield and pays \$1.20 for every dollar of loss plus insures against a rise in many of their input costs between rotation decision time and planting. If their yields track the county they are a great candidate for Margin Protection and can get a premium credit when they add an individual base policy to their portfolio.

For 2020, Margin Protection expected and harvest yields will be based on RMA county yields and planted acres as reported for crop insurance instead of NASS survey yields. MP, ARP, and SCO will use the same expected and harvest yields for 2020. RMA is expected to announce expected yields for 2020 on August 7. The RPowerD sales tools show how MP results compare to RP alone.

Helping people make good decisions in times of stress and high emotion builds long term loyalty. Helping people make the first, best decision to establish minimum revenues that cover cost with RPowerD opens a world of opportunity and gives peace of mind to make all the next decisions too.

If you need to create your sign in credentials for www.AgenteVantage.com, contact your NAU Country Marketing Representative for assistance. Contact the NAU Country Call Center at 1-866-942-6724 or via email at callcenter@naucountry.com to reset your password, or make additional changes.

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