NAGEL CROP INSURANCE

# Nagel's Notes

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**"Good decisions come from experience, and experience comes from bad decisions"**

***Timely Crop Production, Insurance, and Marketing tips from Nagel Crop Insurance***

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## Where is your pain point??

As we meet with our clients and go over crop rotations and crop insurance strategies for 2019, that's a question that comes up often. We seek to find the intersection of meeting revenue income needs and insurance costs. Each meeting is unique because each customer knows their own pain point.

Here are some solutions to find the best strategy for **you**:

- Determine what your cost of production will be for each crop, based on expected yield. This is cost per acre divided by expected yield.
- Find a level of crop insurance, based on your APH that guarantees a revenue level that best suits your needs. This means how low a yield you can tolerate mentally and financially, and remain viable for next year.
- Find the most cost efficient and psychologically tolerable way to get that guarantee: You could consider Enterprise Units (EU's) as a cost effective way to get the coverage dollars you need. With EU's, you reduce your premium by about 40%, so you can usually afford to buy-up higher coverage levels than insuring each farm separately. Keep in mind that all the bills are paid from all of the acres. An EU guarantees revenue from all of those crop/practice acres combined in the county.
- With irrigation, you could put your irrigated acres in an Enterprise Unit and insure your dryland fields individually. This allows significant savings on your highest producing acres, and allows you to direct your insurance dollars to your highest risk, dryland acres.
- You could even consider a dryland Enterprise Unit if the farms are close together. Yet, Enterprise Units may not be desirable for you if you have farms across a large, variable geography. In that case, you may want to insure each farm separately. So, look at your rotation and see where your crop distribution is as you decide on an approach for meeting your needs. EU's may work for some operations in one year, and not in another. Evaluate your farm locations for each crop and decide if you can take advantage of EU's.

Your question to yourself is, "How far down the yield ladder can I go before I feel the pain?" Find the most cost effective way to prop up that safety net. Let me show you how to get there!

**We have private replant insurance available.**
**Remember Replanting in 2018???????**
This could cost less than a dollar per acre and pay up to $70 per acre for each acre you replant. Additionally, MPCI kicks in after the 20 acre threshold. So your replant payment could be as much as $100 per acre! An example: If you plant 700 acres of corn with a premium of $2.75 per acre which pays $50 per acre for each acre. It pays for itself after replanting only 39 acres. MPCI layers overtop after you replant 20 acres, so your total replant payment on all of your acres would be about $80 per acre.

Call us with your challenging pain points!