

In the Field



WESTERN REGION

WINTER 2017

New Team Members Add Depth

As we've said many times before and will no doubt say again, the ProAg® difference can be found in our people. We've recently added four outstanding individuals to our west region team, and would like to take this opportunity to briefly introduce them to you.

Sunny Atwal

An "interest in ag and everything associated with it" propelled Sunny into his career in crop insurance. "My family has a farming background, so I enjoy learning about the crops, rules and regulations that come with the insurance side of the business," he says.

A 2008 Fresno State graduate, Sunny and his wife, Raman, have been married for four years and had a baby boy earlier this year. In his free time, Sunny enjoys traveling, playing and watching sports, hanging out with friends and trying new recipes on the barbecue.

Annette Klein

"Patience, a winning personality and a sense of humor." Those are characteristics Annette believes are required to do her job as error resolution lead well. "This job is a puzzle, and you have to be willing to learn new things to figure out the process."

Away from the office, Annette enjoys spending time with her four grandchildren. Apparently, she's also a pretty good baker. "I got feedback that I made a great pumpkin sheet cake for the office Halloween party," she notes.

Alana Stribling

A self-described free spirit, Alana's resume reflects both that attitude and her diverse interests. "My first job at 16 was as the rat at Chuck E. Cheese," she says. She went on to become a diesel mechanic in the Navy and at UPS, a chiropractic assistant, a medical transcriptionist, a graphic designer and, before joining ProAg, she worked for



From left to right: Annette, Samantha, Alana and Sunny.

Homeland Defense and Security at the Naval Postgraduate School in Monterey, California.

As far as Alana's interests, we can't even begin to do that list justice here. She's married to accomplished new-age musician Michael Stribling, works with the homeless and mentally disabled, and is currently attending Fresno City College—studying to fulfill her dream of becoming a sign language interpreter.

Samantha Edmonds

A strong work ethic turned a temp position into a full-time job as an underwriter and launched Samantha's crop insurance career. Now she's putting her talents to work at ProAg and enjoying the transition.

Samantha's free time is spent with her husband and best friend Richard Imel, their two daughters and four dogs. "I love arts and crafts, cooking and baking and spending time outdoors with my kids and dogs, and talk and laugh with my husband," she says. "When I get some time alone, I like to read." 🐾

FOR MORE INFO

Because our space is limited you can find out more on each of these folks at www.proag.com/westernstaff.

EMPLOYEE SPOTLIGHT



ProAg is an equal opportunity provider. A member of the Tokio Marine HCC group of companies.

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RPowerD™ = Flexible Revenue Protection

By Barry Cermak,
Product Development Manager



We've just introduced an exciting product that provides expanded revenue protection for corn and soybeans. RPowerD™ is a non-reinsured

supplement to the individual Federal Crop Insurance policy that allows the insured to choose revenue protection coverage levels from 70% up to 95%—an increase from the 85% upper limit provided by the federal policy alone.

RPowerD provides a high level of flexibility. It allows you to insure only a portion of the liability, effectively acting as a deductible and helping you manage costs. Another cost-saving feature—RPowerD also allows for an ARC-CO offset, so you can opt-in and out of the ARC-CO payment. You can lock in the current market price or choose the projected price, and can elect one or multiple pricing intervals in full- or half-month increments.

The production to count adjustment has been separated by irrigated and non-irrigated practice, a feature not previously available.

RPowerD will pay an indemnity whenever the revenue to count is less than the grower's RPowerD trigger revenue. This product is well-suited for producers who are looking for an opportunity to achieve a higher revenue trigger or lock in the current market price.

From an agent's perspective, the flexibility of RPowerD may be the best feature of this product. It allows you to tailor coverages and prices through the liability limiting factor, providing your insured with control over premium costs.

Talk to your ProAg account representative for more information on RPowerD. 🍌

Solid Performance in the Face of Adversity

By Kendall Jones, President & CEO



It wouldn't be an exaggeration to designate 2017 as a year of weather disasters affecting different parts of the country and various crops and livestock.

Wildfires in Kansas, Oklahoma and Texas kicked off the year, followed by not one, but two hurricanes, drought in the Dakotas and Montana, and then coming full circle to end with the wine country wildfires.

Breaking the year down in more detail, moisture extremes and hail did affect corn and soybean crops this growing season, though the impacts were generally not widespread. With harvest prices below the projected base price for corn and beans—corn at 12% under and beans less than 5%—any yield loss on corn could impact indemnities.

Timing prevents greater losses

Though no time is a good time to endure a hurricane or wildfire, the situations in Texas and California could have been much worse. In both cases, the bulk of the cotton and wine grape crops were harvested prior to Harvey's landfall and the outbreak of the wildfire. However, we are prepared for the potential that California wine grapes will experience some level of production reduction in 2018 due to fire damage this year.

Irma was harder on ag, to an extent, with most of the damage done to nursery

and citrus in Florida, and some claims on pecans and cotton in Georgia.

The year ahead

Looking ahead to 2018, the big unknown, of course, is the next farm bill. We have heard that the House Ag Committee has a farm bill ready, but will wait to present it until early 2018. We expect to see something in the bill for cotton and dairy, and an effort to strengthen the ARC county program on the grain side. With many requests for funding, it is inevitable that tradeoffs will have to be made.

Of course, there will be opposition, but the farm bill coalition—those who have the greatest investment in and the best understanding of the importance of this bill—needs to stay in lockstep to make the necessary changes. As long as they remain united, farmers facing the unknown events should be in good shape.

Throughout the buildup to the farm bill creation, the importance of crop insurance has been reinforced by many diverse segments of the agricultural industry. It is a sound financial program where farmers share in the cost of risk management. In fact, for 2014 and 2015, the crop insurance program came in under budget by \$2.7 billion. At ProAg, we're proud of our contribution to the program, and will continue to work hard to help American farmers manage the risks that are unique to their business and way of life. 🍌

Transforming Values Into Action

When we talk about being a 'Good Company' it is not merely an evaluation of size or market share, but rather a statement about the values we aim to represent. Our daily focus should be on doing the right thing and always acting for the benefit of our customers and society. We must constantly remind ourselves our job is to be a trusted advisor, who delivers a sense of safety and security.

By understanding our role and how we can bring value to our customers, we will ensure our ongoing relevance (and deliver results as a consequence).

Here at ProAg, as well as within all of the Tokio Marine HCC group of companies, we would like to create a corporate culture where we are always trying to achieve this vision. We will be there for our customers, playing our part

Whole-Farm Improvements for 2018

Interest in the Whole-Farm Revenue Protection (WFRP) product continues to grow and improvements should make it even more attractive in 2018. Here are a few marketing suggestions unique to the 2018 policy you can share with your growers.

Fiscal year tax filers will receive better crop value evaluations due to the additional fall sales closing date of November 20. Prior to 2018, grower pricing for late fiscal year filers was determined unrealistic during the spring, at the time of the sales closing date of the application. The November date will provide a market situation more relative to current expected revenue and markets, prior to the onset of the fiscal year.

A second key change—growers that have utilized private crop insurance will no longer be required to count such indemnities as “revenue to count” for their WFRP policy. This is provided they are not insuring amounts (considering both private and federally subsidized policies) greater than their total crop and animal values for planned 2018 revenue. Federal crop policies assist with premium discounts, and those discounts will continue for 2018. Private crop policies offer no WFRP premium discounts, and their indemnities will no longer adversely affect the WFRP indemnities, as long as the grower does not “over insure” the expended revenue sales for the current fiscal or calendar year.

Here are some additional changes to the WFRP product for 2018:

- Expected yield determinations—commodities with underlying individual crop policies.
- A new form has been added to document expected values.
- Physical expansion is defined—what it is and what it isn't.
- A cancellation provision has been added for insureds who do not provide the required reports by sales closing date.
- Capping provisions have been added for commodities purchased for resale. The expected revenue is capped on commodities purchased for resale at the Revised Farm Operation Report—similar to capping procedures for Animals and Nursery.
- Replant payment calculations have been clarified. 🌱

FOR MORE INFO

Talk to your account representative for all the details on the 2018 WFRP product.

in times of need. We will balance our strength as an organization with compassion as individuals, looking beyond profit to deliver fully on our commitments.

Our agricultural world was delivered a major blow during Hurricanes Harvey and Irma, along with the devastating drought in the Upper Midwest.

In the spirit of doing business as a Good Company, rather than sending out Christmas cards with associated postage, ProAg is redirecting those monies to the FFA state organizations in the affected areas this holiday season. Stay tuned for specific details around other ways we will be spreading cheer this season. 🌱

TERRI'S TOP 4 TIPS

FOR FILLING OUT APPLICATIONS

CH-CH-CHANGES

Ask about status changes—marriage, death, social security #s—for parties with substantial interest in the crop.



NO SKIPPING

Verify every field. Missing options and endorsements are problems.



JOHN HANCOCK, PLEASE

Make sure the signatures match the entity name.



HUSTLE UP!

Timeliness is critical. Speed up front gives you time to process all applications and meet RMA deadlines.



Incomplete applications = coverage issues at claim payment time

FIND OUT MORE

You can find TOPE documents on all of these processes on the ProAgPortal® intranet



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Despite Challenges, a Positive Year

By Cathy Holen, Regional Vice President – Western Region



Anyone who has followed the news knows our region has experienced a diverse collection of challenges this year. From extreme drought in Montana to the wine country fires in California, we've contributed to the list of weather-related disasters our nation has seen in 2017.

We insured roughly 900 acres of wine grapes, which were not impacted too heavily by the fires. Many of our grapes were already harvested prior to the fire. Some of the damage may not be realized until next year, when processors choose to accept or reject smoke-tainted grapes.

Many of the wineries will recover. In fact, we're hearing some of the chardonnay varieties may actually benefit from the smoky flavoring—adding a whole new variety. Time will tell.

California citrus and avocado crops appear improved from last year, when both a long stretch of extreme heat

and insufficient chilling resulted in smaller fruit. The outlook is also positive for the almond and pistachio crops.

While the California water situation is improved with allocations up, farmers are paying a high price for that water. That may limit production for some. No gains have been made on permanent storage, so a lot of our water is still heading out to sea.

In Montana, the worst of the fires didn't occur in the heart of ag country, which is a blessing. Unfortunately, they are still waiting for the moisture to return to the areas most impacted.

Whole farm and PRF are doing very well, and we're seeing increased interest in apiculture coverage as well. New agents are coming on board as we continue to grow, and that's exciting. And, like the rest of the ag industry, we're waiting to see what the Farm Bill brings us.

We hope all of you have a wonderful holiday season and look forward to a happy new year with you. 🍷

