

In the Field



WESTERN REGION

FALL 2018

Majoring In Service

As a ProAg agent, your Account Representative (AR) is your main point of contact. So, we'd like to provide you with a few more details about these important members of the ProAg team.

Jacqueline Da Rocha

Jacqueline is one of our go-to experts on livestock programs and for a good reason. She's all about the animals.

"I have a bachelor's degree in animal science from Fresno State, and I've completed master's classes for herd health and nutrition, and published my thesis in the *Journal of Phytoremediation*," she notes. "Before joining ProAg, I worked in the feed industry for 12 years assisting customers with the development and production of animal feed supplements. I am currently working on a master's in conservation from Miami University through San Diego Zoo Global."

She enjoys the challenge and change that her job entails. "Every day brings new challenges," Jacqueline states. "The most satisfying aspect to me is helping agents grow their book of business. I enjoy work and I try to stay as positive as possible and influence the people around me."

When asked about her favorite pursuits away from the office, not surprisingly, animals come in a close second to her three teenagers. "One just left for college and the other two spend most of their time playing soccer for a traveling team," she says. "I volunteer with the African elephants at the Fresno Chaffee Zoo every weekend and I love working with rhinos, elephants and antelope. One day I hope to contribute to the conservation of these species."



Nicole Hamre

The combination of an ag background with experience in the world of business gave Nicole the tools she needed to succeed as a ProAg account representative.

"After obtaining bachelor's degrees in business and exercise science from Eastern Washington University, I began my career as an industrial recruiter for corporations in Spokane and northern Idaho," she recalls. "I worked my way into business development and began working for ProAg in 2015. I grew up in the farming industry and now am a part of my in-laws' operation, which felt like a natural combination of my business development and farming backgrounds."

Nicole notes that ProAg provides an environment that encourages her professional growth. "There is a sense of team and family at ProAg," she explains. "We all come to work to achieve goals, but we are never left to get those done on our own. ProAg is a company that will give you the tools to succeed, the guidance to push you through and the family to keep you going."

Away from work, Nicole is a world traveler who loves to photograph the beautiful beaches she visits. She's been an active member of Autism Speaks since 2009. And her birthday is a very special—and unique—event every year. "I am a twin, but even better we were born on my dad's birthday, and my dad was also born on his dad's birthday. So, all three generations share one birthday and it's amazing!" 🐾



EMPLOYEE SPOTLIGHT



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PROAG® IS WELL POSITIONED FOR FUTURE SUCCESS

By Russ Klein, ProAg CFO

This has certainly been an active year for agriculture, with critical farm issues such as the Farm Bill, trade agreements and tariffs dominating the headlines. Here are just a few high-level observations about how these items impact crop insurance in general and how ProAg® is positioned to meet these challenges.

As the House and Senate have worked toward the hoped-for passage of a new Farm Bill, crop insurance has, for the most part, been spared from a lot of the political drama. I believe the farm economy has much to do with this, as politicians are reluctant to push this issue in light of the financial conditions on the farm. At the same time, I believe that almost everyone closely connected with agriculture feels that crop insurance is working very well and generally meeting producer needs.

The crop insurance industry continues to consolidate. Currently, there are 14 AIPs in place for 2019, a low-water mark in my career, down from 40 or so AIPs some years ago. I would not be surprised if that number was reduced to 10 in a couple of years.

ProAg is well positioned to be one of those 10 that continue to thrive. Our parent company, Tokio Marine HCC, is very supportive of the crop insurance business and interested in making additional investments in this product line. We successfully acquired and integrated International Ag last year and we believe there may be similar opportunities in the future. At the same time, we continue to look at new avenues for organic growth.

Perhaps most encouraging is the fact that we have a very good book of business with risk spread broadly across the country. We are not a regional player susceptible to a crippling multi-state weather event. This balance helps us generate more consistent results from year to year, which in turn enables us to pay profit-sharing commissions to our agents more regularly. These stable returns also allow us to make the investments in people and technology needed for continued growth.

While 2018 has been a year of uncertainty up to this point, it appears the future is bright for both the American agricultural industry and ProAg. 🐾

Dairy Revenue Protection Is Here!

By Jacqueline Da Rocha and Terri Sell

Dairy producers now have an exciting new risk management tool with the introduction of the Dairy Revenue Protection (DRP) product. Approved for sale in all 50 states, DRP is designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage level.

Here are some details of the new program. There are two pricing options. The Class Pricing option uses a combination of Class III and Class IV milk prices as a basis for determining coverage and indemnities. The Component Pricing option uses the component milk prices for butterfat, protein and other solids as a basis for determining coverage and indemnities. The butterfat test percentage and protein test percentage may be selected to establish the insured milk price.

Coverage levels may be selected from 70 percent to 95 percent of the expected quarterly revenue in five percent increments. The premium subsidy percent varies with the coverage level percent in a range from 59 percent (at the 70 percent coverage level) to 44 percent (at the 95 percent coverage level). Please note that milk and component expected pricing and actual pricing are based on CME pricing.

Quarterly endorsements

Coverage is established by adding quarterly coverage endorsements to the policy. The quarterly insurance period contains the three-month periods corresponding to one of eight quarters for which coverage is available under the quarterly coverage endorsement.

For example, the insurance period for the January 10 sales closing date contains the quarters of April through June, July through September, October through December, January through March, and April through June. Producers may purchase coverage up to five nearby quarters and have multiple endorsements for the same quarterly insurance period.

Sales of Dairy Revenue Protection policies will begin October 9, 2018. Coverage will begin January 1, 2019.

More information is available on our website at ProAg.com/dairyrevenue, or on the ProAgPortal® intranet. 🐾





We're Focused on Training

By Shelley Jones

This time of year, the farmers and agents are busy with harvest and ProAg is busy training everyone from employees to agents for the new reinsurance year.

Employees

ProAg is committed to strengthening and supporting our employees to ensure the best possible service to our customers. Part of this includes the ProAg Certified Presenter Program to enhance public-speaking skills and improve all of our training and meetings. In addition to the Crop Insurance 101, 201, and 301 webinar series, ProAg also offers new adjusters an additional claims-specific basic training workshop. The 2019 Adjuster Basics Workshop is scheduled for September 25-26 in Denver, Colorado.

Agents

One of the new features that ProAg agents have requested is more online webinars. ProAg has embraced this request and from the turnout, so have the agents. Please note that to receive training credit for a webinar:

- Each attendee must register and sign in separately.
- Attendees must attend the entire training.
- Attendees must participate in ALL poll questions throughout the webinar.

Sign up using the registration link found on the ProAgPortal calendar today (requires a ProAg agent login) or speak with your ProAg account representative for more information. As a reminder, we post most agent training events to our ProAg Facebook page under Events. Here is a list of upcoming webinars scheduled:

- Agent System Tips and Tricks | Topic: Keying Dairy Revenue Protection into ProAgWorks®— October 11, 2018
- 2019 Whole-Farm Revenue Protection (WFRP) Intermediate—October 23, 2019
- Crop Insurance 301—October 24-25, 2018
- 2019 Whole-Farm Revenue Protection (WFRP) Livestock—October 30, 2018

Insurance for the Animal Kingdom

As a recognized leader in providing risk management products to producers involved in animal agriculture, ProAg continues to expand our emphasis on this line of products.

For example, we are the leading writer of Pasture, Rangeland, Forage (PRF) insurance in the country. PRF is designed to give livestock producers the ability to protect against losses of forage and the consequent increased costs for feed, destocking, depopulating or other action. The insurance plan insures against a decline in an index value that is based on the long-term, historical average precipitation for the same area of land for the same period of time.

Livestock large and small

In addition to the Livestock Risk Protection (LRP) and Livestock Gross Margin (LGM) products designed as risk management tools for cattle, swine, sheep and dairy producers, interest also

continues to grow in the Apiculture Pilot Insurance (API) program. API provides a safety net for a beekeeper's primary income sources—honey, pollen collection, wax and breeding stock.

Available in the 48 contiguous states, API allows producers to select coverage levels between 70 and 90 percent. Then, by selecting a productivity factor, the insured can establish a value between 60 and 150 percent of the county honey production base value. The coverage is for a single peril, the lack of precipitation.

We want to remind our agents about our new interface for livestock policy processing. You are now able to enter livestock policy data through the ProAgWorks® system in a way that is very similar to what you use for your MPCl policies. This data will then be transmitted directly to the RMA. Training materials, as well as a recording of the training session we held, are available on ProAgPortal. 🌿

P&C Opportunity

From farm and ranch to main street merchants, there is always an opportunity to sell P&C insurance. While ProAg is proud to solely focus on crop, crop hail and named peril insurance, we also realize there are other opportunities to serve our great farmers and ranchers. For the opportunity to sell P&C coverage in Arkansas, Arizona, Colorado, Iowa, Idaho, Kansas, Missouri, Nebraska, Oklahoma, Oregon, Texas or Utah, please contact Stroud National Agency, Inc. at 800-654-4056 or www.stroudga.com today. 🌿



1625 SHAW AVENUE
SUITE 101
CLOVIS, CA 93611

Easier Dialing

ProAg now has national toll-free phone and fax numbers. The existing local regional office phone numbers remain the same.

Toll-free phone number: **(800) 366-2767**

Toll-free fax number: **(866) 306-3038**

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, 400 Independence Avenue, SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).



A Little Rain, Please

By Missy Waters, Senior VP of Marketing and Service

Heat and flame, whether in the form of volcanoes or widespread fires, seem to be an unfortunate recurring theme for our region. With major fires burning in five of

the nine states we serve and smoke reaching the East Coast, just about everyone is feeling the impact. We could use some of the excess rain that keeps falling in the East.

This round of fires is occurring as we're assessing final reports of the damage caused by the Thomas Fire last December. The California Avocado Commission reports that 1,200 acres of avocado trees were damaged, which translates to 20 million pounds of production – about 5% of the pre-season forecast for 2018.

If the damaged trees have to be stumped, they will take 3-5 years to reach full production, prolonging the damage. On a positive note, California strawberry yields improved by 39% and lemon yields were up by two tons per acre over the previous year, although prices were down for both crops.

The increasing frequency of these large fires has drawn the attention of the USDA, who has announced a new strategy to improve forest conditions in an

attempt to mitigate these risks. We're all hopeful the new approach is successful.

Of course, tariffs are also big news on a wide variety of specialty crops—pistachios, almonds, pecans, walnuts, apples, oranges, sweet and sour cherries, raisins and table grapes. The impact in California alone could be in the neighborhood of \$3 billion. Clearly, there are plenty of challenges for the ag industry at this moment.

We are excited about the new Dairy Revenue Protection program. One of several very positive aspects of the new program is those who participate also qualify for the Farm Service Agency's Margin Protection Program for dairy. We've already received a lot of interest from our agents and we have already started training them on this new program.

We also work continually to make it easier for you and your insureds to do business with us. To that end,

we continue to add features to the myProAg™ platform. For example, we know how important prompt claims payment is to your policyholders. To further speed that process, we're offering direct deposit beginning this October. Together with the online premium payment option we introduced last October, it's now easier than ever to manage your insurance financials. You can learn more at ProAg.com/myProAg. 

