



In the Field

PROVIDING TOOLS TO GROW OR MAINTAIN YOUR BUSINESS

By MICHAEL CONNEALY, PRESIDENT & CEO

Finding an edge in the insurance business is a challenge. As an AIP, we recognize the MPCCI we provide is basically a generic commodity. So, we work to differentiate ourselves in the MPCCI space by offering superior people providing the best possible service to our agents. We believe our claims efforts, supported by an exceptional compliance staff, are excellent at the field level.

The farmers you serve, however, are seldom interested in how well we support you or whether we pay a competitive commission. They're definitely interested in who is going to work their claim and what products you bring to the table that can make a difference in their operation.

One of our priorities at ProAg is to provide our agents with the tools you need to grow your business. That means going beyond the standard crop hail or named peril insurance options offered by the industry. We work at finding those potentially difference-making insurance products your top farmers are seeking. You'll read about several of these products—specifically, Enterprise Plus (EP+), Price-Flex*, and Private Area Revenue (PAR)—on page 3 of this newsletter.

This product suite, as well as our crop hail products, are designed to appeal to a certain group of operators. They will farm a large number of acres, multiple crops, and a mix of owned and rented land with multiple landlords. Consequently, they are often very interested in innovative risk management tools.

These producers are always looking for an edge, an angle, or a risk-management tool to strengthen their operation. They're also trying to improve their position with their banker at loan renewal time. The termination of direct payments in 2014 has

many of these operators looking to additional insurance products to replace the safety net that direct payments provided for their cash flow. The “new products” the 2013 Farm Bill is contemplating—shallow loss, STAX, etc.—really aren't bankable if they come to fruition. Hence, many savvy farmers are interested in out-of-the-box thinking on insurance products.

We believe that EP+, Price-Flex, and eWeatherRisk are potential out-of-the-box solutions. These products are relatively simple, straightforward, and easy to understand. They are not inexpensive, but they give the farmer choices and enable him or her to make an informed risk management decision.

By offering these products, we're trying to provide arrows in your quiver as you go to solicit new business and work to retain your best customers. As you know, every product of this type has both an offensive and a defensive aspect. If they are a fit for your area and the type of producers you're targeting, they can be door openers.

If, on the other hand, you don't feel you need them or they don't have value in your area, it is very possible that many of your farmers will feel otherwise—and a competitor will be only too happy to announce, with great fanfare, that they can offer them. In those instances, they are a defensive option. We believe that in many instances, these products can make the difference in gaining an account—or saving one.

We will continue to be proactive in this area, actively seeking, evaluating, and offering insurance products that we believe can make a difference in your business. Get in touch with your field representative for more information on any or all of these products. 🐾

*Regulatory approval pending; may not be available in all states and all markets.

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WOMEN IN AGRIBUSINESS PROVIDES PLATFORM FOR GROWTH

Sharing experiences, making connections, growing professionally—that’s what the annual Women in Agribusiness Summit is all about. Eight members of the ProAg staff attended this year’s Summit, held Oct. 22-24 in Minneapolis. Diane Stinson, Regional Vice President - Northern Region, who attended the first Summit last year and serves on the leadership board for the event, notes that the interaction with women from many different sectors of the ag industry was once again a highlight.

“Attendance was up this year — 435 women and 165 companies,” Diane states. “That meant even more opportunities to make connections with women involved with everything from banking and transportation to production agriculture. The speakers were excellent, and the networking opportunities even better.”

ProAg was once again a Gold Level sponsor of the Summit, which was created to provide an interactive platform for women to discuss their unique experiences within the industry and hear from women leaders regarding cutting-edge industry trends. Diane also had the opportunity to facilitate some of that interaction, co-leading a breakout session with Jacquie Fredericks, managing director with CoBank.

Kendall Jones, Executive Vice President and COO, also attended the Summit this year, along with Missy Waters, Terri Sell,

Anngie Steinbarger, Shari Fransen, Kim Haar, and Vikki Blettner. Kendall notes that both individuals and organizations benefit from the Women in Agribusiness experience.

“This conference, and others like it, ties directly into our strategy for employee development,” she says. “The networking allows ProAg staff to learn new skills and bring them back to share with all ProAg employees. Diane really embraced this opportunity last year, and we saw her leadership development improve as a result. The impact this has had on her decision-making and communication skills will be key to reaching the top-line targets in her region.”

“Everybody at Women in Agribusiness is very interested in networking with the people they meet and finding out what they do in the ag industry,” Diane summarizes. “I always make good connections and learn something about the

industry that I didn’t know before. I recommend this to all our women agents and colleagues”

“Agriculture as a whole and risk management in particular are both relationship-driven industries,” Kendall concludes. “Women in Agribusiness facilitates new and expanded relationships, which could ultimately mean not just new premium volume to ProAg, but new opportunities and better business overall.” 🌱



DATA TO GO

An iPad app that has proven extremely valuable for ProAg executive leadership has been made even better, and is now available to all ProAg employees and agents. ProAgReports was originally created to enable the management team to easily monitor key numbers and generate reports while on the road. The application is Internet-based and provides access to MCPI, crop hail, and industry data. It’s also responsive, which means it will function smoothly on any device, from a desktop computer to a smartphone.

Because it was created with the latest web-based technology, ProAgReports is full of features that enable you to slice, sort, and display the data you want in the format you want it. You can generate trend reports and designate reports as favorites—allowing you to view them with a single click. Similar to ProAgWorks®, security is enabled by user role.

Agents can now request access to ProAgReports through your field representative. We’ll be offering training on ProAgReports at our spring training sessions. If you have questions, please get in touch with your field representative. 🌱

TRAINING EFFORTS REALIGNED

Two training entities within ProAg have become one with the goal of increasing collaboration between the claims and compliance and the underwriting and service training teams. Overseeing the Training Department will be Jamie Hageman, who was recently promoted to National Training Manager.

Shelley Jones has been promoted to Jamie’s previous position, Claims and Compliance Training Coordinator, and will report to Jamie. A second position, Underwriting and Service Training Coordinator, has been posted and will report to Jamie when filled.

This structural change will facilitate an easier communication pipeline, increase efficiencies, and provide a coordinated plan across all ProAg departments. 🌱



POWERFUL NEW PRODUCTS AVAILABLE FOR 2014

Two new products and some changes to a third will offer more options to ProAg® agents and insureds for the coming production year. ProAg is awaiting approval from the Risk Management Agency on two new non-reinsured supplemental insurance products for 2014. These are the Private Area Revenue (PAR) and Price-Flex products.

PAR is a non-reinsured supplemental product designed as an additional risk management tool for individual MPCCI policies. It allows producers to purchase additional coverage for area-level revenue risk that supplements the individual level coverage they receive from an MPCCI policy. The liability for PAR will be the difference between an upper and a lower limit coverage level chosen by the insured multiplied by the area expected yield and, at the producer's selection, either the projected price or the higher of the projected and harvest price. The producer may select a dollar amount of coverage (or liability adjustment factor).

For the 2014 crop year, ProAg intends to make PAR available for corn, cotton, grain sorghum, soybeans, and wheat in select counties where there are MPCCI offers for all sales closing dates. We intend to offer PAR for barley, canola, sunflowers, and rice in future years under the same underwriting rules and ratemaking procedures.

Price-Flex

Price-Flex is a non-reinsured supplemental product that offers additional coverage choices based on the Revenue Protection (RP) and the Area Revenue Protection option (ARP) of Area Risk Protection Insurance (ARPI) policies. A producer must designate one of the insurance plans (RP or

ARP) when the application for Price-Flex coverage is signed, but may purchase any MPCCI insurance plan.

Price Flex allows the producer to choose alternative price discovery periods, including selecting periods before and after the period defined by the Commodity Exchange Price Provisions. The highest projected price for these alternative price discovery periods, as determined by ProAg, is used to establish the revenue guarantee for loss purposes. The producer can also select more than one alternative discovery period.

For the 2014 crop year, it is ProAg's intention to make Price-Flex available for corn, cotton, grain sorghum, soybeans, and wheat in all counties where there are either ARP or RP offers for all sales closing dates beginning Jan. 31, 2014.

Greater availability, functionality

The Enterprise Plus (EP+) policy, available on a limited basis in 2013, will be available company-wide in 2014. EP+ supplements the coverage provided by the Common Crop Insurance Policy (CCIP). The EP+ policy is a private policy and is not reinsured by FCIC. By purchasing the EP+ policy, an insured will receive individual sub-unit coverage to protect against isolated losses that do not trigger an enterprise unit indemnity.

New EP+ features for 2014 include the ability to insure both irrigated and non-irrigated practices, a new Quick Quote option, and the ability for agents to edit the estimated price and volatility. The single unit option has also been discontinued for 2014.

These products are not available in all states or for all crops. Talk to your field representative for more information on any of these business-building products. 🌾

PARTNERSHIPS PROVIDE MORE TOOLS

Strategic partnerships with companies offering innovative new insurance products enable ProAg to offer more tools to our agents.

ProAg is the policy issuing company for Ag Armour™ in 2014. Ag Armour is a Managing General Agency that develops and offers two revenue risk management tools, one for agribusinesses and one for agricultural growers.

HarvestPro is a customized commercial revenue protection policy designed to help agribusinesses that depend on agricultural products in their production processes. HarvestPro protects their operation from revenue loss caused by yield shortfalls in their area. Their other product, HarvestMax, is designed to help growers guard against shallow yield losses while protecting revenue and profits.

ProAg is also proud to be partnered with eWeatherRisk®, a weather solution program built from the ground up specifically for the agricultural sector. eWeatherRisk's proprietary weather data provides the ability to customize transactions to specific weather risks.

The key feature of this program is the ability to purchase multiple contracts for different risks—with flexible contract sizes and limits—and choose from hundreds of weather stations. The weather program protects input costs, profitability, and forward contract delivery obligations, allowing more profitable marketing decisions for your agency clients. And weather risk products can be managed to provide multiple client touch-points, helping cement the client relationship. For more information on this additional arrow in your quiver, please contact your ProAg field representative. 🌾



4910 E. CLINTON WAY
SUITE 103
FRESNO, CA 93727

www.ProAg.com

WATER, WATER NOWHERE

By BILL HAAR, REGIONAL VICE PRESIDENT - WESTERN REGION

When it comes to headlines, you can't beat the energy crisis for grabbing attention. But according to American and international experts, the biggest crisis facing the world in the coming years doesn't involve oil reserves and alternative energy options. It concerns a looming shortage of fresh water. And if you're farming in California, the crisis is already here.

As is the case with most problems of this magnitude, the current crisis is complex and has been years in the making. The recent drought has focused more attention on a situation that our farm community has been aware of for some time. The water shortage has become critical for a number of California producers. Not only is the prevented planting of annual crops a reality, but some areas of the state are looking at 0% surface water allocation. That presents a challenge for growers of grapes, almonds, pistachios, and other perennials.

As *Western Farm Press* journalist Harry Cline stated in his Oct. 8 blog, the water shortage is already affecting California fields. "The impact of this drought has already been felt in fallowed open fields this season. There are fewer jobs and lost farm income. Growers have not had water for post-harvest irrigation of trees and vines, which has a significant impact on the next crop. And the well water that farmers have relied heavily upon

this year has not been the best quality in many cases. This could also have significant impact on future crops."

Cline also notes that the rising cost of water has caused some farmers to consider selling their water and exiting the business of farming altogether.

Aging infrastructure, competing agricultural and metropolitan interests, and regulatory restrictions on the use of water from the Sacramento – San Joaquin Delta are long-term factors in this crisis. The drought has just provided the tipping point. The good news, if there is any, is that people from a wide range of disciplines are beginning to talk about the problem.

Those of us who understand how incredibly important this issue is to agriculture are hoping that a solution can be found, and quickly. If not, farmers who don't have access to surface water, don't have a well, and can't buy from their neighbors could well be in jeopardy of losing their 2014 crop. Without a long-term answer, the effects will be felt for years to come and extend well beyond the boundaries of California. 🌱

