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Hello,

The Harvest revenue prices for spring wheat, durum, barley and oats were announced. They are \$5.79, \$6.68 and \$3.60 and \$2.98 respectively. Because the price election decreased from Spring to Fall on the spring wheat, durum wheat, barley and oats your production guarantee actually goes up when determining if you qualify for a MPCI revenue loss payment.

For example, the Spring price for spring wheat was \$6.84. The decrease from Spring to Fall was 18.13% which means your production guarantee used to trigger a loss goes up 18.13%. If your production guarantee was 45 bushel spring wheat in the Spring, as a result of the price decrease, your new production guarantee to trigger a loss is 53.2 bushel. Remember, the policy says the price election that results in a higher indemnity to the insured is what is used to determine a loss. Since the Spring price is higher, it is used to determine the loss.

Another way to look at this for spring wheat:

$45 \text{ bushel production guarantee} \times \$6.84 \text{ Spring price} = \$307.80 \text{ revenue guarantee per acre}$

$\$307.80 / \$5.79 \text{ Harvest price} = 53.2 \text{ bushel revised production guarantee per acre}$

For durum, the Spring price was \$7.89. The Harvest price of \$6.68 is a 18.1% drop. If:

$45 \text{ bushel production guarantee} \times \$7.89 \text{ Spring price} = \$355.05 \text{ revenue guarantee per acre}$

$\$355.05 / \$6.68 \text{ Harvest price} = 53.2 \text{ bushel revised production guarantee per acre}$

For barley, the Spring price was \$4.34. The Harvest price of \$3.60 is a 20.55% drop.

$56.3 \text{ bushel production guarantee} \times \$4.34 \text{ Spring price} = \$244.34 \text{ revenue guarantee per acre}$

$\$244.34 / \$3.60 \text{ Harvest price} = 67.9 \text{ bushel revised production guarantee per acre}$

For oats, the Spring price was \$3.38. The harvest price of \$2.98 is a 13.42% drop.

$68 \text{ bushel production guarantee} \times \$3.38 \text{ Spring price} = \$229.84 \text{ revenue guarantee per acre}$

$\$229.84 / \$2.98 \text{ Harvest price} = 77.1 \text{ bushel revised production guarantee per acre}$

Revenue protection does not apply for those who use contract pricing for their barley under the Yield Protection plan of insurance.

You have 45 days from September 1 to turn in a revenue loss. If you have a production loss, notify us within 15 days from the end of that crop's harvest. Please do your math and let me know if we should open up a loss for you on your crops. If you are unsure, it is always easier to open up a loss and release it later.

Also, should we be opening up any production losses on any other crops? Time is running out on the grains.

Respectfully,

A handwritten signature in cursive script, appearing to read 'Norm'.

Norm