



Contents

3

Stuck

A tongue-in-cheek look at the reasons producers don't actively manage price and yield risk. Do any of these reasons sound familiar to you?

4

Taking Stock of Your Options

Begin the mind numbing, but necessary, task of formulating your risk management plan by thinking through your options. An effective plan requires that contracting and forward pricing decisions be coordinated with production and borrowing decisions.

6

Painting the Risk Management Landscape

How do you manage risk on your farm? Does it matter? Read exciting new survey results to find out. Then, *Discover Your Inner Farm* by taking our quizzes to assess your management skills and financial strength. The results may shock you.

9

A New Crop of Insurance

Revenue insurance and other innovative strategies transform plain ol' crop insurance into what farmers need to manage agricultural risks.

11

Price . . . It's What You Make It

Come on down and learn how you can reduce price risk using storage, forward cash contracts, puts, minimum price contracts, hedge-to-arrive, and futures.

14

The Write Stuff

Bushels of publications, Internet sites, etc. you can turn to for information and educational materials.

Crop Insurance Companies



These companies are designated by USDA to provide crop insurance coverage for the 1999 crop year through the Standard Reinsurance Agreement.

Farmers Alliance Insurance Company

(Blakely Crop Hail, Inc.)
100 South East 9th Street
Topeka, Kansas 66601-0418
Phone: (785) 232-0937 (1-800-336-4359)
Fax: (785) 232-0042

American Growers Insurance Company

535 West Broadway
Council Bluffs, Iowa 51503
Phone: (712) 328-3918 (1-800-999-7475)
Fax: (712) 329-5878
Mr. Richard Gibson, Executive Vice President

Producers Lloyds Insurance Company

P. O. Box 229
Amarillo, Texas 79105
Phone: (806) 372-6785 (1-800-366-2767)
Fax: (806) 372-3826

Alliance Insurance Company

(North Central Crop Ins. Co.)
P. O. Box 1088
Eau Claire, Wisconsin 54702
Phone: (715) 834-8155 (1-800-826-7090)
Fax: (715) 834-1899

Farm Bureau Insurance Co. of Nebraska

5225 South 16th Street
Lincoln, Nebraska 68501
Phone: (402) 421-4400 Fax: (402) 421-4432

Farm Bureau Mutual Insurance Company (Iowa)

5400 University Avenue
West Des Moines, Iowa 50266
Phone: (515) 225-5515 Fax: (515) 226-6070

Cigna Insurance Company

(Rain and Hail L.L.C.)
1501 50th Street, Suite 200
West Des Moines, Iowa 50266-5925
Phone: (515) 224-3070 (1-800-776-4045)
Fax: (515) 224-3089

Farmers Mutual Hail Insurance Company of Iowa

2323 Grand Avenue
Des Moines, Iowa 50312
Phone: (515) 282-9104 Fax: (515) 282-6303

Country Mutual Insurance Company

P. O. Box 2100
Bloomington, Illinois 61702
Phone: (309) 821-3000 Fax: (309) 821-3538

Great American Insurance Company

49 East Fourth Street, Suite 408
Cincinnati, Ohio 45202-3803
Phone: (513) 763-8400 (1-800-587-1553)
Fax: (513) 763-8457

IGF Insurance Company

6000 Grand Avenue
Des Moines, Iowa 50312
Phone: (515) 633-1000 (1-800-274-2766)
Fax: (515) 633-1010

The Hartford

1125 South 103rd St.
Omaha, Nebraska 68124
Phone: (402) 399-8833 (1-800-295-1815)
Fax: (402) 393-4031 or (402) 399-8012

Fireman's Fund Insurance Company

10895 Lowell, Suite # 300
Overland Park, Kansas 66210
Phone: (913) 338-7800 Fax: (913) 323-5735

Rural Community Insurance Services

3501 Thurston Avenue
Anoka, Minnesota 55303
Phone: (612) 427-0290 (1-800-451-3836)
Fax: (612) 427-1591

American Agricultural Insurance Company

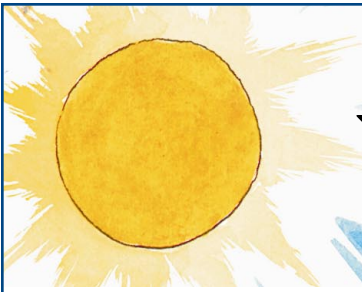
225 Touhy Avenue
Park Ridge, Illinois 60068-7056
Phone: (847) 685-8600 Fax: (847) 685-8661

Millers Mutual Fire Insurance Company

(Keystate Crop Insurance)
11385 North Trimble Road
Robinson, Illinois 62454
Phone: (618) 546-5409 (1-800-654-2767)
Fax: (618) 546-5650

NAU Country Insurance Companies

6701 Highway 10, NW
Ramsey, Minnesota 55303
Phone: (612) 427-3770 (1-800-942-6557)
Fax: (612) 427-6473



Weighing Farm Bill Impact

THE WORLD ACCORDING TO FLINCHBAUGH

The 1996 Farm Bill will soon come under official scrutiny. Not only by a multitude of farmers, bureaucrats and ag advisors, but by the Commission on 21st Century Production Agriculture. The Commission was mandated by the Federal Agricultural Improvement and Reform Act (FAIR) to review the impacts of the legislation and to make recommendations for future agriculture policy.

“A \$4 billion ag budget won’t buy a large farm program. Producers must come to grips with this reality, and acquire the skills needed to manage risk.”

According to Barry Flinchbaugh, a Kansas State Research and Extension economist, “the commission will assess the ways in which production flexibility contracts have served American farmers; the economic risks that small, medium and large farm operators face; the security of the nation’s food supply; farmland values and farm income; the success of ag regulatory relief and tax relief for farmers; and federal interference in ag export markets.

“Our first analysis will set the stage for our second mission,” said Flinchbaugh. “That mission is to review the past, present and future of U.S. production agriculture and assess and determine the proper role for the federal government.”

Initially, the Commission will consider five options:

- (1) continuing Freedom to Farm beyond 2002 with a \$4 billion baseline budget,
- (2) ending federal farm programs altogether,
- (3) reverting to a 1990 style farm bill,
- (4) installing a completely new farm program that likely would be based on revenue based insurance plans, and
- (5) reverting to the 1949 Agricultural Act.

“We won’t really know how to judge Freedom to Farm until 2000, when program payments decline significantly,” Flinchbaugh said. “This Commission isn’t going to focus strictly on Freedom to Farm. We are going to conduct an analysis of all available farm policy options. This isn’t going to be a political road show.

“A \$4 billion ag budget won’t buy a large farm program. Producers must come to grips with this reality, and acquire the skills needed to manage risk.”