

USDA Harvest Forecasts: Just Short of Last Year

In its September 11 report, the U.S. Department of Agriculture's (USDA) crop production forecasts did not waiver much from the optimistic August report.

Corn was slightly down to 13.58 billion bushels estimated for this year's production, with an expected average yield of 167.5 bushels per acre. These predictions fall short to 2014's record production of 14.2 billion bushels harvested and the record yield of 171 bushels per acre. If the government's predictions hold true, this year will claim the second highest yield and third largest production on record for the United States.

The slight drop in forecasts may mean the USDA has taken into account the recent dryness in parts of the Corn Belt as well as lingering damage from an overly wet spring. The lower estimates also gave an initial boost to corn futures, with the December delivery – the most actively traded contract – rising 3.4 percent to \$3.87 a bushel at the CBT.

Soybean production is forecast at 3.94 billion bushels – up less than 1 percent from the prior month's prediction. The yield is expected to average 47.1 bushels. Both estimates are just shy of last year's record production of 3.97 billion bushels and yield of 47.8 bushels per acre.

CORN PRODUCTION FORECAST

13.6 billion bushels

Down 4 percent from last year's record production



SOYBEAN PRODUCTION FORECAST

3.94 billion bushels

Down 1 percent from last year's production



Released September 11, 2015, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Soybean futures also settled slightly higher, with the November contract – the most actively traded contract – rising to \$8.7425 a bushel.

Based on forecasts in each state, Iowa will remain the nation's top corn producing state, and Illinois will be the top producer for soybeans.

All cotton production is up 3 percent from August with a

forecast of 13.4 million 480-pound bales, but that's still 18 percent lower than 2014's production of 16.1 million 480-pound bales. The yield is expected to average 789 pounds per harvest, which is also lower than last year's harvest yield of 795 pounds per acre.

INTEGRATION UPDATE

The month of August closed with a significant achievement in the integration effort: Farmers Mutual Hail launched the FMH Agent Center - the rebranded policy issuing system formerly called JohnDeereAgent.com.

FMH Agent Center has the same functionality as it did before, but with the FMH colors and branding.

With the successful launch of the system, Farmers Mutual Hail can now focus efforts towards transitioning eCrop into the FMH Agent Center – which is also a complex undertaking. As business continues to operate in both systems, various business and IT teams are working out the logistics of the best way to transition business into the FMH Agent Center.

System training for employees has begun, and new agents will be appointed and trained only in the FMH Agent Center. Agents that are not familiar with the FMH Agent Center will be trained in the system when their business is transferred from eCrop into the new system.

More details about the system transition and training will be communicated as those plans are finalized.



FMH's Don Preusser Speaks Precision Tech at International Ag Conference



Don Preusser
Executive Vice
President & CMO

The International Association of Agricultural Production Insurers (AIAG), an organization with members from 30 countries, held its 33rd conference in Kansas City September 27-30.

Hosted by National Crop Insurance Services (NCIS), which is headquartered in the Kansas City area, this was the first time the Switzerland-based organization's event has been held on American soil.

The 64-year-old organization represents crop insurance companies around the world, and brings together agricultural leaders and experts to discuss issues dealing with rapid worldwide population growth, extreme and unpredictable weather patterns, and the role crop insurance has to assist farmers in dealing with these issues.

"There are few people in the world today who can say that their work touches every single person on the planet, every single day. But farmers can say that," said Tom Vilsack, USDA Secretary, in his speech to attendees. "Farmers are powerful, but their charge is not without its challenges. In the wake of a devastating disaster, crop insurance offers a lifeline."

Don Preusser, FMH Executive Vice President and CMO, also addressed the audience, discussing how the global agricultural sector is already evolving and altering the way the world farms.

"Agriculture is rapidly changing as operations become larger, more commercialized, technologically

advanced, and vertically integrated," he said. "Precision agriculture is driving significant productivity and efficiencies gains, helping to grow and secure global food needs. Granular field level data, combined with predictive analytics, will soon create new insights and innovative risk management solutions."

Preusser went on to explain how farming technology will provide data that can be used to improve the overall service and experiences for farmers in an interview with the National Association of Farm Broadcasters at the event.

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– Don Preusser, Executive Vice President & CMO

"In the future, precision technology can be used to help better understand risk, and perhaps extend coverages and make it broader," he said. "Perhaps even provide different price differentiations – maybe not in the initial points of the federal crop program, but through other private crop insurance products."

He also addressed the concern farmers may have with privacy as data collection becomes more prevalent in agriculture.

"Privacy is a concern, and a valid concern. It's fundamental to any service provider that the data is properly protected and respected, and that no one ever loses sight that it is the customer's data," he said. "They

are going to enable only those trusted advisors to use that data. The danger would be if we misuse that information or take it into areas where the producer never intended the data to be used."

Incorporating the use of precision technology for risk management solutions is just one of the reasons for the continuing success of the U.S. crop insurance system. AIAG chose America as the site for its conference this year because it has the "most developed and the most efficient system for farmers in the world," as noted by AIAG President Kurt Weinberger. Preusser added how he hopes the use of precision technology will transform not only the American system, but the global crop insurance system.

"I think they'll see how it might be adapted in their countries. It may actually even expedite the development of crop insurance products in their country because of the ability of precision agriculture to bring clean, granular data – which is the lifeblood of insurance," he explained. "The better the data; the more accurate the

data; the more likely it is that actuarially sound products can be created and priced appropriately for the customer."

The conference delegates closed out their visit to the U.S. by touring a farm in Winchester, Kansas.

In conclusion, Weinberger stated the complete and simple purpose of the organization, and the need for the international conference:

"Agriculture was, agriculture is, and agriculture will be the most important sector in the world because farmers are feeding the world's population. It is the future for all of us."

FMH Leadership Travels to Europe

At the end of August, FMH President & CEO Ron Rutledge, FMH Executive Vice President & COO Shannon Rutledge, and FMH Senior Vice President of Reinsurance Ron Kuethe traveled to Europe to meet with companies that provide reinsurance protection to Farmers Mutual Hail.



Ron Rutledge
President & CEO



Shannon Rutledge
Executive Vice
President & COO



Ron Kuethe
Senior Vice President
of Reinsurance

“Most of the reinsurers in the world are located outside of the U.S. in countries such as Switzerland, Germany, Sweden, Spain, Ireland, England, and Bermuda. This was the first time we have visited the companies in Zurich. In recent years, Zurich has grown to become a major reinsurance hub in the world, so it was good to see those companies in their home offices,” said Kuethe.

“FMH has always believed in building strong relationships with its business partners,” said Kuethe. “In reinsurance, it starts with making the effort to visit our reinsurers in their offices. It sends a strong, positive message to them when a client like FMH makes the effort to travel to their country.”

This trip to Europe is made annually, with the locations changing periodically but usually including Germany and England. This year, the executives traveled to Zurich, Switzerland; Wiesbaden, Germany; and Stockholm, Sweden.

Visiting international reinsurers in their home offices provides FMH the opportunity to meet not only with the underwriters who typically call upon us, but also some of their top executives and decision-makers.

“In these meetings, we discuss how the current year is going for FMH, as well as our future plans,” Kuethe explains. “They, in turn, get to ask more detailed questions of us that they may not usually get the opportunity to ask in the typical convention setting, where we most frequently see them. Through these meetings, we hope to build some enthusiasm on their part so that they will continue to support us and grow the relationship for the future.”

3 THINGS NEEDED TO WORK AN MPC CLAIM

In an effort to improve and expedite the claim process, policyholders should be aware that the following will be needed by the adjuster to finalize their claims:

- 1 Acreage and share verification by FSA certification, precision farming technology, or other acceptable methods for the county (typically gathered by the FMH adjuster);
- 2 Complete records of disposition of grain, including copies of summary and/or settlement sheets;
- 3 Estimated yields of all non-loss units of the crop.

Report Claims Timely!

The Basic Provisions of Insurance impose strict limitations on the timeframe allowed for an indemnity claim to be submitted. Claims submitted after the policy defined deadlines must be rejected. Exceptions to this rule are extremely limited. We encourage all agents and policyholders to promptly examine their coverage and report any potential claim in a timely manner.

Agent Advisory Council Meets in August

The FMH Agent Advisory Council (AAC) convened in West Des Moines, Iowa from August 25-27. The meeting provided the 24 agents on the AAC with the chance to network with FMH staff and engage in an open round table discussion with the FMH Management Committee.

The AAC's purpose is to discuss ideas, product/service designs, new processes, training materials, communication tools, and other new initiatives. The Council provides opinion and reaction to concepts and provides insight to the decision making process.

"Since we are in the midst of the integration, there was a lot to share with our AAC members," said Debbie Ladehoff, Vice President – Human Resources and Assistant Secretary on the Board of Directors.

This year's AAC meeting brought together two groups of agents into one advisory council – agents that served on the JDIC Agency Advisory Group, and agents continuing to serve on the FMH AAC. For six members, it was their final AAC meeting because their terms have come to a close.

Greg Sandrock, Kyle Johnson, Matt Weaver, Nanette Hatfield, Tim Christianson, and Van Ewart retired from the AAC after this year's meeting. They noted how they were proud to be a part of this group, and have enjoyed their involvement on the AAC.

"We've greatly appreciated their insight and feedback," added Ladehoff.

"Our Agent Advisory Council gives us invaluable feedback that is a huge help in our continuing effort to improve our service and make FMH even easier to do business with," said FMH President and CEO Ron Rutledge.



FMH President Ron Rutledge (*center*) presented awards to the retiring AAC members (*from left to right*): Kyle Johnson, Nanette Hatfield, Van Ewart, and Matt Weaver. *Not pictured*: Greg Sandrock and Tim Christianson

MPCI 101 CLASSES

Dates and Locations

Oct. 14-15: West Des Moines, IA
Oct. 20-21: Grand Island, NE
Oct. 28-29: Lima, OH
Oct. 28-29: Kansas City, MO

Contact the FMH Training Dept.
at FMHTraining@fmh.com for
registration details.

Are you new to MPCI? Working towards becoming licensed? Or are you an experienced agent needing a review of key crop insurance concepts?

FMH is offering MPCI 101 classes this October that meet the 12 federally-required training hours. If licensed, you may also be eligible for 12 CE credit hours towards your state license. The two-day classroom style training covers the key concepts needed to start the 2016 spring season confidently.

What You Will Learn

- Key activities that take place during the crop insurance business cycle
- How to compare and contrast plans of insurance and unit structure options
- Methods for determining appropriate policy coverage for farming operations

WHAT YOU NEED FOR YOUR 2016 FARMER MEETINGS

MARKETING.FMH.COM

marketing.fmh.com/farmermeetings.html

After the dust has settled from harvest, farmers are already thinking about next year's crop and their risk management needs. Set up a farmer meeting this winter to keep your customers informed of the changes to expect for next year, and to provide the opportunity for your customers to ask questions before their spring appointment. Farmers Mutual Hail may even pay up to 100% of the meeting expenses up to your agency's allotment tier level.

FMH is committed to providing the tools and resources you need to help educate your customers about risk management options through Farmers Mutual Hail. Using our resources, you can set up a meeting in five easy steps.

1. Go to marketing.fmh.com/farmermeetings.html and download the Farmer Meeting Form. The form lists requirements, such as needing your FMH sales manager in attendance, as well as the allotment tier levels so you know how much of the meeting expenses FMH may cover.
2. Schedule your vendors, meeting location, and speakers. Be sure to keep track of it all on the Farmer Meeting Form. FMH will pay the vendors directly.
3. Notify your customers. FMH makes this step easy by providing you with a fillable postcard and flyer that you can mail to your customers. The postcard image will grab their attention and give them the need-to-know information for your meeting, while the flyer provides more room for details about your event.
4. Host your event. FMH has designed a Producer's Guide specifically for your meetings. The magazine-style booklet combines a broad overview of the company's policies, products, and services, while also offering reminders about types of crop damage, claims reporting, and more.
5. Complete the Farmer Meeting Form and send it to the home office with the vendor invoices.

Questions

If you have questions regarding farmer meetings, contact Deb Smith at deb@fmh.com.



Farmers Mutual Hail Wins 6th Annual Battle of the Brands

After six weeks of campaigning for votes and passing contender after brand contender, Farmers Mutual Hail won Lessing-Flynn's 6th Annual Battle of the Brands.

Lessing-Flynn, a Des Moines advertising agency, holds the annual Battle of the Brands to recognize the top Iowa brands through bracket-style elimination voting. This year, 32 Iowa brands were nominated by their fans to participate in the competition, which began mid-June.

"This year we had the closest Championship round in Battle of the Brands history," said Tom Flynn, Lessing-Flynn President. "In the end it was Farmers Mutual Hail's continuous social engagement during the competition that brought them to the top."

With a brand that represents over 120 years of tradition and commitment to protecting the livelihood of America's farmers, FMH was proud to be recognized by our community as a brand leader.

"Farmers Mutual Hail is excited to have been part of Battle of the Brands because it has been a household name in rural communities for generations," said Carrie Flynn, Marketing Communications Manager at Farmers Mutual Hail. "We are proud to be recognized as a leader in Central Iowa, and take pride in the strong tradition that our brand represents."

Along with the title of Brand Champion, Farmers Mutual Hail receives \$5,000 in marketing support from Lessing-Flynn to donate



Members of the FMH Marketing Team (left to right): Erin Roberts, Deb Smith, Georgia Sysouchanh, Carrie Flynn, Dawn Lauer, and Katie Hultgren

to the charity of its choice, the Flaughless 5K benefitting the Wounded Warrior Project.

Farmers Mutual Hail has supported the Flaughless 5K each year since it began in 2012. This memorial event was established in honor of Daniel James Flaugh (1986 - 2011), a SPC E4, Calvary Scout in the United States Army, who after being honorably discharged in 2008 struggled with Post-Traumatic Stress Disorder (PTSD).

Georgia Sysouchanh, Marketing Coordinator at Farmers Mutual Hail, along with Flaugh's family, organized the Flaughless 5K after his passing in 2011. All proceeds from

the Flaughless 5K go to the Wounded Warrior Project to provide support for all soldiers struggling with life after war.

Lessing-Flynn will team up with Farmers Mutual Hail to provide the Flaughless 5K with marketing support in hopes of making this year's race the best one yet. This year, Sysouchanh's goal for the Flaughless 5K is to connect with more veterans and families who have been impacted by PTSD and increase awareness about the free programs and services offered by the Wounded Warrior Project.

"We're a relatively small and localized event in Eastern Iowa and it takes a tremendous amount of volunteer hours to have a successful event each year," said Sysouchanh. "With the extra resources available to us, we will be able to reach a wider audience through Lessing-Flynn's advertising and public relations resources."

FMH Silent Auction Raises \$4K for Food Bank of Iowa

In mid-September, employees in the FMH home office donated gift baskets for a silent auction to be held at the annual Steak Fry event on September 21.

The Steak Fry event is a dinner for FMH employees and retirees. It's when FMH welcomes new employees, and recognizes employees with significant work anniversaries and position changes over the past year. It is also a time for management to thank the employees for their hard work and dedication to the company.

FMH employees raised a total of \$2,040 on the sale of baskets, which was matched by FMH, for a total contribution of \$4,080 to the Food Bank of Iowa.

"Every community in Iowa is affected by hunger and food insecurity, so it's vital to have the support of community members like Farmers Mutual Hail," said Danny Akright, Communication Manager at Food Bank of Iowa. "The generous gift that your team provided to the Food Bank will provide more than 16,000 meals to Iowans who need them, in our community and throughout our service area."



Corporate Events Planner Julie Wilson presented the check to the Food Bank of Iowa Interim Director Sarah Bonefas at the FMH home office.

People in the News

FMH is pleased to announce the following new hires and transfers:



Jake Ritter has been promoted to ACR Specialist II.



Taylor Hellman has been hired as Senior Accountant.



Mitch Holland has been hired as Strategic Account Manager for the states of Alabama, Louisiana, and Mississippi.



Mike Moffitt has been hired as Claims Analyst II



Jordan Vande Vorde has transferred from Claims to Sales as District Sales Manager of East Central Iowa Region.

Service Awards



FMH President Ron Rutledge presented Marvin Lancaster, MC Output Processing Specialist III, with a service award for 25 years with FMH. Thank you for your dedication and service, Marvin!



FMH President Ron Rutledge presented Kim Maxwell, ImageRight Processing Specialist II, with a service award for 15 years with FMH. Thank you for your dedication and service, Kim!

In Memory

Gil Weiss

We regret to inform you of the passing of longtime FMH agent Gil Weiss of Durand, Wisconsin, on September 21, 2015, at the age of 91.

Gil was an agent with FMH from 1969-2007, and the founder of Gil Weiss Insurance Agency. The agency is now owned by his son, Randy Weiss. Gil's other son, Scott Weiss, is also an FMH agent, and owner of Mondovi Insurance Agency in Mondovi, Wisconsin.

Gil was born and raised in the Durand area, leaving to serve in the U.S. Army during World War II where he was stationed in Greenland as a tele-typist. After the war, Gil was a successful stove salesman and owned the Alma Center Hardware Store with his wife before beginning his agency in 1963. Gil enjoyed playing cards, golf, bowling, and his guitar, as well as being a member of the local Knights of Columbus.

He is preceded in death by his parents, one son, Curt, and five siblings. Gil is survived by his wife of 67 years, Doris, seven children, 18 grandchildren, 10 great-grandchildren, and three siblings.

Our thoughts and prayers are with his family and friends.

Verly "Patch" Paulsen

We regret to inform you of the passing of longtime FMH adjuster Verly "Patch" Paulsen of Sioux Falls, South Dakota, on October 6, 2015, at the age of 78.

Verly adjusted for FMH for over 40 years, retiring in 2012. Born and raised near Irene, South Dakota, Verly enlisted in the U.S. Army after high school and served in Frankfurt, Germany. After the army, he received his teaching degree and taught for 31 years in the Sioux Falls Public School System, retiring from teaching in 1997.

Verly loved to play the piano, and he and his wife, Donna, would sing in many different choirs throughout the community, as well as for weddings, funerals, and church gatherings. He enjoyed hunting, fishing, playing cards with his friends, and spending time on the lake with family.

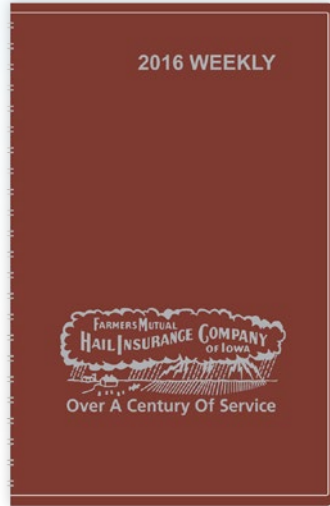
Verly is preceded in death by his parents. He is survived by his wife of 52 years, four children and their spouses, eight grandchildren, a brother, and a sister-in-law.

Our thoughts and prayers are with his family and friends.

Last Chance to Order Your Imprinted 2016 Weekly Glance Planner

Gift your customers with a quality 2016 weekly planner book, imprinted with your agency's name and logo. This popular item has a one week per two-page layout, 8:00am-5:00pm hourly ruled format, and extras like a 3 year reference calendar, holiday listings, and time zones map.

Find other great agency imprint items on the FMH Online Store.



FMH.COMPET.COM

The Cloud

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