



October 14, 2008

MPCI Customers,

As fall is rapidly approaching, we are all scrambling to finish fall's work and get our fall crops harvested. I certainly don't want to bring up the commodity prices to anyone, but I must. Almost everyone this spring purchased a RA (revenue assurance) policy to cover their risk in the event prices did go down. Well, just about every commodity price has gone down, triggering RA losses (in some cases your bushel guarantee will be up by 30%). Please take the time to look through your production to see if you qualify for a RA claim or give us a call so we can help you determine if you have a loss. If you even think you have a claim give us a call so we can get it filed in a timely matter. Below I have listed the fall prices that have been established so far, along with the final dates to file crop claims.

Final dates for filing crop claims:

- September 30th:** Dry Peas & Silage Corn
- October 15th:** Forage
- October 31st:** Small Grains: Wheat, Canola, Barley, Dry Beans, Safflower
- November 30th:** Sunflowers
- December 10th:** Coarse Grains: Soybeans & Seed Corn

FALL PRICES: as of 10-13-08:

- Barley:** \$4.62 Harvest price: Oct. futures for trading in Aug. (WCE)
- Wheat:** \$8.99 Harvest price: Sept. futures for trading in Aug. (MGE)
- Canola:** \$.209 Harvest price: Nov. futures for trading in Sept. (WCE)
- Sunflowers:** \$.214 Harvest price: Dec. soybean oil futures for trading in Oct. (CBOT)
(Uses soybean oil futures divided by 2, plus 1)
- Soybeans:** \$9.69 Harvest price: Nov. futures for trading in Oct. (CBOT)
- Corn:** \$5.40 Harvest price: Dec. futures for trading in Nov. (CBOT)

****NOTE: The fall price on Sunflowers, Soybeans and Corn has not yet been established.**

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Revenue Assurance coverage

Wheat example:

Spring guarantee: Wheat APH of 40 bushels X coverage level of 70% = 28 bushel guarantee X spring price election of \$11.11= \$311.08 per acre total revenue coverage.

Fall guarantee: Harvested 32 bushel per acre X fall price of \$8.99 = \$287.68. Subtract the fall price of \$287.68 from your spring guarantee of \$311.08 and you have a revenue loss of \$23.40 per acre.

Canola example:

Spring guarantee: Canola APH of 1600#s X coverage level of 70% = 1120# guarantee X spring price election of \$0.293 = \$328.16 per acre total revenue coverage.

Fall guarantee: Harvested 1500#s per acre X fall price of \$0.209 = \$313.50. Subtract fall price of \$313.50 from your spring guarantee of \$328.16 and you have a revenue loss of \$14.66 per acre.

As you can see from the examples above, none of them have a bushel loss. These claims were all generated by a revenue loss. Please call us should you have any questions and we can help you determine if you have a loss.

Thanks for your business,

Craig Johnson
General Manager

Brent Borud
Agent

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