Annie’s Continues to Grow

A big welcome to the many recent participants of Annie’s Project and Annie’s Project II Women Marketing Grain & Livestock. The Annie’s Project newsletter is sent about once or twice a year, and contains information that the instructor team believes may be of interest to you.

The goal of the newsletter is to complement material covered during Annie’s Project and provide information on upcoming classes. If anyone has ideas for future articles please e-mail Karisha Devlin or Mary Sobba (e-mail addresses are in the left column).

Did you miss a session of your Annie’s Project class? Would you like to hear a topic repeated? If so, you are welcome to sit in on another class, with the instructor’s approval and if there is space. To see a list of upcoming classes, visit the Missouri Annie’s Project website at http://extension.missouri.edu/annie

Future:

Annie’s Project continues to expand. Instructors have been trained in 33 states, and we have received inquiries about the program from new states and other countries!

Managing for Today and Tomorrow is a new third level Annie’s Project course. The course focuses on business, estate, retirement, and succession planning. An article in this newsletter details more information about the curriculum and upcoming classes.

It’s important to recognize those that make Annie’s Project possible. Although University of Missouri Extension coordinates and delivers the program, it takes help to make the program a success. This newsletter and Annie’s Project are partially funded through grants through USDA Risk Management Agency. Missouri Farm Service Agency and FCS Financial are statewide partners/sponsors as well. We appreciate their support! We would also like to thank all of our past participants for spreading the word about Annie’s Project!
Crop Insurance 101-What is APH?

One acronym used frequently in the realm of crop insurance is APH. APH stands for actual production history, and it is the basis for establishing a yield guarantee for all Federal Crop Insurance Corporation-backed insurance plans except for the Group Risk Plan (GRP) and Group Risk Income Protection (GRIP), which rely on historical county yield data instead of an individual farm’s performance history.

Establishing an APH yield requires a minimum of four years (and a maximum of ten years) actual production records. Sale receipts, farm or commercial storage records, and/or feed consumption records are all valid forms of information to establish actual production history. The records used to establish an APH yield must be for continuous years, starting with the most recent year and continuing back in time. Once a missing year is reached, no history prior to that date can be used. For example, if a farmer has nine years of production spanning a ten-year period, only the years after the missing year are counted. Federal crop insurance plans do not permit farmers to drop yields from poor production years in establishing their APH. The only exception to this rule is if the crop being insured was not planted in a certain year. In that case, a zero acreage report is submitted and continuous records are maintained even without data for that year. This exception is important for farmers who practice crop rotation or summer fallow.

For farmers who cannot establish at least four successive years of yield records, a transition or T yield for each missing year is used in calculating their APH. T yields are based on a 10-year historical county average yield. Farmers who are short one year of yield records out of the four required to establish an APH are assigned a yield equal to 100% of the T yield to substitute for the missing year’s yield. If a farmer has no yield records, the four yield values used are 65% of the T yield. If records for two years are missing, yields equal to 90% of the T yield are substituted for the missing records. If three years are missing, the yield values used are 80% of the T yield. If a farmer has no yield records, the four yield values used are 65% of the T yield.

Once four years or more of yield values are available, the APH is the simple average of all the yearly yield values. The four years of history will eventually build to ten years. After ten years of history is established, the APH becomes a rolling ten-year average yield.

While the process of determining an APH yield is somewhat complicated, the process is important to understand as it has a significant bearing on the amount of risk protection offered by federal crop insurance plans.

(continued from previous column)

To learn more about APH and crop insurance options that may be available to you, contact a crop insurance agent or an MU Extension Agricultural Business Specialist.

(by Whitney Wiegel, Ag Business Specialist, MU Extension)

New Course Helps Farm Women Plan for the Future

Creating a transition plan to make sure a farm continues as a productive, agricultural business can be a challenging task. A new course, Annie’s Project III: Managing for Today and Tomorrow, has been created for farm women who want to plan now for a successful transition later. This four session course will help women take a deeper look into business, estate, retirement, and succession planning.

While learning about farm and ranch transitions, women will explore communication barriers that can block succession planning, create a timeline that includes family and business goals, and investigate retirement options. Activities will help women understand estate planning terms, tools and concepts and get them started with an estate planning questionnaire. This program is specifically designed to include hands-on activities, up-to-date resources, and interaction with Extension Specialists and local professionals. Farm women will increase their confidence to take active roles in setting vision and goals, nurturing effective family conversations, and defining the farm legacy.

The cost of the course is $75 per person, which includes a 260-page book filled with fact sheets, exercises, and presentations. This course will be taught at select locations this fall and winter. Be sure to check the back of this newsletter for upcoming classes near you!

(by Karisha Devlin, Ag Business Specialist, MU Extension)

Interesting Websites

**MU Center for Applied Research and Environmental Systems (Create interactive maps)**
http://www.cares.missouri.edu

**USDA NRCS Web Soil Survey (Soil data and information)**
http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm

**Chicago Mercantile Exchange (Commodity markets)**
http://www.cmegroup.com
Social Security Retirement – Consider Your Options

Very important Social Security (SS) decisions have to be made by people approaching retirement. From the wife’s perspective, the decisions her husband makes can have a significant impact on her Social Security retirement income for her life (which is typically longer than that of her husband). With increased longevity, low interest rates, and the current economy - a frequently identified concern of many people is the fear of outliving their retirement resources. Two of the valuable features of Social Security benefits are: 1) payable for life and 2) adjusted for increases in the cost of living. Unfortunately, too many people don’t understand the many options available to them regarding Social Security retirement, and these different options can have significant long-term financial consequences.

Given the current economy and that individuals can currently receive delayed retirement benefits of eight percent per year for not drawing SS retirement benefits at their full retirement age (currently 66) – many people in good health are electing to postpone filing for SS retirement benefits. This provision is applicable between the ages of 66 and 70. However, a spouse is not able to draw spousal SS retirement benefits until their spouse has filed for SS benefits. Thus, if one spouse (husband, for example) desires to keep working past their full retirement age and receive delayed retirement credits – the other spouse (wife, for example) would not be able to draw a spousal benefit (generally 50% of their spouse’s full retirement age benefit) and would be limited to SS retirement benefits based on their own earnings history.

A strategy known as “file and suspend” allows one spouse to keep working past their full retirement age earning delayed retirement credits and the other spouse to draw a spousal benefit. The working spouse, after reaching their full retirement age, files for SS retirement benefits which allows the retiring spouse to draw a spousal benefit.

Then, the working spouse immediately elects to suspend their retirement benefits and to continue accruing their delayed retirement credits. This “file and suspend” strategy can provide for significantly increased Social Security retirement benefits for many couples over their joint lives. For example, if the husband elects to delay taking SS retirement benefits until age 70, they will receive 132% of the benefit he would have received at 66, and if the husband is survived by his spouse – the surviving spouse will receive this increased benefit for the balance of their life.

Another Social Security retirement planning strategy for couples is known as “Claim Now, Claim More Later”. (continued on next column)

This strategy is most applicable when both spouses have a substantial earnings history. After reaching the full retirement age for Social Security, applicants have the ability to claim retirement benefits based on their own earning’s history or to claim a spousal benefit which is generally 50% of their spouse’s full retirement benefit. Under this strategy, the retiring spouse elects to draw the spousal benefit, thus allowing them to accrue the delayed retirement benefit on their own earnings history. Then at a later date, up to age 70, they elect to draw Social Security retirement benefits based on their own earnings with the added benefit of the delayed credits.

Remember there are planning options that should be evaluated by people prior to applying for Social Security retirement benefits. These options can result in tens of thousands of dollars difference for couples over their lifetime, based on the option chosen. Unfortunately, too many people only give consideration to the issue of drawing Social Security benefits at age 62 or 66.

(By Parman Green, Ag Business Specialist, MU Extension)

Missouri Fence Law

Missouri is a unique state in that there are 2 separate fence laws depending on which county your land is located. In 96 counties the updated general law is in effect that says the livestock owner is responsible for maintaining their animals in a boundary (between 2 landowners) fence. Sixteen (16) counties, many of which are in Northern Missouri, have what’s known as the local option law. This law is very different from the rest of the state. The landowner (not the livestock owner) is legally responsible for a boundary fence.

University of Missouri Extension has 2 guides that discuss this in detail – guide 810 at http://extension.missouri.edu/p/G810 has a lengthy discussion of both laws. Guide 811 which is located at http://extension.missouri.edu/p/G811 has many of the frequently asked questions I’ve received over the years. So how should you approach neighbors concerning this confusing law? First, don’t go with a confrontational attitude but go planning on explaining the law, especially with new landowners. Second, you may need to give them the guides or assist them in knowing what law applies in your county. Third, feel free to contact me at 660.947.2705 or koenenj@missouri.edu with specific fence law issues and questions. You can direct others to me there also. The law causes many issues and confusion so hopefully this article will help a little in that regard and remember “Good fences really do make good neighbors”.

(By Joe Koenen, Ag Business Specialist, MU Extension)
In This Issue:
- Crop Insurance 101-What is APH?
- Managing For Today and Tomorrow
- Social Security Retirement-Consider Your Options
- Missouri Fence Law
- Upcoming Class List
- And Much More.....

* Note the following list is not complete. Additional classes will be added. Please check the website for the latest list.

**Annie’s Project**

**Upcoming Classes:**

**Annie’s Project:***

Greenfield (Dade County)—Nov. 6, 13, 20, 27, & Dec. 4, 11. Contact: Wesley Tucker

Harrison County—Spring 2013 dates not set yet
Contact: Randa Doty & Kevin Hansen

Kahoka (Clark County)—Nov. 7, 14, 21, 28, & Dec. 5, & 12. Contact: Darla Campbell

Bowling Green (Pike County)—Nov. 7, 14, 21, 28, & Dec. 5, 12 Contact: Karisha Devlin

**Annie’s Project II: Women Marketing Grain & Livestock**

Palmyra—March 5, 12, 19, 26
Contact: Karisha Devlin

Moberly—March 5, 12, 19, 26
Contact: Joe Koenen

**Annie’s Project III: Managing for Today and Tomorrow**

Kirksville—Nov. 13, 20, 27, & Dec. 4
Contact: Karisha Devlin

**Other Ag Business Education:***

Nov. 8—Women Landowners Agriculture Conference. Contact: Whitney Wiegel

Mar. 15—Women In Agriculture
Contact: Parman Green