Annie’s Continues to Grow

Welcome to the many recent participants of Annie’s Project. The Annie’s Project newsletter is sent 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.

Did you miss a session of your Annie’s Project class? If so, you are welcome to sit in on another class, with the instructor’s approval. To see a list of upcoming classes, see Pg 4 of the newsletter or visit the Missouri Annie’s Project website at extension.missouri.edu/annie (The website will soon be updated, so watch for changes by January)

Future:
Annie’s Project continues to expand. Instructors have been trained in 33 states.

Managing for Today and Tomorrow is the newest class, called Annie’s Project III in Missouri. The course focuses on business, estate, retirement, and succession planning.

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 by a grant through USDA Risk Management Agency. Missouri Farm Service Agency and FCS Financial are statewide partners/sponsors as well. We appreciate their support and we appreciate your support!

Twelve Things to Know about Forage Insurance

1. The government label for this coverage is PRF which stands for pasture, rangeland, and forage.
2. PRF was first offered for Missouri in 2009.
3. In aggregate for our state, indemnities have exceeded the farmer share of premiums in each of the last four years. For the drought year of 2012, policies paid $3.81 for each $1.00 premiums.
4. Like other crop insurance programs, the total cost is government subsidized. Subsidies range from 51 to 59 percent, depending on coverage level.
5. PRF insures against one peril: below normal precipitation. It does not cover other potential causes of loss, such as fire, hail, or insects. (continued on next page)
4. Like other crop insurance programs, the total cost is government subsidized. Subsidies range from 51 to 59 percent, depending on coverage level.

5. PRF insures against one peril: below normal precipitation. It does not cover other potential causes of loss, such as fire, hail, or insects.

6. PRF is for perennial forage crops only. It does not work for annuals. Crops planted after July 1, 2013 will not be eligible for PRF coverage in 2014.

7. A single policy covers either pasture or hay ground, but a farm may purchase several policies. Premiums and potential payments are much less for grazing than for haying.

8. Indemnity payments are not triggered by actual yield loss. Instead, payments are made when rainfall within a specific geographic area (about 17 by 13 miles) is less than the long-term average precipitation. Thus, there is a remote possibility that a policy holder could receive a payment without actually suffering a yield loss. The opposite is also true. An actual loss might occur without triggering a payment.

9. Producers can (and must) select time intervals of protection by pairs of months. The idea is to select months when a rainfall deficit would do the most damage. For example, a producer might choose the months of April-May and August-September for a pasture policy.

10. The level of financial protection available varies slightly by county. However, producers may select within a wide range of choices. For example, a hay field in Pettis County can be insured at levels ranging from $60 to $192 per acre. Premiums would range from $4 to $16 per acre, respectively. The best coverage for pasture would be $56 with a premium of $4 per acre.

11. The deadline to purchase a policy for 2014 will likely be mid-November. Your crop insurance agent can provide more details.

12. The number of acres currently covered in Missouri doubled from 2012 to about 119,000. That’s about one percent of eligible pasture and hay acreage.

A new MU Extension publication explains the mechanics (i.e. rainfall index) of the program. It is available at: http://extension.missouri.edu/p/G457

USDA has an online calculator at http://agforceusa.com/rma/ri/prf/dst

(by Brent Carpenter, Ag Business Specialist)

---

**Missouri Land Values**

The Missouri Farm Land Values annual survey is conducted by MU Extension Economist Ron Plain. The survey respondents include lenders, rural appraisers, extension specialists and realtors. Each year, respondents provide input to questions concerning current farmland values and trends, based on tracts greater than 40 acres for agricultural use. Below are the summarized answers from July 2013 survey.

### Average Value of Land

Respondents were asked to give their estimates of land values for three classes of cropland and pasture (good, average, and poor), timberland (with valuable trees), and hunting/recreation land. The survey divides Missouri into regions and gives averages for each region. Following are the statewide averages:

#### Cropland Values per acre
- Good Cropland - $4510
- Average Cropland - $3395
- Poor Cropland - $2495

#### Pastureland Values per acre
- Good Pastureland - $2492
- Average Pastureland - $2041
- Poor Pastureland - $1646

#### Timber and Hunting/Recreation Values per acre
- Timber Land - $1817
- Hunting/Recreation Land - $1724

High grain and livestock prices, low interest rates, low returns from other types of investments, and crop insurance were primary factors in the increase in Missouri cropland values in this survey.

### Who is Buying Land?

The survey showed that 69% of farmland buyers planned to farm the land themselves. This is a one percent increase over 2012. The number planning to rent out the land remained steady at 22%, and the number planning to use for non-farm purposes declined slightly to nine percent.

### Outlook

For the next 12 months, respondents expect the rate of increase in cropland values to slow to 2.6%, while pasture values increase about 1.3% and non-crop/non-pasture values increase 0.8%. To view the full survey, visit: http://agebb.missouri.edu/mgt/landsurv

(by Karisha Devlin, Ag Business Specialist)
Recreational Leases– Are They Right For You?

Recreational leases may include hunting and fishing rights. Many hunting and fishing enthusiasts are not landowners, which creates a challenge of a place to hunt. One alternative to owning land is leasing land for recreational purposes, such as hunting or fishing. If set up properly, this can be a win-win situation for both the landowner and the lessee (hunter or fisherman). The landowner gains wildlife population management and cash, and the hunter/fisherman has rights to hunt or fish and a better experience.

Recreational leases have been increasing in popularity. Leasing the recreational rights to land provides both opportunities and considerations.

Landowner Considerations:
- There should be sufficient land and wild game population to hunt.
- Liability insurance should be discussed with insurance agent.
- Lease agreements should be in writing.

A landowner’s liability increases when land is leased. Under Missouri state law, all visitors except trespassers are “entitled to reasonable care under the circumstances.” In addition, landowners owe visitors a duty of care to protect visitors from foreseeable risks that reasonable could have been known to the landowner.

The landowner may be responsible for personal injury if negligence is proven. Landowners should inform all lessees of potential hazards and have them sign a liability waiver or release (drafted by an attorney) along with the lease. Added protection could come in the form of liability insurance and/or requiring the lessees to obtain liability insurance.*

There are several types of leases. The annual lease is the most common in Missouri. The lease gives the hunter the exclusive right to the wildlife, in season, on the property for the entire year. This is very popular with both the lessor (landowner) and lessee because hunters are able to manage and monitor the wildlife throughout the year.

Recreational leases should be in writing and contain several key items including:
- Description of the recreational rights, services and facilities being leased
- Names of lessors and lessees involved
- Description of the property being leased, including legal description and map

The lessor/lessee relationship needs to include clear and open communication. It is important both parties feel like they are getting what they want out of the agreement.

* Additional information and sample agreements can be found in MU Guide G9420: Landowners’ Guide to Lease Hunting in Missouri.
http://extension.missouri.edu/p/G9420
(by Randa Doty, Ag Business Specialist)

In Memory of Bob Wells

We are saddened to share that one of the founding members of Annie’s Project has passed away. Bob Wells, Iowa State Extension farm management specialist met Ruth Hambleton, Annie’s Project founder, at a conference in 2003. He was blown away by her program and envisioned Annie’s Project being taught in every state.

Bob and Ruth soon gathered a small group of Extension educators together to form the curriculum for Annie’s Project and the Annie’s Project National Leadership Team in the Spring of 2004. Annie’s Project began in Missouri in the Fall of 2004.

Fast forward 10 years, and Annie’s Project has now reached 33 states and provided education for 10,000 farm and ranch women. Bob was passionate about education, and a tremendous supporter of agriculture and farm women. He will be greatly missed!
In This Issue:

- Pasture Insurance
- Missouri Land Values
- Recreational Leases
- In Memory of Bob Wells
- Upcoming Class List
- And Much More.....

Annie’s Project

Upcoming Classes:

* Annie’s Project:
  - Edina—Feb. 17, 24, March 3, 10, 17, 24
    Contact: Karisha Devlin
  - Marceline—Feb. 17, 24, March 3, 10, 17, 24
    Contact: Joe Koenen
  - Montgomery City—Feb. 17, 24, March 3, 10, 17, 24
    Contact: Mary Sobba
  - Springfield—Mar. 3, 10, 17, 24, Apr. 7 & 14
    Contact: Gordon Carriker
  - Park Hills—Mar. 6, 13, 20, 27 & April 3 & 10
    Contact: Lynn Heins

* More classes will be added to the website.

Annie’s Project II:
Women Marketing Grain & Livestock
Palmyra—Feb. 12, 19, 26, and March 5
Contact: Karisha Devlin

Annie’s Project III: Managing for Today and Tomorrow
Jefferson County—Jan. 9, 16, 23, 30 & Feb. 6
Contact: Lynn Heins

Other Ag Business Related Classes:
Farm and Small Business Estate Planning—Jan. 14, 21, 28 & Feb. 4
Multiple Locations: Mexico, Palmyra (tentative) and adding more. Contact: Joe Koenen