Corey Rekers (00:12)
All right, welcome back to The Accel Advantage podcast where we discuss insurance and financial services for business leaders and our non-business leaders alike. I am your host, Corey Rekers, partner and president of our property casualty division here at The Accel Group. I am super excited to have a couple of members of our crop team joining us to discuss some pretty hot topics that are happening today in the agribusiness world. So let's get started and get to know some of our guests, Brett Walker

and Ryan Greiner. Guys, welcome to the podcast.

Brett Walker (00:43)
Hey, good morning, Corey.

Corey Rekers (00:45)
I'm going to start with you, Brett, you're really kind of the founder of what our crop department is today. I believe that was back in 2004 when you joined the agency, and I think you were the first agribusiness employee.

Brett Walker (01:01)
Yep, you're spot on on that. Founder, bides to my gray hair, I guess. So, yeah, I've been around a while, ahead of, The Accel Group or the insurance business, I, I tell people that I sold money for a living. So I was a financial officer, for a regional bank here, in Cedar Falls and then decided to come to work at,

what's now known as The Accel Group. So back in 2004, it's been a while, 22 years.

Corey Rekers (01:27)
And I think when you guys did the name change in 2010, you obviously are one of the founders of that, one of the three original founders of what today is The Accel Group. So a little fun fact, a little fun history today in our podcast. So I know you've got a guest here today. Do you want to introduce Ryan to our audience?

Brett Walker (01:50)
Yeah, Ryan joined us recently this spring, comes to us with 15 years of experience in crop insurance. It's, it's grown from when I started at basically zero policies in the crop world. And, now we're adding agents like

Ryan to our staff, so it's been fun.

Ryan Greiner (02:10)
Thanks for having me. Appreciate the introduction, guys. Again, my name is Ryan Greiner. Graduated from Iowa State in 2000 and married to my wife, Joy. We have two kids. Hannah just graduated from Benton Community. And she's going to Kirkwood to be in agriculture and also work in the medical field,

pretty excited about that. Our son Benjamin is gonna be a freshman at Benton Community here this fall. So I farm my family farm in Benton County and Keokuk County. So my background, I've been in the grain side for about 12, 13 years after I graduated, took me to Kansas, Illinois, and then back to Iowa.

That's where I started farming with the family and learned a lot through that with hedge to arrive, working at different option strategies, things like that, learning carry and basis opportunities, things like that. So really enjoy that part of it. And again, like Brett said, the last 15 years or so, I've been in crop insurance and loved every minute of it. There's always plenty to learn and

And every year there's a new product, so it's a lot of fun.

Corey Rekers (03:15)
What I think is pretty cool about your guys' department, Brett... Obviously you guys have grown a ton since 2004. And your group now insures a little over 4 % of the total row crop

in the state of Iowa, which is an incredible statistic and really a testament to the way you guys do things and how you treat your customers and really the diversity of skills that you have in your department. The cool thing about this group is every single one of you is a farmer

by trade too. That's another kind of fun fact about our crop department. But let's start with disaster payments going out right now to farmers. What are some of the things that they should be looking for or be aware of there as those go out?

Ryan Greiner (03:58)
It's a pretty hot topic right now. You know, cash is pretty tight on the farm, especially with the low commodity prices and what farmers were expecting to get out of the old crop, the 2024 crop has now dropped, you know, 50 cents to 70 cents in spring. So definitely need that surplus of cash. So the Supplemental Disaster Relief Program, it's called SDRF is another acronym.

It's going to help farmers recover from crop losses from 2023 and 2024. So there's two years that they could get payments. Definitely 2023 in Eastern Iowa, had, you know, drought concerns and lower yields because of that, maybe some wind and excessive

farmers should have received their FSA 526 form here in the last couple of weeks. If they did receive

a multi peril loss, uh, federal crop loss in 2023 or 2024. So if they have not received one of those pre filled forms, they still could get a payment because stage two is coming here this fall. And so maybe they just missed, you know, they had decent yields in 23-24. They just miss a crop insurance payment, but they still could get a payment from this disaster program. So why is that?

It actually is calculated based on 95 % coverage. So maybe they took 80 or 85 % with their crop insurance and didn't get a claim, but because of the lower prices or lower yields or combination of the two, especially with 95 % coverage, they're going to get a payment more than likely. So look for those here coming this fall.

Brett Walker (05:40)
Yeah, there's some variation in that. If you were at, like Ryan mentioned, if you're at 80 or 85%, you're going to get bumped up to 95. If you were at 75%, you're going to get bumped up to 92 and a half percent. And I believe the break is at 60%. I think you get bumped to 90%. I think

We're being encouraged to carry those higher levels and in this example here you're being rewarded for being at that higher level to start with. So more encouragement to come on that. So stage two, I think those people that haven't received the pre-filled form or haven't been in and gotten their payment, that's coming in September and it will kind of equalize the playing field with all the growers that didn't have a claim.

Corey Rekers (06:31)
From your guys's perspective, does that usually get put out by the crop insurance company or federal government or how does that typically work for for those that maybe aren't real familiar with how that program operates?

Ryan Greiner (06:43)
So this program's run through the FSA, this disaster program. So stage two, stage one they received a pre-filled form. Stage two will likely be some paperwork that's gotta be filled out. The farmers either will have to possibly give them a copy of their actual yields for 23 or 24 to prove what their yields were. So we'll see when we get closer what kinda

Corey Rekers (06:45)
Okay.

Ryan Greiner (07:07)
information they're going need. But that's one good thing they can count on more than likely is they're going to get some kind of payment if they just missed a crop insurance loss. I do want to go back and just remind guys if they did get a 526 form, it should show their actual payment that they're going to get paid. So we know the government always withholds some money back.

So what they're going to do is they have a 35 % factor. So they're only going to pay 35 % of that initial payment. So for most guys, it could be 50 to 70 to maybe even $100 an acre. But they're not going to get $200 or $300 if they got 100 % of the payback. So just wanted to put that out there. That's a big point. Still good payments, but 35 % is a lot different than getting the whole thing.

Brett Walker (07:57)
And I think the plan is once they've gone through stage one and then stage two, if there's funds left over, I think it was like $22 billion

allotted for this program. Then I think there might be another, tranche of funds available, for redistribution after all stage one and two, but there might not be much left at that point.

Ryan Greiner (08:18)
Right. And then one of the other conditions of the SDRP is if a farmer gets a payment, they're going to have to agree to purchase crop insurance for the next two years, which is not an issue, except for the guys that might be retiring. But I think there's a way around that, the guys that are going to retire.

Brett Walker (08:34)
Yeah, I think if they don't have certified acres in the next couple of years, then they're obviously you're not going to be required to. And I think the insurance level, if I remember right, is you have to be a minimum of 60%, I think.

Ryan Greiner (08:46)
60%, yeah,

60 % minimum coverage or greater.

Corey Rekers (08:50)
I'm going to change gears with you guys just a little bit. What about the ARC and PLC updates or changes that started this year? Ryan, you want to talk about that a little bit?

Ryan Greiner (09:00)
There's a lot of good things that will affect crop insurance. And then there's also some things that will affect the Farm Bill program, such as ARC and PLC. So kind of the highlights of this is they've updated the reference prices for ARC and PLC,

which is pretty important. They also raised the ARC and PLC coverage programs. They also added where a guy can add base acres. So if they had a farm that wasn't in the program or some acres that are missing, they can add some base acres. They also raised the commodity loan rates and they also raised the subsidy levels for some crop insurance coverages.

All good things for us that farm and

it's going to give us a pretty nice safety net for the years going forward.

Brett Walker (09:43)
Yeah, you know, we've been complaining about reference prices and commodity loan rates for several years and they finally have taken care of some of that. It's, yeah, when we have $4 corn and our reference prices are below four and our loan rates are what, down in the twos. Not many people are using the program. So in a time where there's stress out here, those things are all going to be

very helpful for farmers to keep forging ahead.

Corey Rekers (10:10)
That's some bright news for everybody. Brett, you were mentioning earlier that RMA was enticing farmers to maybe look at some different area plans and products that maybe have some low deductible structures. I know I'm kind of switching gears here a little bit on what you were talking about, the Big Beautiful Bill, but can you talk about that a little bit?

Brett Walker (10:32)
that's... it's kind of what some of what Ryan elaborated on. You can see that in this disaster bill that just came through, they wanted to be at 95 % coverage. And that's, it's on an individual basis right now in the disaster plan. But what I see coming down the road is they keep offering 95 % coverage. That seems to be a theme that I hear in

disaster programs and coverage programs that are coming out. Like Ryan mentioned, they up the subsidy amounts in some of these products. So they're, in my eyes, encouraging farmers to take higher levels of coverage to help protect price and yield. So we've been a fan here at The Accel Group of SCO and ECO, which are

area based plans and ECO goes all the way up to 95%. And that came out, I think this might be the fourth or fifth year for that. But from day one, I looked at ECO and I said, that is a exceptional product. Just from a hedging standpoint, we're going back to the marketing.

You can cover 95 % of your bushels at the spring price. And the cost, a lot of it being subsidized by the federal government, is extremely low per bushel. And so farmers are able to put that hedge on there very reasonably and protect themselves not only from yield disasters but price disasters.

I just see more encouragement in the subsidy rates and the products that are out there encouraging people to go to that 95 percent.

Ryan Greiner (12:17)
A lot of those county yields for the ECO and SCO are pretty high. You look at, you know, compared to somebody's APH. Some of these, some of the, depending on the county, each county is a little bit different. That's one recommendation I would, I would recommend to farmers that are looking at any of these area plans. First, look at your own APH. I think some of the guys,

especially in Benton County, Linn County, where we got the um, derecho and then we had a drought here a couple years ago, a lot of their APHs fell pretty significantly in the last five or six years.

They've actually turned more towards the area plan products, the margin protection, the ECO, things like that,

their APH dropped, you know, it was 215 or 220, a lot of guys that dropped down to 200. So they weren't getting the value of crop insurance per se because their APH dropped so much in two years, three years. So that's what I think led a lot of guys onto the margin protection, you know, the ECO and SCO is because

those expected county yields were actually higher than some of the guys' APHs. So they were able to buy good coverage for a product that's fairly highly subsidized.

Brett Walker (13:33)
You know, I hear comments, you know, when they're area based, it's countywide. So some people feel that it's not a good fit for them. We always say that if you can produce at the county average or above, it's going to fit. You know, I personally, in 2023, we've been using ECO and I dropped my

base coverage level down to I think 75 % filled the gap with SEO, ECO. And I actually got stung a little bit with that plan. But in retrospect, the plan worked like it is supposed to. So what did I do to counteract that? I started raising my base level up higher. And this year, I think we're at 85%.

What I see happening is you have a lot of tools out there available to manage your business, manage your risk. It's just a matter of what you want to stack together. And they are extremely reasonably priced. When I look at the hedge versus crop insurance, I'm going to buy the crop insurance every time.

Those are going to produce payments on their ECO, SEO stuff. It's the way it works.

Ryan Greiner (14:50)
And they also raised the subsidy for the SCO

the other thing they also raised is the coverage level for SCO. Used to be 86 % down to your crop insurance coverage, right? So if I took 80 % revenue protection, I only had 6 % of coverage, right? 86 down to 80. Now, SCO is going up to 90%.

And then it's highly subsidized.

And then on top of that, you can stack your ECO as we've used here the last couple of years that goes from 95 down to 90%. So you're basically covered from 95 % down. Part of that is on a on a area based plan, county plan. But again, those are highly subsidized. And that's what the government is like Brett said, that's what they're enticing farmers to take. So I think that kind of sets some of the farmers that are having more success.

They're looking at some of those programs. I'd also encourage them to maybe look at the MCO, which is Margin Coverage Option. The difference there is the discovery price is set in September of the previous year.

You know, it worked really good the last couple of years as we were coming off, you know, six and $5 corn to lock in your discovery price in the fall versus wait all the way till February. So just another new product that they added for the 2026 crop year. It's called MCO.

Corey Rekers (16:15)
It sounds like there's no shortage of different levers that a farmer can pull, tools that they could use to, I would say, maximize their options in terms of...

margin protection and making sure they get the most out of their their yield so lots of different things to consider. I do kind of want to go through different deadlines

that happen in the crop insurance world throughout the year. I think sometimes this is misunderstood. I know you guys just went through acreage reporting. Brett, can you kind of take us through some of the different dates our farmers need to be aware of throughout the course of the year?

Brett Walker (16:48)
You know, we're coming up on harvest, obviously. And so production reporting deadline is really important. We try and get our customers to get their production in by the 10th of December. Now that's not the hard and fast deadline, but that is a deadline

that is out there to file claims. So people need to walk through their production and figure out if they have a claim themselves and get that production turned in, based on the 2025 crop, that's your next deadline, so to speak. Your 2026 application, that's due

March 15th, that's sales closing deadline, and that's a pretty hard and fast number. Then you go into acreage reporting, which we just went through, and it really bothered me when they changed the acreage or the certification deadline to July 15th from June 30th, because our deadline is July 15th. Well, now they

coincide, and so it makes it really difficult for us to get the information from FSA into our system and get it processed all by July 15th. So we push pretty hard on trying to get that information in early June so that we can get our processing done because there's a lot of work to do behind the scenes.

There's a lot of other deadlines in there. Your late planning deadline for corn is May 30th. Beans is June 15th.

margin sales closing deadline is September 30th. So there's something going on year round

in the crop insurance world, whether it's reporting or sales closing. People don't think about buying crop insurance in September, but it's out there.

Ryan Greiner (18:48)
Absolutely. Yeah, there's many, many deadlines to look at, like Brett said, coming up on sales closing for margin protection, which is September 30th, and then margin coverage option. Again, those two products are setting your discovery price for next year on those products

here in September. So those actually start August 15th to September 15th. So I know looking at corn December $4.03 today,

It doesn't look real rosy, right? So our guys are going to participate in that, especially with inputs. Everything's looking like it's going to be higher next year. You may not see a lot of action there, but we just want to educate our customers and prospects and just let them know that these products are out there. Every year there's going to be a different product, right? So a couple of years ago, maybe it was ECO or margin. This year it might be something totally different.

Brett Walker (19:39)
And it's also interesting, you know, those are basically the federal, so to speak, deadlines, but there is a whole other world of

private products that can be added to a crop policy almost year round. So that's something we'd like to specialize here at The Accel Group is rooting out those products that we really think benefit people. I know we've had a lot of engagement in that in the past and has done well. So yeah, just if we're if you're getting a message from us, we probably think it's fairly important that you

at least give us a call and say, hey, what are you guys talking about here? Lots of stuff going on all year round.

Corey Rekers (20:18)
That's a really good segue, Brett, into, you know, obviously we just focused most of this podcast on the crop insurance side of things, but what are some other lines of insurance you feel some of the farm clients could potentially benefit from learning more about from other partners here at Accel? And I'm thinking P &C insurance with Andrew with Farm...

estate and succession planning with our wealth management team.

Brett Walker (20:42)
One thing I really like about having the group that we do is if I have a client that's engaged in crop insurance from us, can send him over to Andrew Westendorf who is our property casualty specialist on the farm, and I just know they're getting taken care of. I've been in many meetings with Andrew and if there is a risk

to be rooted out in a conversation, he's going to do it. And then it's up to you whether you decide whether you want to cover it or not. But he will look at all the different angles on the farm, whether you have a trucking business with that or a chemical business, seed business, whatever it is, he's going to find the exposure. And again, you decide what you want to do about it. But that's one thing I really like. And this isn't,

insurance related, but we also, like I said, offer brokerage services and ties really nice into Ryan's background in the grain merchandising. Brandt does a fantastic job with market newsletters, getting information out to people. You know, one guy on our team is Mark Lenius, and that guy is a wealth of knowledge on

what's going on in the ag community all the time. He does a great job on marketing. You know, wealth management, I've used them a little bit myself in some estate planning things. Yeah, it's just a lot of different opportunities we have within The Accel Group.

A lot of farmers need health insurance. I... that's one thing that, you know, we can do that here too. Provide you with a group plan or an individual plan.

You know, as you get more gray hair like I've got, you get closer to that Medicare age. We have people that can help with that. I mean, it's just a vast array of services that we have.

Corey Rekers (22:29)
We are very uniquely set up. You've got specialists in each of the five departments that we operate in. And so I kind of joke around a little bit and say when you work with The Accel Group, you really do have one neck to strangle if you get upset about something because we do offer pretty much everything you can possibly think of when it comes to insurance and financial services. But in each department, you have a specialist that you're working with.

So it really allows us to kind of provide that local feel, but with the national resources of a big brokerage firm. So we do pride ourselves in that. Anything else you two want to add?

Ryan Greiner (23:05)
We covered a lot, didn't we, Brett? But I think there's definitely a lot more to learn as far as the different products out there. We also cover livestock insurance. That's a hot topic now. We've got beef prices all time high. And then they dip down a day, and we think it's over. And then it takes off again. The beef farmers are in a good spot now. But there's a ton of risk, obviously...

going forward, right? So everybody's always looking out in the future. You know, this thing will turn around. We just don't know if it's going to be a six months, you know, year and half, two years, who knows. But livestock insurance is relatively inexpensive. And again, it can be customized to, you know, the farmer's operation and risk tolerance. So there's different coverages, you know, from low coverage, way up to 100 % coverage that they can protect

these good prices. We all know again it's going to drop, we just don't know when.

Brett Walker (23:56)
Yeah, and you know, to that, you, you work with livestock producers, crop farmers, we just hope to be able to help in some way, it may not be an insurance product, may not be a wealth product, it might be what contractor do you use on a project, I mean, because we are, we're in the business. And so, yeah, we just want to kind of be the trusted resource that people

turn to to ask questions whether it's the

disaster bill. Hope to have good knowledge on that so that we can guide people through that. You know, during COVID, there was a lot of stuff that was coming out and we tried to stay on top of the programs that were coming and get people directed to the right resources. So we just kind of want to make sure people are guided the right way.

Corey Rekers (24:45)
you certainly do a great job in that, your entire team does. So again, I just wanted to thank you both for everything that you've discussed today. Like Ryan alluded to, you guys covered a lot of, a lot of topics and you've given our farm clients a lot to think about and consider when it comes to buying their crop insurance and some additional coverages to consider or add

to their portfolio. So thank you for sharing your knowledge and your expertise with the audience today.

Brett Walker (25:13)
You're welcome. Time's gone fast. I never thought I'd be on a podcast, but there I've completed my first one.

Ryan Greiner (25:17)
Ha ha.

Corey Rekers (25:19)
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