

CROP INSURANCE UPDATE



Dear Insured,

The fall harvest season is fast approaching. **Citizens Agency** wishes to provide the following pertinent information regarding your multi-peril crop insurance coverage.

You will receive a billing statement for your multi-peril and hail policies in the mail. The RMA has extended the deadline by 60 days to November 30th, 2026. We strongly recommend paying by phone or online to ensure payment is received on time. If choosing to mail, please send with plenty of time to ensure it is postmarked by **November 30th**.

If you are chopping any crop for silage or earlage, you must notify your agent prior, so we can have an appraisal completed.

When harvest is complete, please take time to report your 2026 actual production to your agent for each farm by no later than **December 15, 2026** as we need to meet loss reporting deadlines.

We sincerely **thank you** for allowing **Citizens Agency** to be of service in providing your crop insurance needs.

Have a safe and bountiful harvest!

Sincerely,
Your Crop Insurance Team



NEW AGENT SPOTLIGHT

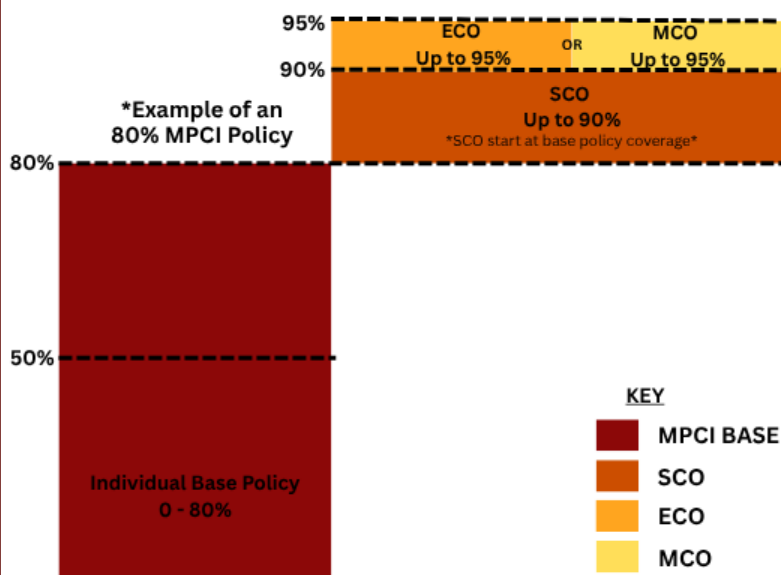
Hi, my name is Lexie Lange. After attending the University of St. Thomas in St. Paul, I returned to my hometown area and now serve as an Agricultural Lender and Crop Insurance Agent with *Citizens Bank Minnesota* in Ormsby. Agriculture means so much more to me than the business of farming. The open lands, sounds of cattle from across the yard, freight trains, and the rhythm of the seasons are all reminders of why I love calling this area home. I am honored to work alongside the farmers who make this beautiful lifestyle possible, and I take pride in helping them grow and protect their operations. I am grateful for the opportunity to work with hardworking producers and make a meaningful impact in the communities I serve.

COMMINGLING OF OLD CROP & 2026 NEW CROP

If you have old crop stored on the farm and you plan to mix old crop with new crop in the same bin, you **must** have the old crop measured **prior** to the beginning of the crop fall harvest. This is important in the event that you incur a crop loss or receive notice of an audit. If you need to have bins measured, please contact us immediately so we can make arrangements with our adjusters.

Get To Know Your Options

COVERAGE LEVELS



Please note the following: ECO and MCO cannot be elected together. Individual policies are farm-based; endorsements are area-based. SCO, ECO, & MCO receive an 80% premium subsidy, while base policy subsidy varies.

MPCI BASE:

Individual Base Plan crop policies (RP, RP-HPE, YP, APH, ARH) protect against losses based on your farm's actual production history, yields, and revenue. Coverage varies by plan and can provide protection, up to 85%, against yield losses, price declines, or a combination of both. These policies are designed to provide protection tailored to each farm's individual performance and unique risk exposure.

SCO:

Supplemental Coverage Option (SCO) is an area-based endorsement that adds protection on top of your individual plan crop policy by providing protection starting at your MPCI coverage level up to 90% of expected county yield or revenue. SCO is based on county yields or revenue, not each individual farm. SCO is an effective way for producers to reduce their exposure to losses while increasing their overall level of protection.

ECO:

Enhanced Coverage Option (ECO) is an area-based endorsement that adds protection on top of your individual plan crop policy by providing protection from 90% up to 95% of expected county yield or revenue. ECO is based on county or production area yields or revenue, not each individual farm. ECO is an effective way for producers to increase their overall level of protection and reduce their exposure to losses that may not be covered by their underlying policy.

MCO:

Margin Coverage Option (MCO) is an area-based endorsement that adds protection on top of your individual plan crop policy by protecting your profit margin, which is the difference between crop revenue and input costs. MCO is based on county or production area margins, not each individual farm. MCO is triggered when the area's harvest margin falls below 95% of the expected margin. MCO is an effective way for producers to help protect against reduced profitability caused by lower crop prices, lower yields, higher input costs, or a combination of these factors, and increase the overall level of protection. Cannot be combined with ECO.

PLANTING THE SEEDS FOR 2027:

PRF:

Pasture, Rangeland, Forage (PRF) is an area-based plan that covers perennial pasture, rangeland, or forage used to feed livestock. It provides a risk management tool to cover the precipitation needed to produce forage for your operation.

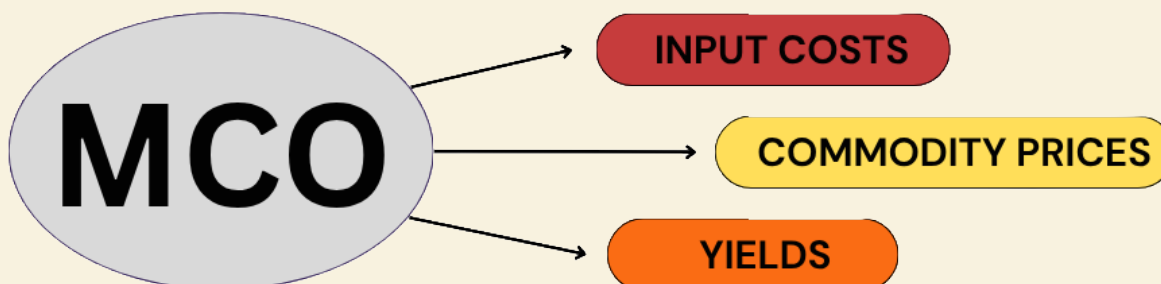
Sales Closing Date: **December 1st, 2026**

MCO:

Margin Coverage Option (MCO) is an area-based endorsement that helps protect your profit margin by covering the difference between crop revenue and input costs. MCO is based on area results and helps protect against loss caused by lower crop prices, lower yields, or higher input costs.

Sales Closing Date: **September 30th, 2026**

Margin Coverage Option (MCO):



INPUTS

BASE PRICE:

Diesel: **\$36.81/ac**

DAP: **\$61.81/ac**

Potash: **\$23.36/ac**

Urea: **\$48.83/ac**

**Tracked August 15 - September 15*

CROPS:

BASE PRICE:

Corn: **\$5.17**

Soybeans: **\$12.09**

Spring Wheat: **\$7.01**

**Tracked August 15 - September 15*

2027 MCO INDEMNITY CALCULATION EXAMPLE CORN

STEP 1. REVENUE ASSUMPTIONS

Base Price	\$5.17
County Yield	205.8 bushels
Expected Revenue	\$1,063.99 (Expected Yield * Base Price)

STEP 2. INPUT COST ASSUMPTIONS

Urea	\$47.46/ac
DAP	\$60.07/ac
Potash	\$22.70/ac
Diesel	\$36.02/ac
Total Input Costs	\$166.24/ac

STEP 3. EXPECTED MARGIN

Expected Revenue	\$1,063.99/ac
Input Costs	\$166.24/ac
Expected Margin	\$897.75/ac (Expected Revenue - Input Costs)

STEP 4. CALCULATE DEDUCTIBLE

Deductible	\$53.20/ac (Expected Revenue * Coverage Band, 5%)
------------	---

STEP 5. COVERAGE TRIGGER

Coverage Level	95% (Coverage Band = 90-95%)
Trigger Margin	\$844.55/ac (Expected Margin - Deductible)

*STEP 6. HARVEST OUTCOME

Harvest Revenue	\$1,007.53/ac (Final Yield, 196.4 bu * Harvest Price, \$5.13)
Harvest Input Costs	\$208.12/ac
Harvest Margin	\$799.41/ac (Harvest Revenue - Harvest Costs)

STEP 7. MARGIN LOSS

Margin Loss	\$45.14/ac (Trigger Margin - Harvest Margin)
-------------	--

STEP 8. PAYMENT CALCULATION

Deductible	\$53.20/ac
Payment Factor	0.85 (Margin Loss / Deductible)
Estimated Indemnity	\$45.22/ac (Deductible * Payment Factor)

*Final harvest yields are tracked after production reporting

*Final harvest price is tracked during harvest 2027

*Final input prices are tracked during April of 2027

AUGUST 15 -
SEPTEMBER 15, 2026:
Projected Price Discovery

APRIL 2027:
Final Input
Costs are Set

2028:
Receive Indemnity
From MCO

SEPTEMBER 30, 2026:
Sales Closing Date

HARVEST 2027:
Harvest Margin
is Set

For more information about MCO, contact your agent to schedule a meeting. Your agent can review MCO-specific details and provide projected outcome calculations using various crop and input scenarios.



Yield Verification in the Event of a Loss

YOU NEED TO HAVE DOCUMENTATION AVAILABLE TO SUPPORT THE SEPARATE YIELDS FROM EACH FARM UNIT. ACCEPTABLE FORMS OF DOCUMENTATION ARE:



The total production within the structure is accounted for by separate identification for each unit or field, including any uninsured acreage.



The loads are recorded, and the structure is marked and identified by:

Combine Monitor Records:

- Print combine monitor records showing field location, crop names, harvest date, and yield in bushels or pounds.
- If feeding grain to livestock; make sure an adjuster measures before feeding.

OR

Load Records:

- Maintain log showing unit and field number, harvest date, identity of the conveyance and estimated bushels per load.
- The adjuster will measure the empty conveyance to verify reasonableness.
- The adjuster will prorate the commingled production in the larger structure on a percentage basis. If you have questions regarding your crop production records, please do not hesitate to call us.



REMINDER:

If you elected to have the enterprise option for the 2026 crops, the production from all farm units is combined when determining a loss. You will need to document production from each farm unit in 2026 separately in the event you choose to discontinue enterprising and elect to optional units in 2027.

IF YOU HAVE CONCERNS REGARDING TEST WEIGHTS OF VARIOUS UNITS THAT ARE BEING COMINGLED, YOUR OPTIONS ARE AS FOLLOWS:

- 1 Keep production for an individual unit in a separate bin.
- 2 Have unit production weighted, and test weight samples taken from each unit to verify actual production per unit. Production may then be stored in a commercial facility or taken home and comingled with other crop.
- 3 Test strips for each unit may be left to document test weight for a unit. Those strips should be the full length of the field and be the width of the corn head or grain platform. A representative sample strip should be left for each 20-25 acres in a field.

Farmer drawn samples to verify test weight are **NOT** acceptable.



IF IN A LOSS SITUATION AND YOU WANT TO DESTROY PART OF, OR AN ENTIRE FIELD, THE INSURANCE COMPANY WILL NEED TO:

- 1 Appraise the field **OR**
- 2 Have strips left for appraisal or to use as a harvested representative strip later. Strips must be the width of the combine head and must stretch the length of the field and be left for every 20 to 25 acres.

Calculating your Revenue Protection Guarantee

Harvest Prices as of 9/14/2026: Corn: \$5.46 Soybeans: \$13.18

RP: Coverage Level - 80%		RP: Coverage Level – 85%	
<u>Corn:</u>		<u>Corn:</u>	
Individual Proven Yield (Bushels)	200	Individual Proven Yield (Bushels)	200
Coverage Level	80%	Coverage Level	85%
Bushels Guarantee	160	Bushels Guarantee	170
Spring Price/Bushel	\$4.62	Spring Price/Bushel	\$4.62
Revenue/Acre Guarantee	$160 * \$4.62 = \739.20	Revenue/Acre Guarantee	$170 * \$4.62 = \785.40
<u>Soybeans:</u>		<u>Soybeans:</u>	
Individual Proven Yield (Bushels)	55	Individual Proven Yield (Bushels)	55
Coverage Level	80%	Coverage Level	85%
Bushels Guarantee	44	Bushels Guarantee	46.75
Spring Price/Bushel	\$11.09	Spring Price/Bushel	\$11.09
Revenue/Acre Guarantee	$44 * \$11.09 = \487.96	Revenue/Acre Guarantee	$46.75 * \$11.09 = \518.46

*Closely monitor your yields during harvest and movement in the market

*Harvest prices are the December futures price tracked during October.

*If harvest price increases, bushel guarantee remains the same.

*If harvest price decreases, bushel guarantee increases, divide revenue guarantee by fall price per bushel.

*Prices above from time of printing 9/14/2026.

Numbers used are subject to change as fall price is not yet determined and yields vary for each client.



REMINDER:

- Please review your schedule of insurance to find your yield guarantee for each unit.
- Any unit that may have a probable loss needs to have good records kept for yield calculation purposes.
- Please notify your agent as soon as a probable loss is apparent.
- Your policy requires that you file a claim within 15 days of the end of the insurance period.
- Contact your agent if you need assistance analyzing crop guarantees.

LET US BE YOUR TRUSTED PARTNER IN AG!



Josh
Lafayette



Nick
Lafayette



Emma
Lafayette



Laura
La Salle



Scott
La Salle



David
La Salle



Brandon
New Ulm



Brant
New Ulm



Austin
New Ulm



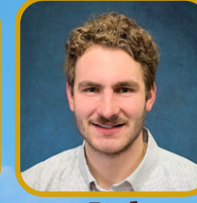
Justin
New Ulm



Mary
Watkins



Sarah
Watkins



Josh
Watkins



Lexie
Ormsby

LOCATIONS & PHONE NUMBERS

Lafayette Branch
701 Main Avenue
Lafayette, MN 56054
507-228-8283

La Salle Branch
102 South Broadway
La Salle, MN 56056
507-375-3537
Alternate Phone: 507-642-3121

New Ulm Branch
105 North Minnesota Street
New Ulm, MN 56073
507-354-3165
Toll-Free: 800-549-0194

Ormsby Branch
513 Main Street
Ormsby, MN 56162
507-736-2941

Watkins Branch
170 Meeker Ave N
Watkins, MN 55389
(320) 764-2600

Citizens
AGENCY

Lic. #115 • This Agency is an Equal Opportunity Provider

Committed to Agriculture

New Ulm, Lafayette, La Salle,
Watkins & Ormsby

www.citizensmn.bank