



Tom Zacharias, NCIS President

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## “For the **Want** of a Nail” The Crescendo

(Fourth in a Four-Part Series)

This is the fourth and final installment of our four-part series titled “For the Want of a Nail.” In each preceding issue, we have begun with the proverb as put to song by Todd Rundgren. The “proverb of the nail” can also be found in various other outlets, including: John Gower (first English version, late 14th century); Ben Franklin (*Poor Richard’s Almanac*, 1758); and, Mary Robinette Kowal (*Asimov’s Science Fiction*, September 2010). So, for the last time, here we go...

### “The Want of a Nail”

*“...For want of a nail the shoe was lost.  
For want of a shoe the horse was lost.  
For want of a horse the rider was lost.  
For want of a rider the message was lost.  
For want of a message the battle was lost.  
For want of the battle the war was lost.  
For want of the war the kingdom was lost”*

We have used the metaphor of the “nail” to illustrate how highly dependent crop insurance is upon people working together, people understanding the importance of attention to detail, and understanding the consequences of failing to work together and failing to pay attention to details. 2020 has been a perfect example of the importance of getting things nailed down correctly.

### Where We Started

Coming into 2020, the industry, along with the farm community, was relieved to see 2019 in

the rear-view mirror, a year of prevented planting losses and unfavorable prices. There were high expectations for the new year. As the song goes, “...I had plans so big...” Initial planting conditions in 2020 were extremely favorable and corn and soybean crops were planted well ahead of the 2019 season as well as the most recent five-year averages. All things considered the 2020 season was off to a good start. The nails, the shoes, the horses, and the riders all appeared to be well-positioned.

### The Pandemic

Heightened response to the COVID-19 pandemic coincided roughly with the March 16 Sales Closing Date (SCD). For NCIS, the Kansas City metro area was placed under a state of emergency on March 12. Out of an abundance of caution for the health and safety of the NCIS staff, NCIS offices closed March 13 and staff began working from home on Monday, March 16. It was the end of that week that the AIPs and RMA instituted a series of COVID-19 response conference calls to discuss and work through the issues associated with delivering and administering crop insurance in the face of the pandemic. Since mid-March, RMA has issued 12 Managers Bulletins and related guidance directives to help ensure that the delivery system was able to effectively function in this environment. This was an interactive/grass roots process. NCIS has solicited questions each week

*Continued on page 28*

from the AIPs, which were then sent to RMA. The Agency prepared written responses and then discussed them with AIPs, along with other questions that would come up during the calls. During the spring and the summer, every effort was made to ensure that insureds, agents, adjusters, and the AIPs had the necessary flexibility to continue to deliver crop insurance to the American farmer.

It is important to recall that both agriculture and insurance were categorized as “essential infrastructure” early in the pandemic. This determination was critical in allowing our industry to continue to function, albeit recognizing social distancing and other public health protocols. It was also the case that RMA held the line clearly stating that COVID-19 was not a valid cause of loss and that there would be no changes in existing SCDs.

I believe it is safe to say that the Agency and the industry worked together exceptionally well to ensure that the nails, the shoes, the horses, and the riders were in sync to face the task at hand.

## Drought, Derecho, and Hurricanes

As if the pandemic was not enough to deal with, much of the country was experiencing drought conditions. In early January, the Drought Monitor Map showed that portions of the Midwest and Southeast were in areas of abnormal to severe drought, but overall, conditions were relatively favorable. By late October, the only region where drought was not prevalent was the Southeast. The West, including Hawaii, portions of western Nebraska, northwest Iowa, southeast South Dakota, southwest Missouri, and parts of the Northeast were all in extreme to exceptional drought, with other areas still in the abnormal to severe drought categories.

To add insult to injury, Mother Nature had more to say about the summer of 2020. The derecho on August 10 left farmers in Iowa and neighboring states devastated. The derecho caused notably widespread high winds and spawned an outbreak of weak tornadoes. In addition, certain areas reported torrential rain and large hail.

Damage was moderate to severe across much of the affected area, as sustained wind speeds of 70 miles per hour were prevalent. The greatest damage occurred in eastern Iowa, where the highest measured wind speed of 126 mph was recorded. Millions of people were impacted by the storm with loss of utilities, damage to property, and severe damage to crops.

Again, industry and RMA rolled up their

sleeves to respond to the disaster.

In 2020, seven hurricanes impacted the United States - eight if one includes Hurricane Douglas that narrowly missed hitting the island of Kuai in late July - making 2020 the most active hurricane season since 2005. The Hurricane Insurance Product-Wind Index (HIP-WI) Endorsement was fortuitously introduced in time to protect farmers from losses caused by devastating hurricanes. Hurricane Hanna, a Category 1 storm made landfall near Padre Island, Texas, on July 25, triggering losses in ten total counties. Just a few days later, Hurricane Isaias caused heavy losses in seventeen counties in North and South Carolina. In late August, Hurricane Laura struck Cameron, La., as a Category 4 storm, damaging the largest area totaling 45 counties in both Louisiana and Texas. In September, Hurricane Sally made landfall near Gulf Shores, Ala., and Hurricane Delta made landfall near Creole, La., hitting some of the same counties as Hurricane Laura. In late October, Louisianans were affected by Hurricane Zeta, and as this goes to press, all eyes are on another tropical storm that could strengthen to hurricane status. So far, more than \$130 million in indemnities have been paid to farmers who purchased this new endorsement and suffered hurricane-force wind losses due to these devastating storms.

In our last article, we talked about the message getting lost. If the message gets lost, then the battle is lost, and we spiral downward. It is safe to say that 2020 has been a series of battles, starting with the onset of the pandemic. So, as we have run the course in 2020, we find our ability to win these battles is tied to our focus on the task at hand, getting the details right, making sure the “nails” are fastened securely, the “riders” are safe, and the “message” is delivered and the battle is won.

## Post-Election

As this issue of TODAY® goes to press, we will have witnessed the results of the 2020 election. Turnout for early voting was record-setting. Unprecedented numbers of people voted using mail ballots as the nation continued to deal with the COVID-19 pandemic. The outcome of this election will truly be historic.

But what does this mean for agriculture and specifically crop insurance?

Both political parties understand the importance of a safe, reliable, high-quality, and affordable food supply. They understand the importance agricultural trade as American farmers continue to help feed the world's growing population. Domestically, a healthy agricultural sector remains

fundamental to our economy and the well-being of our nation. As such, crop insurance will remain a fundamental element of the farm safety net.

## In This Issue

The fourth quarter of TODAY® features an in-depth look at NCIS initiatives focused on providing risk management education to limited resource and socially disadvantaged farmers. Dr. Laurence Crane, who oversees these activities, explains the importance of ensuring that all farmers, no matter if they grow crops on 10 acres or 1,000 acres, understand how to evaluate the risks they face and know how to implement a plan to mitigate those risks. Over the last 10 years, hundreds of farmers have benefited from this information that provides them with the tools they need to succeed in the difficult and challenging world of agriculture.

We also introduce you to the next five college students who have been awarded an NCIS 1890 scholarship. These students come from varying backgrounds but are all excited to be attending college with the hope of being involved in agriculture someday.

Dr. James Houx, in the latest What's Growing On? series of articles, writes about how data analytics is being used in big and small ways throughout agriculture. From how equipment is manufactured to how seed technology is changing, data analytics plays a very large role in agriculture. Read more beginning on page 16.

We also highlight Michael and Valerie Diller, a couple who have been growing corn, wheat, and hay and raising sheep for many years near Texline, Texas. Many years ago, a hailstorm almost wiped them out and they relied on crop insurance to get through. Because of that experience, they knew they had to make sure other farmers were protected from similar disasters and it was then that they decided to sell crop insurance to other farmers. “Truly, we wouldn't be here today without it,” Valerie said. “I decided at that point if there was a way to help people, if we could, I wanted to do that.”

## Final Thoughts

2020 has been a most difficult year on so many levels. It has been characterized by an unprecedented public health crisis, along with economic and political uncertainty. Agriculture has faced its share of hardships and the pandemic is yet to be contained. Our hearts go out to those who have lost friends and loved ones. So, as we close out the year with this issue of Crop Insurance TODAY®, we hope for a brighter future in 2021. Please continue to be safe and stay healthy.