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## Heavy Rainfall Damages Crops

The past several days have been filled with news reports, photos, and stories about flooded areas in Minnesota.

Historic rainfall amounts resulted in some areas receiving 10-14 inches of precipitation in a 48-hour period. The indement weather caused millions of dollars in damage to homes, roads, bridges, and farm fields. This flooding event is comparable to the severe, early Fall flooding in many areas of south-central Minnesota back in September 2010.

The recent flooding was caused by 4-14 inches of rain during a two-day period. This type of intense precipitation is very unusual in September and is more likely to occur in the Spring and early Summer. Some locations across the region also witnessed strong winds and hail, along with heavy rain, which caused additional damage to some crops.

The University of Minnesota's Southern Research and Outreach Center (SROC) in Waseca recorded 10.16 inches of rainfall from September 21-22. As of September 22, the SROC had recorded a total of 14.37 inches of rainfall in September, which is also the highest on record. The normal precipitation total for September in Waseca is 3.19 inches. The SROC has now received a total of 48.68 inches of precipitation for 2016, which is 40 percent above the normal average precipitation rate of 34.70 inches for an entire year at Waseca. The SROC has now recorded 35 inches of rainfall in the past three months, since July 1.

### Harvest Delays

In addition to the property and infrastructure damage caused by the extreme rainfall and flooding, there will likely be considerable crop losses, along with significant harvest delays. Corn and soybean fields near waterways will likely be a total loss in most of the region, as will most other low-lying, poorly-drained portions of farm fields. Many of these fields had good yield potential prior to the storms and flooding. However, in some locations, portions of these fields were already damaged from storms and heavy rain back in June.

Most farmers in southern Minnesota and northern Iowa are now

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dealing with completely saturated soil, which is likely to delay harvest. A majority of soybeans in the region will soon be ready to harvest, as will a considerable amount of corn, once field conditions are fit. In some areas, it will be several days before combining can begin, while in other areas, it will take a week or longer of dry conditions for fields to be ready. In many areas, farmers will be forced to harvest only a portion of a field.

Soybean harvesting is the number one concern right now for most producers. Once soybeans are mature, they dry down rather rapidly in the field, especially with warm, sunny conditions. Once this occurs, soybean pods can pop open prior to harvest. There is also concern regarding the stem strength of soybeans that were in standing water for several days. If field conditions remain too wet, there is potential for considerable crop loss.

Some corn was damaged by strong winds and hail that occurred as a result of severe storms earlier this year. The damaged corn, together with a higher-than-normal rate of stalk rot, increases the likelihood of more stalk breakage this Fall. This problem will likely increase later this season, especially in fields with considerable amounts of standing water.

The crop damage and harvest delays are especially difficult for affected crop producers who are facing very tight profit margins in 2016. Farm operators were looking at good yield potential in many locations. The soybean yield potential appeared especially solid across the region, with the corn yield potential being a bit more variable. Now, many producers are in a holding pattern in terms of harvest activities.

### **Crop Insurance Considerations**

Farm operators with crop losses need to contact their crop insurance agent prior to harvesting fields with significant crop losses, to make sure that those losses are reported and verified. Producers also need to keep good yield records and follow crop insurance verification procedures, in order to maximize crop insurance indemnity payments on damaged crop acres. Crop insurance indemnity payments will vary from farm to farm, depending on the level and type of insurance coverage that was purchased for the 2016 crop year, along with final yields.

Producers facing significant crop losses, and those who also have optional units for crop insurance policies in 2016, could be in a position to collect considerable insurance-indemnity payments on farm units with large losses. However, producers who have "enterprise units" for their 2016 crop insurance coverage may have more difficulty verifying sufficient crop losses to gain substantial indemnity payments for the 2016 crop year.

"Optional units" insure crops on an individual farm basis, so a producer can collect crop insurance indemnity payments on one or two farm units, while not receiving payments on other farm units. "Enterprise Units" require all the cropland of a given crop in a County

to show a crop loss, in order to receive crop insurance indemnity payments. Many producers have switched from optional to enterprise units in the past few years, due to significant savings in crop insurance premium costs.

For more information, contact Kent Thiesse, Farm Management Analyst and Vice President, MinnStar Bank, Lake Crystal at: 507-381-7960 or [kent.thiesse@minnstarbank.com](mailto:kent.thiesse@minnstarbank.com).

## Ag Network Launching

The inaugural meeting of ICBM's Ag Network is set for October 19, 2016, from 10 a.m. to 2 p.m. at the ICBM office in Bloomington.

The new Network will provide a forum for ag lenders to learn from guest presenters, tackle challenging industry issues, and share best practices.



The group is open to all ICBM bank members. There is no charge to attend and lunch will be provided.

Interested in participating? Contact Doug Krukowski at [dkrukowski@icbm.org](mailto:dkrukowski@icbm.org) or 651-789-3981.