

IHRY NEWS

March 2019

CONTACT US:

DEVILS LAKE
701.662.5027

HILLSBORO
701.636.2540

HOPE
800.726.7929

MAHNOMEN
218.935.5830

MCVILLE
701.322.5553

TOWNER
701.537.5942

WEST FARGO
701.492.2228

WWW.IHRYINS.COM

Let us know how we are doing by providing a review on Google or Facebook!

Drone Use in Agriculture

Article provided by *Hartford Steam Boiler*.

The use of Unmanned Aircraft Systems (UAS), or drones, in agriculture is growing. A recent study by Munich Re America indicated that 74% of U.S. farmers are currently using or considering adopting the technology to assess, monitor and manage their farm. The most common usage is for crop monitoring/health assessment, followed by crop spraying and planting. The study indicated that 84% of the farmers using drones used them at least weekly.

The cost of drones has been dropping and their capabilities are increasing. An entry-level commercial drone may have been \$5,000 five years ago but may now be under \$1,000, with even better abilities. Some of the updates include better sensors for obstacle avoidance, higher resolution, and infrared cameras.

The quality of the control systems has also seen improvements. The drone pilot can now draw out the area of the flight, set the altitude, and determine the frequency of photos or video being captured. The software then develops the flight path and controls the drone from takeoff to landing, taking photos or video along the programmed flight path. Previously, the flying was controlled manually by the pilot.

Farmers can now upload their drone data to cloud-based software and in a relatively short time, receive a report showing the health of their crops. This allows them to focus their activity, such as the application of fertilizer or additional irrigation, to the portion of the field that needs it, reducing their costs and hopefully improving their yields.

The FAA rules for drone usage have changed significantly over the last few years. FAA's set of operational rules known as "Part 107" went into effect on August 29, 2016. These rules made it much easier for a person to obtain a remote pilot airman certificate with a small UAS rating. Prior to this rule, an exemption had to be filed with the FAA, per Section 333, to be able to operate a drone for commercial use and it had to be flown by a licensed pilot accompanied by a visual observer.

There are a couple of options for a farmer to gather data using drones today. The first process involves buying a drone, learning how to fly it, getting the FAA certification, getting insurance coverage for the drone and buying the control and analysis software. A farmer can also contract with one of the many drone service companies that provide a turnkey service by flying the drone, capturing

and analyzing the data, and issuing a report to the farmer.

HSB and our parent company, Munich Re, continue to explore drone usage in support of insurance. We have conducted crop damage assessments using drones, which results in a faster and more accurate claims payment to the farmer. We are also using drones with infrared cameras to inspect the condition of photovoltaic panels at multiple locations like small farms and municipalities.

The use of drones in agriculture is expected to grow steadily as more farmers see the benefit that drones can bring to their farms. Research is being done now to facilitate the possibility of using miniature drones to assist the declining bee populations with crop pollination by having a pilot fly the bee sized drone from flower to flower.



Ihry Insights

*Article provided by Curtis Kaufman, Agency Manager
Ihry Insurance*

IRS Waives Estimated Tax Penalty for Farmers

March 1, 2019

By Kelli Anderson, North Dakota State University

- The Internal Revenue Service (IRS) has waived the estimated tax penalty for qualifying farmers who file their return and pay any taxes due by April 15, 2019.
- Due to certain changes in the new tax law, farmers may have had difficulty determining their tax liability by the typical March 1 deadline. This waiver gives producers more time for income tax preparation.”
- In addition to the waived tax penalty, several items for income tax preparation regarding the new tax law changes:

Tax rates have decreased for 2018.

Agricultural producers now are allowed to use 200 percent declining balance depreciation for 3-year, five-year, seven-year and 10-year property. The 150 percent declining balance method is still required for 15 and 20-year property.

For most new agricultural machinery and equipment (except grain bins), the recovery period has been reduced from seven to five years.

Like-kind exchanges no longer are allowed for personal property but still are allowed for real property.

The section 179 expense has increased. It generally allows producers to deduct up to \$1,000,000 on new or used machinery or equipment purchased in the tax year. There is a dollar-for-dollar phase-out for purchases above \$2,500,000.

The additional 100 percent first-year bonus depreciation is in effect. It is now available for used as well as new property. It is equal to 100 percent of the adjusted basis after any section 179 expensing.

Other items to note:

- Income averaging can be used by producers to spread the tax liability to lower income tax brackets in the three previous years. This is done on schedule J.
- Crop insurance proceeds and government crop disaster payments can be deferred to the next tax year if a producer is a cash-basis taxpayer and can show that normally income from damaged crops would be included in a tax year following the year of the damage.
- A livestock income deferral is available for those who had a forced sale of livestock because of a weather-related disaster.

Information on agricultural tax topics can be found in the “Farmers Tax Guide,” publication 225. It is available at any IRS office or can be ordered by calling 800-829-3676. Any questions about these topics or further updates should be addressed to your tax professional or the IRS at 800-829-1040 or <https://www.irs.gov/>.

Rain Select and HeatSelect are back this year with expanded availability and additional intervals and coverage levels to meet your needs!

- RainSelect - guarantee up to 100% of your average rainfall
- HeatSelect - get paid if temperatures are warmer than normal during corn pollination
- Freedom - no exclusions on crops or acres
- Flexibility - choose your crops, acres and weather perils
- Speed - timely payments with no proof of loss or claims process
- Talk with your Ihry agent today to get a quote!

Allergies in Adulthood: Why We Get Them and How to Cope

Article provided by [Anthem](#).

So you thought you were in the clear on getting new allergies when suddenly the spring or fall sniffles hit! Turns out, you're not alone. It's not uncommon to get allergies — even food allergies — in your 20s, 30s or later. Exactly why some allergies kick in later in life is unclear. But the treatment for the resulting watery eyes and runny noses is the same for adults as it is for children.

Understanding Allergies

Regardless of age, allergy symptoms are the result of an overactive immune system. When exposed to an allergen — something that could cause an allergic reaction, perhaps pollen or dust mites on a pillow — a person's immune system may kick into gear. While the



allergen may be harmless, the body reacts as though it's under attack, releasing chemicals called histamines. The histamines signal the nasal membranes to make more mucus, leading to runny nose and cough. In more severe allergies to food, medications, insect bites or other allergens, histamines can lead to a dangerous reaction called anaphylaxis, which can cause death.

Causes in Older Adults

We don't know why some allergies start during adulthood, but scientists have a few theories, including:

- Unrecognized childhood allergies. Some people have mild symptoms in childhood that fade in their teen years. These allergies can return later in life.
- Exposure to environmental triggers. Mold, indoor air pollutants and other irritants can cause an adult's immune system to react to other possible allergens.
- New exposure to possible allergens. A move to a new area with different plants and pollen — or a new pet when you've never had one in the past — could expose your body to allergens it hadn't encountered before.

Food allergies can develop long past childhood too — surprisingly, 15% of food allergies start in adulthood. And people can even outgrow one allergy and later develop an allergy to something else. Much of the human immune system response remains a mystery.

Treatment Options

As a first step in reducing your allergic reactions, try a few lifestyle changes to lower your exposure:

- Track your local pollen counts with an online app or weather service, close windows and doors, and stay inside when counts are high.
- Use the dryer instead of a clothesline for drying sheets and towels, especially during spring and fall pollen seasons.
- Avoid outdoor morning activity when pollen counts are highest.
- Shower and change clothes after outdoor activity to remove pollen from skin and hair.

Medical solutions to allergy symptoms are the same whether the patient is a child or an adult. Over-the-counter antihistamines are effective for many, and steroid nasal sprays can provide relief from common symptoms. For longer-lasting relief, allergen immunotherapy — or allergy shots — can greatly reduce or get rid of the immune system response to environmental triggers, like animal hair and pollen. It's a process that can take several years, but it's been shown to help up to 85% of patients who follow through with it.



Our Mission

Our mission is to provide superior insurance solutions for our clients to help manage their risk and protect their assets, while maintaining the highest ethical standards of the insurance industry.

Thank you for choosing lhrty for your insurance needs!