

Diversified Farming and Crop Insurance Key To Risk Management For Organic Grain Grower.



A diversified crop mix, a variety of marketing channels, and crop insurance are some of the hallmarks of the risk management program at Myer Farm, an organic crop operation in Ovid, NY.

John Myer's family has been farming in Ovid since the late 1700s. The family has been at their current location, a hillside tract that overlooks Cayuga Lake, since 1868.

The farm has changed in size and focus over time, from a smaller operation with a variety of crops and animals, to the dairy farm Myer's father ran, to its current iteration – a mix of organic crops on 950 acres of owned and rented land.

"I like working outside and doing something different everyday. I like being my own boss," Myer said, of the farming he's done all his life.

Ecological farming

Myer began experimenting with organic crop production in the 1970s and joined the standards board for the Northeast Organic Farming Association of New York in the early-1980s. His was among the first farms in New York State to become certified organic, in 1983.

"I didn't like spraying chemicals on the home farm," Myer recalled the old ways - spraying fields from an open cab tractor, without a respirator – and the

headaches that would follow. He studied ecology and environmental issues at Cornell University. "It wasn't called organic farming at the time. The initial term was ecological farming."

He raises corn, soybeans, soft winter wheat, hard red wheat, rye, barley, spelt, alfalfa, and clover. His soybeans go into tofu, and the corn is sold as grain, as well as high moisture corn for local dairy farms. Of Myer Farms crop mix, only corn and soybeans are covered by crop insurance.

He raises clover both for seed, and hay, sold as baleage and dry hay to local dairy farms. Myer cleans grain and beans for other growers.

Three years ago, Myer teamed with his brother Joe to launch a small-batch distillery on the farm. The tasting room at Myer Farm Distillers serves vodka, whiskey and gin, all utilizing grains grown on the farm. The distillery has been a longtime interest, Myer said, a venture that allows for recipe experimentation, as well as ushering the farm's grains further through the supply chain.

"It's taking your grain to the next level," Myer said. "It is value-added."

Crop insurance

Myer began purchasing crop insurance around 20 years ago, starting with a catastrophic coverage



policy.

“I had a bad year, a dry summer, and I thought back and wished I had crop insurance,” he recalled.

Catastrophic coverage is a frequent first-foray into crop insurance. The current version, Catastrophic Risk Protection Endorsement, known as CAT Coverage, pays 55 percent of the price of eligible crop loss in excess of 50 percent. Farmers generally pay an administrative fee, per crop, and the federal government pays the premium for CAT Coverage.

Over time, Myer has moved beyond catastrophic coverage, to a plan that covers revenue losses at 75 percent of loss. Generally, as farmers increase insurance coverage on crops, the government pays less of the premium.

Myer has received several insurance payouts over the years, generally for “prevented planting” loss. In the past two years, heavy spring rains have prevented him from planting some crops.

Parts of New York State saw more than 15 inches of rain in June, the National Weather Service reported. Myer said there were five days with more than 1.5 inches of rain per day at his farm.

“I only had a handful of days that I could get on and plant this year,” he said. “The weather is getting more extreme.”

He was unable to plant 100 acres of soybeans and 80 acres of corn in 2015.

“Without crop insurance, my checking account would be around \$0 right now,” Myer said at harvest time, likening crop insurance to a protection plan for your annual income.

“My dad never had crop insurance. He never had health insurance! I don’t like insurance in general,” Myer said. “I hate to hand over money year after year and never get anything back. “But, this is your income – farming. If you wreck your car, you can get another car, but if you lose your crop, you put everything else at risk.”

Looking ahead

It’s natural that a fifth-generation farmer would look both to the past, and to the future, to manage his farm. As Myer looks to next year, he will consider the crop mix to plant, the recipes to produce in the distillery, and he will reexamine his crop insurance coverage.

There are numerous policies and levels of coverage that allow crop insurance to be tailored to many farms. Farmers are encouraged to complete an annual review of their own risk management plan and consider how crop insurance may fit.

For more information about crop insurance, contact the NYS Department of Agriculture and Markets at 800-554-5400 or www.agriculture.ny.gov/AP/CropInsurance.html, or the USDA Risk Management Agency at www.rma.usda.gov. To purchase crop insurance, contact a crop insurance agent. To locate an agent, ask a neighbor for a recommendation or use the agent locator tool at www.rma.usda.gov/tools/agent.html.

