



Crop Insurance

FARMER SUCCESS STORY

Making Crop Insurance Work for You – Producer Secrets

CHARLTON, NY — Dave Wood, a successful dairy farmer from Saratoga County, NY, will tell you he is an anti-insurance type of guy, but he says, “The way I have looked at the policies themselves, the details are what has encouraged me to get it.” He continues, “We’re talking long term and you don’t buy insurance to collect all the time, you collect in the years that you have these catastrophes– or big losses.”

He believes there are four factors that make crop insurance work.

“Number one– to have individual units wherever it’s possible.” He says. “You just have to undo what’s been done if they’ve been merged into a single unit... Undo that, that’s the first thing to do. It’s amazing having the different units... every year there’s something somewhere that’s not doing what it should. So that pretty much covers the bill.”

The second thing he says is, “With this crop insurance, there’s a subsidy– so the premiums are subsidized and that makes a difference so that it’s more affordable.”

The third factor is the measurement technique. Wood says that the way the crop insurance company measures your silage crop yield is important. He double-checks each year that they are still using 40 pounds per cubic foot for silage. He said, “I will use the corn silage as the method, rather than corn grain. If we harvest something as grain, then I have it checked ahead of time by the crop insurance company or leave strips in the field, if they say to...so they can check that.”

The fourth factor is to insure above the CAT level. Dave says, “Initially I bought the crop insurance and I did the 50%, the minimum, and there’s about no way you’ll ever get a benefit with that.” After attending meetings about crop insurance, Dave signed up for the 75%. He adds, “That is what’s made a big



Dave Wood, Saratoga Co., NY Dairy farmer

difference for me. That way there have been some losses– because of that high percent.” He continues, “Assuring a profitable business...that’s my #1...the profitable business. I like profits and I like a good cash flow, and the way the crop insurance is geared, assures that we can do that. It makes a big difference. Even in years when prices are lower, it helps out.”

Wood concludes, “Everything has worked out quite well, I have to say. Even though it’s insurance... it’s a security and with the benefits, the premium reductions, the splitting it up into units, and having the measurement system that’s been in place, that’s proved out very well.”

Crop insurance must be purchased from a crop insurance salesperson. To find a crop insurance agent, ask a neighbor for a recommendation, contact your local Farm Service Agency (FSA) office or use the USDA RMA crop insurance agent locator tool on the web at www.rma.usda.gov/tools/agent.html. To learn more about crop insurance, visit the NYSDAM website at www.agriculture.ny.gov/AP/CropInsurance.html.



The New York State Department of Agriculture and Markets has partnered with USDA Risk Management Agency (RMA) to provide crop insurance education to New York State farmers. For more information, please visit the NYS Crop Insurance Education website at www.agriculture.ny.gov/AP/CropInsurance.html or call 800-554-4501. The RMA website is: www.rma.usda.gov. To find a crop insurance agent, ask a neighbor for a recommendation, contact your local Farm Service Agency (FSA) office or use the USDA RMA crop insurance agent locator tool on the web at www.rma.usda.gov/tools/agent.html