



Crop Insurance

FARMER SUCCESS STORY

Tax Preparer: Client Trends and Crop Insurance

PATTERSONVILLE, NY –Elma Phillips and her husband, Ron, became third-generation dairy farmers in Montgomery County in 1970, when Ron took over the farm from his parents. Their daughter and her husband, Teresa Phillips and Tom Nelson, became the fourth-generation in 2001, when Ron retired.

Phillips has also been a tax preparer since 1980. “The small farmers are basically my clientele. I have a few large, but it’s so different than it is when you’re talking with the small farmers, say [under] 200 animals,” Elma said. “The ones over 300 animals, 300 milkers and up, to the round-the-clock milkers; those, I may have four or five of... but they’re different. Everything is computerized. They have their milk weights immediately accessible to them, and that’s not something the smaller farmers have...they usually have a testing done once a month, it’s different.”

Many of the farmers she works with buy crop insurance, but don’t get a payment. “They can’t afford to take the prevented planting payment because they need that feed, even if they get it in the ground on July 5th. [A farmer’s level of crop insurance protection is reduced by 1% for each day after the final planting date of June 10 or a Prevented Planting payment option is available for any unplanted acres. The March 15 crop insurance policy takes effect when actual planted acres are reported to the crop insurance agent. These acres must match acres reported to FSA. Farmers can plant forages and leave them until after Nov 1 and still receive a prevented planting payment.] She continued, “Most farmers seem to insure all their fields as one unit for their FSA plan and for crop insurance.” [In general, farmers that insure separate tracts or fields with differing yield histories get more frequent payments.]

She says that when there is a loss payment, it goes into



Elma Phillips, Elma’s Tax Service, Pattersonville, NY

taxes as income, “It’s just as if they had the crop,” she said. When they want to turn around and buy replacement feed, then naturally it’s the income and expense in the same year.”

Crop insurance is for both annual and perennial crops and is always based on the farmer’s average yields. It is separate from the new Milk Protection Program or MPP for Dairy that is being administered through FSA. Sign-up for MPP runs from September 2, 2014 and continues through November 28, 2014. To apply for the MPP-Dairy, dairy operations must submit form CCC-781 “Margin Protection Program for Dairy Production History Establishment” and form CCC-782 “Margin Protection Program for Dairy Producers Contract and Annual Coverage Election” to their local FSA county office.

These forms are available at FSA county offices and online at: <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>



Risk Management Agency
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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/API/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