



Crop Insurance

FARMER SUCCESS STORY

The revenue products give me the confidence to contract grain.

FINGER LAKES REGION, NY— Mr. X is a well-known agricultural service provider in the greater Finger Lakes area. He was willing to speak with us, but he thought it would be advisable to relate his experiences anonymously.

Mr. X farms approximately 500 acres, growing corn, oats, soybeans, wheat and occasionally a cover crop of red clover. He has been using crop insurance since the mid 1990's. The farm was in his family and, with his prodding, his father used it, too.

When asked how his use of crop insurance has changed since he first started, Mr. X said, "There are newer products that better fit the objectives I have. I like the revenue products, which give me the confidence to contract grain, knowing that if the yield does deviate significantly, I will have some protection."

He only insures his corn, soybeans and winter wheat. The farm has always been in one unit, so he can't convert to enterprise units. "There isn't much variability in soil on the farm, so I don't really need to worry about enterprising a unit of bad soil," he said.

In the last five years, he has only collected on crop insurance once and that was for prevented planting. "That was very helpful when I couldn't put wheat in, due to wet fall conditions," he said. **"I view it as purchasing an auto insurance policy. I never want to have to use auto insurance, but it is good to have it in case something adverse happens."**

The hardest part about using crop insurance, in Mr. X's opinion, is keeping current. However, he has a

good agent that keeps him up to date on policies. He has worked with his current agent for about the last 10 years.

Mr. X definitely recommends crop insurance. **"I think it should be a part of everyone's risk management program."**



Crop insurance requires making three choices for the crop you wish to insure:

- Choose the **unit structure** you qualify for and wish to use to insure your crop. (Your choices are: **basic unit, optional unit or enterprise unit.**)
- Choose the **type of insurance** you wish to use to insure your crop. (For soybeans, for example, you can choose between yield coverage, simple revenue protection or revenue protection with harvest price exclusion.
- Choose the **level of coverage** you wish, from as little as 50% to as high as 85%. Operators choose their level of coverage depending on their personal needs, history of loss on their fields, cost of production, loan payments or forward contracting commitments.



Risk Management Agency
This institution is an equal opportunity provider.

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 518-457-4531. 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