



Crop Insurance

FARMER SUCCESS STORY



Crop Insurance Shapes a Young Farmer's Learning Curve

DRESDEN, NY – Effective risk management during the first years of any business is critical. This is especially true for new farmers, who need to learn the business side of farming, in addition to applying their agricultural knowledge, while at the mercy of sub-optimal or severe weather. Crop insurance is one way that new farmers can manage risk in their startup phase and beyond, exemplified by Dresden area organic farmer Peter Martens.



Peter Martens of Dresden describes how crop insurance helped him get a strong start in farming.

To call Peter Martens a young farmer is no exaggeration. After growing up on his parents' organic farm in Penn Yan, he started his own with a small plot at age 15. That was five years ago. Using a FSA Youth Loan in his second year to fund rental for 130 acres, he has continued to add acreage and crops to his operation. He grows open-pollinated corn for feed and for whisky, feed and seed soybeans, and spelt, spring wheat and winter wheat

for milling at a small-scale mill based in Rochester. He also experiments with crops that may offer potential; red kidney beans, for example.

"Every year I've picked up a piece of ground except for the one year that I was at college. At this point I'm up to 375 acres, and everything is certified organic," says Martens.

Initially required by the FSA loan terms to obtain crop insurance, Martens continues to insure his corn, soybeans and oats, and is considering insuring his wheat.

Like any farmer, he has had weather ups and downs, including drought, floods and more temperate years.

Before changes in the 2011 federal crop insurance program specifically addressed certified organic corn and soybean production, Martens had worked out a system for insuring his organic crops to a level designed to protect his production costs in case of a covered yield loss.

"I figure out the coverage that I need by calculating my cost to produce the crop," he explains. He accounts for plowing, tillage, planting, seed and fertilizer cost, and harvest costs, and insures to his break-even point. "I don't insure to make a profit, I just insure to make sure I don't lose too much."

Martens is working on an organic dairy in Germany this year, so he was unable to take advantage of the new organic price elections for corn and soybeans.

"I think crop insurance is really valuable, at least until you get the hang of how everything works." He adds, "I think crop insurance really contributed to me staying in it financially."

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.agmkt.state.ny.us/AP/CropInsurance.html or contact Sarah Johnston at 518-457-4531 or 800-554-4501. To find a crop insurance agent, please contact your local Farm Service Agency (FSA) office or use the USDA RMA crop insurance agent locator tool on the web at www3.rma.usda.gov/apps/agents/.