



Crop Insurance

FARMER SUCCESS STORY

Crop insurance put us in a break-even or better position.

MEDINA, NY– Darrel Oakes is a third generation farmer. His grandparents started the farm in 1919 as a typical “mom and pop” farm that grew vegetables and fruit. His father transformed the farm into a fruit operation and until the year 2000, they were primarily wholesale fresh and processing apple growers. They now grow 200,000 to 250,000 bushels of fresh apples a year on about 250 acres. They have a pick-your-own operation in the fall, relationships with two of the major fresh warehouses in the area, a direct store delivery program and have a major affiliation with Tops markets, some Wegmans markets and numerous independent small stores. In 2003, they planted wine grapes and peaches. Oakes says, “Our wine grapes have turned into a winery venture for us that opened in 2008. Currently, we have about 15 acres of wine grapes and our winery is producing close to ten thousand cases of wine a year.” The family farm is a family farming corporation held by nine shareholders over three different generations. The seven in the management group are Darrel Oakes, his cousin, his sister, his wife, two sons, and a nephew.

LynOaken Farms is located in the Lake Ontario fruit plane, which runs from Niagara Falls to Oswego and is a strip of land from 8 to 12 miles wide on the southern shore of Lake Ontario. Oakes says, “It is very productive in terms of fruit compared to most areas in the world. Our cropping history, exclusive of last year, has been excellent.” He continues, “We are a more consistent production area in terms of year to year production, but not a tremendous amount of risk.” Because of the devastating weather across New York in 2012, Oakes was only able to harvest 40% of his normal crop. Oakes said, “Certainly, crop insurance helped to fill that void of income that wasn’t there. We also saw record pricing, which we weren’t anticipating. That and the crop insurance put us in a break-even or better position.”

LynOaken is broken up into five 40 or 50 acre units (or blocks). Oakes says, “That part of the program has been



Darrel Oakes, LynOaken Farms, Medina, NY

extremely beneficial because of the nature of the losses that we see that are primarily hail. Hail can ruin one block and not touch one that is half a mile away. Our ability to insure these individual units has been very, very beneficial.” Darrel takes the fresh fruit option in his apple insurance. He says, “**It allows us to cover more of the value of the fruit that is actually out there. It is there and it has proven its value, in our case.**”

Darrel’s advice for new farmers involves crop insurance. “Since [the fruit business] is so capital intensive, access to credit is important, and in order to insure those loans ... crop insurance is going to be a part in insuring that you can move forward with the business plan and be a good credit risk to your lender. **Almost anyone that starts in this business is going to want to take a hard look at crop insurance and building it into their business plan.** There are lots of different options for different types of operations, and the income option is an option that works for a lot of beginning farmers.”

Crop insurance must be purchased from a licensed agent. Enrollment deadlines vary by crop. The policy change/enrollment deadline for apples is November 20.



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 518-457-4531 or write to: 10B Airline Dr., Albany, NY 12235. 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