



# Crop Insurance

## FARMER SUCCESS STORY

**There is no such thing as cutting costs to make money... Do the math.**

ALBION, NY– Bruce Kirby is a fourth generation farmer, taking over from his father in 1986. He has 45 acres of apples and 12 acres of grapes. He is the only year-round employee. “I stayed small because the dwarf fruit, the specialized fresh fruit, allowed me to stay small and I didn’t want to be big,” he said.

Kirby’s fruit farm is located 7 miles from Lake Ontario. Last year (2012) and in 1945 were the only years that he or his father had ever had the entire crop frozen out. “Other than that, Lake Ontario is why we grow fruit. We are in a very moderate belt and the soil is wonderful for it. It is an ideal location to grow fruit.”

Besides frost, hail is Kirby’s biggest concern. He says, “**There have been two years that my fresh fruit has turned into garbage in twenty minutes. If I didn’t have crop insurance, I wouldn’t be in business.**” He says, “I went through one hail without crop insurance and I barely made it. The other hail year and the frost year, I would not have made it without crop insurance—plain and simple. One of those years I probably could have done some refinancing and stayed in business, but I could not have done it twice.”

Bruce says customers are getting pickier and it is getting harder to guess what to do. He has not planted much new orchard in the past 10 or 12 years, but has done a lot of grafting. He says, “I have taken off the top and put a new variety on, and that has done well for me. You really can’t do it if you’re big, but I can change six rows here and six rows there.” The biggest challenge with keeping up with customer’s tastes is getting enough money. He says, “It is keeping the income high enough and the expenses low enough, but not taking expenses so low that you screw up.” He thinks farmers that eliminate crop insurance to cut costs are crazy. He said he had been tempted to lower his coverage because the premium was so large. It would have saved him around fifteen hundred dollars but he had received an indemnity payment of \$185,000 off his policy for frost. He says,



*Bruce Kirby, Albion, NY*

“Do the math. It hurts to pay the check, but not when you get the other one back.” He continues, “To put it bluntly, **I made a bigger return on my insurance payments than I did on my farm... with two major payoffs within ten years, if you spread it out you can pay a lot of premiums. Look at it this way—You wouldn’t have a barn without fire insurance and you wouldn’t have equipment without insurance, so you have to be insane to not insure your crops.**”

Although the grapes are only five percent of his gross income and they just go for juice, Bruce has them insured and received a payment on them last year.

Kirby’s advice for new and beginning farmers is to hook up with someone like him who is going to retire eventually or someone who wants to split off a part of the farm. “As far as protecting yourself, besides crop insurance, is to make smart decisions.”

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



*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](http://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](http://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](http://www.rma.usda.gov/tools/agent.html)*