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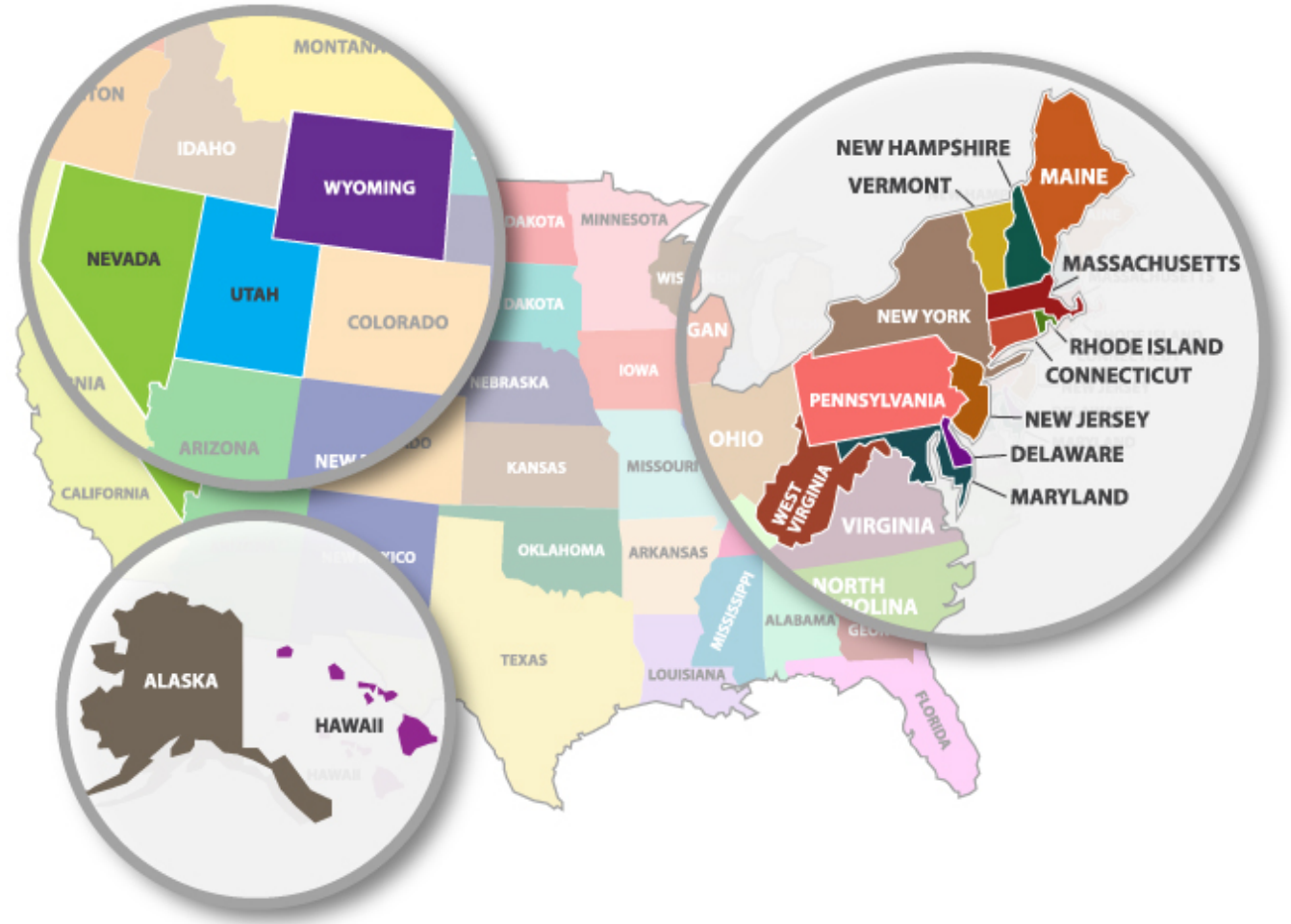


# Crop Insurance Education: What we have learned in New York



# RMA Targeted States Cooperative Agreement

- RMA program targeting 17 states with relatively low crop insurance participation rates.
- The goal is to conduct crop insurance education and promotion activities so producers better understand the crop insurance options available to them.



# RMA Targeted States Cooperative Agreement Activities

- Several extension partners help deliver an outreach program to diverse producer groups across the state
  - In person activities and presentations
  - Fact sheets and other “education materials”
  - Tailored towards needs of specific groups based on production specialization and crop insurance knowledge
    - For example, crop insurance basics vs. updates on new products
  - Support for record keeping and general risk management in addition to crop insurance to support underserved groups such as beginning farmers.
- Website and mobile app (forthcoming)

# RMA Targeted States Cooperative Agreement Activities

Secure | <https://ag-analytics.org/CropInsurance>

Ag-Analytics CROP INSURANCE FARM VIEW BLOG CONTACT US

WE PROVIDE CROP INSURANCE RESOURCES FOR NEW YORK FARMS

Crop Insurance Basics Search Documents

Crop Insurance Payouts 2008-2017

INSURING GRAPES NY, 2018

Crop insurance is a safety net for farmers that helps you manage risk. If you have a crop failure, crop insurance can help you farm again next year.

Important Insurance Deadlines

- Nov. 20, 2017: Sales Closing, Policy Change, Cancellation, Termination Date
- Jan. 15, 2018: Acreage / Production Report Date
- Aug. 15, 2018: Premium Billing Date
- Nov. 20, 2018: End of Insurance Period

Over 40 grape varieties are insurable in these counties:

Cattaraugus, Chautauque, Erie, Niagara, Ontario, Schuyler, Seneca, Steuben, Suffolk, Ulster, Wayne, Yates

NYS Grape Crop Insurance Performance

Organic farming has become one of the fastest growing segments of U.S. agriculture. In New York state alone, organic agriculture sales increased 56% from 2008 to 2014. USDA's Risk Management Agency (RMA) recognizes that organic farming practices result in higher value crops and provides coverage for organic producers and producers transitioning to organic production under several existing crop insurance policies.

Are there special insurance products for organic crops? No, there are no special insurance products for organic production. RMA treats organic production crops as a "practice" type, which more accurately "price election" or "price" value to be used when calculating insurance guarantee. This results in appropriate guaranteed level of coverage for the higher value crops.

What types of loss are covered? As long as the producer maintains records proving that good organic practices, as established by agricultural experts for the area, were followed and losses were unavoidable, certain types of loss will be covered, including those caused by:

- Weather
- Insects
- Disease
- Weed infestation

When Planting Goes Wrong... Prevented Planting & Replant Provisions in Crop Insurance 2018 Crop Year, NY

Crop insurance can help your farm recover from a crop failure. Did you know it can also help you manage risk at planting time? Most crop insurance policies include provisions that can compensate you if you are unable to plant or help you afford to replant your crop if necessary.

Prevented planting provisions in insurance policies can provide valuable coverage when severe weather conditions prevent or delay planting.

What types of loss are NOT covered?

Losses that are NOT covered include:

- Failure to comply with USDA National Organic Program standards.
- Crop contamination by prohibited substances. This includes contamination caused by pesticide drift.

Which New York crops have organic coverage? The following crops in New York have organic coverage:

Eligibility: You may be eligible to file a claim if:

- Your acreage is physically available for planting
- Your acreage was planted in at least 1 of the 4 most recent crop years
- An insured cause of loss occurred within the insurance period, for example:
  - Excessively wet conditions throughout the growing season which prevented nearby producers from planting similar acreage
  - A specific event, like flooding, which impacted only your field
  - You were unable to plant by the final planting date (see reverse) or during the late planting period (generally 25 days after the final planting date but varies)

NY Crop Insurance Fact Sheet Organic Producers 2018

Ag-Analytics @AgAnalytics · Feb 5

Don't miss the March 15th #cropInsurance purchase deadline! Protect your farm against drought, hail, flood, insect damage, and low prices and more. Education info at [Ag-analytics.org/cropInsurance](http://Ag-analytics.org/cropInsurance)

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For Certified Organic Acreage:

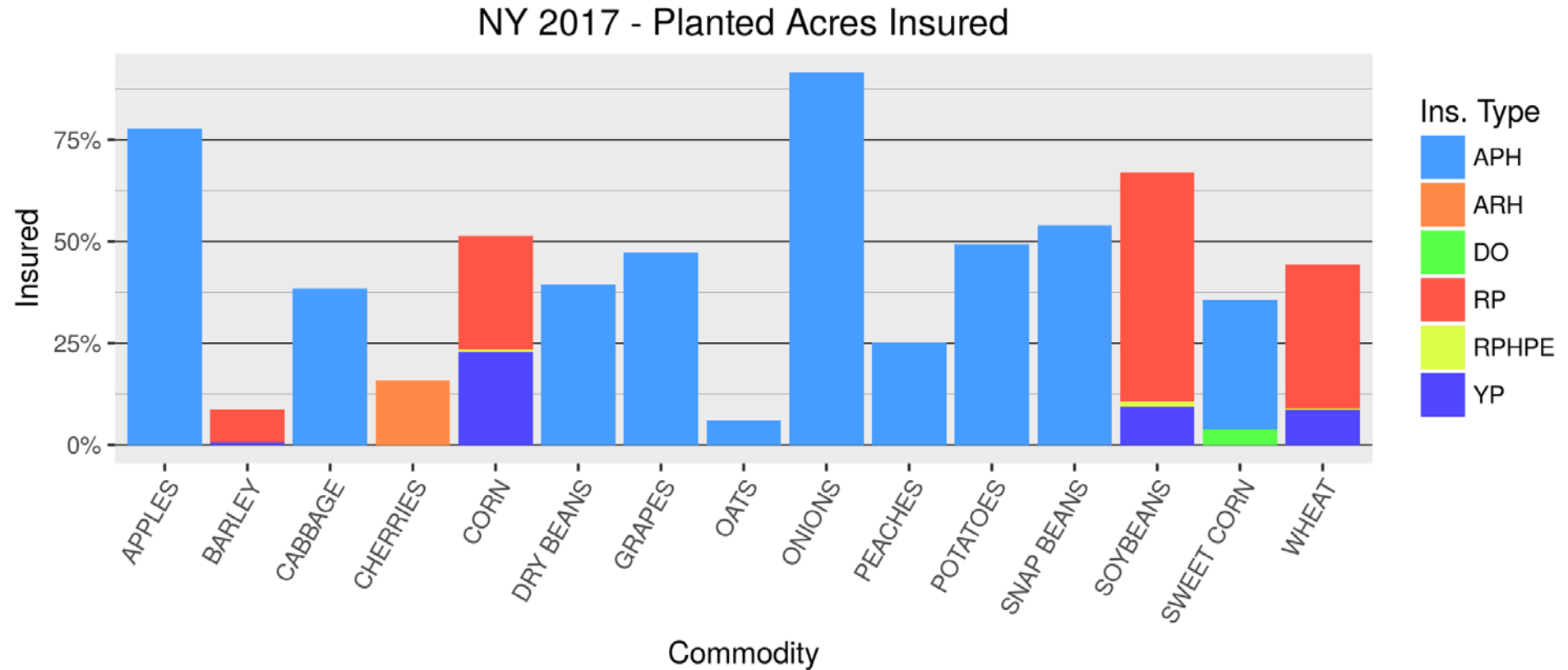
- A current organic plan; and
- An organic certificate (written certificate) or documentation from a USDA-accredited certifying agent that indicates an organic plan is in effect.

Cornell University delivers crop insurance education in New York State in partnership with the USDA Risk Management Agency. Diversity and Inclusion are a part of Cornell University's heritage. We are an employer and educator recognized for valuing AA/EEO, Protected Veterans, and Individuals with Disabilities.

USC Ag-Analytics

For more NY crop insurance information, visit: [ag-analytics.org/cropinsurance](http://ag-analytics.org/cropinsurance)

# Crop Insurance uptake in New York varies by crop



Source: RMA Summary of Business, NASS.

Note: Acres bearing for apples and other crops as relevant. 40-50% of onions are insured at the CAT level.

## Many types of crop insurance products are available

**Yield:** apple, barley, fresh-market green beans, processing green beans, dry beans, cabbage, corn, forage production, grain sorghum, grape, green pea, oat, onion, peach, potato, soybean, processing sweet corn, processing tomato, winter wheat

**Revenue:** barley, corn, grain sorghum, soybeans, tart cherry (pilot), winter wheat, Whole Farm Revenue Protection (WFRP)

**Dollar:** fresh market sweet corn, nursery

**Index:** API, PRF



## Education challenges: misperception of products

“I don’t buy crop insurance because five years ago I had crop insurance for garlic and the payout was not even close to the value of the garlic.”

- NY farmer after 2018 RMA Targeted States presentation

(Garlic is not and has never been covered under Federal crop insurance/MPCI, was likely referring to NAP)



## Why are some NY farmers underserved?

Misunderstanding may play a role:

- Some do not understand that CI is a risk-management tool and not an investment.
  - "I tried insurance twice, and paid in \$500 and got nothing back. I can't continue such losses." (Clendenin 1942 , p. 261)
- FSA NAP products are confused with RMA products.
- Thought they should have received a payout when they did not.

**These are all education issues...**



## We as extension educators are learning as well!

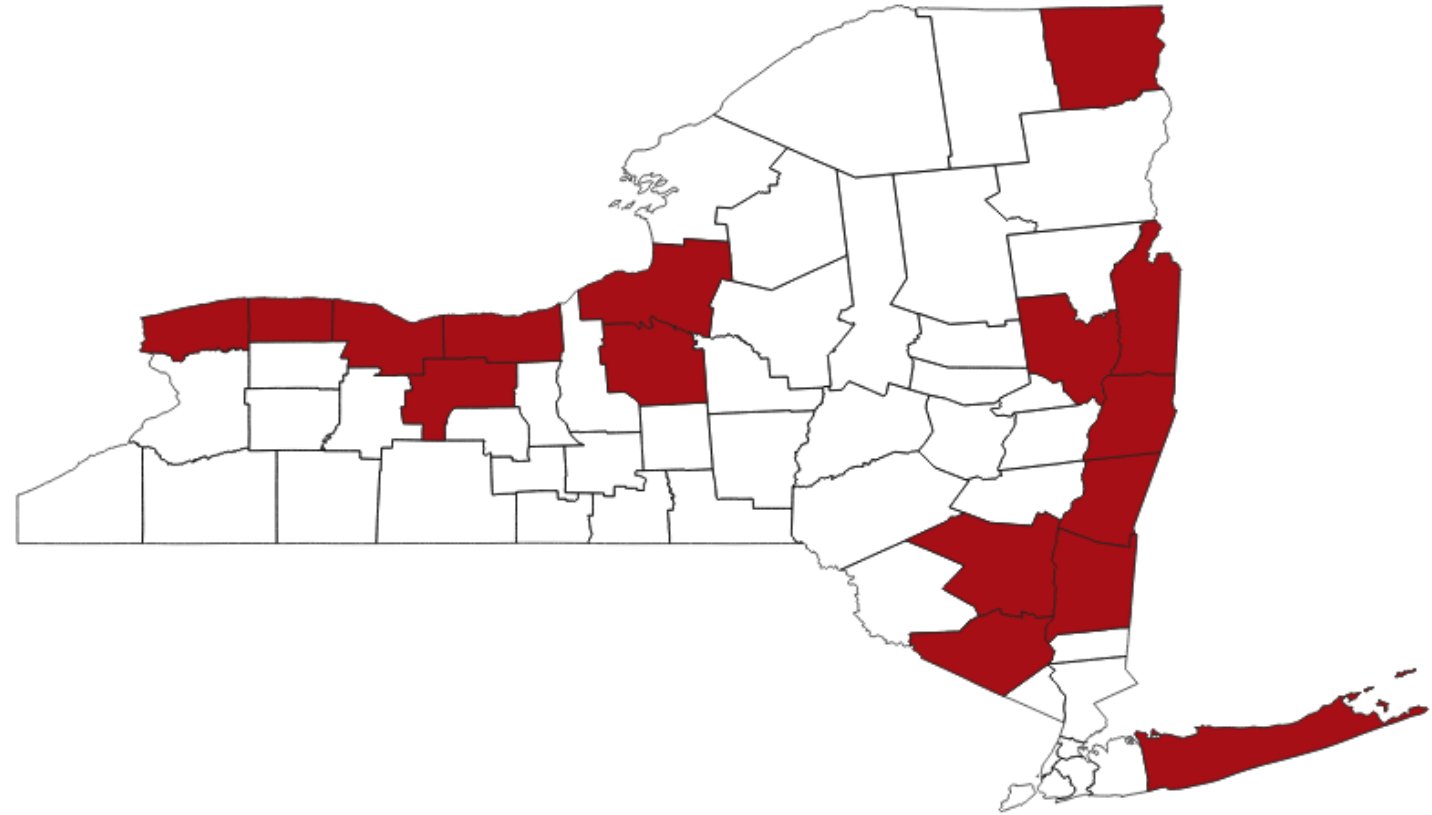
- NY ag is diverse with several specialty crops that have smaller insurance markets.
- There are several different groups that we present to
  - Specialized and diversified
- Current level of the understanding of crop insurance varies greatly across groups
  - Crop Insurance 101
  - Very specific questions about specific policy provisions
- Let's now look at a New York case...



Photo: John Lillis via Flickr

# Crop Insurance for New York Apples

- New York is the second largest U.S. producer of apples.
  - 40,000 bearing acres 2016 (NASS)
  - Most operations specialize in apple production.
- Crop insurance uptake is over 75% of bearing acres.
  - 31,093 acres insured 2017 (RMA)
  - Crop insurance is very important to many producers!



# Crop Insurance for New York Apples – APH Policy

- Quality Adjustment:
  - Basic Coverage: U.S. No. 1 Processing or better is considered production to count.
  - Optional Coverage: Apples are graded on quality and a yield adjustment is made.
  - Most NY growers opt for the optional quality coverage
- Fresh Apple Certification:
  - At least 50% of production from reported acreage must have been sold as fresh apples in one or more of the four most recent crop years.
- Blocks



## Outreach to NY apples growers

- Partner with regional fruit/commercial horticulture extension programs that hold “fruit schools” in the winter
- Extension newsletter articles
- Meet with individual growers
- WFRP cases/scenario analysis (ongoing)



# Crop Insurance for New York Apples

## Current Feedback

- RMA Listening Sessions
- Projected prices
  - Varietal groups
  - New varieties/uses
- Quality grades – classification as processing vs fresh
- Some resistance to WFRP



## Concluding Remarks...

- Our extension programs reach diverse producers through diverse means to provide risk management education on multiple crop insurance products
- There are misconceptions that may serve as barriers to higher crop insurance participation
  - These are being addressed by educational efforts but take time
- We are constantly learning...
- We work to change the way producers look at risk so that crop insurance decisions become part of their overall farm management practice.



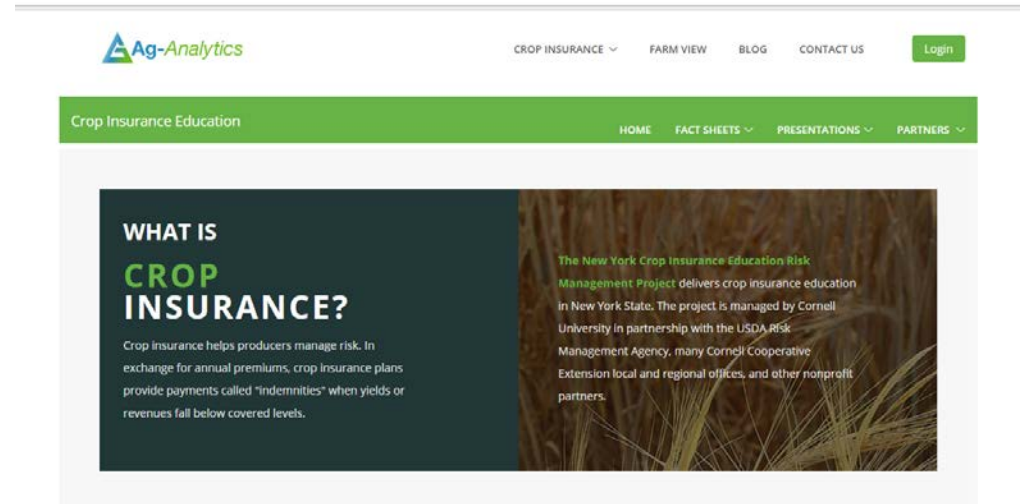
# Cornell Crop Insurance & Risk Management Education Project Resources

## Currently available

- Newly updated website including
  - Articles
  - Fact sheets
  - Presentations
  - Videos
  - Farmer testimonials

## Coming soon

- Risk management podcast series
- More NY case studies
- More fact sheets
- Whole Farm Revenue Protection examples



Cornell University delivers crop insurance education in New York State in partnership with the USDA Risk Management Agency.

Diversity and Inclusion are a part of Cornell University's heritage. We are an employer and educator recognized for valuing AA/EEO, Protected Veterans, and Individuals with Disabilities.



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