

# Crop Insurance

## FARMER SUCCESS STORY



### Garden State Crop Insurance Education Initiative Crop Insurance Reduces Farming Risk

Burlington County, NJ - With fluctuating grain prices and the constant risk of weather and wildlife damage to crops, grain farming is a risky operation. By utilizing crop insurance on his field crops, Ken Carlisle is able to match an insurance plan with his business needs.

Ken Carlisle, a sheep farmer and grain producer from Burlington County, New Jersey, oversees his 300 acre operation. Ken currently raises 250 sheep and grows 100 acres of soybeans and 75 acres of field corn, which he insures using crop insurance to ensure a successful growing season.

Since a large portion of Ken's business revolves around feeding his crops grown on his operation, a crop failure could be catastrophic to his operation. Ken stated "With crop insurance I have the peace of mind knowing that I will either have a crop or receive a payment to purchase feed for my animals."

In addition to feeding a large portion of his crops grown to his sheep, Ken also forward contracts and markets the remaining grain produced on his operation. Without the safety net of crop insurance, Ken mentioned, he wouldn't be able to successfully market his grain to maximize his revenue. Ken utilizes the ability to forward contract his grain while matching a crop insurance plan to ensure that if he has a crop failure, he will still receive a payment to fulfill his contracted grain.

Ken has used crop insurance on his operation for over 10 years. He chooses a coverage level of 75% within the COMBO policy for his crops. This coverage level adequately cover his input costs and guarantees his ability to recuperate his money in the event of a crop failure. In addition Ken utilized the Trend Adjustment (TA) option for his corn this year. With the added yield benefit from the TA option Ken was able to insure a higher dollar amount per acre while maintaining the same coverage level as in the past.

In 2010, drought occurred throughout most of New Jersey and crop failure was prevalent across many areas, including Ken's operation. He received a crop insurance indemnity payment for his crop loss. Ken stated "Without the crop insurance payment to cover my costs, I may not have been able to make it through the year"



"You never want to collect off your crop insurance" Mr. Carlisle states, "but it sure is great to have when you run into a rough growing year."

*Rutgers Cooperative Extension and the New Jersey Department of Agriculture has partnered with USDA Risk Management Agency (RMA) to provide crop insurance education to New Jersey farmers. This institution is an equal opportunity provider. For more information or a list of New Jersey crop insurance agents, please visit the Garden State Crop Insurance Education Initiative website at <http://salem.rutgers.edu/cropinsurance> or call 1-800-308-2449.*

