

## Possibilities for Financial Risk Management in Berries

Crop insurance is created by the USDA Risk Management Agency. They provide for private insurance companies to sell what amounts to a nationally standardized insurance product for specific crops and also pay part of farmers' premiums. Crop insurance is available for those crops for which there is significant acreage in production. Consequently, in New York State, there is no crop insurance for any type of berry, but there is crop insurance for apples. Despite this, there are ways to provide some crop insurance-like protection if you chose to pursue obtaining it.

There are three possible ways to reduce the risks associated with berry production.

- You can pursue a written agreement, which is a crop-insurance equivalent that is based on federal crop insurance policies that already exist somewhere near New York State.
- You can purchase Non-Insured Assistance Program (NAP) coverage very inexpensively for \$250 per crop.
- You can insure your entire production using AGR-Lite, a whole farm insurance program that is based off the Schedule F of your tax return.

Over 6,000 acres of blueberries were insured by 63 producers in New Jersey last year. The New Jersey blueberry crop insurance policy can be used, with USDA approval, as the basis of a written agreement for acreage in New York. You must contact a crop insurance agent well in advance of the perennial crop deadline, usually November 20, to come up with a level of protection. The agent knows the procedure for seeking a written agreement.

NAP is a program that only begins to pay a portion of losses after a producer loses more than 50% of a specific crop. In the event of a total loss, a producer would receive 27.5% of the value of the NAP-protected crop. While this may not seem like much, in the event of a frost or flood event where a total loss occurs, it can be helpful to have a bit of cash-flow. NAP can be purchased from your county Farm Service Agency.

AGR-Lite was initially created as a program for diversified growers, where a special set of records was not going to be required by USDA. Instead, Schedule F would provide the basis for the protection. Since its inception, the program has never had more than 30 participants in any given year in New York. Now USDA RMA requires individual crop sales receipts on a day by day ledger basis. Some producers feel that this makes AGR-lite an unworkable option for their businesses.

For more information, visit the USDA RMA website and contact a crop insurance agent. USDA maintains a crop insurance agent locator on their website. Or contact your county FSA office for a list of agents. Or visit the NYS Department of Agriculture and Markets crop insurance website.

Risk management takes many forms. Pricing what kind of coverage is out there and how it might help in situations you have already encountered is an excellent way to think through the impacts of uncontrollable weather-related events on your business.

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[www.agriculture.ny.gov/ap/CropInsurance.html](http://www.agriculture.ny.gov/ap/CropInsurance.html)

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