Crop Insurance is Cost of Business for New York Crop Farms

“My favorite time of year is harvest time. I enjoy running the combine and harvesting crops,” said David Jordan, of Union Springs, NY.

Jordan was raised on a dairy, crop and vegetable farm in Cayuga County, NY. He left agriculture for a time, returning in 1992. He hasn’t looked back.

“Being your own boss I like,” he said. “The physical work I like.”

He operates Jordan Farms with his wife Donna and their son, David, who joined the operation in 1994. They grow corn, soybeans, and hay on 1,250 owned and rented acres. The farm grows certified organic, non-GMO, and conventional crops.

As changes come to agriculture, the Jordan family is ready to adapt. Along with a growing number of farms across the United States, Jordan Farms now considers crop insurance part of the routine of running a business.

Crop insurance is available for more than 100 crops in the United States. Farmers buy insurance through private companies. In some cases, the federal government subsidizes a portion of the premiums. Insurance may be paid out for yield or revenue loss to crops, at rates based on the amount of insurance purchased.

“In today’s economy, crop insurance is a necessity,” Jordan said. “We use crop insurance as a financial tool. By the time you pay for seed, fertilizer, chemicals, you’ve got quite a lot invested. It doesn’t take long at all.”

“Input costs are so much,” he continued. “If you have one bad year where you don’t get a crop, you may be out of business.”

As Dave and Donna took over the farm from Dave’s parents, they will one day see their son David at the helm. Leaving the farm in healthy financial shape is important to the family.

They have expanded the business to include a custom crop operation that plants from 1,000-1,500 acres of soybeans and harvests some 4,000 acres of wheat and other small grains, soybeans and corn for farmers in central New York.

“We need to find time to get our own crops done,” Jordan joked. He added that business innovation and financial management, including crop insurance, “is kind of a necessity if you are going to continue to grow the business, especially with today’s prices.”

Another driver of the decision to buy crop insurance is farmers’ longtime friend and foe – the weather.

“The weather patterns anymore swing so much. One year it is dry as a bone. The next, you can’t shut the faucet off,” Jordan said.
The farm has been buying crop insurance since the 1990s, and has had only four years of payouts, all weather-related. In fact, three of the payout years occurred from 2015-2017.

In 2015, the farm received insurance payments for yield loss after heavy rain left corn underwater. In 2016, there was a drought. In 2017, the farm collected prevented planting losses after heavy rainfall kept the farmers off the fields too long to plant crops.

“The way the weather has swung from year to year drives the need for prevented planting,” Jordan said. A farmer cannot control the weather or the global economy, but crop insurance offers one tool for controlling profit and loss at the farmgate.

“Farming is a lifestyle,” Jordan said. “It’s a good life. It’s not real profitable, but it’s a good life.”

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