



▲ Pinnaroo farmer Corey Blacksell

# CROP INSURANCE: A GROWER'S PERSPECTIVE

**Corey Blacksell grows wheat, barley, cereal rye, canola and legumes on his 5500ha property 'Blacksell Farms' at Pinnaroo in South Australia.**

Last year Corey took out crop insurance to mitigate frost risk. "Frost is our biggest risk. When a policy became available it was a natural fit for our business. It was a simple add-on to our fire and hail package," Corey said.

Corey insured through AWB and said the application process was as simple as ticking a box on his existing fire and hail package. He said the biggest benefit of the package was that it provided peace of mind with the major crops in his farm's system covered against a major frost event.

The season was looking extremely positive in August 2018 which was the deadline for taking the frost insurance. Corey explained prices were climbing and yield potential was looking average to above average.

"If the season had continued and we did not activate a claim, the premium would have been a small percentage of our revenue. If the season tapered this would have led to a further

escalation of prices and any revenue losses claimed (after the excess) would have represented a larger percentage of our revenue," Corey said. It was the latter that eventuated.

Corey said that it is a matter of weighing up the cost versus the risk just like any insurance policy. "2018 will go down as being a very good decision to take out our frost cover. Taking out the cover is best judged over time."

**Corey looked at other options to offset the risk, such as investing in hay making equipment, but decided the most cost-effective option in 2018 was to lay the risk off to a third party.**

In Corey's experience making a claim was simple. "You notify your field agent once you believe there has been a claimable event. An assessor comes out and once confirmed, they will come back and undertake preliminary assessments. Once the crop has finished filling and is closer to harvest a final assessment is made. This is to check for regrowth

and to confirm initial assessments. Other than providing Google maps and GPS co-ordinates there's not much the producer has to do," Corey said.

Once a claim is made against a crop the policy is placed in lock down. No adjustments to yield or price can be made. Being over-insured – both in price and yield – at the time of lock down and coupled with a small percentage loss could reduce the effectiveness of the policy. Conversely, being under insured in a low yield, high price year could result in lost revenue.

The one piece of advice that Corey wished he'd received prior to 2018 was "Keep your yield and price estimates current. Pricing was volatile in 2018. If you weren't reviewing it weekly there was the potential to be well under insured." ●

**Turn to Page 8 and 9 for GrainGrowers' full list of 2019 Federal Election Priorities and Election Asks.**

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