LSU AgCenter Cooperative Extension Service Crop Insurance Workshop
Vidalia Conference and Convention Center
Tuesday, November 18, 2025
Vidalia, Louisiana

Crop Insurance Workshop

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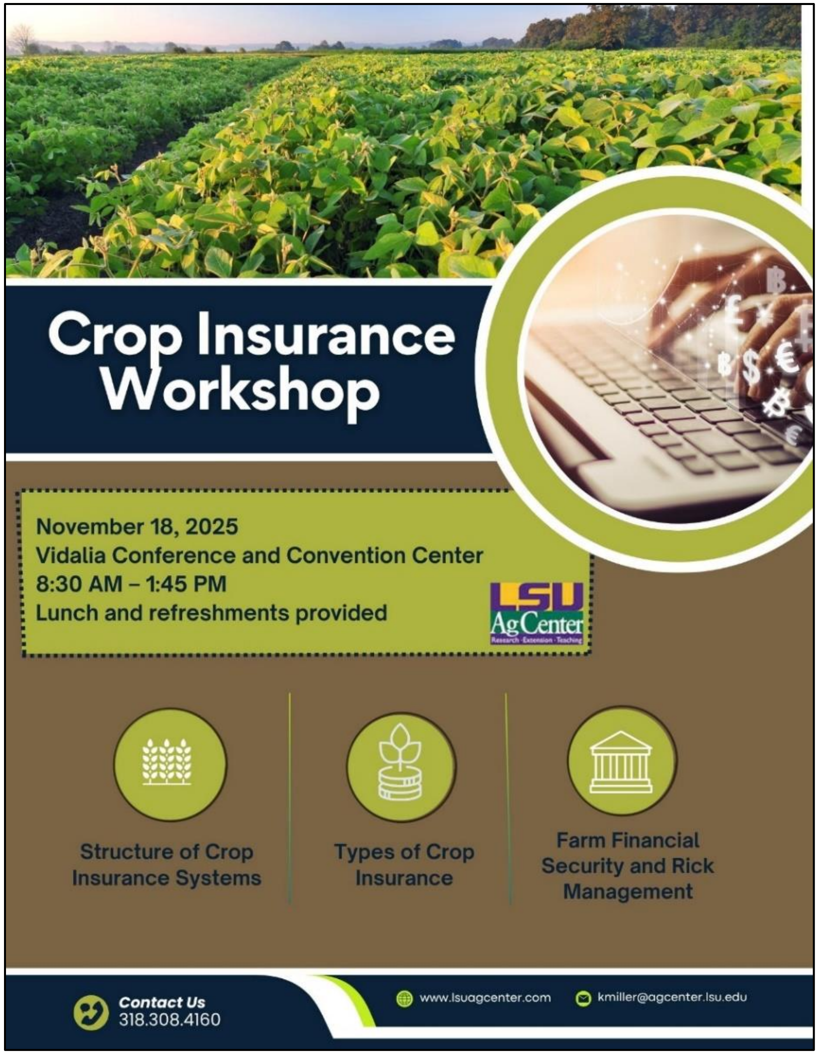
Louisiana State University Agricultural Center

Thank you to the Delta Bank and Concordia Bank & Trust for sponsoring the refreshments and lunch for the meeting today.



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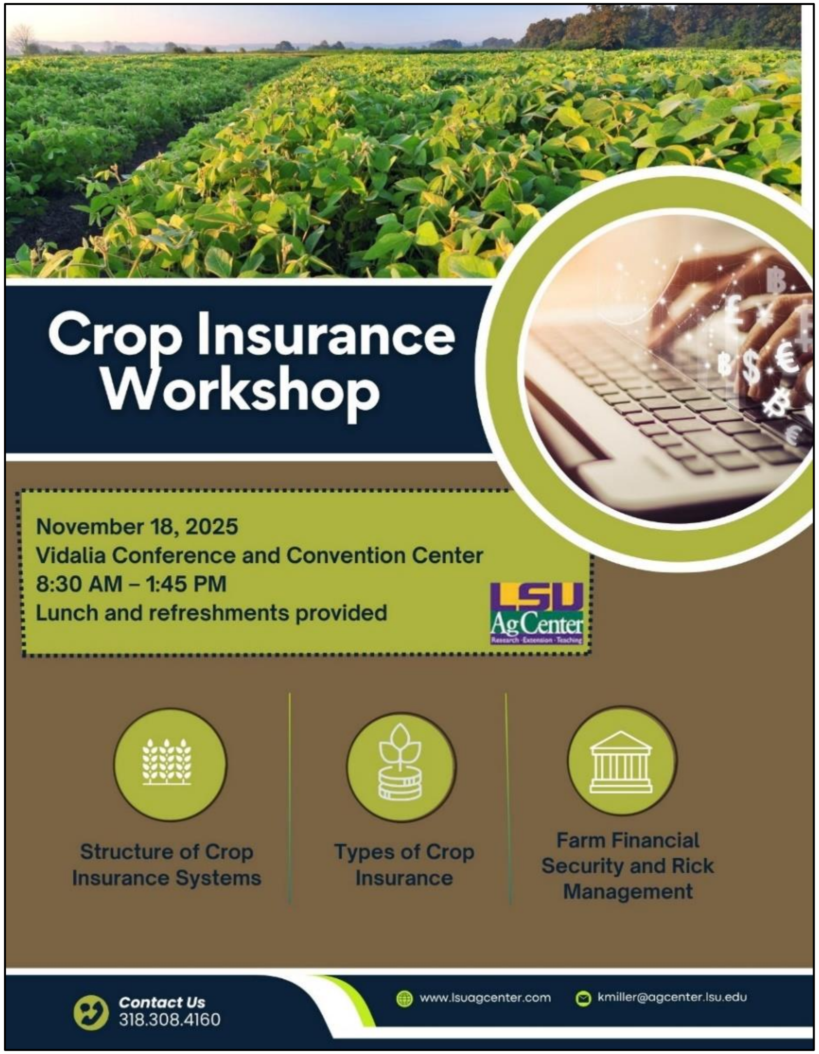
Please scan the QR code below for a copy of today's presentation slide set.

Scroll under the bullet points and select "Crop Insurance Workshop".



A Brief History of Crop Insurance

Why is the crop insurance industry structured the way it is today?

Session #1

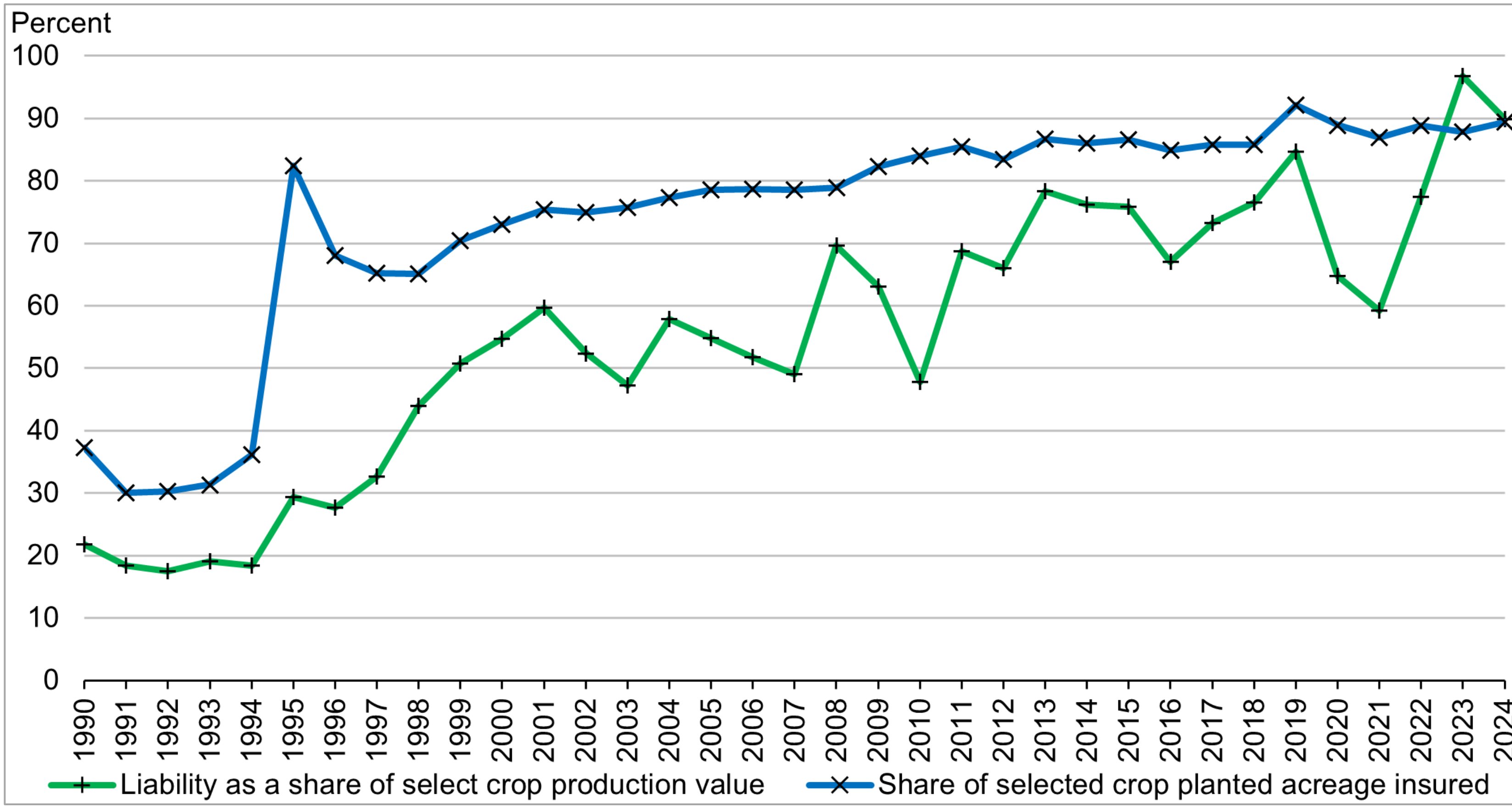
A Brief History of Crop Insurance

Why is the crop insurance industry structured the way it is today?

- Period I. (1899-1938)
  - an experiment becomes policy
  - Federal Crop Insurance Act of 1938
- Period II. (1940-1980)
  - expansion of crop eligibility and premium subsidy
  - Federal Crop Insurance Act of 1980
- Period III. (1994-2008)
  - mandatory participation and changes to subsidies
  - Federal Crop Insurance Reform Act of 1994
  - Agricultural Risk Protection Act of 2000
  - Farm Bill of 2008
- Period IV. (2012- present)
  - shallow loss and margin programs
  - Farm Bills of 2014, 2018
  - OBBB Act of 2025

Crop Insurance Participation

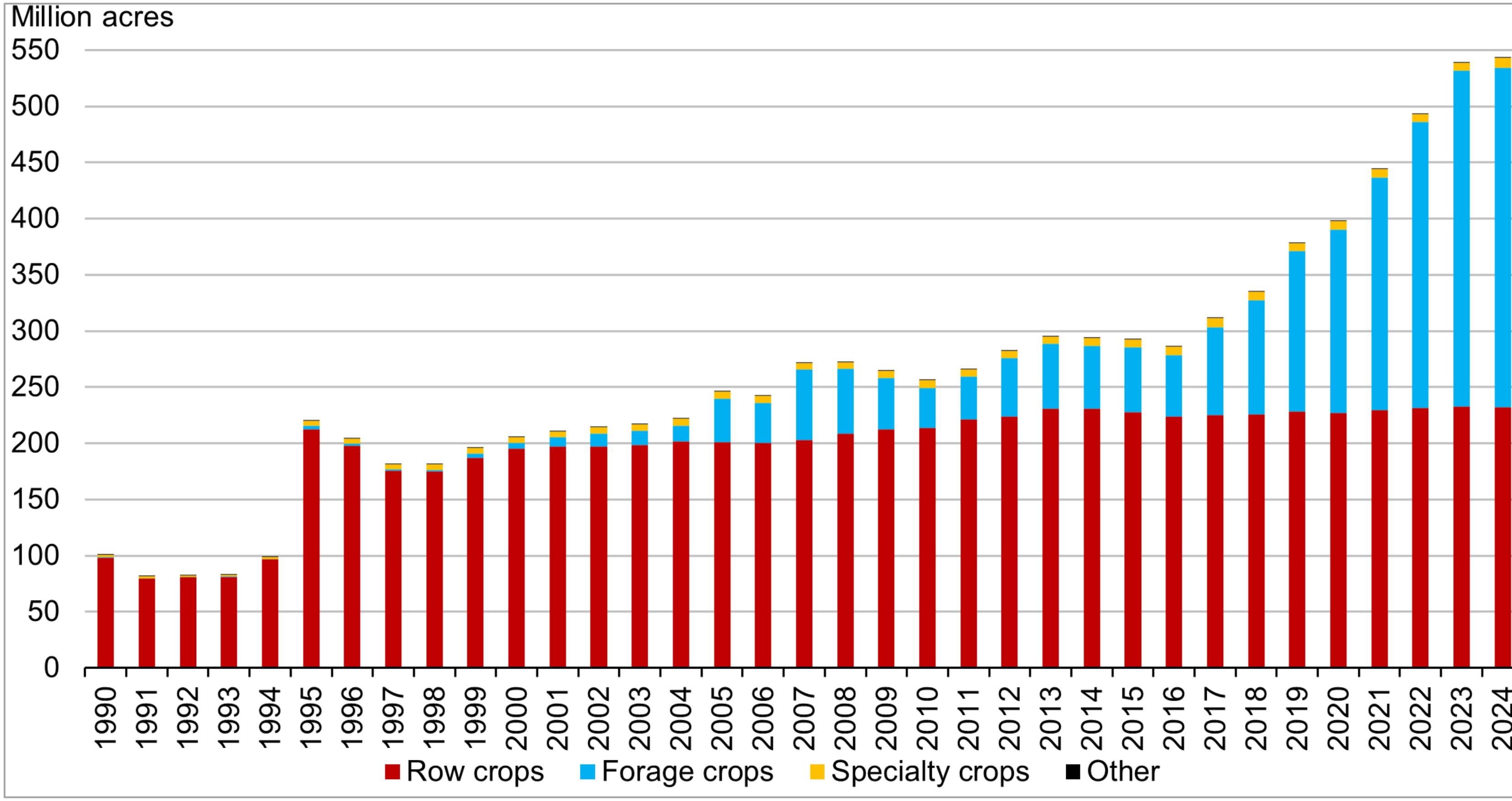
Participation percentage by selected crops, 1990-2024



Source: USDA ERS, RMA.

Crop Insurance Reported Acres

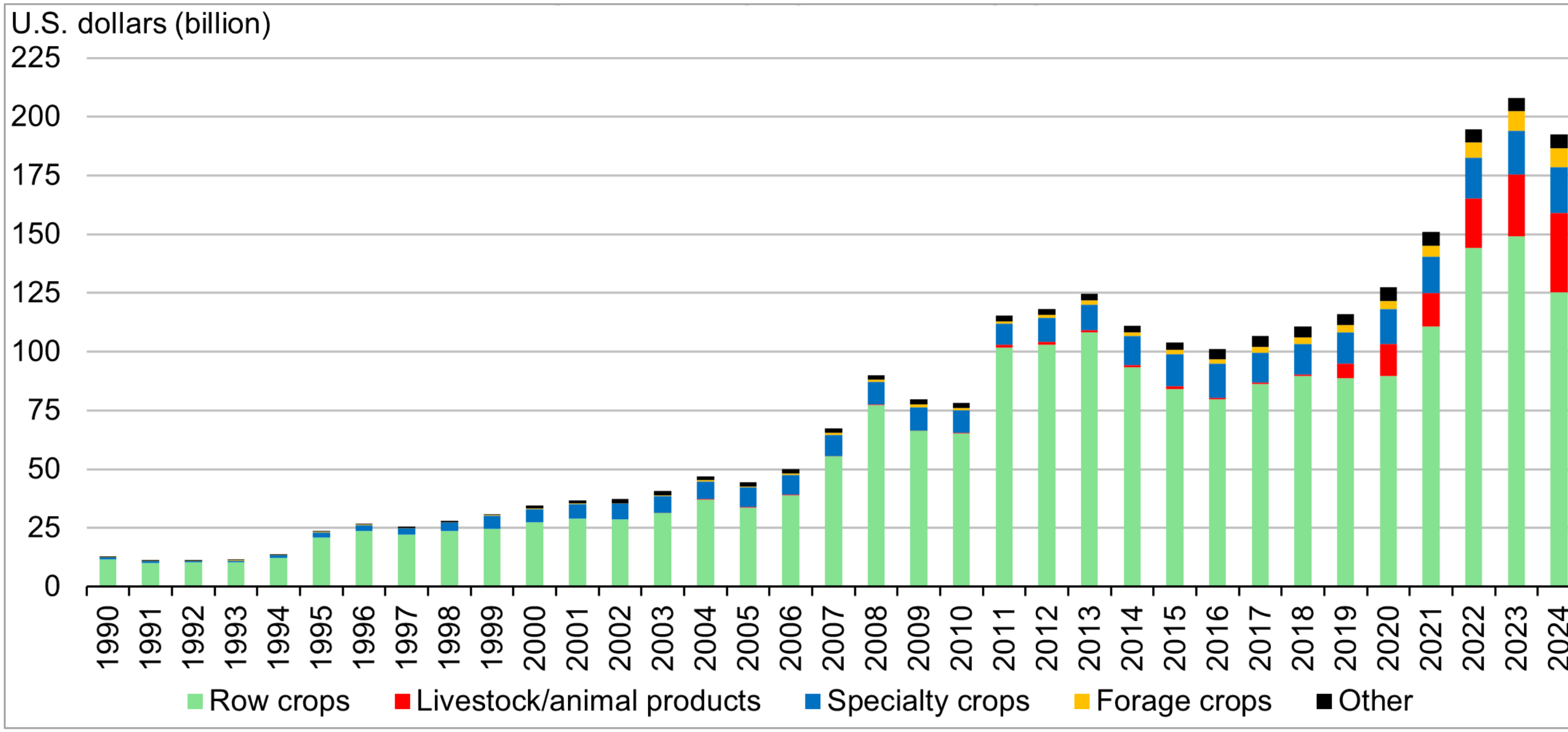
Net acres by commodity type, 1990-2024



Source: USDA ERS, RMA.

Crop Insurance Program Liability

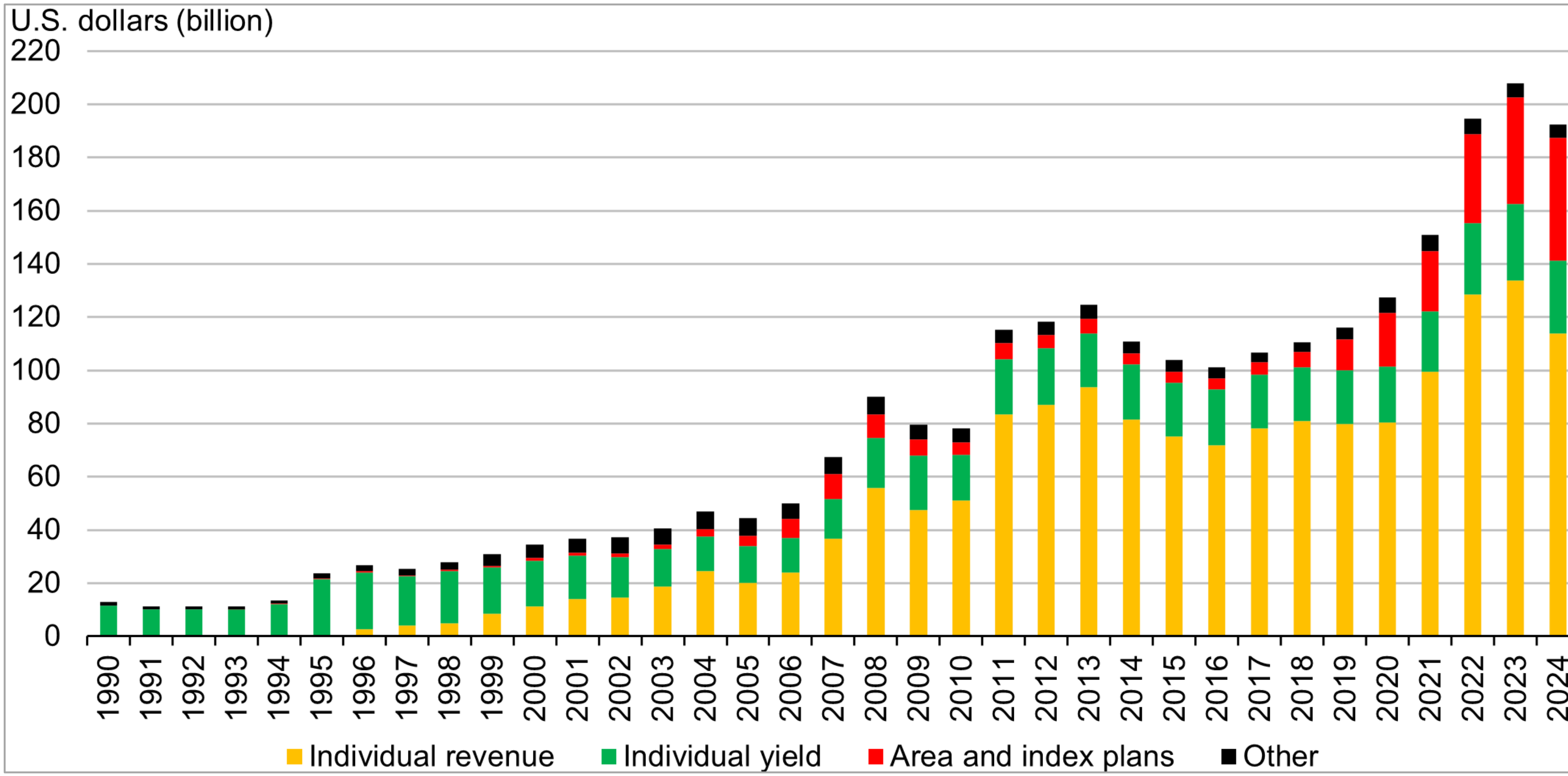
Liability by commodity type, 1990-2024



Source: USDA ERS, RMA.

Crop Insurance Program Policies

Policy type, 1990-2024

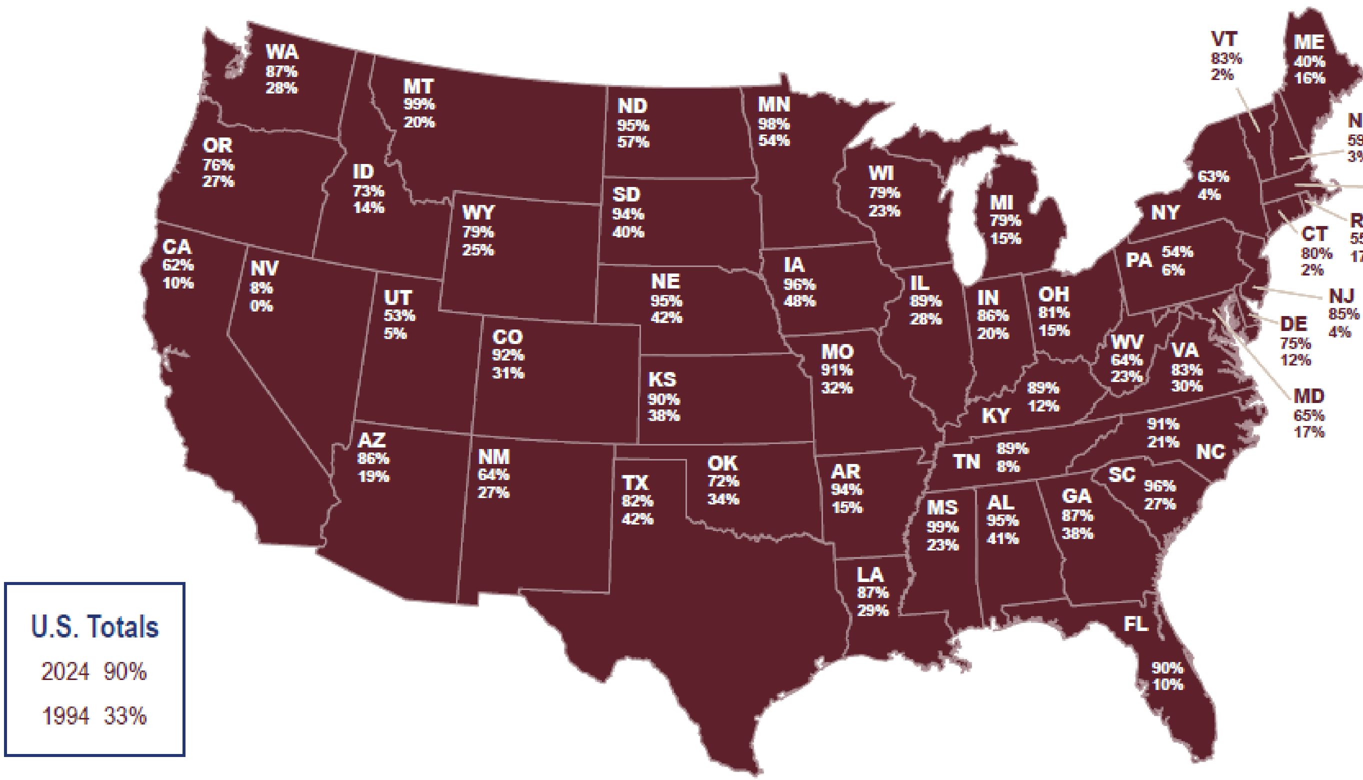


Source: USDA ERS, RMA.

Crop Insurance Snapshot 1994 vs. 2024

Eligible acres insured by state

PERCENT OF ELIGIBLE ACRES INSURED 2024 & 1994



Source: RMA Summary of Business as of 04/21/2025.

NASS data used to calculate

2018 NASS total acres used for WV to calculate % of eligible acres insured in total and at buy up for the 2024 crop year.

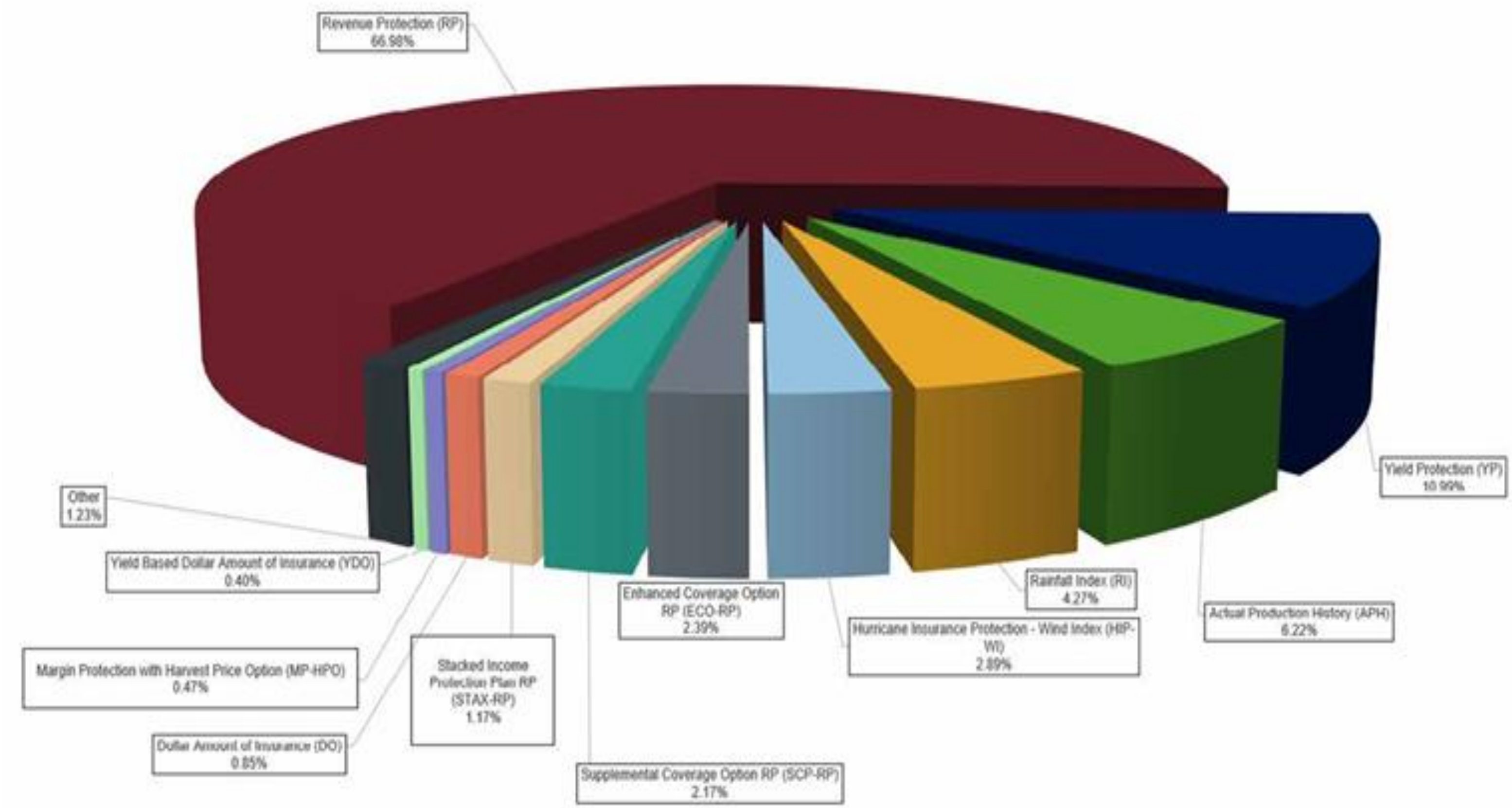
2016 NASS total acres used for HI, MA and ME to calculate % of eligible acres insured in total and at buy up for the 2024 crop year.

2012 NASS total acres used for LA, NV and SD to calculate % of eligible acres insured in total and at buy up for the 2024 crop year.

Source: Rain and Hail, USDA RMA.

MPCI Insurance Plans in 2024

Insurance plans by policies sold in 2024

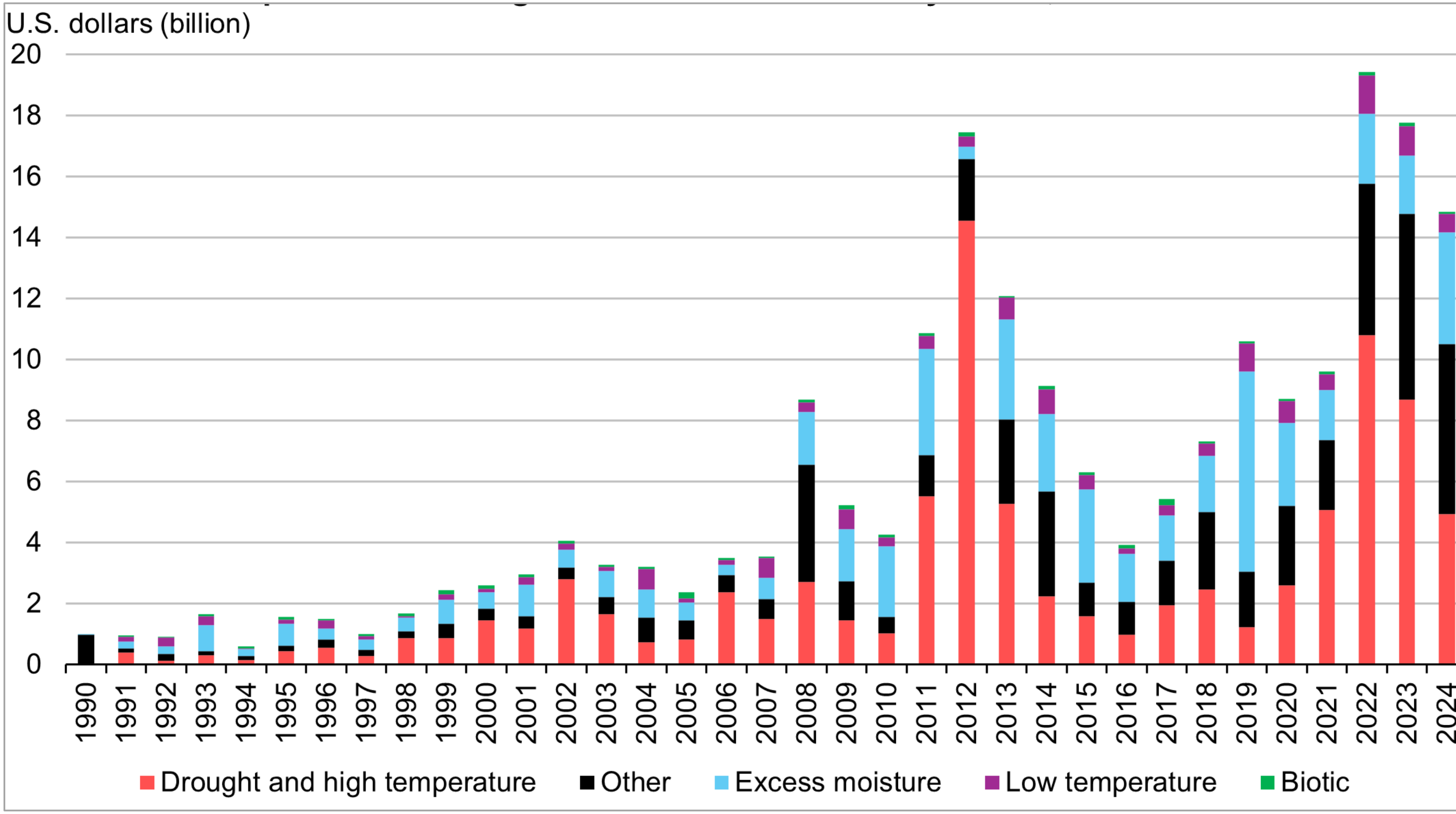


"Other" includes APHPC, AQDOL, ARH, ARP, ARP - HPE, AYP, ECO-RPHPE, ECO-YP, FD, MP, PACE-RP, PRH-P, PRH-R, PRH-Y, PRV, RPHPE, SCO-RPHPE, SCO-YP, STAX-RPHPE, TDO and WFRP.

Source: Rain and Hail, USDA RMA.

Crop Insurance Program Losses

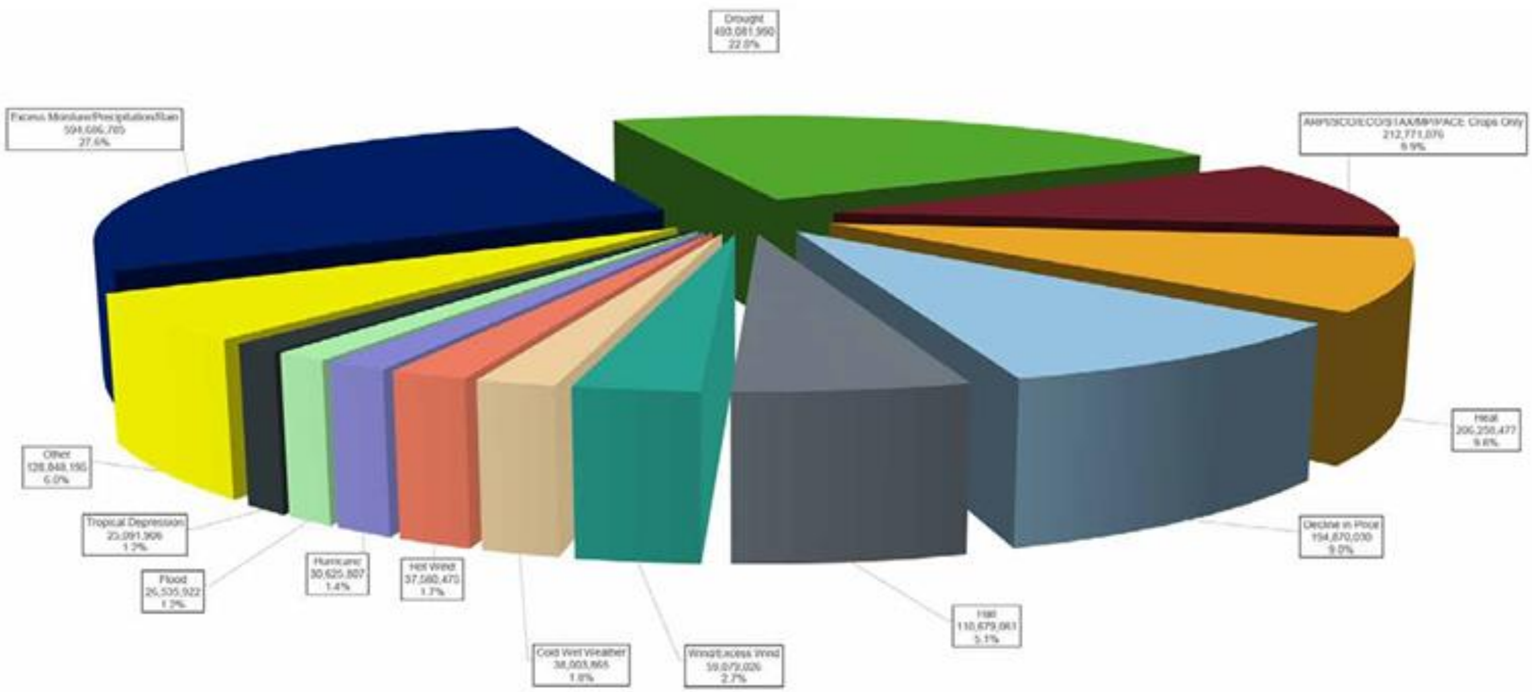
Indemnified losses by cause, 1990-2024



Source: USDA ERS, RMA.

Causes of Loss in 2024

Distribution of causes of loss on MCPI policies in 2024

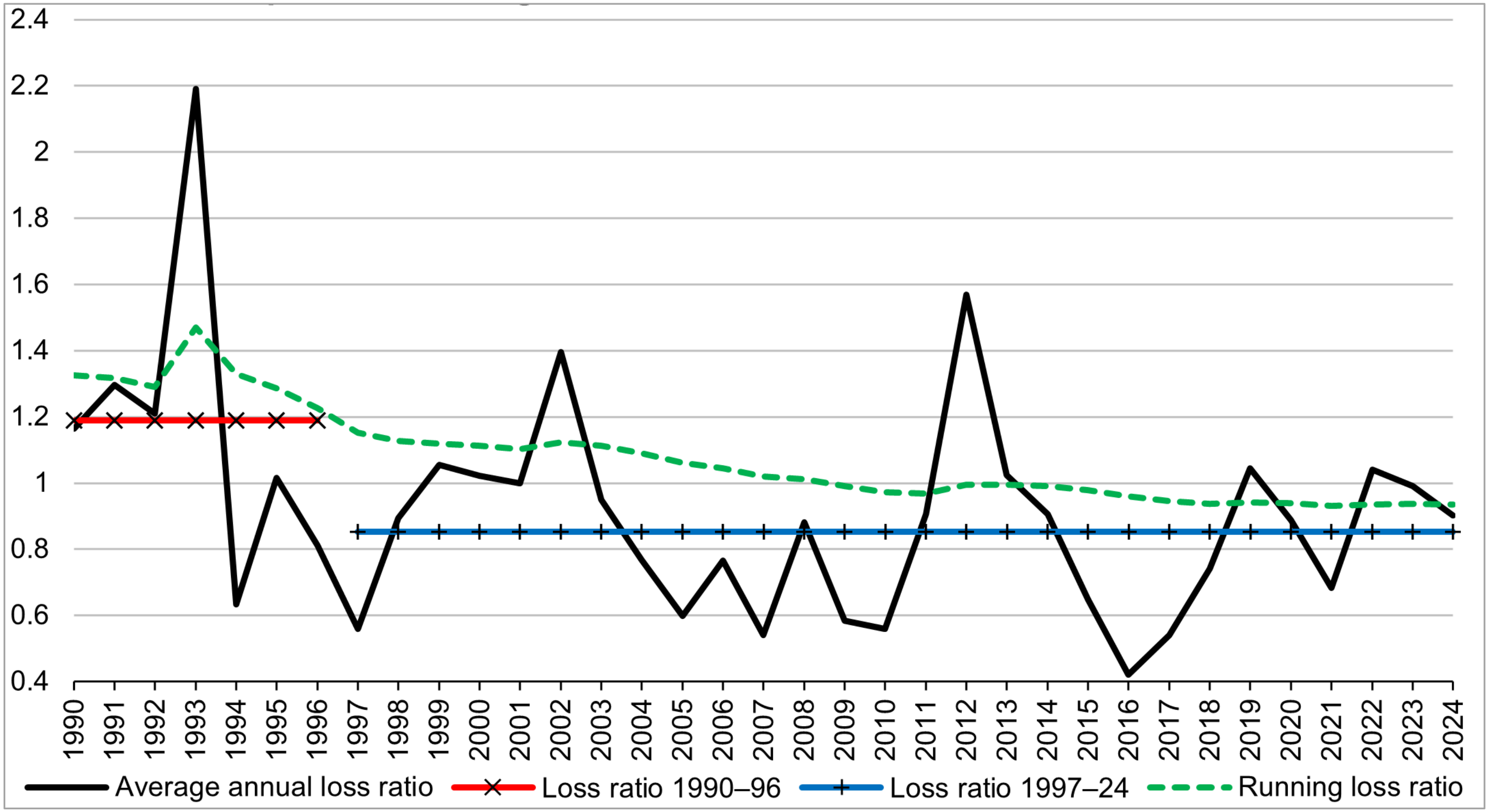


"Other" includes but is not limited to: Asian Soybean Rust, Cold Winter, Cyclone, Earthquake, Excess Sun, Failure of Irrigation Equipment, Failure of Irrigation Supply, Falling Numbers, Federal or State Ordered Destruction, Fire, Freeze, Frost, Hurricane/Tropical Depression, Inability to Prepare Land for Irrigation, Insects, Insufficient Chilling Hours, Mycotoxin, Other (Snow, Lightning, Etc.), Oxygen Depletion, Plant Disease, Quarantine, Tornado, Tropical Storm, Volcanic Eruption and Wildlife.

Source: Rain and Hail, USDA RMA.

Crop Insurance Program Loss Ratio

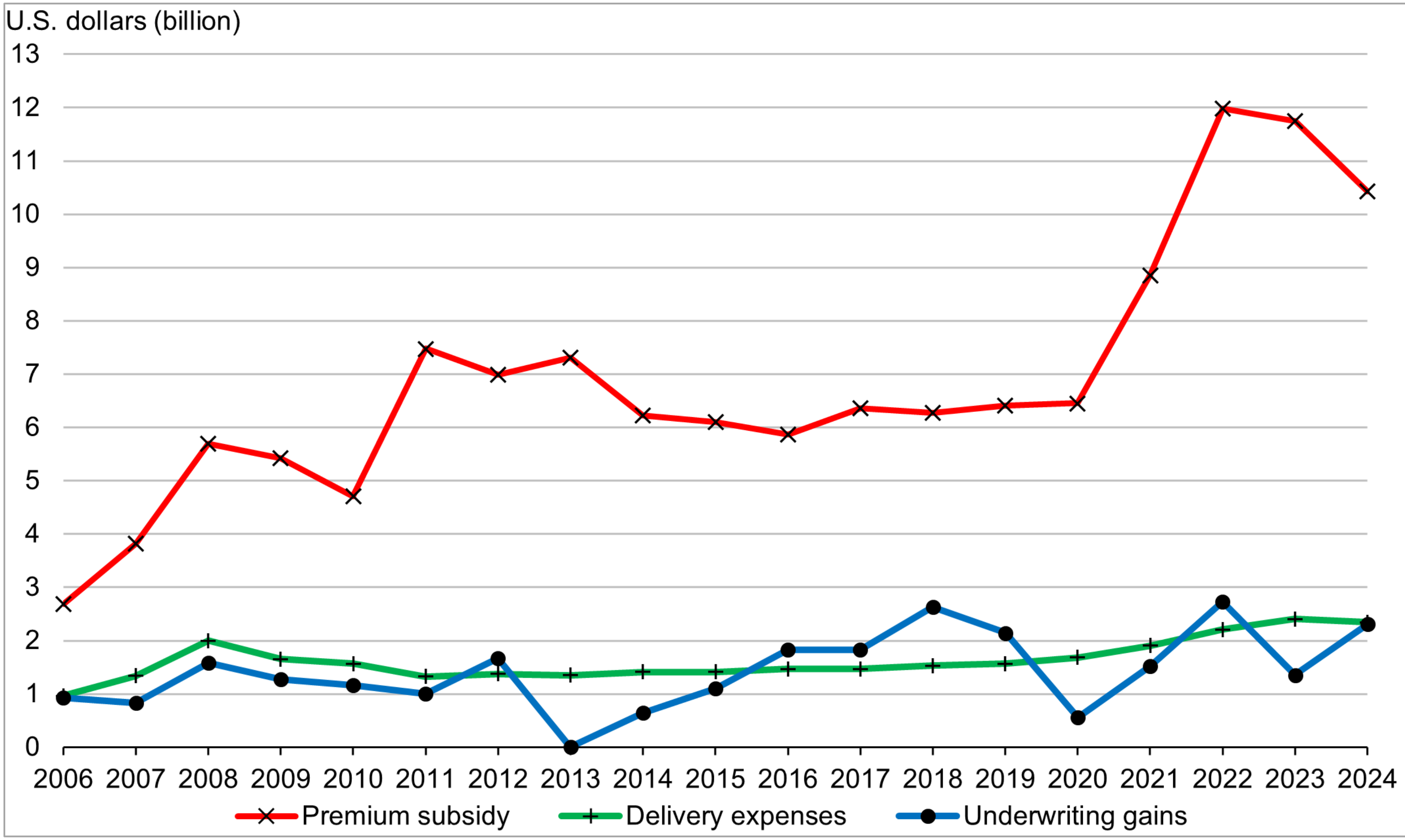
Loss ratios for the period 1990-2024



Source: USDA ERS, RMA.

Crop Insurance Program Costs

Premium, Delivery, and Underwriting costs for the period 1990-2024



Source: USDA ERS, RMA.

Structure of Crop Insurance

What set the program and policies apart from one another?

Session #2

The Role of FCIP in Agricultural Policy

The FCIP and the Farm Safety Net

- The role of projected market prices
- The role of yields and APH
- Establishing an APH
- Yield risk
- Loss ratio
- Premium subsidies

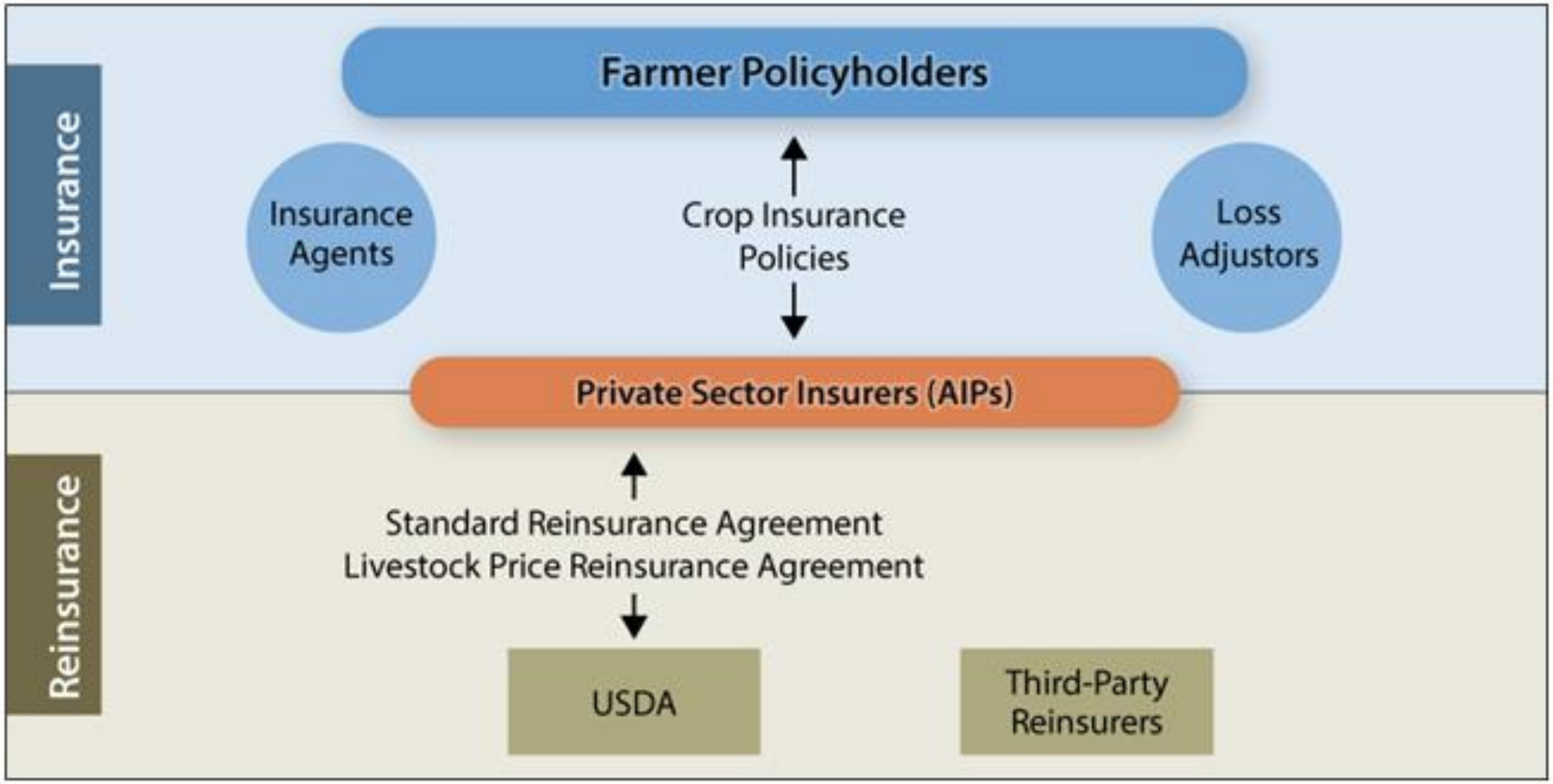
The Role of FCIP in Agricultural Policy

The FCIP and the Farm Safety Net

- The three main components of the safety net are
  - permanently authorized federal crop insurance,
  - farm commodity price/income support programs,
  - and permanent disaster assistance programs.
- The Federal Crop Insurance Program (FCIP) incentivizes farmers to conserve wetlands and highly erodible lands through conservation compliance requirements.
- Lenders making farm loans include commercial banks, Farm Credit System (FCS) institutions, FSA, and other types of lenders.
- FCS institutions are borrower-owned and funded by the private sector but operate under a federal charter with a statutory mandate to serve only agriculture-related borrowers. By statute, FCS institutions are allowed to sell crop insurance to their members, although they cannot require members to take out loans to purchase crop insurance.
- Under the WTO's Agreement on Agriculture, agricultural support programs must be classified and reported based on their potential to distort market equilibrium. Insurance underwriting costs and expenses are classified by the WTO as green box outlays, whereas premium subsidies are classified by the WTO as amber box outlays.

Key Entities involves in FCIP Implementation

Fundamental components



Source: CRS.

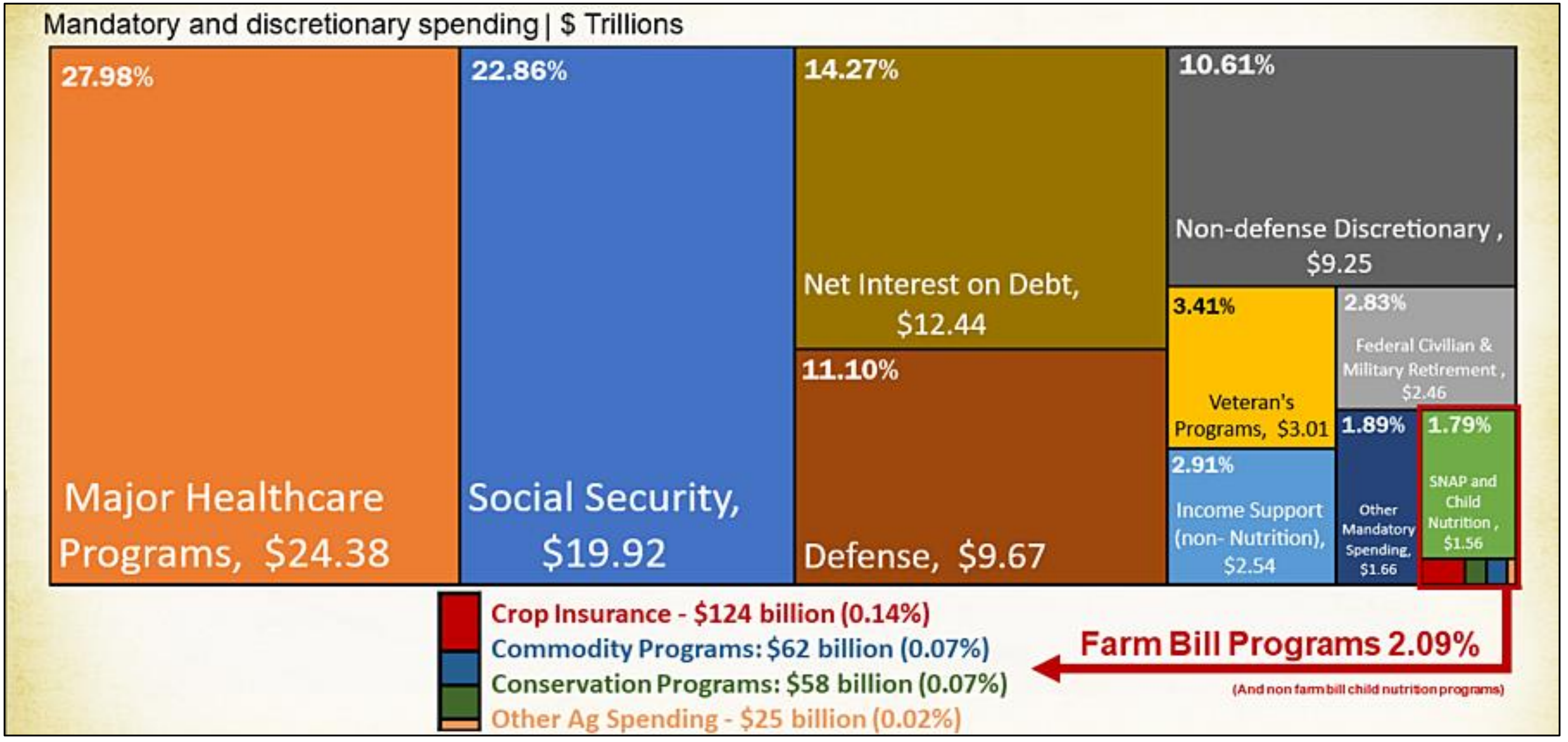
The Basics of Crop Insurance

How it works and the crop insurance cycle

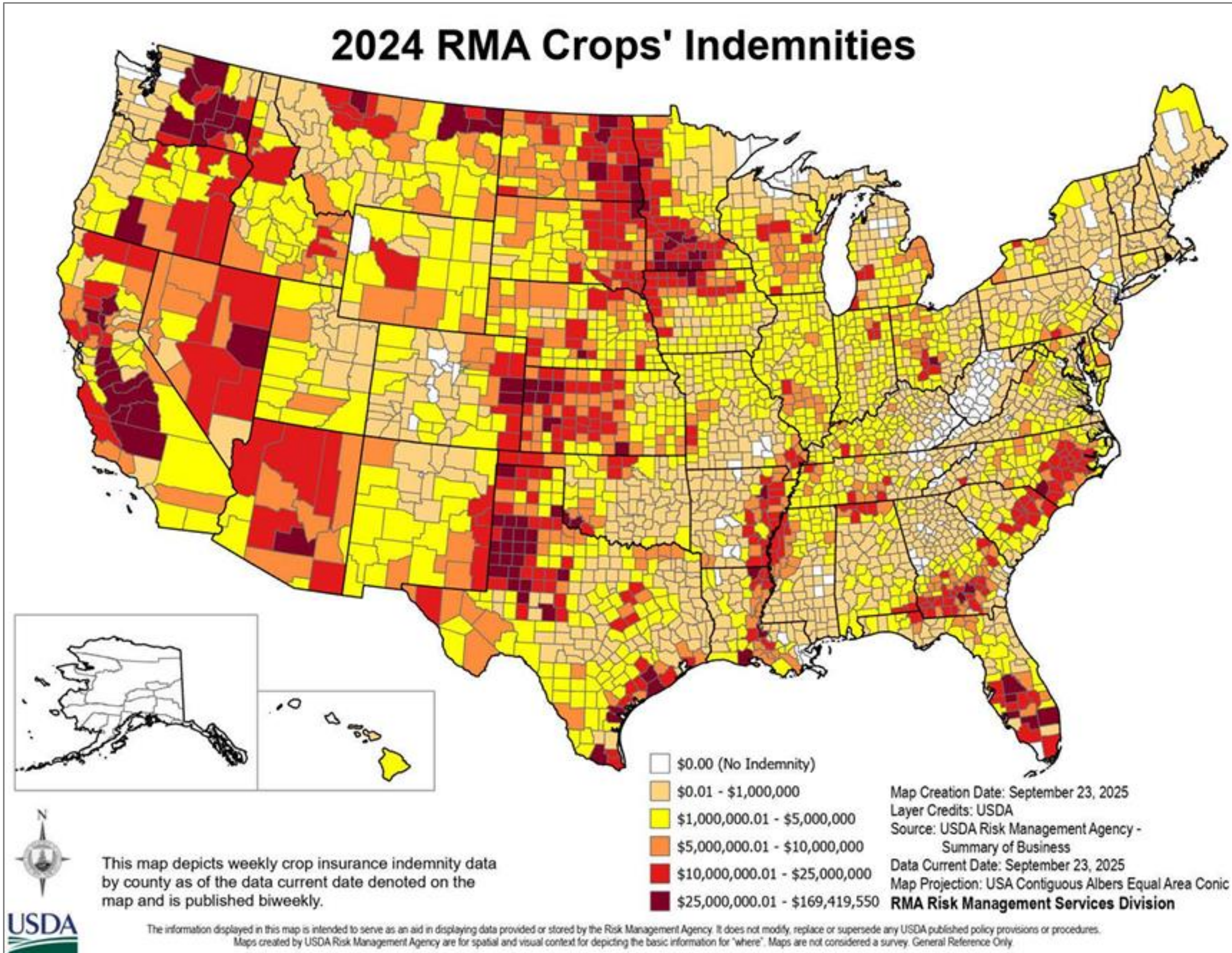
Source: Pro Ag.

10-year Forecast of Federal Spending, 2025-2034*

Mandatory and discretionary spending, $ Trillions



Source: AFBF



Source: USDA RMA.

Farm Programs and Crop Insurance Decisions

Interaction of ARC, PLC, STAX, SCO, and ECO

Enhanced Coverage Option ECO

The Enhanced Coverage Option (ECO) provides area-based coverage for a portion of the underlying crop insurance policy deductible. Overview of Enhanced Coverage [...]

Stacked Income Protection Plan

What is the Stacked Income Protection Plan or STAX? The Stacked Income Protection Plan (STAX) is a crop insurance product for upland [...]

Supplemental Coverage Option

What is the Supplemental Coverage Option? The Supplemental Coverage Option (SCO) is a county-level revenue-based or yield-based optional crop insurance endorsement that [...]

February 28, 2025, is the sales closing date for crop insurance.

April 14, 2025, is the election/enrollment deadline for ARC/PLC with USDA-FSA.

Picture source: Pro Ag.

Farm Programs and Crop Insurance Considerations

Evaluating the decision crop-by-crop and risk exposure

Program Choice

PLC	ARC-CO	ARC-IC

Program Trigger Mechanism

National Price	National Price and County Yield	National Prices and Farm's Yields

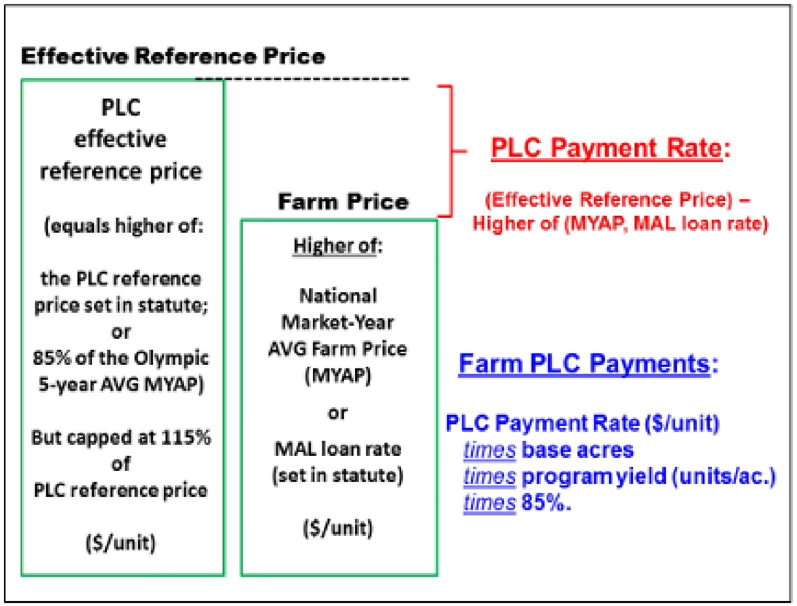
Crop Insurance Purchase

Buy-up, SCO, and ECO (No STAX)	Buy-up and ECO (No STAX, SCO)	Buy-up and ECO (No STAX, SCO)

Farm Program Decisions in 2025

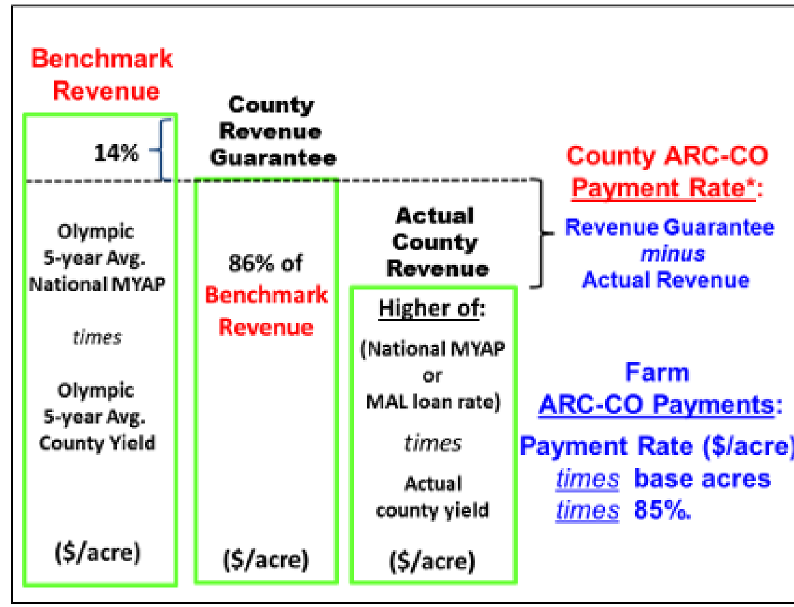
PLC and ARC-CO support program in Title I

PLC Payment Formula



- PLC payments augment farm revenues during periods of low market prices.
- The PLC program makes payments when the national average market price of an eligible commodity falls below an **effective reference price**.

ARC-CO Payment Formula



- ARC payments augment farm revenues during periods of declining crop revenues.
- ARC-CO makes payments to farmers when county-level revenue falls below a guaranteed level that adjusts annually based on historical county revenues.
- **Historic 2019-2023 local production and MYA prices used for revenue guarantee calculations.**

Source: CRS.

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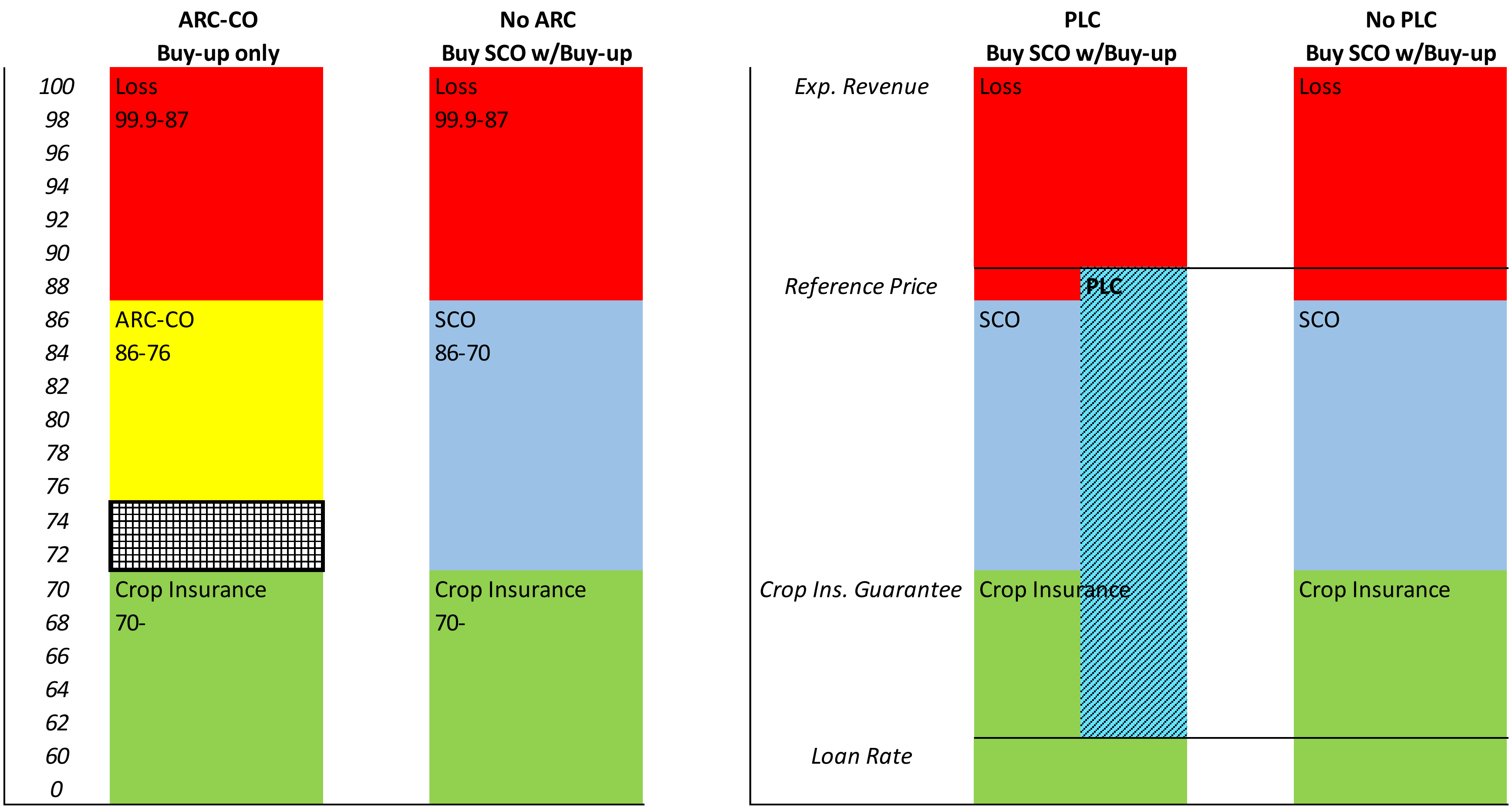
Farm Programs and Crop Insurance Overlap

Identifying coverage levels and exposed areas of revenue



Statutory Reference Price Changes

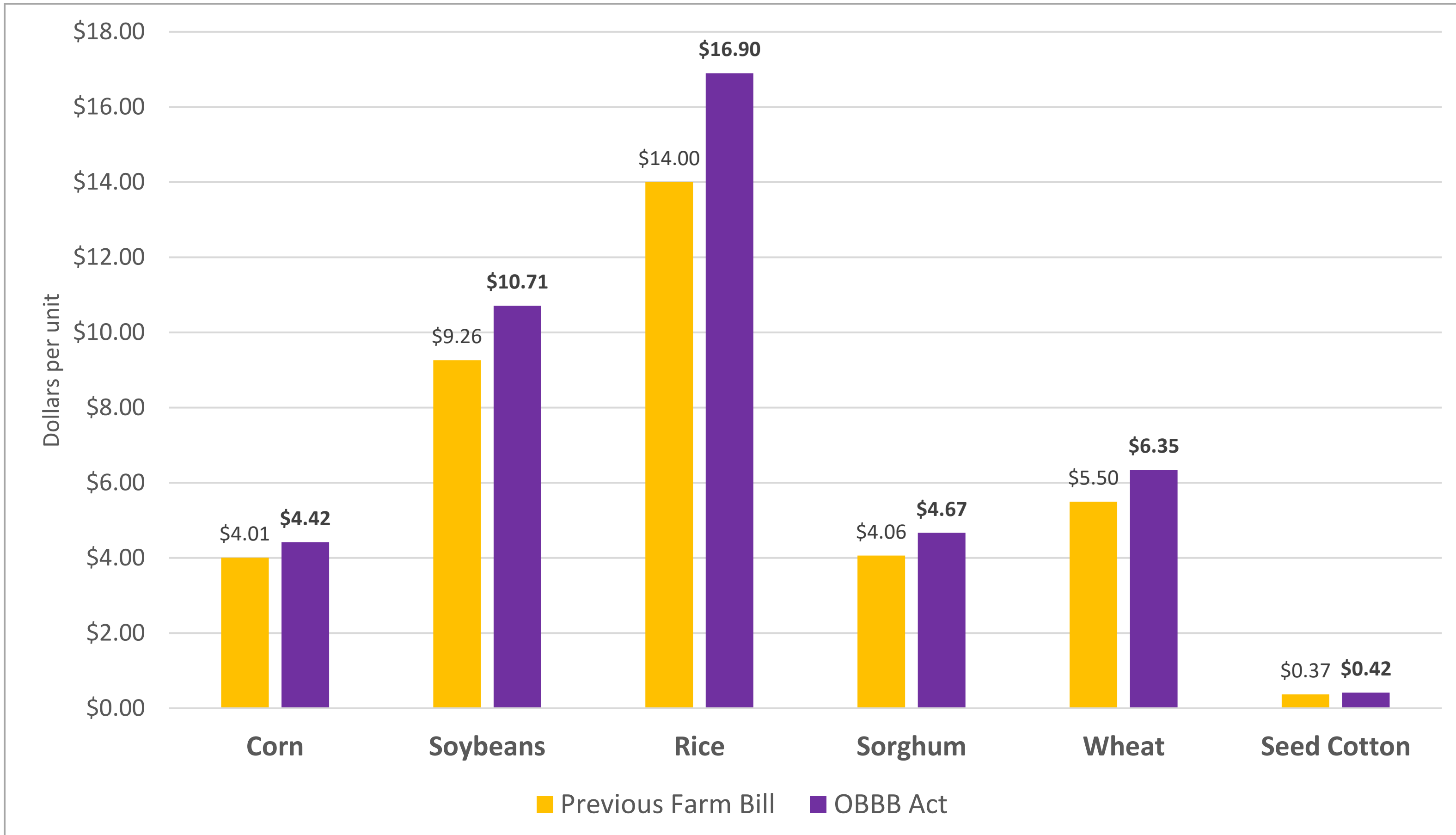
Increased price risk coverage with OBBB Act changes

Commodity	Unit	2025 (Current)	2025 (Updated)	Percent Change	Dollar Change	Post-2031 Max Price
Wheat	Bushel	$5.50	$6.35	15%	$0.85	$7.18
Corn	Bushel	$3.70	$4.10	11%	$0.40	$4.63
Grain Sorghum	Bushel	$3.95	$4.40	11%	$0.45	$4.97
Barley	Bushel	$4.95	$5.45	10%	$0.50	$6.16
Oats	Bushel	$2.40	$2.65	10%	$0.25	$2.99
Long Grain Rice	Pound	$0.14	$0.169	21%	$0.029	$0.191
Medium Grain Rice	Pound	$0.14	$0.169	21%	$0.029	$0.191
Soybeans	Bushel	$8.40	$10.00	19%	$1.60	$11.30
Canola	Pound	$0.2015	$0.2375	18%	$0.036	$0.2684
Sunflower Seed	Pound	$0.2015	$0.2375	18%	$0.036	$0.2684
Flax Seed	Bushel	$11.284	$13.30	18%	$2.02	$15.03
Mustard Seed	Pound	$0.2015	$0.2375	18%	$0.0360	$0.2684
Rapeseed	Pound	$0.2015	$0.2375	18%	$0.0360	$0.2684
Safflower	Pound	$0.2015	$0.2375	18%	$0.0360	$0.2684
Crambe	Pound	$0.2015	$0.2375	18%	$0.0360	$0.2684
Sesame Seed	Pound	$0.2015	$0.2375	18%	$0.0360	$0.2684
Peanuts	Pound	$0.2675	$0.315	18%	$0.0475	$0.356
Dry Peas	Pound	$0.11	$0.131	19%	$0.021	$0.148
Lentils	Pound	$0.1997	$0.2375	19%	$0.0378	$0.2684
Small Chickpeas	Pound	$0.1904	$0.2265	19%	$0.0361	$0.2559
Large Chickpeas	Pound	$0.2154	$0.2565	19%	$0.0411	$0.2898
Seed Cotton	Pound	$0.367	$0.42	14%	$0.053	$0.4746

- The OBBB Act adjusts the reference prices, which are estimated to increase by 15% effectively from 2025 to 2031. Additionally, the reference price will be increased annually by a multiplier of 1.005 starting in crop year 2031.
- After 2031, the reference price increases by a small margin annually, to reflect long-term market trends. Increases are capped at 113% of the original value.
- The statutory reference price is the minimum price these programs operate under. The effective reference price is formulaic in that it incorporates both the statutory reference price (as a floor) and recent market prices, allowing the level of program support to rise following periods of higher prices.

One Big Beautiful Bill Act – PLC Farm Program

Improvements to reference price for 2025/26 MY



Source: US Congress, July 2025.

ARC and PLC Changes for 2025 CY and Beyond

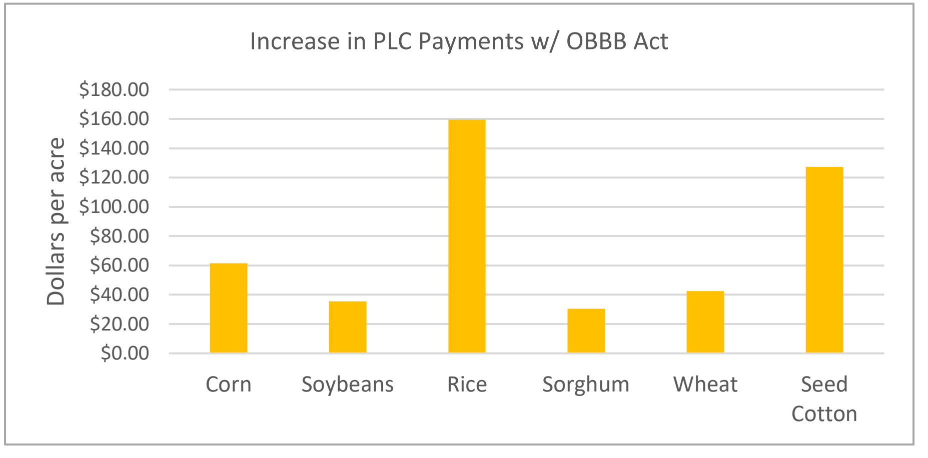
Changes within the OBBB Act

- For the CY2025, landowners will receive the higher of either the ARC or the PLC payment regardless of their current program election. In addition, the maximum payment for the ARC program in crop year 2025 has been expanded to 12% of benchmark revenue, up from the current 10%. OBBB also decreased the deductible from 14% (86% coverage) to 10% (90% coverage). This larger maximum payment and higher coverage will provide slightly larger payments when revenue is down that trigger sooner. ARC is also losing its limitation on not functioning with SCO.
- For 2025 producers won't need to worry about choosing between ARC and PLC, as they'll automatically receive whichever provides the higher payment. However, selections look like they will be back in crop year 2026, so producers should not get too comfortable with foregoing program selection.
- Additionally, another challenge in choosing ARC has been removed whereas you can now pair SCO with it. SCO has also received several other improvements.

One Big Beautiful Bill Act – PLC Farm Program

Improvements to the PLC program for 2025/26 MY

Commodity	U.S. MYA Price 2025/26	PLC Yield	Prev. Farm Bill Payment	OBBBA Payment
Corn	$3.90	150	$16.50	$78.00
Soybeans	$10.00	50	--	$35.50
Rice	$12.00	55	$110.00	$269.50
Seed Cotton	$0.3425	2,400	$58.80	$186.00
Sorghum	$3.70	50	$18.00	$48.50
Wheat	$5.10	50	$20.00	$62.50



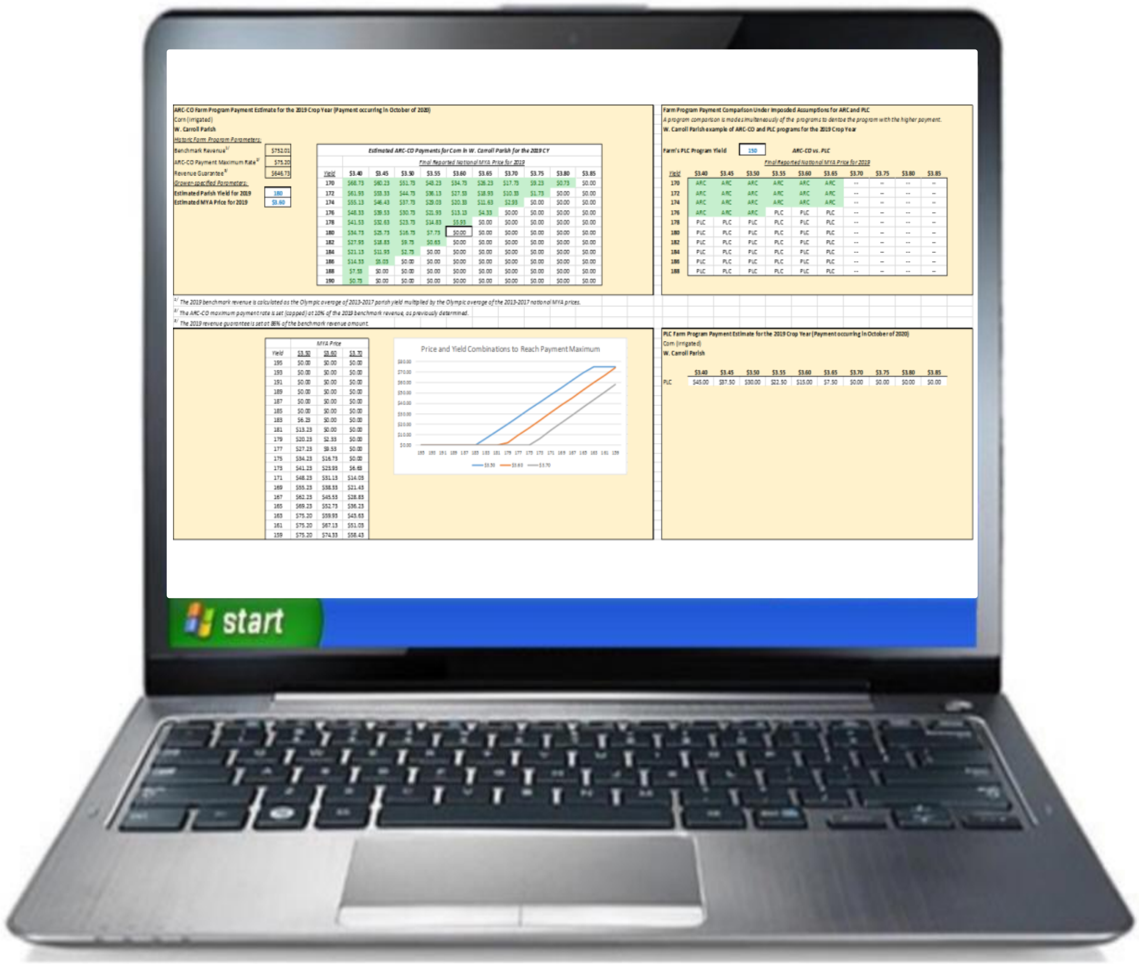
2026 Returns with Futures Prices and PLC Payments

PLC payments help boost net returns above variable operating costs

	Corn	Soybeans	Cotton	Rice
Exp. Yield	195 bu.	55 bu.	1,100 lbs.	68 cwt.
Exp. Price	$4.41	$10.56	$0.68	$11.99
Rent (20%)	$171	$116	$150	$163
GRW Gross	$684	$465	$598	$652
Var. Costs	$734	$463	$830	$801
GRW NRAVC	-$50	$2	-$232	-$149
GRW PLC	$62	$28	$149	$216
GRW Returns	$13	$30	-$83	$67

ARC/PLC Farm Program Selection

Election and enrollment deadline with USDA FSA



<u>*Commodities**</u>

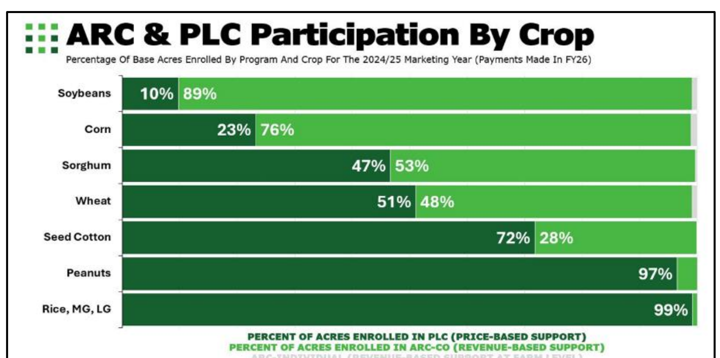
Corn
Soybeans
Grain Sorghum
Wheat
Long Grain Rice
Medium Grain Rice
Seed Cotton

**practice specific where applicable*

ARC/PLC Farm Program Selection

Election and enrollment deadline with USDA FSA

- While ARC and PLC are free, they most likely will not provide producers with enough standalone coverage. They should be used in conjunction with other crop insurance products.
- ARC provides county-based revenue coverage at 86%. It is based on Olympic average yields and prices. These factors are used in conjunction with the marketing year average price and county yields in estimating potential losses in revenue.
- PLC is price loss coverage that insures farmers against a drop in the MYA price.
- When electing the supplemental coverage option (SCO) endorsement, producers must choose the PLC option due to its similar coverage to ARC.
  - The biggest difference between ARC and SCO is that ARC pays on a farm's base acres (85% on ARC-County/PLC and 65% on ARC-Individual), and SCO pays on planted acres for the current year. Knowing your base acres will help you make informed decisions – especially since base acres do not typically align with planted acres.



Source: Compeer Financial, USDA FSA, USDA RMA, and Terrian Ag.

The Structure of the Crop Insurance System

Fundamental components

- Government involvement
- APH determines coverage
- Unit size effects insurance cost
- Yield and price coverage
- Liability
- Premium determination
- Subsidy
- CAT and buy-up coverages
- Agents and insurance companies

Price Discovery for Crop Insurance Policies

What roles does price discovery have in the insurance selection process?

- Refers to the process of determining the projected price and harvest price for insured crops based on futures market data during specific survey periods.
- These prices—along with your past yields—help determine your revenue protection for the season.
  - Projected Price is set before planting and helps establish your coverage.
  - Harvest Price is calculated during harvest and can affect your claim potential.
- If the harvest price is higher than projected, your guarantee may be adjusted.

Price Discovery for YP Crop Insurance Policies

What roles does price discovery have in the insurance selection process?

- With YP, Harvest Price does not play a factor in your insurance policy. This product is insuring a guaranteed number of bushels per acre. If the final yield is below this guarantee, the producer will be paid a flat dollar amount for each bushel shortage.
  - For example, the Initial Price Discovery on Corn is $5.90/bu, the amount paid is $5.90/bu regardless of where the price is at Harvest.
- With this policy, your bushel guarantee remains the same and you are paid an amount determined at the beginning of the insurance period. Regardless of what the Harvest Price is during the Harvest Price Discovery.

Price Discovery for RP Crop Insurance Policies

What roles does price discovery have in the insurance selection process?

- RP utilizes the Harvest Price in a couple of different ways. If the Harvest Price is lower than the Initial Price, the Initial Guarantee is divided by the Harvest Price to determine a "Trigger Yield. If the Harvest Price is higher, the Initial Guarantee is recalculated using the higher Harvest price.
  - An Initial Guarantee was $1,000 per acre based on an Initial Price Discovery of $5.90/bu and bushel guarantee of 169/bu/ac. If the Harvest Price is higher than the Initial Price, a new guarantee is calculated before calculating a "Trigger Yield" that is used to determine if a loss is present.
    - $1,000 guarantee at $5.90/bu Initial Price = 169 bushel initial guarantee
    - $1,000 guarantee at $5.00/bu Harvest Price = 200 bushel needed to avoid a loss
    - $1,098 guarantee at $6.50/bu Harvest Price = 169 bushel final guarantee
- This policy provides you coverage regardless of the change from the Initial Price to the Harvest Price.
  - In a decreasing price environment, additional bushels are needed in order to meet the Initial Revenue Guarantee.
  - In a rising price environment, the guaranteed bushels per acre do not change and if there is a shortage of bushels, you will be paid the higher Harvest Price if you are below your guaranteed bushels.

USDA RMA Price Discovery

State and crop specific for price parameters

Your Price Criteria Select New Criteria

Commodity: Corn **Type:** All (Non-High Amylose)
State: Louisiana **Practice:** Conventional
Sales Closing Date: February 28, 2025 **Year:** 2025

Base Contract: CBOT September Corn 2025 (ZCU25)

	Projected Price	Price Volatility	Harvest Price
	$4.66 per Bushel	**0.18**	**$3.84** per Bushel
Status	Released	Released	Released
Start Date	1/15/2025	1/15/2025	8/1/2025
End Date	2/14/2025	2/14/2025	8/31/2025

Projected Daily Prices

Harvest Daily Prices

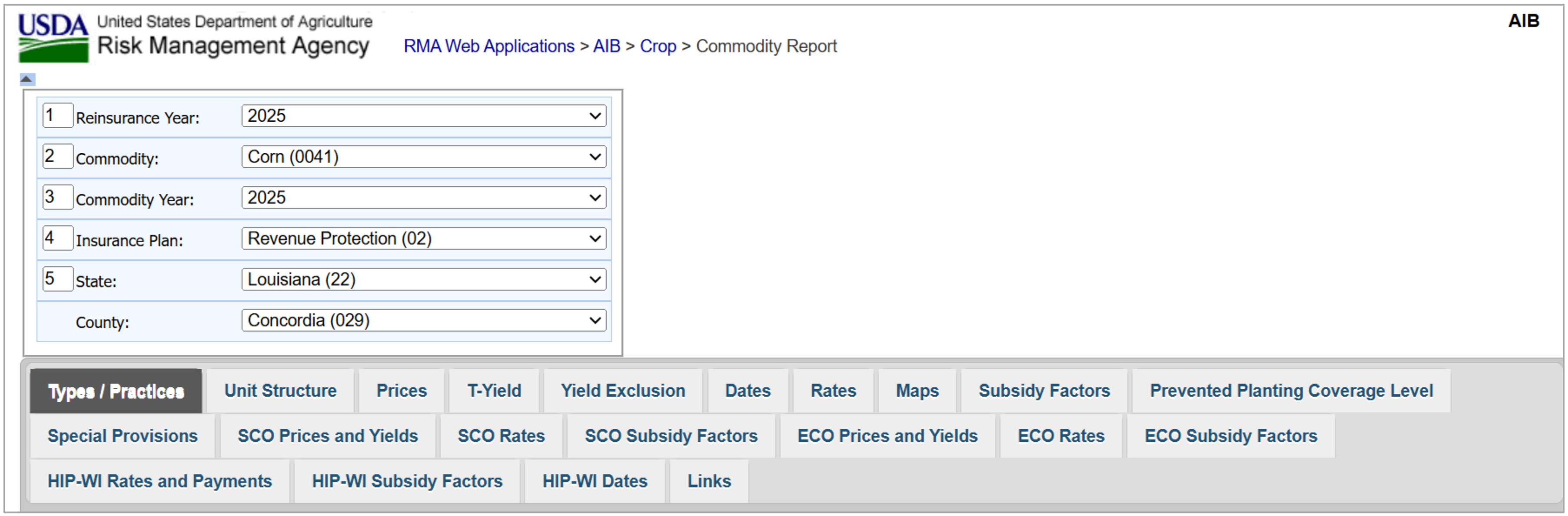
Send us your thoughts.

(1) Yield Protection plans do not use Price Volatility or Harvest Price.
(2) Area Risk plans of insurance are not included for the 2013 CY.
(3) Market data and Implied Volatilities are licensed through Barchart.com.
(4) RMA calculated values are not final until the discovery period has ended and the price is approved.
(5) Includes transitional organic practices.

Source: USDA RMA.

Actuarial Information Browser (AIB)

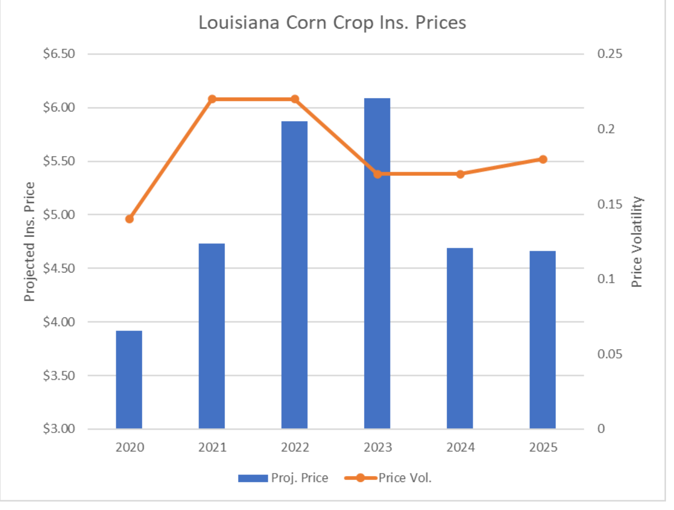
Commodity report for RP corn in Concordia Parish 2025

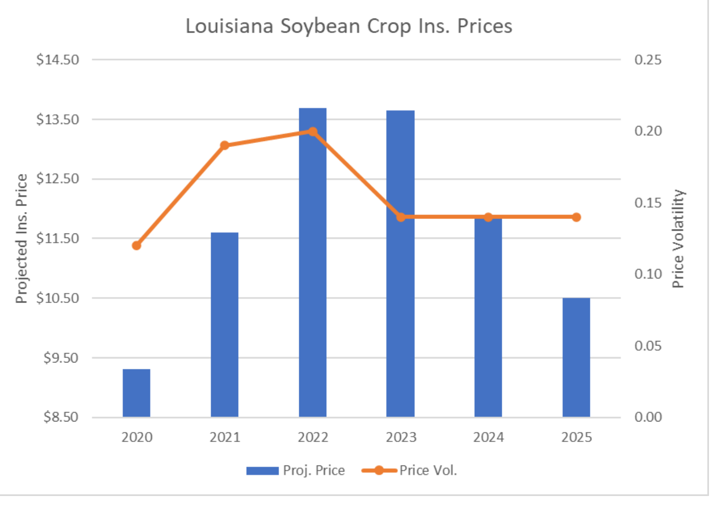


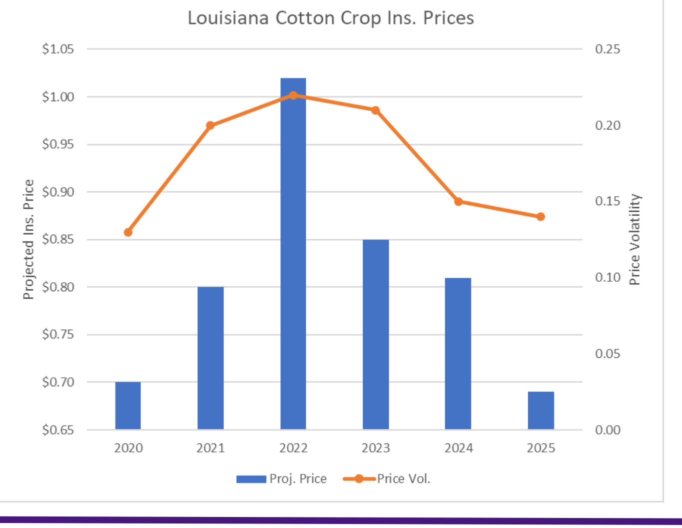
Source: USDA RMA.

Louisiana 2025 Projected Insurance Prices

Projected price discovery period ended February 15, 2025







Source: USDA RMA.

USDA RMA Price Discovery – Louisiana 2025

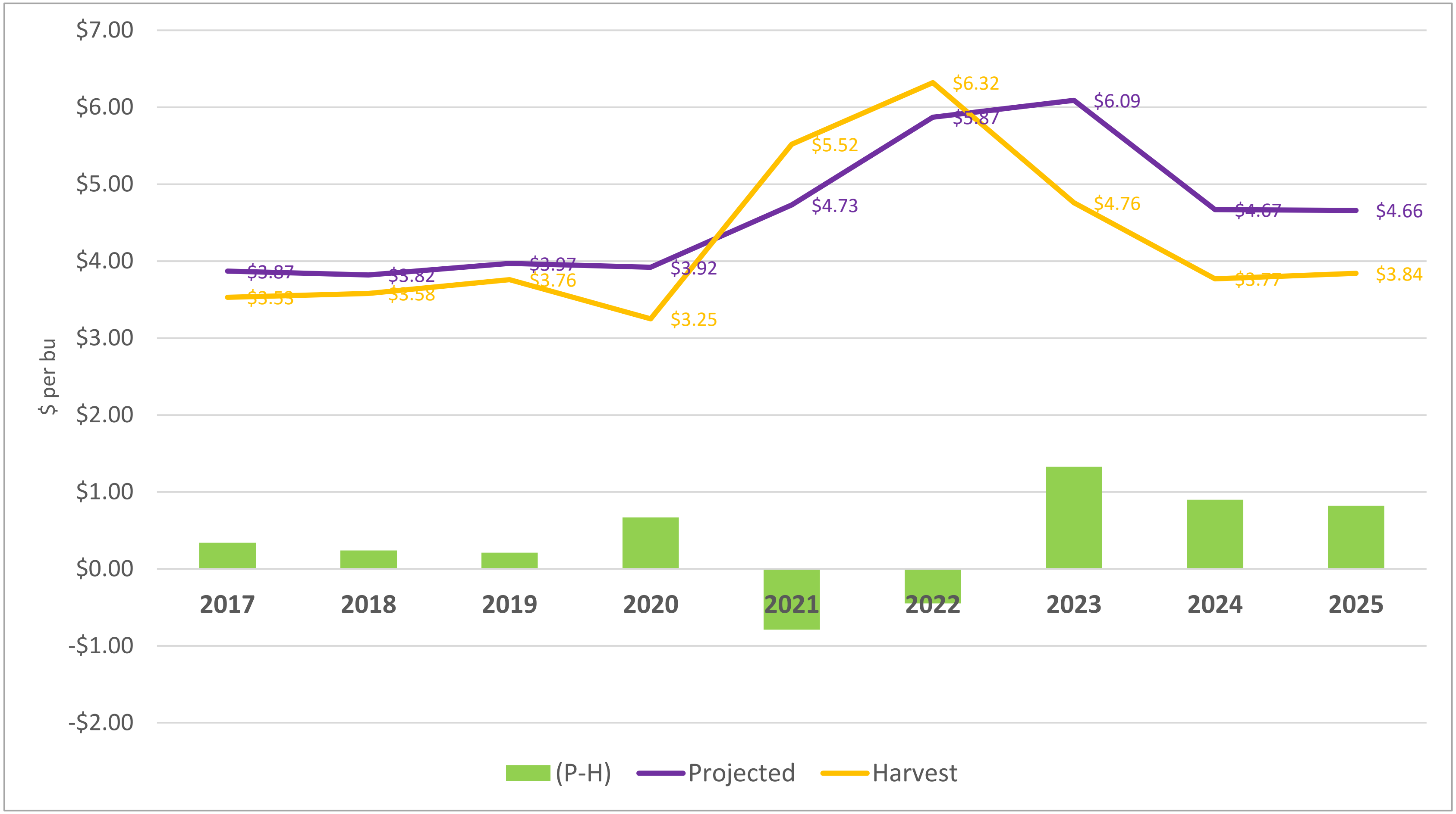
State and crop specific for price parameters

CROP	PROJECTED PRICE	DISCOVERY DATES	PRICE VOLATILITY	CONTRACT
CORN	$4.66	1/15/25-2/14/25	0.18	CBOT SEPT 2025
COTTON	$0.69	1/15/25-2/14/25	0.14	ICE DEC 2025
RICE (LG)	$0.140	1/15/25-2/14/25	0.07	CBOT SEPT 2025
SOYBEANS	$10.51	1/15/25-2/14/25	0.14	CBOT NOV 2025
CROP	**HARVEST PRICE**	**DISCOVERY DATES**	**PRICE VOLATILITY**	**CONTRACT**
CORN	$3.84	8/1/25-8/31/25	0.18	CBOT SEPT 2025
COTTON	$0.65	10/1/25-10/31/25	0.14	ICE DEC 2025
RICE (LG)	$0.123	8/1/25-8/31/25	0.07	CBOT SEPT 2025
SOYBEANS	$10.35	10/1/25-10/31/25	0.14	CBOT NOV 2025

Source: USDA RMA.

Historical Prices for Insurance Policies in Louisiana

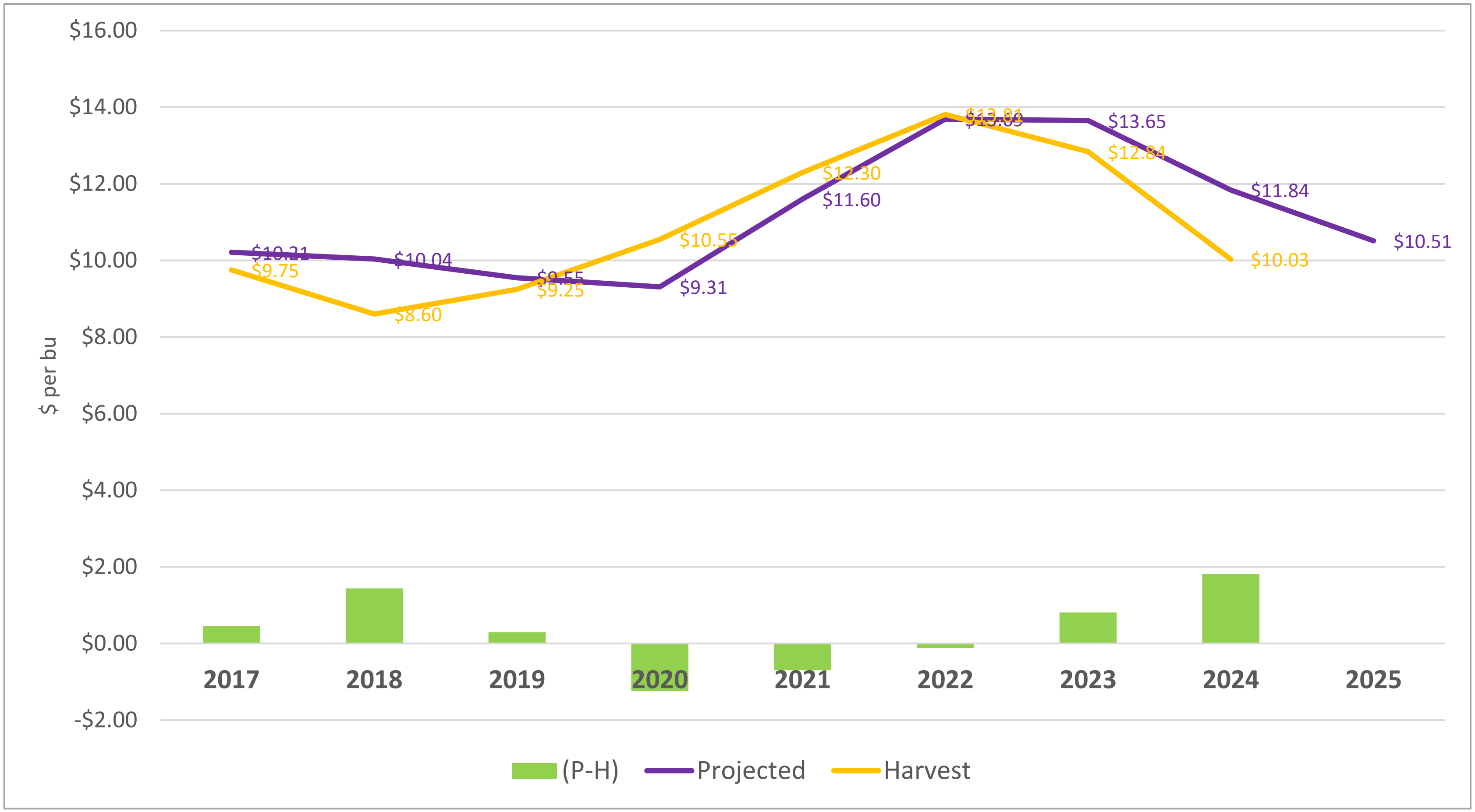
Corn



Source: Rain and Hail, USDA RMA.

Historical Prices for Insurance Policies in Louisiana

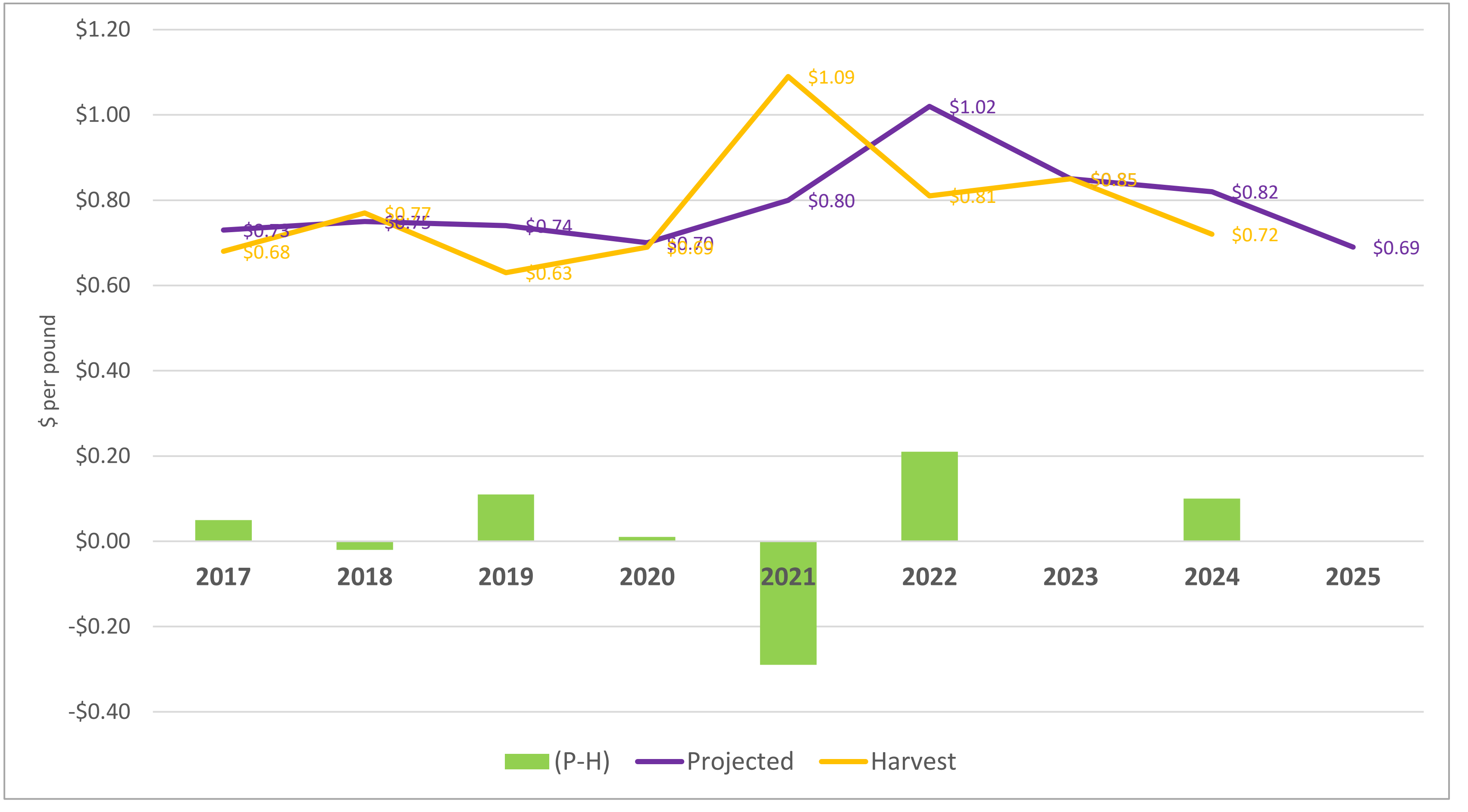
Soybeans



Source: Rain and Hail, USDA RMA.

Historical Prices for Insurance Policies in Louisiana

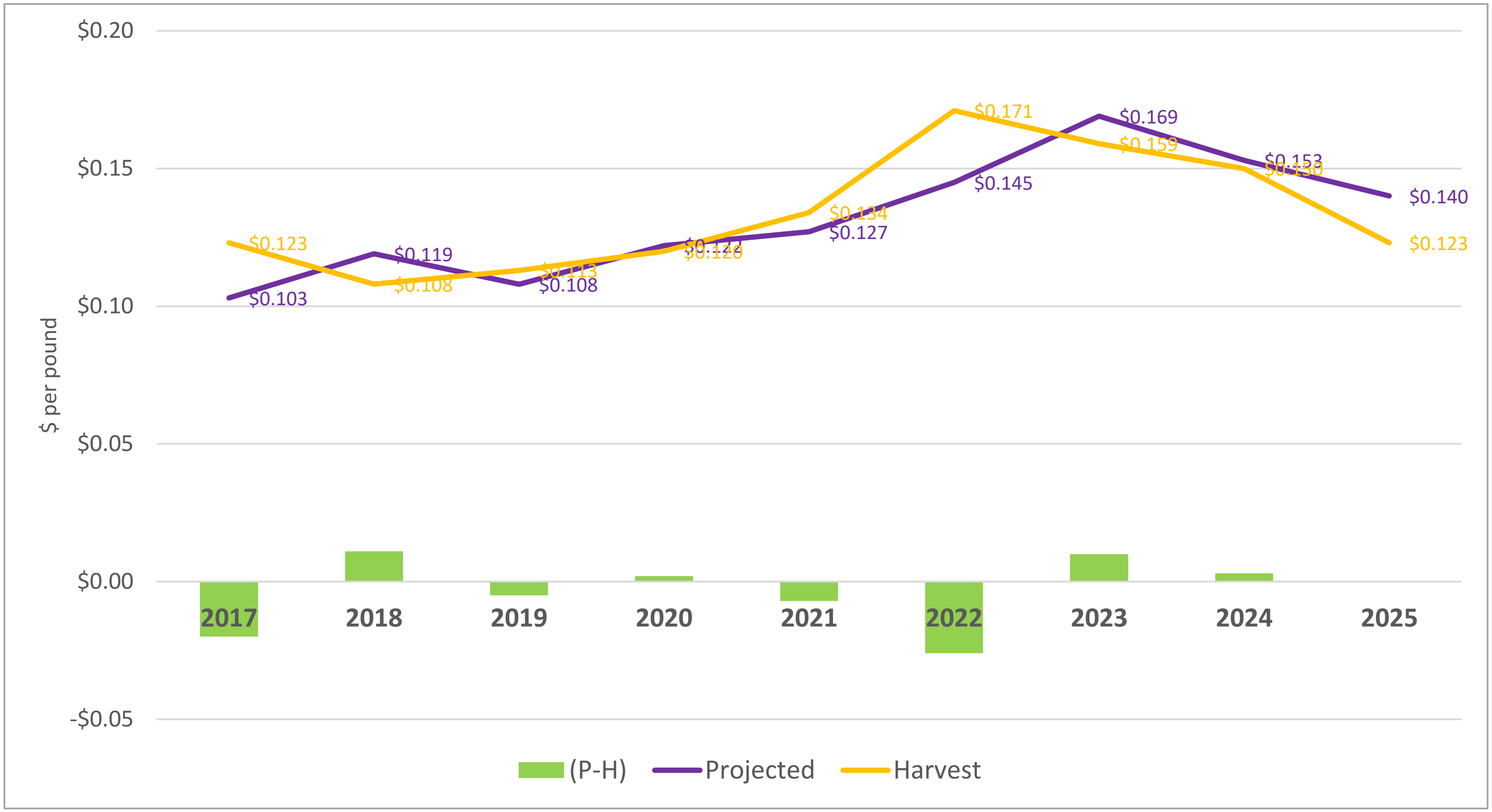
Cotton



Source: Rain and Hail, USDA RMA.

Historical Prices for Insurance Policies in Louisiana

Rice



Source: Rain and Hail, USDA RMA.

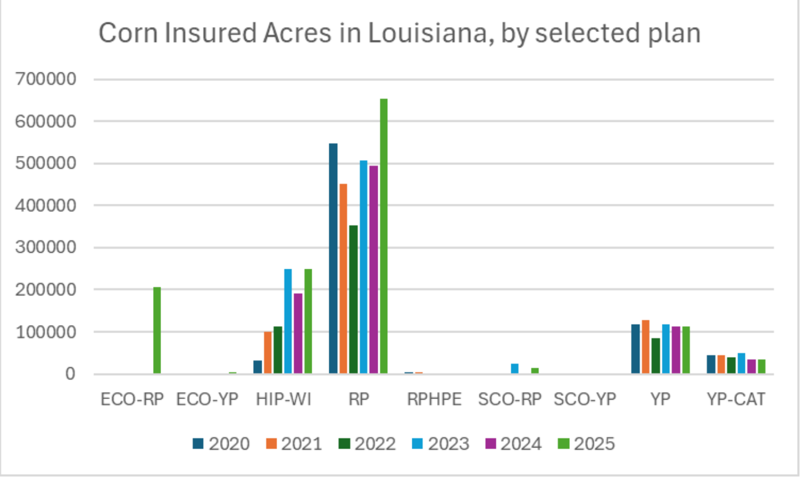
Types of Crop Insurance

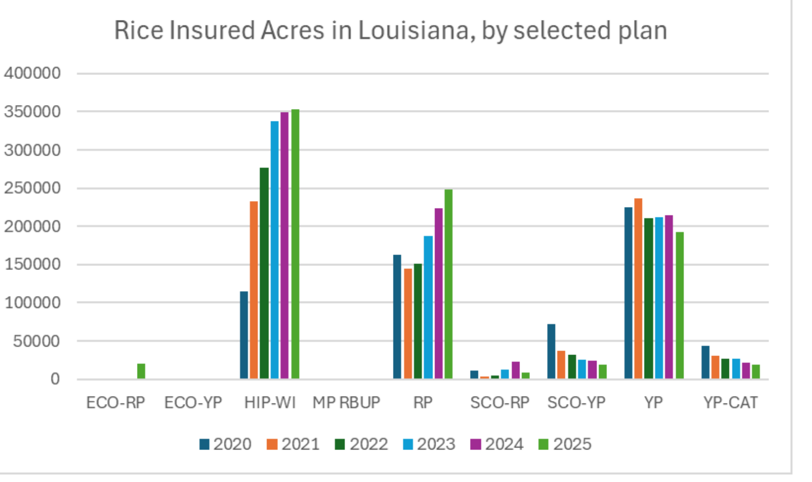
Buy-up products and operational mechanics

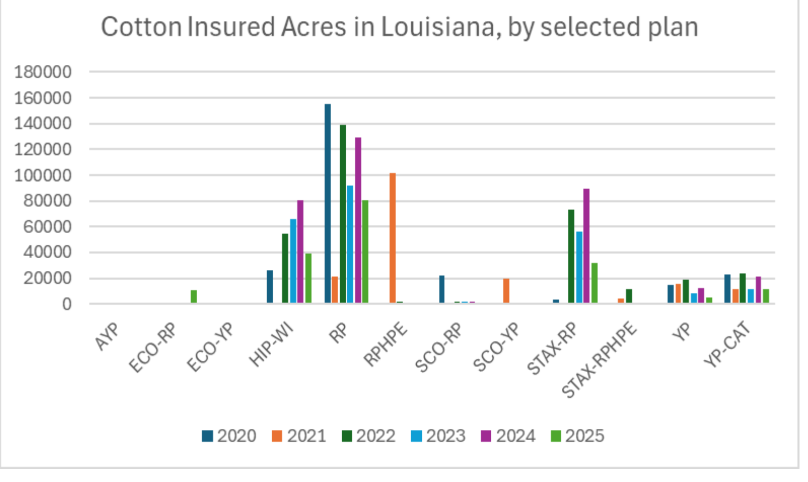
Session #3

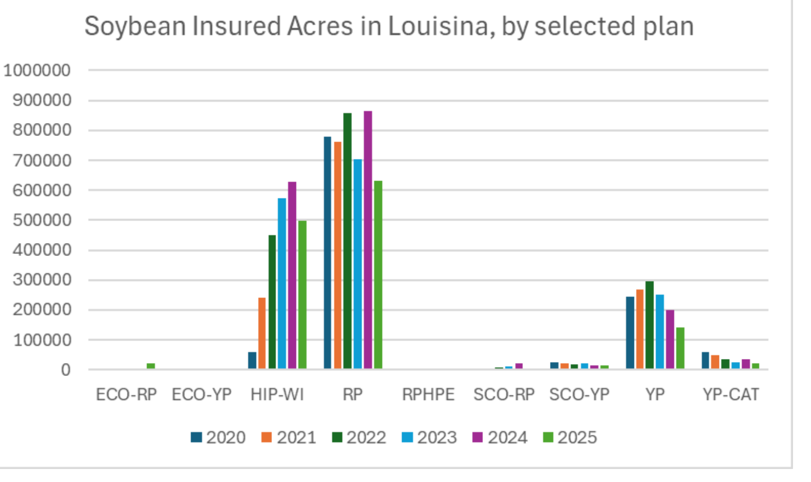
Recent Trends in Crop Insurance Plans

USDA RMA summary of business data, selected Louisiana crops 2020-2025





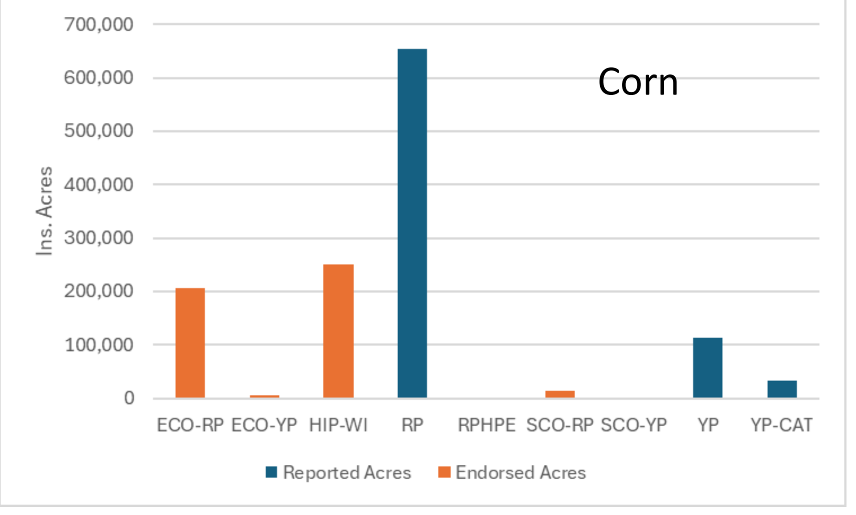


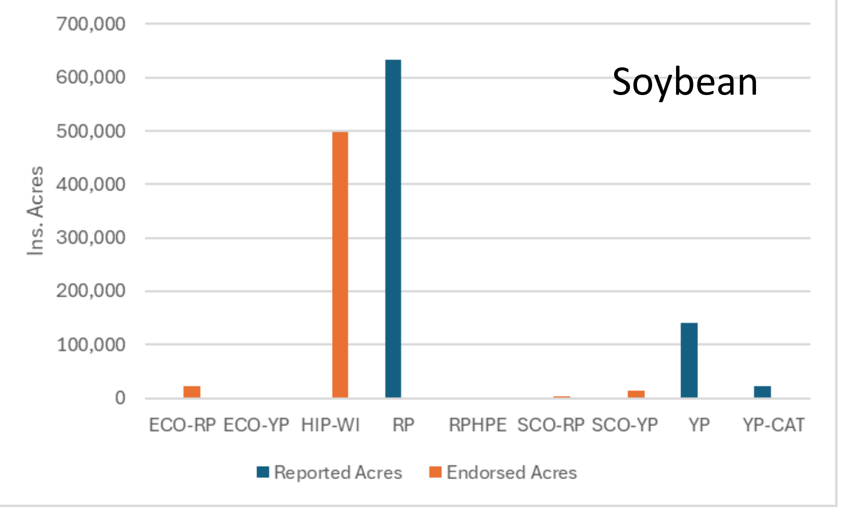


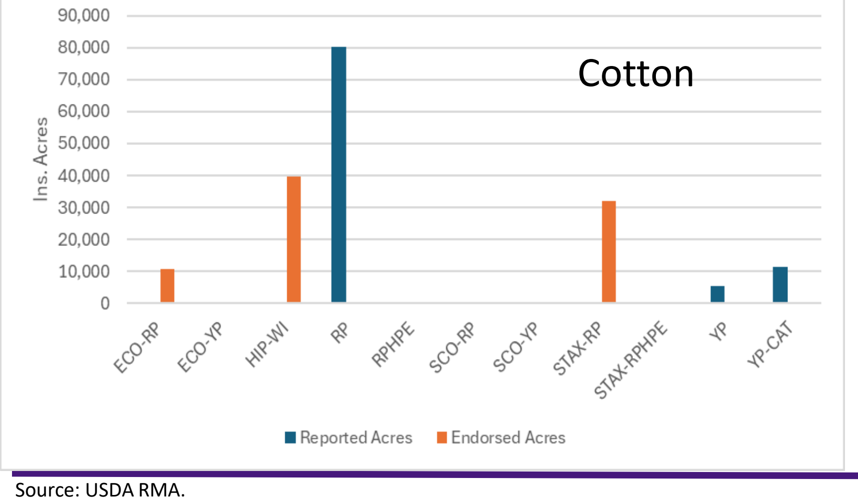
Source: USDA RMA.

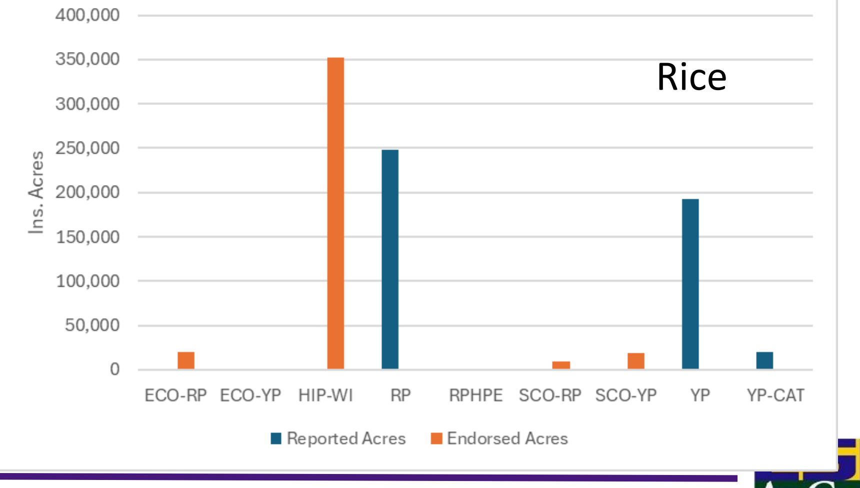
Types of Crop Insurance in Louisiana

USDA RMA summary of business data for selected Louisiana crops, 2025









Source: USDA RMA.

Individual Crop Insurance Plans

Plans based on individual yield loss and, in some plans, a decline in price

Individual Yield Loss and Price	Losses determined by the experience of an entire area (county)
Revenue Protection (RP)	Area Revenue Protection (ARP)
Revenue Protection with Harvest Price Exclusion (RPHPE)	Area Yield Protection (AYP)
Yield Protection (YP)	Stacked Income Protection Plant (STAX) for upland cotton
Actual Production History (APH)	SCO Endorsement
	ECO Endorsement

Individual and Area Plans

Types of crop insurance products

Figure 1. The Jointness of Individual and Area Products using 75% individual insurance coverage, SCO, and 95% ECO coverage as examples

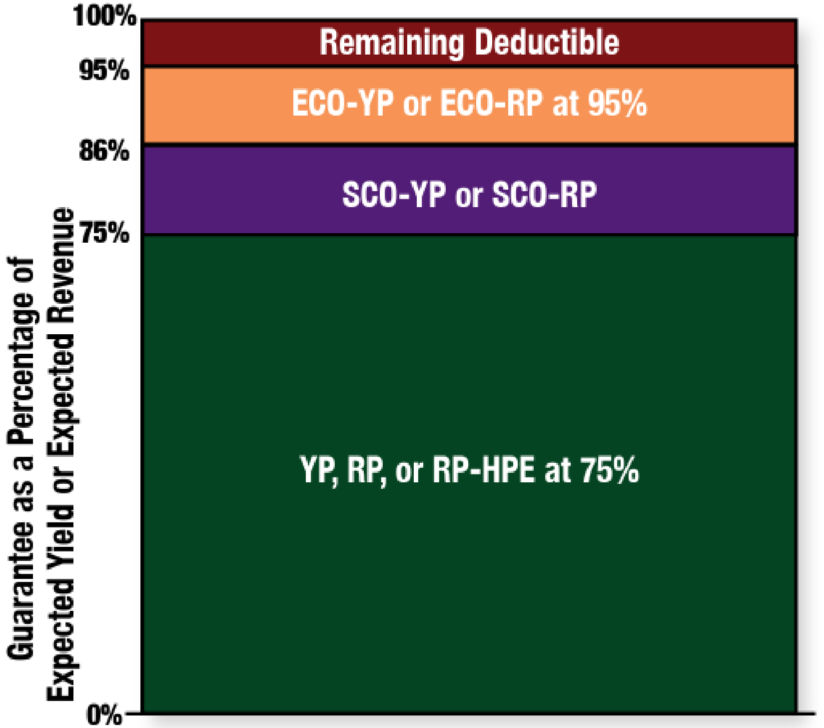
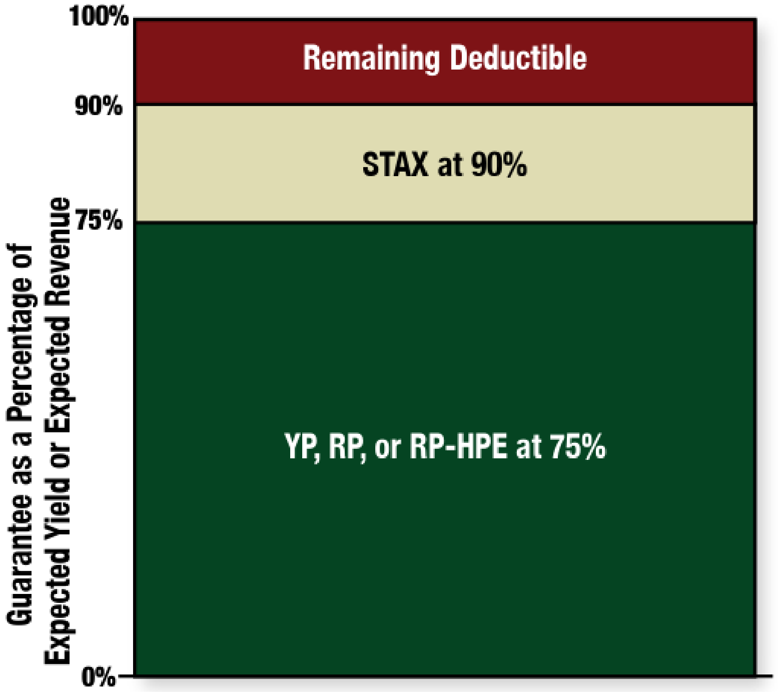


Figure 2. The Jointness of STAX and Individual Products using 75% individual insurance coverage and 90% STAX coverage as examples



Source: University of Arkansas.

Individual and Area Plans

Types of crop insurance products

Figure 3. Examples of potential overlap between ECO, SCO, and MP.
Areas with hashmarks indicate areas of overlap between ECO/SCO and MP which illustrates the reason these products cannot be used jointly.

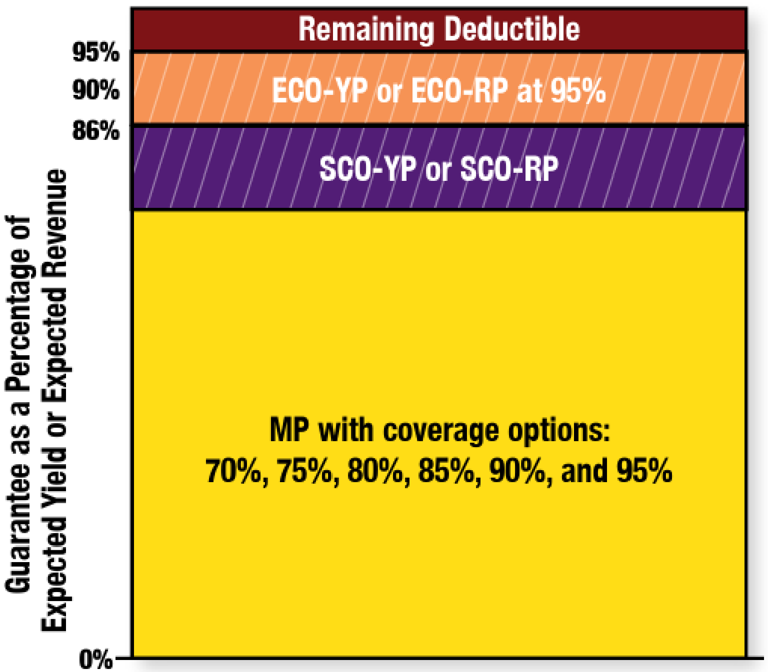
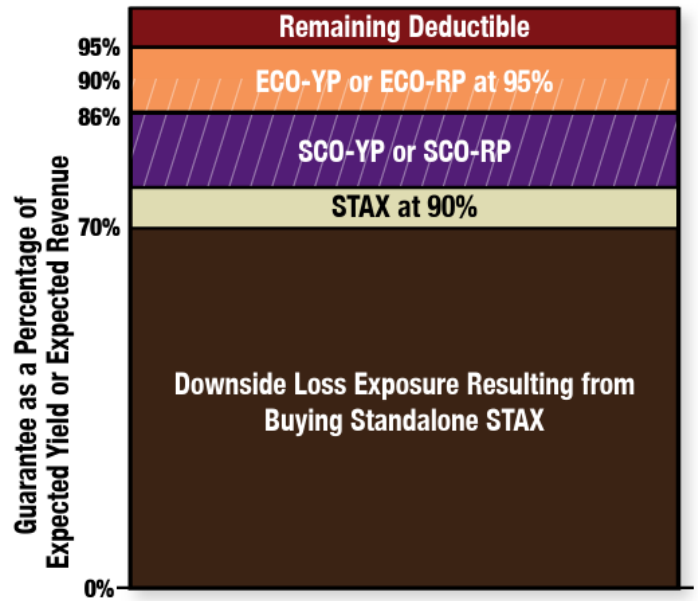


Figure 4. Examples of potential overlap between ECO, SCO, and STAX.
Areas with hashmarks indicate areas of overlap between ECO/SCO and STAX which illustrates the reason these products cannot be used jointly. Importantly, ECO and SCO cannot be purchased as standalone products as this figure might indicate. Rather, this figure is to show the potential overlap between the products.



Source: University of Arkansas.

Individual and Area Plans

Indemnity triggers and status as a standalone policy

Product	Type	Trigger	Standalone?
Yield Protection (YP)	Individual	Farm Yield	YES
Revenue Protection (RP)	Individual	Farm Revenue	YES
Revenue Protection, Harvest Price Exclusion (RP-HPE)	Individual	Farm Revenue	YES
Supplemental Coverage Option (SCO)	Area	County Yield or County Revenue	NO
Enhanced Coverage Option (ECO)	Area	County Yield or County Revenue	NO
Area Risk Protection (ARP)	Area	County Yield	YES
Margin Protection (MP)	Area	County Margin	YES
Margin Coverage Option (MCO)	Area	County Margin	NO
Stacked Income Protection (STAX)	Area	County Revenue	YES
Pasture, Rangeland, Forage - Rainfall Index (PRF-RI)	Area	Grid cell-specific Rainfall	YES
Hurricane Insurance Protection - Wind Index (HIP-Wi)	Area	Hurricane or Tropical Storm Incidence and Wind Speed	NO

Source: University of Arkansas.

Individual Crop Insurance Plans

Plans based on the experience of an entire area, generally a county (parish)

- The ARP program is an area-based revenue insurance program that provides insurance protection against widespread loss of revenue in a county.
- ARP does not cover prevented planting or replanting. The grower may select a different coverage level for each crop, type and practice, if separate practices and types are specified in the actuarial documents.
- Coverage levels range from 70% to 90%, in 5% increments, of the county revenue.
- The grower may select a separate protection factor of 80%-120% for each crop, type and practice.
- The trigger revenue (guarantee) is the expected county yield multiplied by the greater of the projected or harvest price, level of coverage, and insured acreage.
- For Area Revenue Protection with Harvest Price Exclusion (ARPHPE), the trigger revenue is based on the projected price. The projected and harvest prices are based on the simple average of the daily settlement prices for the trading month on the crop futures contract specified in the Commodity Exchange Price Provisions (CEPP).
- A loss payment is triggered when the final county revenue falls below the insured's selected trigger revenue. Once a loss is triggered, a loss limit factor of 0.18 is used to increase the amount of the loss payment.

Individual Crop Insurance Plans

Plans based on the experience of an entire area, generally a county (parish)

- The AYP program provides protection against loss of yield due to a county level production loss. AYP does not provide coverage for prevented planting and replanting.
- The grower may select a different coverage level for each crop, type, and practice, if separate practices and types are specified in the actuarial documents.
- The coverage levels available are Catastrophic Risk Protection (CAT) at 65% of the expected county yield and 45% of the projected price, and additional coverage of 70%-90% (in 5% increments). The grower may select a separate protection factor of 80%-120% for each crop, type, and practice.
- A loss is payable when the county average yield for the crop in the current year is less than the expected county yield multiplied by the coverage level selected by the grower at the time of application. Once a loss is triggered, a loss limit factor of 0.18 is used to increase the amount of the loss payment.

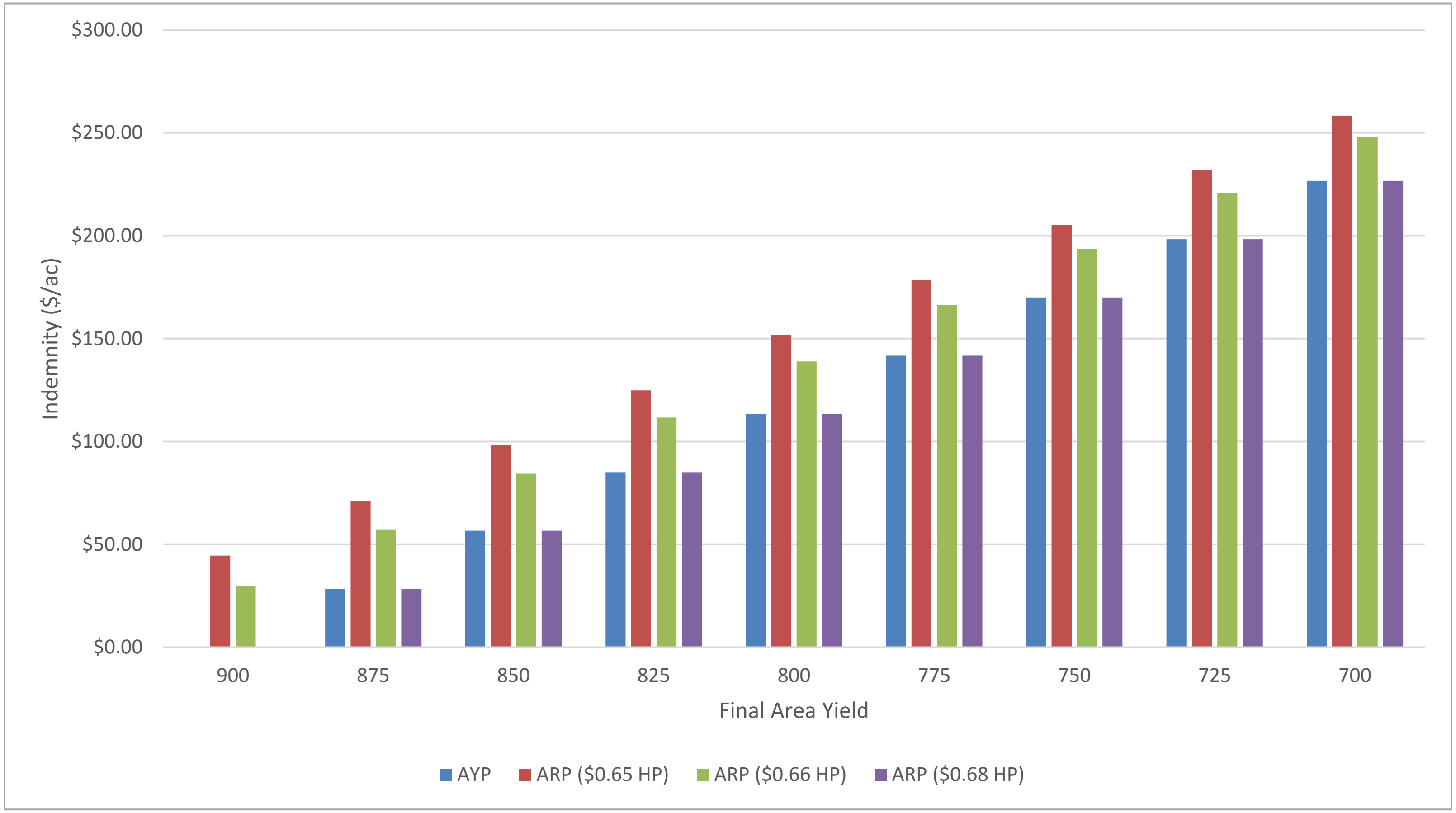
AYP and ARP – Cotton Example

Products only available for cotton and rice in Louisiana

Parameter	AYP	ARP
Projected Price	$0.68/lb.	$0.68/lb.
Exp. County Yield	1,000 lbs./ac	1,000 lbs./ac
Protection Factor	1.20	1.20
Coverage Level	90%	90%
Harvest Price	--	$0.65/lb.
Insured. Amount	$816.00/ac	$816.00/ac
Trigger Yield	900 lbs./ac	--
Trigger Revenue	--	$612.00/ac
Final County Yield*	850 lbs./ac	850 lbs./ac
County Revenue	--	$552.50/ac
Payment Factor	0.07	0.12
Indemnity	$56.67/ac	$98.08/ac

AYP and ARP Examples for Cotton Production

Available only for cotton and rice crops in Louisiana



Projected cotton lint price is $0.68/lb., expected county yield is 1,000 lbs.ac, 1.2 protection factor, 90% coverage level, harvest prices (HP) vary from $0.65 to $0.68/lb., respectively.

Revenue Protection (RP)

Individual crop insurance product

- Revenue protection (RP) plans protect against revenue loss due to yield reductions, price fluctuations or both.
- The farmer selects the amount of average yield to insure, between 50 and 85 percent.
- The coverage price is based on the greater of the new crop projected price during February (December futures contract for corn, and November futures contract for soybeans) or the harvest price (during October).
- If the farmer's actual revenue (based on actual yield times harvest price) is less than the insurance policy revenue guarantee, an indemnity is paid for the difference.

Revenue Protection (RP)

Individual crop insurance product

- If the revenue received by the farm as calculated using futures market prices is lower than the revenue guarantee, the farm receives an indemnity payment. Because the guarantee is based on revenue, it addresses risk concerns for both yield and price.
- This offers coverage for three distinct scenarios for the farm business:
  - If yields are low
  - If market prices fall
  - If a crop is short and market prices rise

Revenue Protection (RP)

Individual crop insurance product

- While the yield guarantee uses the base price to value the bushels in an indemnity payment, revenue protection uses this same base price to establish the minimum guarantee.
- This is the lowest expected revenue that will be covered by the insurance policy.
  - Since there is a minimum level for coverage, that means that coverage can also increase.
- An increase in coverage depends on the harvest price.

Revenue Protection (RP)

Individual crop insurance product

- The harvest price is an automatic option within the revenue protection policy. Just like the base price, the harvest price is set using the commodity futures market. The estimated value for the crop is based on the same time periods in the futures market as well.

Revenue Protection (RP)

Individual crop insurance product

- If the harvest price is lower than the base price, the original revenue guarantee remains the same. The base price sets the minimum guarantee, so a lower harvest price does not affect your coverage. However, with revenue protection, the harvest price is also used to value the farm's production.
- The lower value of production would theoretically mean that there should be less coverage. However, the minimum guarantee effectively acts as though your farm's covered or guaranteed bushels have increased. This feature behaves as if a higher trigger yield exists to meet the minimum guarantee at the harvest price.
- If the harvest price is higher than the base price, a new, higher revenue guarantee is set for the crop. The revenue guarantee effectively raises the lowest expected revenue for the farm and provides additional coverage. Since the harvest price is also used to value your farm's production, the value of production has increased as well.
- This is the feature of revenue protection that protects your farm if you pre-harvest market (forward contract) any of your expected production.

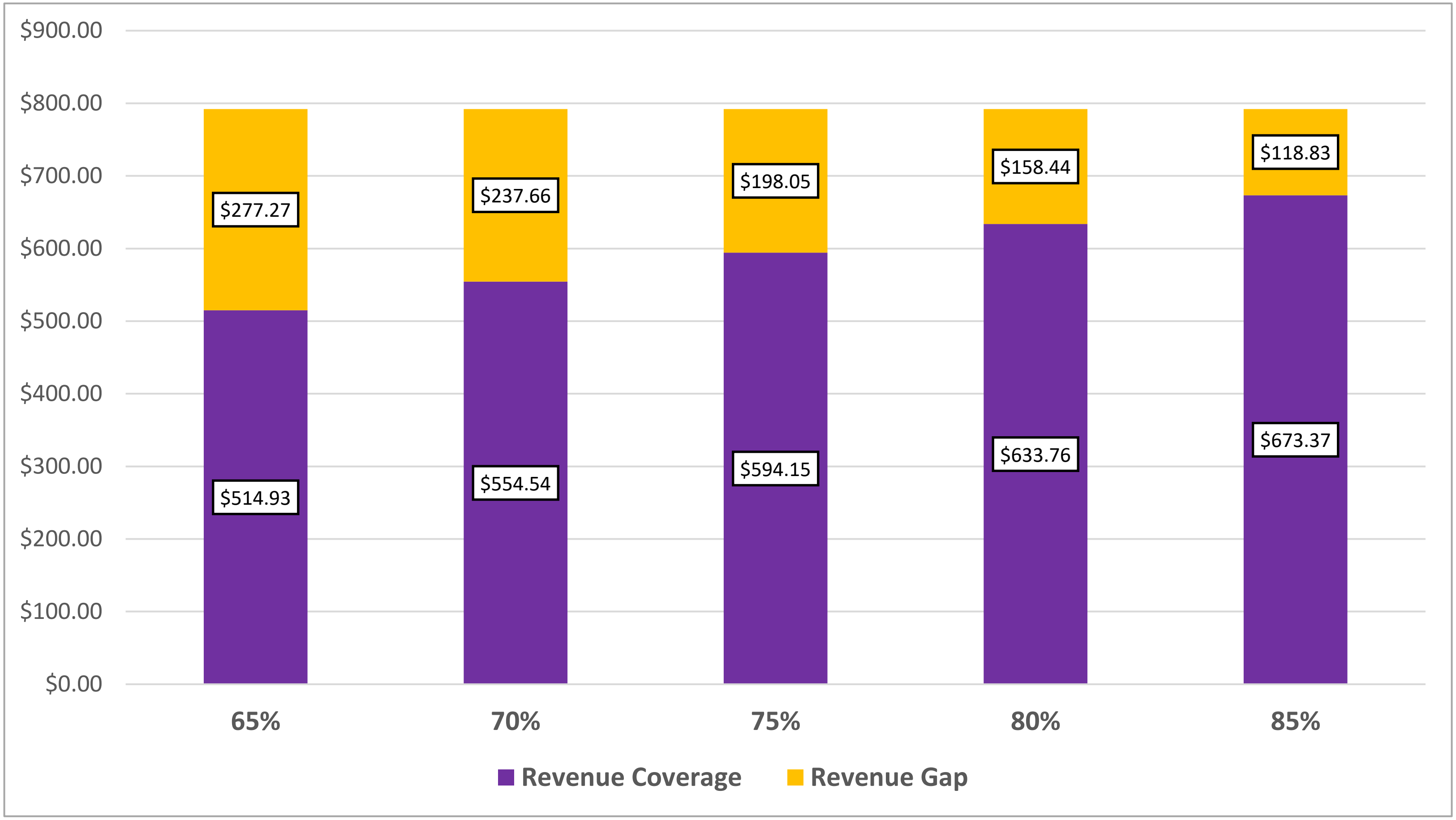
Revenue Protection (RP)

Individual crop insurance product

- The addition of price coverage means that revenue protection policies offer several advantages over yield protection alone.
- With both price and yield being covered, revenue protection provides a greater chance that you will receive an indemnity payment.
- Those same indemnity payments may be larger than yield only protection policies. Revenue protection may also be competitively priced with yield only policies and can be used as an integral part of your marketing strategy.
- These advantages can be seen in comparisons of yield and revenue protection policies in different pricing scenarios.
- Let’s consider an example soybean farm that has an APH of 40 bushels per acre. In comparing the yield and revenue protection policies, the farm has selected a percentage coverage of 75%. After the discovery period, the base price was set at $11.87 per bushel. The yield guarantee would be 30 bushels (40 x 0.75) per acre while the revenue guarantee would be $356.10 per acre (30 x $11.87). An estimated poor harvest yield of 22 bushels is used to see how both insurance policies would protect the farm.

Revenue Protection (RP)

Policy overview and operational mechanics – corn example



Revenue Protection (RP)

Policy overview and operational mechanics – corn example

Corn	*(1)*	*(2)*	*(3)*	*(4)*	*(5)*
Projected Price	$4.66	$4.66	$4.66	$4.66	$4.66
Farm APH	170	170	170	170	170
Revenue Level	$792.20	$792.20	$792.20	$792.20	$792.20
Coverage Level	65%	70%	75%	80%	85%
Revenue Coverage	$514.93	$554.54	$594.15	$633.76	$673.37
Revenue Gap	$277.27	$237.66	$198.05	$158.44	$118.83
What if analysis?					
Actual Yield	160	160	160	160	160
Price to Trigger	$3.22	$3.47	$3.71	$3.96	$4.21
What if analysis?					
Harvest Price	$3.86	$3.86	$3.86	$3.86	$3.86
Yield to Trigger	133.4	143.7	153.9	164.2	174.4

Estiamted Crop Insurance Indemnity at Actual Yield of 160 bu/ac

	65%	*70%*	*75%*	*80%*	*85%*
$3.25	$0.00	$34.54	$74.15	$113.76	$153.37
$3.30	$0.00	$26.54	$66.15	$105.76	$145.37
$3.35	$0.00	$18.54	$58.15	$97.76	$137.37
$3.40	$0.00	$10.54	$50.15	$89.76	$129.37
$3.45	$0.00	$2.54	$42.15	$81.76	$121.37
$3.50	$0.00	$0.00	$34.15	$73.76	$113.37
$3.55	$0.00	$0.00	$26.15	$65.76	$105.37
$3.60	$0.00	$0.00	$18.15	$57.76	$97.37
$3.65	$0.00	$0.00	$10.15	$49.76	$89.37
$3.70	$0.00	$0.00	$2.15	$41.76	$81.37
$3.75	$0.00	$0.00	$0.00	$33.76	$73.37
$3.80	$0.00	$0.00	$0.00	$25.76	$65.37
$3.85	$0.00	$0.00	$0.00	$17.76	$57.37

Revenue Protection (RP)

Individual crop insurance product

- In Scenario 1, the discovery period for the harvest price yields the same price as the base price. Consider the 85% buy-up.
- In this situation, there is no discernable difference between revenue and yield protection policies. The yield protection policy values the three-bushel difference (153-150=3 bushels) at $4.66 for an indemnity payment of $13.98 per acre.
- The revenue policy has set a minimum guarantee of $838.80 per acre. The harvest production of 150 bushels is valued at the harvest price of $4.66 or $699.00. The production value is then subtracted from the minimum guarantee for an indemnity payment of $13.98 ($712.98 – $699 = $13.98).

Revenue Protection (RP) and Yield Protection (YP)

Policy overview and operational mechanics – corn example scenario #1

Parameter	RP Value			YP Value		
Projected Price	$4.66/bu			$4.66/bu		
Harvest Price	$4.66/bu			--		
Farm's APH	180 bu/ac			180 bu/ac		
Rev. Guarantee	$838.80/ac	Yield Trigger		Bushel Trigger		
RG @ 65%	$545.22/ac	YT @ 65%	117 bu/ac	BG @ 65%	117 bu/ac	
RG @ 75%	$629.10/ac	YT@ 75%	135 bu/ac	BG @ 75%	135 bu/ac	
RG @ 85%	$712.98/ac	YT@ 85%	153 bu/ac	BG @85%	153 bu/ac	
Actual Yield	170 bu/ac	160 bu/ac	150 bu/ac	170 bu/ac	160 bu/ac	150 bu/ac
Actual Revenue	$792.20/ac	$745.60/ac	$699.00/ac	--	--	--
Production Loss	--	--	--	--	--	3 bu
Indemnity @65%	--	--	--	--	--	--
Indemnity @75%	--	--	--	--	--	--
Indemnity @85%	--	--	$13.98/ac	--	--	$13.98/ac

Source: USDA RMA.

Revenue Protection (RP)

Individual crop insurance product

- In Scenario 2, there is an advantage to the revenue protection policy. The harvest price is lower than the initial base price, so the minimum guarantee of $712.98 remains in place.
- However, the harvest price is used to value the farm's production. The 150 bushels are multiplied by the harvest price of $3.86 for a production value of $579.00.
- When the production value is subtracted from the minimum guarantee, the indemnity payment is equal to $133.98 ($712.98 – $579.00 = $133.98).
- The yield protection policy still uses the base price to value the yield loss. The indemnity payment remains at $13.98 per acre or $120.00 lower than the payment from revenue protection.

Revenue Protection (RP) and Yield Protection (YP)

Policy overview and operational mechanics – corn example scenario #2

Parameter	RP Value			YP Value		
Projected Price	$4.66/bu			$4.66/bu		
Harvest Price	$3.86/bu			--		
Farm's APH	180 bu/ac			180 bu/ac		
Rev. Guarantee	$838.80/ac	Yield Trigger (PP and HP)		Bushel Trigger		
RG @ 65%	$545.22/ac	YT @ 65%	117-141 bu/ac	BG @ 65%	117 bu/ac	
RG @ 75%	$629.10/ac	YT@ 75%	135-163 bu/ac	BG @ 75%	135 bu/ac	
RG @ 85%	$712.98/ac	YT@ 85%	153-185 bu/ac	BG @85%	153 bu/ac	
Actual Yield	170 bu/ac	160 bu/ac	150 bu/ac	170 bu/ac	160 bu/ac	150 bu/ac
Actual Revenue	$656.20/ac	$617.60/ac	$579.00/ac	--	--	--
Production Loss	--	--	--	--	--	3 bu
Indemnity @65%	--	--	--	--	--	--
Indemnity @75%	--	$11.50/ac	$50.10/ac	--	--	--
Indemnity @85%	$56.78/ac	$95.38/ac	$133.98/ac	--	--	$13.98/ac

Source: USDA RMA.

Revenue Protection (RP)

Individual crop insurance product

- In Scenario 3, there is an advantage to the revenue protection policy. The harvest price is found to be $4.85 per bushel, which is higher than the initial base price. The price increase establishes a new, higher revenue guarantee of $742.50 per acre ($4.85 x 180). The value of production is also increased. Using the harvest price, the production is valued at $727.50 ($4.85 x 150).
- When the production value is subtracted from the minimum guarantee, the indemnity payment is equal to $14.55 ($742.50 – $727.50 = $14.55). The yield protection policy still uses the base price to value the yield loss.
- The indemnity payment remains at $13.98 per acre, slightly lower than the payment from revenue protection.

Revenue Protection (RP) and Yield Protection (YP)

Policy overview and operational mechanics – corn example scenario #3

Parameter	RP Value			YP Value		
Projected Price	$4.66/bu			$4.66/bu		
Harvest Price	$4.85/bu			--		
Farm's APH	180 bu/ac			180 bu/ac		
Rev. Guarantee	$873.00/ac	Yield Trigger (PP and HP)		Bushel Trigger		
RG @ 65%	$567.45/ac	YT @ 65%	122-117 bu/ac	BG @ 65%	117 bu/ac	
RG @ 75%	$654.75/ac	YT@ 75%	141-135 bu/ac	BG @ 75%	135 bu/ac	
RG @ 85%	$742.05/ac	YT@ 85%	159-153bu/ac	BG @85%	153 bu/ac	
Actual Yield	170 bu/ac	160 bu/ac	150 bu/ac	170 bu/ac	160 bu/ac	150 bu/ac
Actual Revenue	$824.50/ac	$776.00/ac	$727.50/ac	--	--	--
Production Loss	--	--	--	--	--	3 bu
Indemnity @65%	--	--	--	--	--	--
Indemnity @75%	--	--	--	--	--	--
Indemnity @85%	--	--	$14.55/ac	--	--	$13.98/ac

Source: USDA RMA.

Revenue Protection Buy-up Crop Insurance

Decision tool for corn and soybean buy-up coverage for 2025

Projected Price	**$4.66**
APH	**170**
Buy-Up Coverage	**75%**
Revenue Guarantee	$594.15

Crop Insurance Payment Grid for Corn

	Actual Yield per acre								
Harvest Price	**145**	**150**	**155**	**160**	**165**	**170**	**175**	**180**	**185**
$5.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$4.85	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$4.70	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$4.55	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$4.40	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$4.25	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$4.10	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$3.95	$21.40	$1.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$3.80	$43.15	$24.15	$5.15	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$3.65	$64.90	$46.65	$28.40	$10.15	$0.00	$0.00	$0.00	$0.00	$0.00
$3.50	$86.65	$69.15	$51.65	$34.15	$16.65	$0.00	$0.00	$0.00	$0.00
$3.35	$108.40	$91.65	$74.90	$58.15	$41.40	$24.65	$7.90	$0.00	$0.00
$3.20	$130.15	$114.15	$98.15	$82.15	$66.15	$50.15	$34.15	$18.15	$2.15

Proj. Price	**$4.66**	Decline
Harv. Price	**$4.00**	14% Change in Price
APH	**170**	
Yield Interval	**5**	

Coverage	*Rev. Guar.*	*Yield to Trigger*
70%	$554.54	138.6
75%	$594.15	148.5
80%	$633.76	158.4
85%	$673.37	168.3

RP Insurance Payments by Actual Yield and Coverage Level

150	**155**	**160**	**165**	**170**	**175**	**180**	**185**	**190**
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$33.76	$13.76	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$73.37	$53.37	$33.37	$13.37	$0.00	$0.00	$0.00	$0.00	$0.00

Traditional Buy-up Crop Insurance

Relating coverage buy-up to variable production costs per acre in 2025

Corn APH	65%	70%	75%	80%	85%
150	$454.35	$489.30	$524.25	$559.20	$594.15
155	$469.50	$505.61	$541.73	$577.84	$613.96
160	$484.64	$521.92	$559.20	$596.48	$633.76
165	$499.79	$538.23	$576.68	$615.12	$653.57
170	$514.93	$554.54	$594.15	$633.76	$673.37
175	$530.08	$570.85	$611.63	$652.40	$693.18
180	$545.22	$587.16	$629.10	$671.04	$712.98
185	$560.37	$603.47	$646.58	$689.68	$732.79
190	$575.51	$619.78	$664.05	$708.32	$752.59

Soybean APH	65%	70%	75%	80%	85%
30	$204.95	$220.71	$236.48	$252.24	$268.01
35	$239.10	$257.50	$275.89	$294.28	$312.67
40	$273.26	$294.28	$315.30	$336.32	$357.34
45	$307.42	$331.07	$354.71	$378.36	$402.01
50	$341.58	$367.85	$394.13	$420.40	$446.68
55	$375.73	$404.64	$433.54	$462.44	$491.34
60	$409.89	$441.42	$472.95	$504.48	$536.01
65	$444.05	$478.21	$512.36	$546.52	$580.68
70	$478.21	$514.99	$551.78	$588.56	$625.35

Cotton APH	65%	70%	75%	80%	85%
1,000	$448.50	$483.00	$517.50	$552.00	$586.50
1,025	$459.71	$495.08	$530.44	$565.80	$601.16
1,050	$470.93	$507.15	$543.38	$579.60	$615.83
1,075	$482.14	$519.23	$556.31	$593.40	$630.49
1,100	$493.35	$531.30	$569.25	$607.20	$645.15
1,125	$504.56	$543.38	$582.19	$621.00	$659.81
1,150	$515.78	$555.45	$595.13	$634.80	$674.48
1,175	$526.99	$567.53	$608.06	$648.60	$689.14
1,200	$538.20	$579.60	$621.00	$662.40	$703.80

Corn costs of $571/ac; Soybean costs of $423/ac; and Cotton costs of $699/ac.

Yield Protection (YP) – CAT Coverage

Individual crop insurance product

- Catastrophic Risk Protection Endorsement (CAT) coverage provides a lower level of coverage on yield losses at low cost to producers. CAT pays indemnities at a rate of 55 percent of the established price of the commodity when farm yield losses are more than 50 percent.
- CAT premiums are paid by RMA, but producers must pay an administrative fee for each crop insured (these fees are waived for some farmer groups). The administrative fee charged to producers was raised under the 2018 Farm Act, from $300 to $655 per crop per parish (county).
- CAT coverage is not available on all types of policies. Coverage above the CAT level is often referred to as "buy-up" coverage.

Yield Protection (YP)

Individual crop insurance product

- YP provides protection against production risk only. Coverage is based on a yield guarantee which can be found by multiplying the expected yield and a coverage level to be chosen by a producer.
- Expected yield is measured by the Actual Production History (APH) which is the average of a producer's yield for a given insured unit across the years for which a producer has approved yields.
- The minimum amount of recorded annual yields to establish an APH is four consecutive years, and the maximum amount is 10. If four years of annual yield history is not available, one or more T-yields (i.e. Transition Yields), will be substituted into the yield history.
- A T-yield is the county average of the farm yields for insured producers in a given county and year. YP has eight coverage level options, which range from 50-85% in 5% increments.

Yield Protection (YP)

Individual crop insurance product

- YP is designed to pay in bushels if a yield loss is triggered. However, since insurance companies do not hold grain on hand to deliver as payment, the yield loss measured in bushels per acre is multiplied by a futures price to convert the loss to a dollar amount. This futures price is called the Projected Price by USDA-RMA and is the 30-day average of the harvest month futures contract for a given crop and county.
- Importantly, the period for this 30-day average varies across counties with counties further south generally having earlier discovery periods and counties further north having later discovery periods due to differences in regional climate.

Yield Protection (YP)

Policy overview and operational mechanics – corn example

Parameter	YP Value		
Projected Price	$4.66/bu		
Harvest Price	--		
Farm's APH	180 bu/ac		
Rev. Guarantee	Bushel Trigger		
RG @ 65%	BG @ 65%	117 bu/ac	
RG @ 75%	BG @ 75%	135 bu/ac	
RG @ 85%	BG @85%	153 bu/ac	
Actual Yield	170 bu/ac	160 bu/ac	150 bu/ac
Actual Revenue	--	--	--
Production Loss	--	--	3 bu
Indemnity @65%	--	--	--
Indemnity @75%	--	--	--
Indemnity @85%	--	--	$13.98/ac

Source: USDA RMA.

Yield Protection (YP) Example for Corn Production

Individual crop insurance product

- Scenario examples which show how YP indemnities are triggered for a growing season.

	Value
Farm's APH	230 bu/ac
Insurance Projected Price	$4.66/bu
Spot Price at Local Elevator at Harvest	$4.59/bu
Actual Farm Yield at Harvest	161 bu/ac

Source: USDA RMA.

Yield Protection (YP)

Individual crop insurance product

Scenario #1	Sell at spot price with no crop insurance. Actual yield is 161 bu/ac Farm revenue = $738.99/ac ($4.59/bu * 161 bu/ac = $738.99/ac)
Scenario #2	75% YP with a farm APH of 230 bu/ac Yield Guarantee is 172.5 bu/ac Actual yield is 161 bu/ac Indemnity = $53.59/ac Farm revenue = $792.28/ac
Scenario #3	65% YP with a farm APH of 230 bu/ac Yield Guarantee is 149.5 bu/ac Actual yield is 161 bu/ac Indemnity = -- Farm revenue = $738.99/ac

Source: USDA RMA.

Yield Protection (YP)
Individual crop insurance product

- Scenario 1: a producer chooses to take the spot price at the local grain elevator for their corn, and yield came in at 161 bu/ac. If this were the case, revenue would be $738.99/ac (161bu/ acre X $4.59/bu spot price).
- Scenario 2: 75% YP Crop Insurance . Based on the parameters above, the actual yield fell to approx. 30% of APH yield.
  - Yield Guarantee (APH of 230 X 75% Coverage) = 172.5 bu/ac
  - Realized Yield = 161 bu/ac
  - Indemnity ((Yield Guarantee - Realized Yield) x Projected Price) = $53.59/ac
  - Revenue with Net Indemnity = $792.28/ac
  - In this scenario, YP at 75% coverage would provide a producer with 7% more revenue compared to the case with no insurance coverage.

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Yield Protection (YP)

Individual crop insurance product

- Scenario 3: 65% YP Crop Insurance Under the assumptions made above, the yield guarantee for YP at 65% coverage will be less than the yield guarantee for YP at 75%.
- However, the premium paid by the producer will be less for YP at 65% coverage relative to YP at 75% coverage.
  - Yield Guarantee (APH of 230 X 65% Coverage) = 149.5 bu/ac
  - Realized Yield = 161 bu/ac
  - Indemnity = $0.00/ac
  - Indemnity net of Premium (Indemnity - Premium) = cost of the policy
  - Revenue with Net Indemnity = $738.99 less the cost of the policy
- In this scenario, YP at 65% coverage would not result in an indemnity since the realized yield is greater than the yield guarantee.
- An important point to make here is that crop insurance is a risk transfer and will not always yield an indemnity payment.

Yield Protection (YP)

Policy overview and operational mechanics – corn example

Parameter	YP Value		
Projected Price	$4.66/bu		
Harvest Price	--		
Farm's APH	230 bu/ac		
	Bushel Guarantee		
	BG @ 65%	149.5 bu/ac	
	BG @ 75%	172.5 bu/ac	
	BG @85%	195.5 bu/ac	
Actual Yield	161 bu/ac	161 bu/ac	161 bu/ac
Production Loss	--	11.5 bu	34.5 bu
Indemnity @65%	--	--	--
Indemnity @75%	--	$53.59/ac	--
Indemnity @85%	--	--	$160.77/ac

Source: USDA RMA.

Subsidization of Crop Insurance

Why does the federal government subsidize crop insurance?

- Increase participation
- Reducing ex-post disaster assistance
- Increase stakeholder support
- Increase exposure
- Actuarial impact of widespread losses

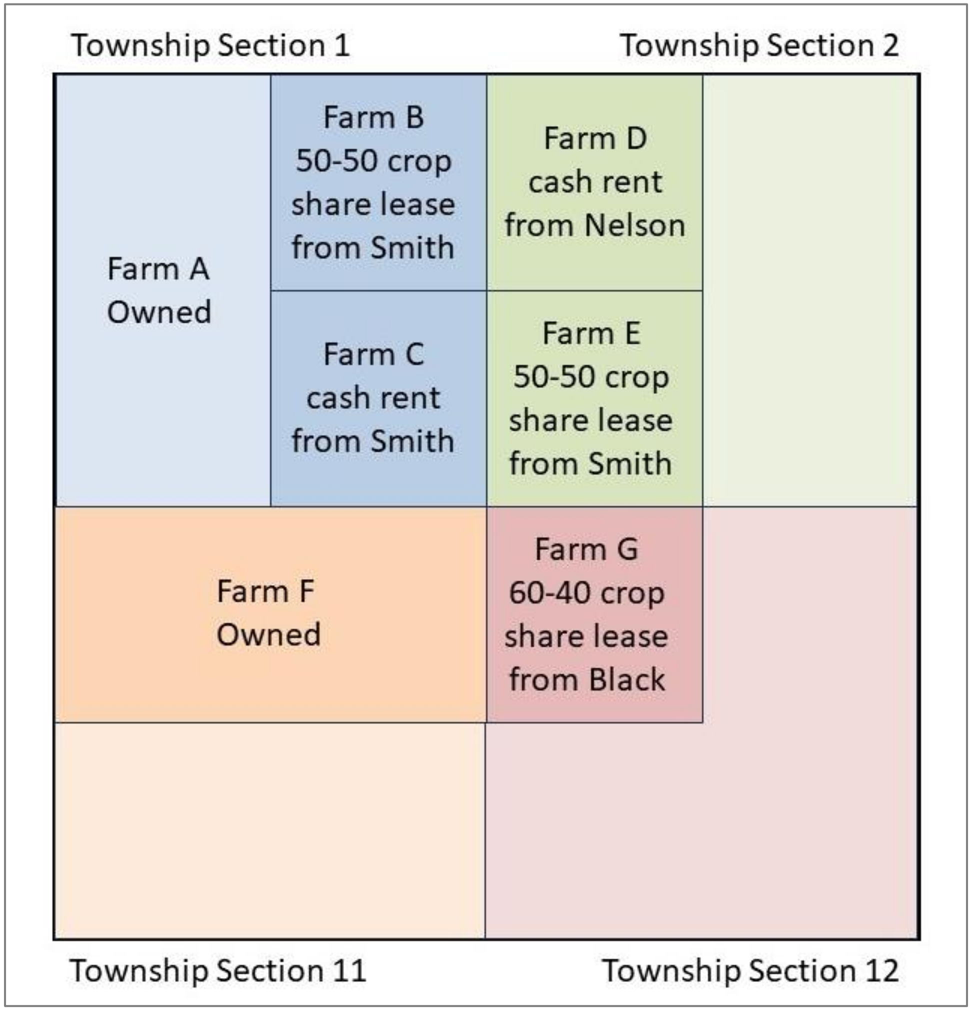
Insurable Units

Underlying structure area of your policy

- **Optional Units (OU)** – insures each surveyed section (FSN or section equivalent if no sections are available) separately. You can have a loss in one of your sections and not in another and still get a crop insurance payment
- **Basic Units (BU)** – insures a farmer's operation by share. Since the farms are separated by share and not section, a farmer can have more than one section combined together. Premiums for electing this type of unit structure are less than Optional Units, as the farmer is taking on more risk.
- **Enterprise Units (EU)** – combine all sections and shares together. The farmer is taking on more risk, as individual section losses are not likely to collect claims, but there is an additional subsidy provided for doing this, making premiums less expensive.
  - Enterprise units can be separated by irrigation practice, not following another crop and following another crop cropping practice, and type.
  - If you farm in more than one county, you may also have the option of utilizing Multi-County Enterprise Units MCEU.
- **Whole Farm Units (WU)** – combine all crops in the county together into one unit.

Insurable Unit - Example

Same grower planting the same crop in all fields



Source: Univ. Wisc.-Madison.

Insurable Unit - Example

Same grower planting the same crop in all fields

Optional Units

(1) A and C

(2) B

(3) D

(4) E

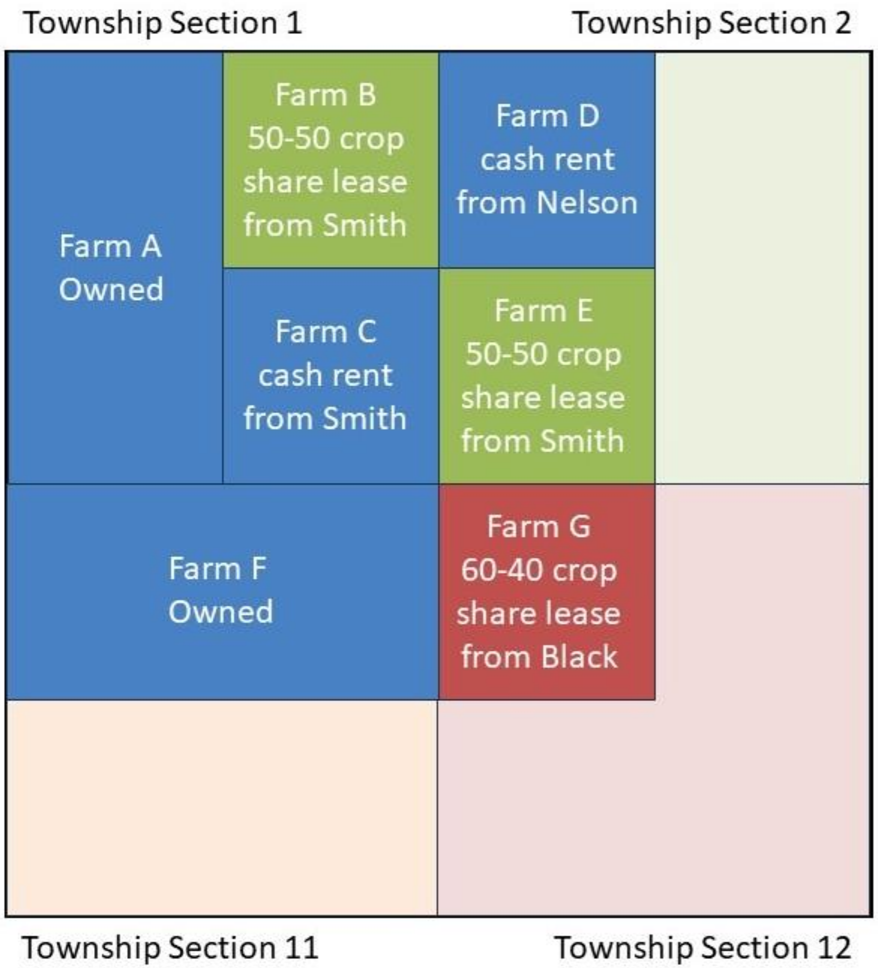
(5) F

(6) G

Source: Univ. Wisc.-Madison.

Insurable Unit - Example

Same grower planting the same crop in all fields



Basic Units

(1) A, C, D and F

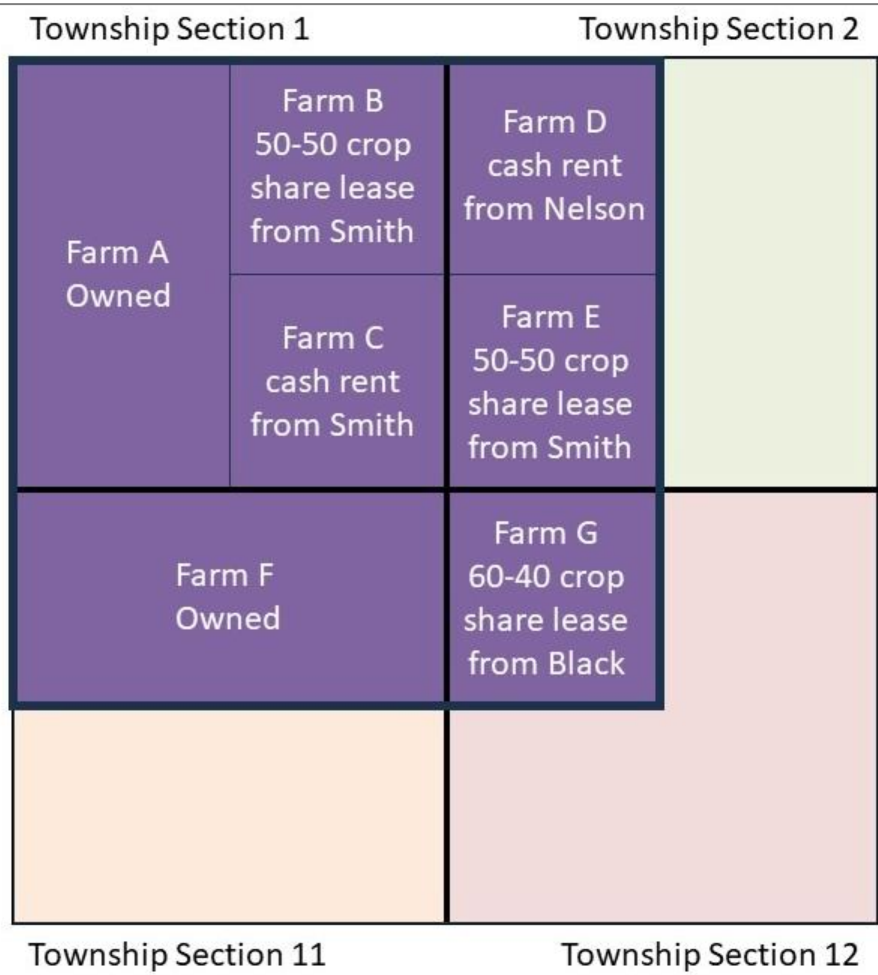
(2) B and E

(3) G

Source: Univ. Wisc.-Madison.

Insurable Unit - Example

Same grower planting the same crop in all fields



Enterprise Unit

(1) A through and G

Source: Univ. Wisc.-Madison.

Subsidy Rates for Crop Insurance

Coverage level and unit selection with OBBB Act changes

CCIP PREMIUM SUBSIDY RATE CHANGES BY COVERAGE LEVEL & UNIT TYPE

	COVERAGE LEVEL	50%		55%		60%		65%		70%		75%		80%		85%	
	SUBSIDY RATE	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW	OLD	NEW
UNIT TYPE	Optional Unit (OU)	67%	67%	64%	**69%**	64%	**69%**	59%	**64%**	59%	**64%**	55%	**60%**	48%	**51%**	38%	**41%**
	Basic Unit (BU)	67%	67%	64%	**69%**	64%	**69%**	59%	**64%**	59%	**64%**	55%	**60%**	48%	**51%**	38%	**41%**
	Enterprise Unit (EU)	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	77%	**80%**	68%	**71%**	53%	**56%**

Source: USDA Risk Management Agency. *MGR-25-006: One Big Beautiful Bill Act Amendment.* 20 August 2025, https://www.rma.usda.gov/policy-procedure/bulletins-memos/managers-bulletin/mgr-25-006-one-big-beautiful-bill-act-amendment

Prepared by Silveus Insurance Group, 8 Sept 2025

Premium support for individual-based crop insurance policies (excluding catastrophic risk protection, CAT), across all levels of coverage, will be increased by 3-5%. This change can be found in Sec. 10504 Premium Support, where it includes the actual percent changes for each plan.

Source: Silveus Insurance Group.

Types of Crop Insurance

Optional endorsements and operational mechanics

Session #4

Types of Crop Insurance

Optional endorsement to underlying insurance plans

Losses determined by the experience of an entire area (county)
Supplemental Coverage Option (SCO)
Stacked Income Protection Plant (STAX) for upland cotton
Enhanced Coverage Option (ECO)
Margin Protection Program (MPP)
Hurricane Insurance Plan with Wind Index (HIP-WI)

SCO Endorsements

Policy overview and operational mechanics

- SCO offers producers the opportunity to purchase area-based insurance coverage in combination with traditional crop insurance policies. Producers may cover a portion of the deductible of their underlying crop insurance policy (yield or revenue), with payments being determined on an area (generally county) basis.
- The more closely an individual producer's yields vary in step with the parish (county) average, the better the program will cover individual farm losses. While some traditional insurance policies can cover up to 85 percent of farm-level revenue or yield, producers typically insure for around 70-75 percent of yield or revenue.
- SCO policies provide an option for additional coverage of the layer of crop value between the coverage level of the underlying insurance policy and 86 percent, at a fixed premium subsidy rate of 65 percent.

Source: USDA RMA.

SCO Crop Insurance with RP Policy

Supplemental Coverage Option (SCO) endorsement for soybeans

Tensas Parish example.

SCO Endorsements

Policy overview and operational mechanics for a corn example

Parameter	Value
APH Yield	175 bu/ac
Projected Price	$4.10/bu
Harvest Price	$4.45/bu
Liability	$778.75/ac
Underlying RP Coverage Level	70%
Revenue Coverage	$545.13/ac
Deductible Amount	$233.63/ac
SCO Coverage	86%-70%=16%
SCO Coverage Value	$124.60/ac

Parameter @ County level	Value
Expected County Yield	185 bu/ac
Min. Expected County Revenue	$758.50/ac
Final Exp. County Revenue	$823.25/ac
Actual County Yield	150 bu/ac
Actual County Revenue	$667.50/ac
Percent of Exp. Cty. Revenue	81.1%
Amount Below 86% SCO Trigger	4.9%
Indemnity Payment Factor	30.6%
SCO Indemnity	$38.13/ac

Source: USDA RMA.

SCO Endorsements

Changes within the OBBB Act

- SCO also received some major updates in this bill. The coverage level will increase from 86% up to 90% in CY2027.
- While in CY2026 premium subsidy increased from 65% to 80%. Additionally, producers can now purchase the SCO endorsement even when their base acres are enrolled in the ARC program. However, SCO and the Stacked income protection plan (STAX) remain incompatible on the same acres.
- The USDA recently announced that premium support will extend beyond SCO coverage for CY2026. The programs listed below will also be receiving the 80% premium subsidy. These programs are:
  – Enhanced Coverage Option (ECO)
  – Margin Coverage Option (MCO)
  – Hurricane Insurance Protection Wind Index (HIP-WI)
  – Fire Insurance Protection Smoke Index (FIP-SI)

Source: USDA RMA.

SCO Endorsements

Changes within the OBBB Act

- Combining an increase in coverage with a whopping 15% subsidy increase makes SCO more affordable than ever. Now that producers can pair SCO with ARC, SCO can now be utilized by a larger number of producers.
- SCO is an area plan, meaning it does not trigger based solely on individual farm performance but on the entire parish's (county's) performance. As such, even though SCO is now more affordable, it does not mean that it is going to be the best option for every scenario.
- While SCO has been the highlight, USDA is extending that support to several other programs as well, making them more affordable. Extending the 80% premium subsidy to additional products gives producers more affordable options and makes it easier to build an effective risk management strategy.

Source: USDA RMA.

SCO Crop Insurance

Supplemental Coverage Option (SCO) endorsement for cotton crop insurance

- Area-wide shallow loss protection plan
- Purchased as an endorsement to an underlying policy
- 86%-underlying policy coverage on planted cotton acreage
- Area-wide revenue coverage with adjustment for farm's APH
- Premium subsidy of 65%
- Can enroll in PLC, cannot enroll in ARC

SCO Crop Insurance @ 86% Loss Trigger

Supplemental Coverage Option (SCO) endorsement for soybeans

SCO RP (Soybean Example)	
Proj. Insurance Price	$10.51
Harvest Insurance Price	$10.10
Farm's APH	60.0
Expected Crop Value	$630.60
Area Loss Trigger	86%
Underlying Policy Coverage	70%
SCO Coverage Range	16%
Expected Crop Value	$630.60
SCO Coverage Range	16%
SCO Protection	$100.90

Final Area Yield	52.0
Harvest Price	$10.10
Final Area Revenue	$525.20
Expected Area Yield	59.1
Max of Ins. Period Prices	$10.51
Expected Area Revenue	$621.14
Percent of Exp. Area Revenue	84.55%
Area Loss Trigger	86%
Percent of Exp. Area Revenue	84.55%
SCO Coverage Range	16%
SCO Payment Factor	0.090371
Indemnity per acre	$9.12

Tensas Parish example.

ARC-CO vs. SCO Crop Insurance

What degree of protection am I paying for on soybeans?

	CO Yield										
U.S. MYA Price	**58**	**56**	**54**	**52**	**50**	**48**	**46**	**44**	**42**	**40**	**38**
$11.70	$0.00	$0.00	$0.00	$0.00	$21.29	$44.69	$68.09	$70.73	$70.73	$70.73	$70.73
$11.60	$0.00	$0.00	$0.00	$3.10	$26.30	$49.50	$70.73	$70.73	$70.73	$70.73	$70.73
$11.50	$0.00	$0.00	$0.00	$8.32	$31.32	$54.32	$70.73	$70.73	$70.73	$70.73	$70.73
$11.40	$0.00	$0.00	$0.00	$13.54	$36.34	$59.14	$70.73	$70.73	$70.73	$70.73	$70.73
$11.30	$0.00	$0.00	$0.00	$18.76	$41.36	$63.96	$70.73	$70.73	$70.73	$70.73	$70.73
$11.20	$0.00	$0.00	$1.57	$23.97	$46.37	$68.77	$70.73	$70.73	$70.73	$70.73	$70.73
$11.10	$0.00	$0.00	$6.99	$29.19	$51.39	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$11.00	$0.00	$0.00	$12.41	$34.41	$56.41	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.90	$0.00	$0.00	$17.83	$39.63	$61.43	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.80	$0.00	$1.64	$23.24	$44.84	$66.44	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.70	$0.00	$7.26	$28.66	$50.06	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.60	$0.00	$12.88	$34.08	$55.28	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.50	$0.00	$18.49	$39.49	$60.49	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.40	$3.31	$24.11	$44.91	$65.71	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.30	$9.13	$29.73	$50.33	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.20	$14.95	$35.35	$55.75	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.10	$20.76	$40.96	$61.16	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$10.00	$26.58	$46.58	$66.58	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$9.90	$32.40	$52.20	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$9.80	$38.21	$57.81	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73
$9.70	$44.03	$63.43	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73	$70.73

Tensas Parish example.

SCO Crop Insurance @ 90% Loss Trigger

Supplemental Coverage Option (SCO) endorsement for soybeans

SCO RP (Soybean Example)

Proj. Insurance Price	$10.51
Harvest Insurance Price	$10.10
Farm's APH	60.0
Expected Crop Value	$630.60
Area Loss Trigger	90%
Underlying Policy Coverage	70%
SCO Coverage Range	20%
Expected Crop Value	$630.60
SCO Coverage Range	20%
SCO Protection	$126.12

Final Area Yield	52.0
Harvest Price	$10.10
Final Area Revenue	$525.20
Expected Area Yield	59.1
Max of Ins. Period Prices	$10.51
Expected Area Revenue	$621.14
Percent of Exp. Area Revenue	84.55%
Area Loss Trigger	90%
Percent of Exp. Area Revenue	84.55%
SCO Coverage Range	20%
SCO Payment Factor	0.272296
Indemnity per acre	$34.34

Tensas Parish example.

ARC-CO vs. SCO Crop Insurance – OBBB Act Changes

What degree of protection am I paying for on soybeans?

	CO Yield										
U.S. MYA Price	**58**	**56**	**54**	**52**	**50**	**48**	**46**	**44**	**42**	**40**	**38**
$11.70	$0.00	$0.00	$2.78	$26.18	$49.58	$72.98	$84.88	$84.88	$84.88	$84.88	$84.88
$11.60	$0.00	$0.00	$8.19	$31.39	$54.59	$77.79	$84.88	$84.88	$84.88	$84.88	$84.88
$11.50	$0.00	$0.00	$13.61	$36.61	$59.61	$82.61	$84.88	$84.88	$84.88	$84.88	$84.88
$11.40	$0.00	$0.00	$19.03	$41.83	$64.63	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$11.30	$0.00	$1.84	$24.44	$47.04	$69.64	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$11.20	$0.00	$7.46	$29.86	$52.26	$74.66	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$11.10	$0.00	$13.08	$35.28	$57.48	$79.68	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$11.00	$0.00	$18.70	$40.70	$62.70	$84.70	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.90	$2.51	$24.31	$46.11	$67.91	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.80	$8.33	$29.93	$51.53	$73.13	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.70	$14.15	$35.55	$56.95	$78.35	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.60	$19.97	$41.17	$62.37	$83.57	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.50	$25.78	$46.78	$67.78	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.40	$31.60	$52.40	$73.20	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.30	$37.42	$58.02	$78.62	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.20	$43.23	$63.63	$84.03	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.10	$49.05	$69.25	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$10.00	$54.87	$74.87	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$9.90	$60.69	$80.49	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$9.80	$66.50	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88
$9.70	$72.32	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88	$84.88

Tensas Parish example.

SCO Crop Insurance

Supplemental Coverage Option (SCO) endorsement for corn

SCO RP (Corn Example)	
Proj. Insurance Price	$4.66
Harvest Insurance Price	$4.30
Farm's APH	200.0
Expected Crop Value	$932.00
Area Loss Trigger	86%
Underlying Policy Coverage	70%
SCO Coverage Range	16%
Expected Crop Value	$932.00
SCO Coverage Range	16%
SCO Protection	$149.12

Final Area Yield	180.0
Harvest Price	$4.30
Final Area Revenue	$774.00
Expected Area Yield	197.0
Max of Ins. Period Prices	$4.66
Expected Area Revenue	$918.02
Percent of Exp. Area Revenue	84.31%
Area Loss Trigger	86%
Percent of Exp. Area Revenue	84.31%
SCO Coverage Range	16%
SCO Payment Factor	10.55%
Indemnity per acre	$15.73

Tensas Parish example.

SCO Crop Insurance @ 90% Loss Trigger

Supplemental Coverage Option (SCO) endorsement for corn

SCO RP (Corn Example)

Proj. Insurance Price	$4.66
Harvest Insurance Price	$4.30
Farm's APH	200.0
Expected Crop Value	$932.00
Area Loss Trigger	90%
Underlying Policy Coverage	70%
SCO Coverage Range	20%
Expected Crop Value	$932.00
SCO Coverage Range	20%
SCO Protection	$186.40

Final Area Yield	180.0
Harvest Price	$4.30
Final Area Revenue	$774.00
Expected Area Yield	197.0
Max of Ins. Period Prices	$4.66
Expected Area Revenue	$918.02
Percent of Exp. Area Revenue	84.31%
Area Loss Trigger	90%
Percent of Exp. Area Revenue	84.31%
SCO Coverage Range	20%
SCO Payment Factor	28.44%
Indemnity per acre	$53.01

Tensas Parish example.

STAX Insurance for Upland Cotton

Policy overview and operational mechanics

- STAX provides revenue insurance policies to producers of upland cotton. Similar to SCO, STAX policies are area-wide policies, basing the loss calculation on the difference between expected and actual area average revenues rather than on individual farm losses.
- Unlike SCO--which must be purchased in conjunction with a traditional crop insurance policy, cotton producers may purchase STAX either in conjunction with their insurance policies or as a stand-alone policy.
- Policies may cover up to 20 percent of revenue in 5-percent increments. Federal subsidies will cover 80 percent of producers' premiums.
- Producers who enroll seed cotton base acres on a farm under ARC or PLC may not purchase STAX policies for any upland cotton acres on that farm.

Source: USDA RMA.

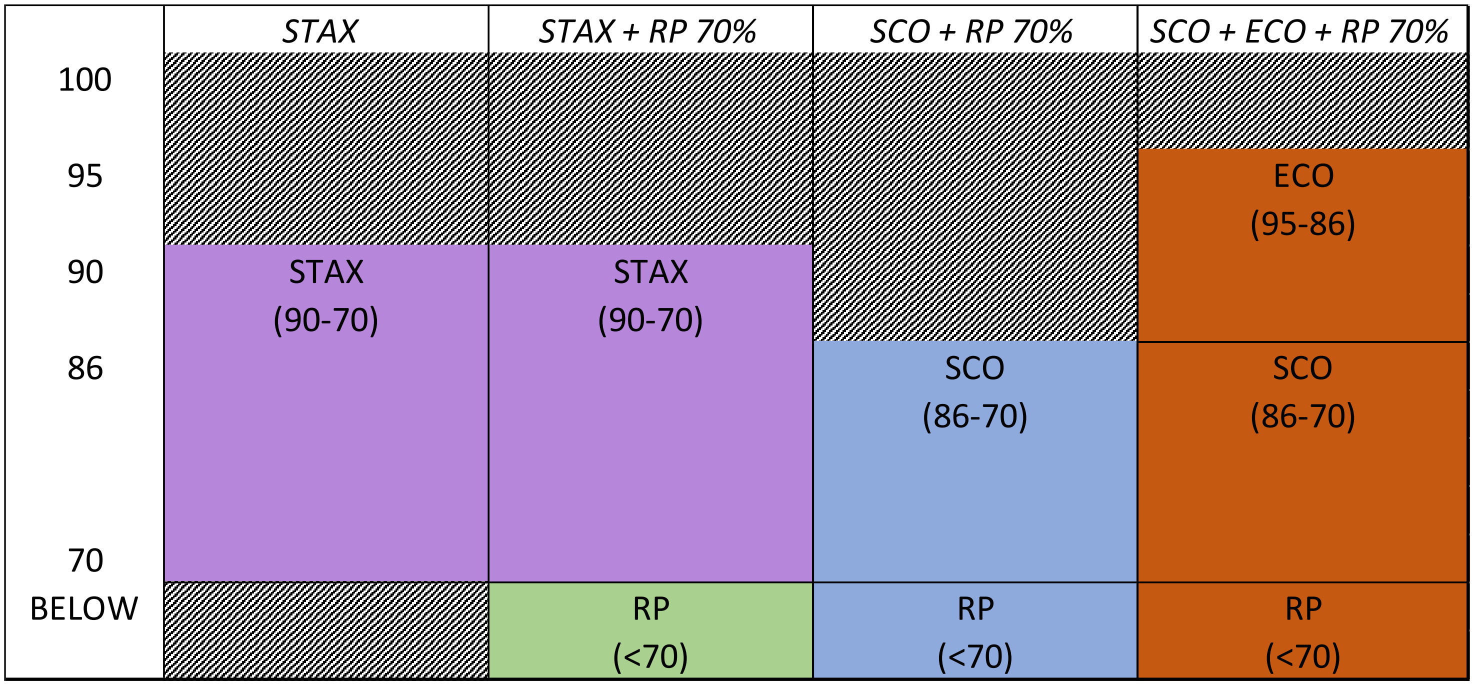
STAX Crop Insurance

Stacked Income Protection Program (STAX) for cotton crop insurance

- Area-wide shallow loss protection plan
- Stacked or stand-alone
- 90-70% coverage on planted cotton acreage
- Protection factor must be selected (0.80-1.20)
- Area-wide revenue coverage
- Premium subsidy of 80%
- Cannot enroll seed cotton in ARC or PLC

Illustrating Crop Insurance Coverage Levels

Optional endorsements products for cotton – Caddo Parish example 2025



Est. GRW-Pd. PREM.	*$4*	*$11+$4 =$15*	*$14+$4 =$18*	*$14+$14+$4 =$32*

denotes an unprotected area of revenue

Personal communication.

STAX Crop Insurance

Decision tool example for Franklin Parish - 2025

Parameter	Value
Expected County Yield	898 lbs./ac
Projected Price	$0.69/lb.
Exp. County Revenue	$619.62/ac
Loss Trigger	90%
Coverage	20%
Protection Factor	1.10
Expected Revenue	$673.50/ac
STAX Coverage	$134.70/ac
Coverage w/ PF	$148.17/ac
Harvest Price	$0.75
Final Yield	740 lbs./ac
Final County Revenue	$555.00/ac
Payment Factor	38%
Indemnity	$56.27/av

Source: USDA RMA.

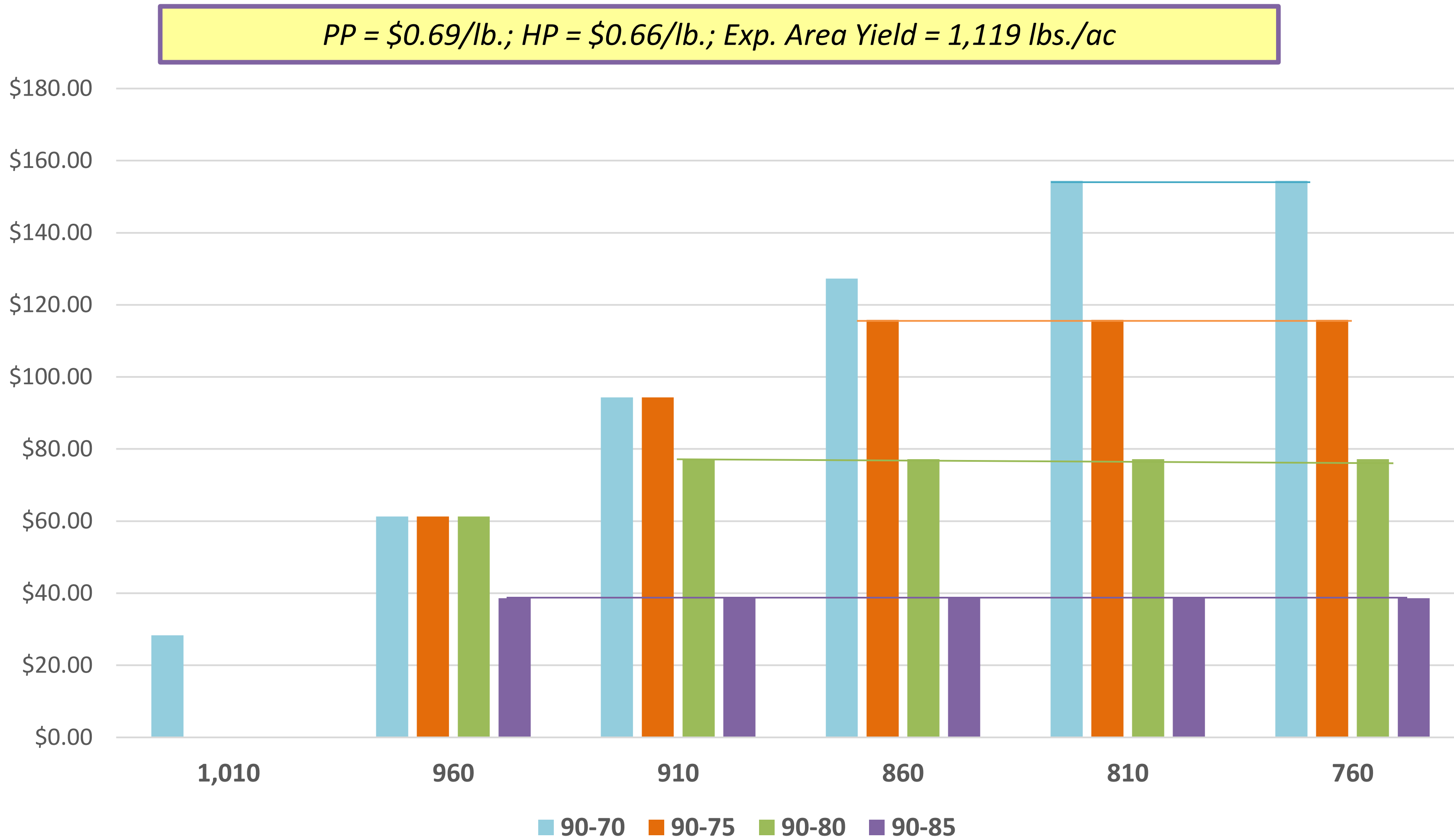
STAX Crop Insurance

Decision tool example for Franklin Parish - 2025

1. Determine range of coverage		1. Determine range of coverage		1. Determine range of coverage		1. Determine range of coverage	
Area Loss Trigger (%)	90%	Area Loss Trigger (%)	90%	Area Loss Trigger (%)	90%	Area Loss Trigger (%)	90%
Area Loss Ending (%)	70%	Area Loss Ending (%)	75%	Area Loss Ending (%)	80%	Area Loss Ending (%)	85%
STAX Coverage Range[1/]	20%	STAX Coverage Range[1/]	15%	STAX Coverage Range[1/]	10%	STAX Coverage Range[1/]	5%
2. Calculate STAX policy protection		2. Calculate STAX policy protection		2. Calculate STAX policy protection		2. Calculate STAX policy protection	
Proj. Insurance Price	**$0.69**	Proj. Insurance Price	$0.69	Proj. Insurance Price	$0.69	Proj. Insurance Price	$0.69
Harvest Insurance Price	**$0.66**	Harvest Insurance Price	$0.66	Harvest Insurance Price	$0.66	Harvest Insurance Price	$0.66
Expected Area Yield	**1119.0**	Expected Area Yield	1119.0	Expected Area Yield	1119.0	Expected Area Yield	1119.0
Expected STAX Value[2/]	$772.11	Expected STAX Value[2/]	$772.11	Expected STAX Value[2/]	$772.11	Expected STAX Value[2/]	$772.11
STAX Coverage Range	20%	STAX Coverage Range	15%	STAX Coverage Range	10%	STAX Coverage Range	5%
Protection Factor[3/]	**1.00**	Protection Factor[3/]	1.00	Protection Factor[3/]	1.00	Protection Factor[3/]	1.00
STAX Policy Protection	$154.42	STAX Policy Protection	$115.82	STAX Policy Protection	$77.21	STAX Policy Protection	$38.61
3. Calculate the revenue loss (if any)		3. Calculate the revenue loss (if any)		3. Calculate the revenue loss (if any)		3. Calculate the revenue loss (if any)	
Final Area Yield	**950.0**	Final Area Yield	950.0	Final Area Yield	950.0	Final Area Yield	950.0
Harvest Price	$0.66	Harvest Price	$0.66	Harvest Price	$0.66	Harvest Price	$0.66
Final Area Revenue	$627.00	Final Area Revenue	$627.00	Final Area Revenue	$627.00	Final Area Revenue	$627.00
Percent of Exp. Revenue	81.21%	Percent of Exp. Revenue	81.21%	Percent of Exp. Revenue	81.21%	Percent of Exp. Revenue	81.21%
4. Calculate the STAX payment factor		4. Calculate the STAX payment factor		4. Calculate the STAX payment factor		4. Calculate the STAX payment factor	
Area Loss Trigger	90%	Area Loss Trigger	90%	Area Loss Trigger	90%	Area Loss Trigger	90%
Percent of Exp. Revenue	81.21%	Percent of Exp. Revenue	81.21%	Percent of Exp. Revenue	81.21%	Percent of Exp. Revenue	81.21%
Percent Loss	8.79%	Percent Loss	8.79%	Percent Loss	8.79%	Percent Loss	8.79%
STAX Coverage Range	20%	STAX Coverage Range	15%	STAX Coverage Range	10%	STAX Coverage Range	5%
STAX Payment Factor[4/]	0.440	STAX Payment Factor[4/]	0.586	STAX Payment Factor[4/]	0.879	STAX Payment Factor[4/]	1.759
5. Calculate the STAX indemnity payment		5. Calculate the STAX indemnity payment		5. Calculate the STAX indemnity payment		5. Calculate the STAX indemnity payment	
Indty. Calc. to Pymt. Factor	$67.90	Indty. Calc. to Pymt. Factor	$67.90	Indty. Calc. to Pymt. Factor	$67.90	Indty. Calc. to Pymt. Factor	$38.61
Indemnity per acre	$67.90	**Indemnity per acre**	$67.90	**Indemnity per acre**	$67.90	**Indemnity per acre**	$38.61
6. STAX Premium		6. STAX Premium		6. STAX Premium		6. STAX Premium	
Price Volatility	0.14	Price Volatility	0.14	Price Volatility	0.14	Price Volatility	0.14
Coverage Range	20%	Coverage Range	15%	Coverage Range	10%	Coverage Range	5%
RMA Act. Data[5/]	0.2762	RMA Act. Data[5/]	0.3211	RMA Act. Data[5/]	0.3678	RMA Act. Data[5/]	0.43
Total Premium	$42.65	Total Premium	$37.19	Total Premium	$28.40	Total Premium	$16.60
FCIC Subsidized Portion[6/]	$34.12	FCIC Subsidized Portion[6/]	$29.75	FCIC Subsidized Portion[6/]	$22.72	FCIC Subsidized Portion[6/]	$13.28
GRW Portion of Premium	$8.53	GRW Portion of Premium	$7.44	GRW Portion of Premium	$5.68	GRW Portion of Premium	$3.32
GRW Indemnity Less Premium	*$59.37*	*GRW Indemnity Less Premium*	*$60.46*	*GRW Indemnity Less Premium*	*$62.22*	*GRW Indemnity Less Premium*	*$35.29*

STAX Crop Insurance

Franklin Parish examples, varying final area yields and max indemnities



Lines represent final area yield that maximizes indemnity amount payable under each STAX policy.

ECO and SCO Crop Insurance

ECO example at 95% (left) and 90% (right) coverage

Deductible (no coverage)	100-95%
ECO Coverage range	95-86%
SCO or ARC Coverage range	86-75%
MCPI coverage range	75%

Deductible (no coverage)	100-90%
ECO Coverage range	90-86%
SCO or ARC Coverage range	86-75%
MCPI coverage range	75%

Trade-off with the ECO policy is that acres are ineligible for the Hurricane Insurance Policy (HIP) endorsement. ECO ≠ STAX

ECO Endorsements

Policy overview and operational mechanics

- The Enhanced Coverage Option (ECO) is a new crop insurance option that provides additional area-based coverage for a portion of your underlying crop insurance policy deductible.
- Purchased as an endorsement to the Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion, Actual Production History or Yield Based Dollar Amount of Insurance policy.
- ECO offers producers a choice of 95% or 90% trigger levels. Trigger means the percentage of expected yield or revenue at which a loss becomes payable.
- ECO follows the coverage of an underlying policy. If you choose Yield Protection or a yield-based policy, then ECO covers yield loss. If you choose a Revenue Protection policy, then ECO covers revenue losses.
- ECO coverage amount depends on the liability of your underlying policy. However, ECO differs from the underlying policy in how a loss payment is triggered. The underlying policy pays a loss on an individual basis and an indemnity is triggered when you have an individual loss in yield or revenue.
- ECO pays a loss on an area basis, and an indemnity is triggered when there is a decrease in the county level yield or revenue. ECO has two trigger levels: 90 and 95 percent. ECO provides a band of coverage between the elected trigger level and 86%. If the county yield or revenue is reduced beyond the trigger level you will receive an ECO indemnity.
- If the reduction in yield or revenue exceeds the 86% threshold, you will receive an indemnity equal to the full insured liability.

Source: USDA RMA.

ECO Crop Insurance

Enhanced Coverage Option (ECO) endorsement for crop insurance

- Area-wide shallow loss protection plan
- Purchased as an endorsement to an underlying policy
- Does not require SCO purchase
- 95%-86% or 90%-86% coverage on planted cotton acreage
- Area-wide revenue coverage with adjustment for farm's APH
- Premium subsidy increase from 44% to 65% (beginning in 2025 and moving forward)
- Independent of ARC/PLC choice

ECO Crop Insurance (premium sub. increase this year)

ECO example for corn under varying harvest prices area yields - 2025

Crop Insurance Parameters	Value
Farm's APH	200
Expected County Yield	190
Projected Insurance Price	$4.66
Underlying Revenue Policy Coverage Level	75%
Minimum Insurance Revenue Policy Guarantee	$699.00
ECO Level Selected	95%
County Revenue Trigger (ECO)	$841.13
SCO Level to Trigger	86%
County Revenue Trigger (SCO)	$761.44

Price and Yield Parameters	Example 1	Example 2	Example 3
Projected Insurance Price	$4.66	$4.66	$4.66
Projected Insurance Harvest Price	$4.35	$4.35	$4.50
Revenue Policy Guarantee	$699.00	$699.00	$699.00
SCO Policy Guarantee	$761.44	$761.44	$761.44
ECO Guarantee	$841.13	$841.13	$841.13
Actual Farm Yield	200	175	170
Actual County Yield	190	180	160
Actual Revenue for Farm	$870.00	$761.25	$765.00
Actual Revenue for County	$826.50	$783.00	$720.00
Indemnity Payment for Revenue Policy	$0.00	$0.00	$0.00
Indemnity Payment for SCO Policy	$0.00	$0.00	$41.44
Indemnity Payment for ECO Policy	$14.63	$58.13	$79.69

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ECO Crop Insurance (premium sub. increase this year)

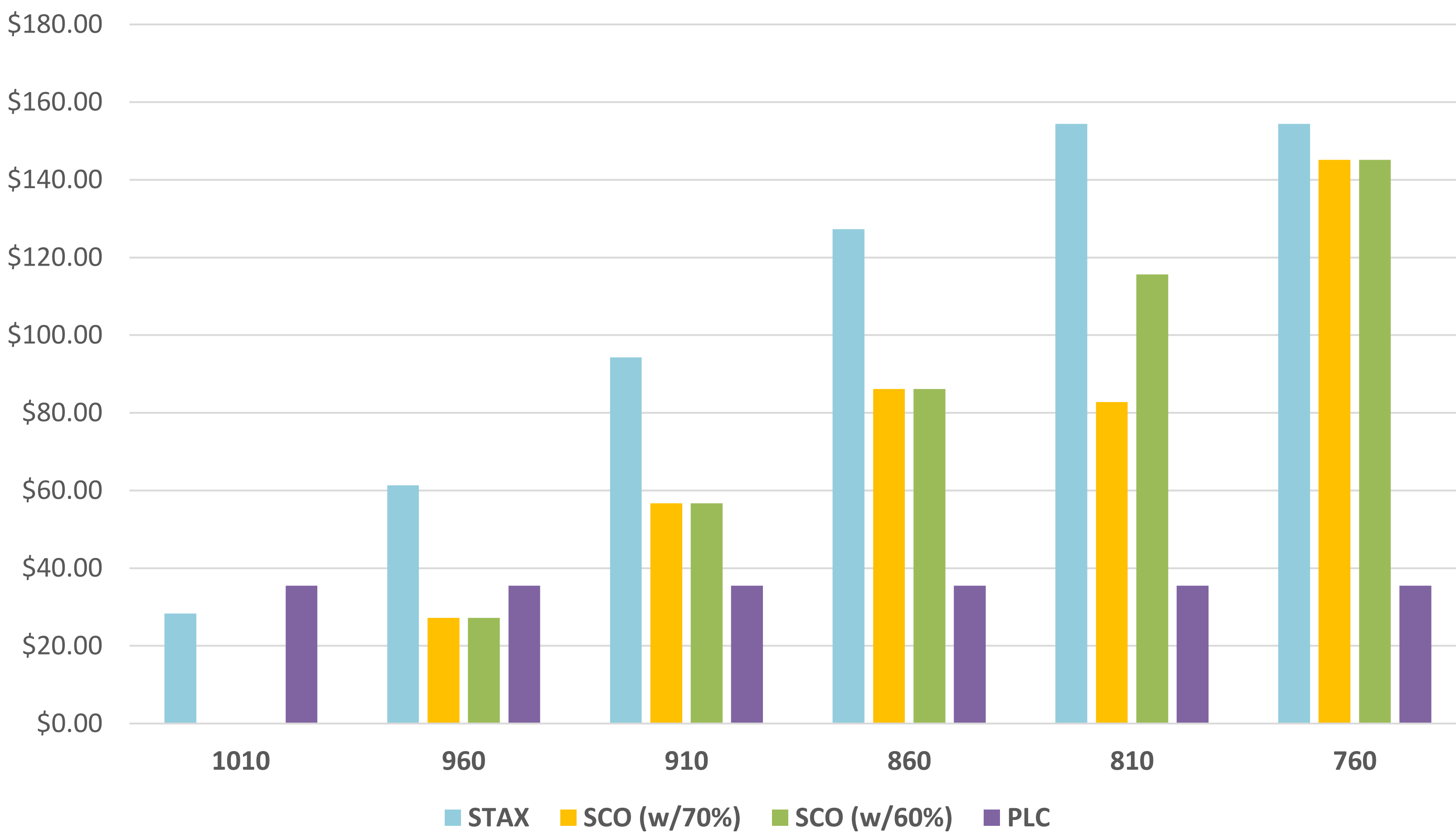
ECO example for cotton under varying harvest prices and area yields - 2025

Crop Insurance Parameters	Value
Farm's APH	1200
Expected County Yield	1119
Projected Insurance Price	$0.69
Underlying Revenue Policy Coverage Level	70%
Minimum Insurance Revenue Policy Guarantee	$579.60
ECO Level Selected	95%
County Revenue Trigger (ECO)	$733.50
SCO Level to Trigger	86%
County Revenue Trigger (SCO)	$664.01

Price and Yield Parameters	Example 1	Example 2	Example 3
Projected Insurance Price	$0.69	$0.69	$0.69
Projected Insurance Harvest Price	$0.66	$0.66	$0.66
Revenue Policy Guarantee	$579.60	$579.60	$579.60
SCO Policy Guarantee	$664.01	$664.01	$664.01
ECO Guarantee	$733.50	$733.50	$733.50
Actual Farm Yield	1050	1050	1050
Actual County Yield	950	925	900
Actual Revenue for Farm	$693.00	$693.00	$693.00
Actual Revenue for County	$627.00	$610.50	$594.00
Indemnity Payment for Revenue Policy	$0.00	$0.00	$0.00
Indemnity Payment for SCO Policy	$37.01	$53.51	$70.01
Indemnity Payment for ECO Policy	$69.49	$69.49	$69.49

Area-wide Crop Insurance Performance for Cotton

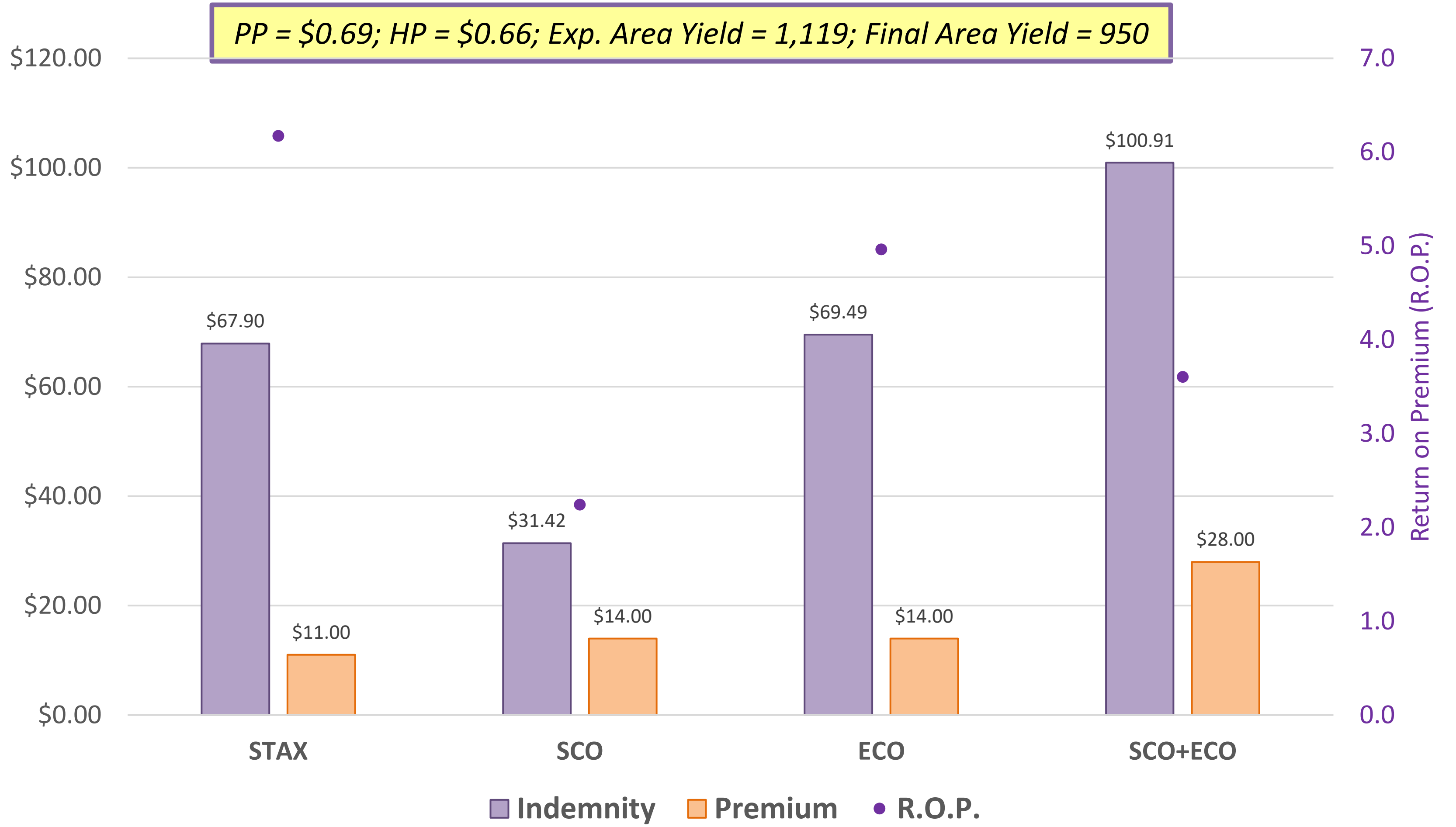
Declining parish yield scenario (denoted on x-axis) for STAX and SCO



Franklin Parish example.

STAX, SCO, and ECO Crop Insurance for Cotton

*Cotton example and return on premium estimation – 2025**



Franklin Parish example.

MPP Endorsements

Policy overview and operational mechanics

- Margin Protection takes into considerations changes in crop prices, reductions of yields and changes in the prices of inputs used to grow the crop. A payment may be made on the Margin Protection insurance policy when the harvest margin for the county is lower than the trigger margin due to a decrease in revenue and/or an increase in input costs.
- The MPP insurance policy will cover a portion of that shortfall. If there is a loss paid under your Yield Protection or Revenue Protection policy, the indemnity from that policy will be subtracted from any loss under the Margin Protection insurance policy.
- Margin Protection crop insurance can be purchased by itself, or in conjunction with a Yield Protection or Revenue Protection policy purchased from the same Approved Insurance Provider that issued the Margin Protection policy. If you buy a Yield Protection or Revenue Protection policy, you will receive a Margin Protection premium credit to reflect that indemnity payments from one policy can offset payments from the other.
- Any indemnity payments will be paid when the final county yields are available, which is usually in the spring of the following year
- Margin Protection provides coverage that is based on an expected margin for each applicable crop, type, and practice.
- **Expected Margin = Expected Revenue – Expected Costs**, where:
  - Expected revenue (per acre) is the expected county yield multiplied by a projected commodity price; and
  - Expected cost (per acre) is the dollar amount determined by multiplying the quantity of each allowed input by the input's projected price.
  - Trigger Margin = Expected Margin – Deductible, where the deductible is 1.00 minus the coverage level multiplied by the expected revenue.
  - Coverage levels are offered from 70-95% of your expected margin. A higher coverage level has a higher premium rate. The Catastrophic Risk Protection (CAT) coverage level is not available with MPP.

Source: USDA RMA.

MPP Endorsements

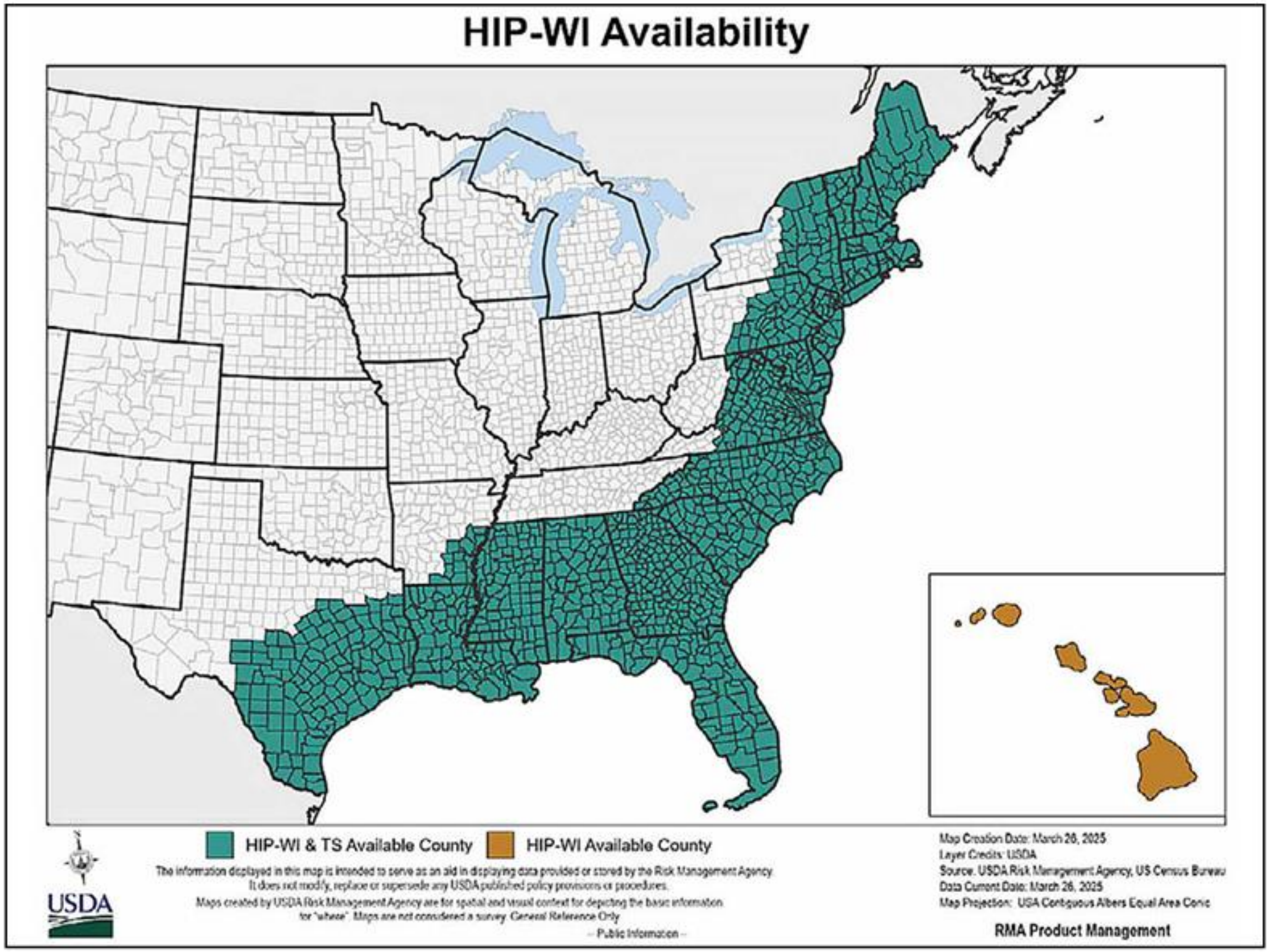
Policy overview and operational mechanics example for corn

Expected Yield	150 bu/ac	Final Yield	125 bu/ac
Projected Price	$4.00/bu	Harvest Price	$4.25/bu
Exp. County Rev.	$600.00/ac	Harvest Revenue	$531.25/ac
Expected Costs		*Final Harvest Costs*	
Diesel Fuel	$3.50/gal @7.5 gal/ac	Diesel Fuel	$3.50/gal @7.5 gal/ac
N Fertilizer	$1.00/lb. @ 150 lbs./ac	N Fertilizer	$1.25/lb. @ 150 lbs./ac
Other	$300.00/ac	Other	$300.00/ac
Exp. Costs	$476.25/ac	Exp. Costs	$517.50/ac
Margin Coverage	90%	Harvest Margin	$13.75
Exp. Margin	$123.75/ac	Protection Factor	1.20
Margin Deductible	$60.00/ac	Margin Indemnity	$60.00/ac
Trigger Margin	$63.75/ac		

Source: USDA RMA.

HIP-WI

Policy overview and operational mechanics



Source: USDA RMA.

HIP-WI

Policy overview and operational mechanics for a corn example

Parameter	Value
Farm APH	154.6 bu/ac
Projected Price	$4.00/bu
Expected Crop Value	$432.88/ac
Underlying Policy Coverage	70%
Hurricane Factor Selected	95%
Hurricane Coverage	95%-70%=25%
Expected Crop Value	$618.40/ac
Hurricane Protection Amount	$139.14/ac
Tropical Storm Protection	*(50%*$139.14/ac)=$69.57/ac*

Source: USDA RMA.

Managing Price Risk

Special Guest: Dr. Raghav Goyal, LSU AgCenter- Dept. of Ag Economics

Session #5

"Managing Risk Price Risk with Futures and Options: Practical Strategies for Louisiana Producers"

Session #6

Replant and Prevented Planting

Considerations associated with the decision

- Yield and revenue protection policies both have provisions for replant or preventative plant. These are standard options within each policy and provide additional coverage related to specific planting scenarios.
- The replant option is used when a crop is lost, but an opportunity exists to replant it. This insurance policy assists in paying for expenses related to the crop's replanting.
- The prevented planting option protects against situations where a crop cannot be planted. This insurance policy will offset preplanting costs incurred up to the point of planting.
- There is an established final planting date and late planting period that must be exceeded as to claim this option. These dates are important regarding what a producer can and cannot do to maintain eligibility for insurance benefits.

Source: Michigan State University

Important Policy Dates Set by RMA

Example for RP corn in Concordia Parish

Types / Practices	T/P 1	T/P 2
Type	Grain 016	Grain 016
Practice	Non-Irrigated 003	Irrigated 002
Base County Dates		
Sales Closing Date	02/28/2025	02/28/2025
Cancellation Date	02/28/2025	02/28/2025
Earliest Planting Date	03/01/2025	03/01/2025
Final Planting Date	04/15/2025	04/15/2025
End of Late Planting Period Date	04/30/2025	04/30/2025
Acreage Reporting Date	07/15/2025	07/15/2025
Premium Billing Date	08/15/2025	08/15/2025
End Of Insurance Date	12/10/2025	12/10/2025
Termination Date	02/28/2026	02/28/2026
Contract Change Date	11/30/2025	11/30/2025
Production Reporting Date	04/14/2025	04/14/2025

Source: USDA RMA.

Late Planting Example

Late plant guarantee example for corn

Corn Revenue Guarantee	(APH*Coverage Level*PP) =200 bu/ac*85%*$4.00/bu =$680/ac
Corn Planted 10 days after FPD	10% reduction of the guarantee (1% per day for the 10-day period) =APH*Coverage Level= 170 bu/ac 170 bu/ac is the “new” guarantee 170 bu/ac * 90% (100%-10% reduction with the late planting)= 153 bu/ac
“New” Corn Revenue Guarantee	153 bu/ac*PP of $4.00/bu= $612/ac
A reduction is sustained from the original $680 guarantee to now a $612 guarantee. Alternatively, $680*1% per day= $6.80 reduction in the RG per day until planted.	

Source: Compeer Financial, USDA RMA.

Prevent Plant (PP) Example

A prevent plant example for corn

Prevent Plant Guarantee	55% for corn and 60% for soybeans
PP Payment	APH*Coverage Level*Projected Price*55% =200 bu/ac*85%*$4.00/bu*55% =$374/ac PP payment/ac

Common Myths about PP	
False	As I plant into the late period, my PP coverage is reduced by 1% per day.
False	If I file a PP claim, I am locked into that claim, and I can't continue to plant.
False	I don't owe any premium on the policy because I didn't plant.

Source: Compeer Financial, USDA RMA.

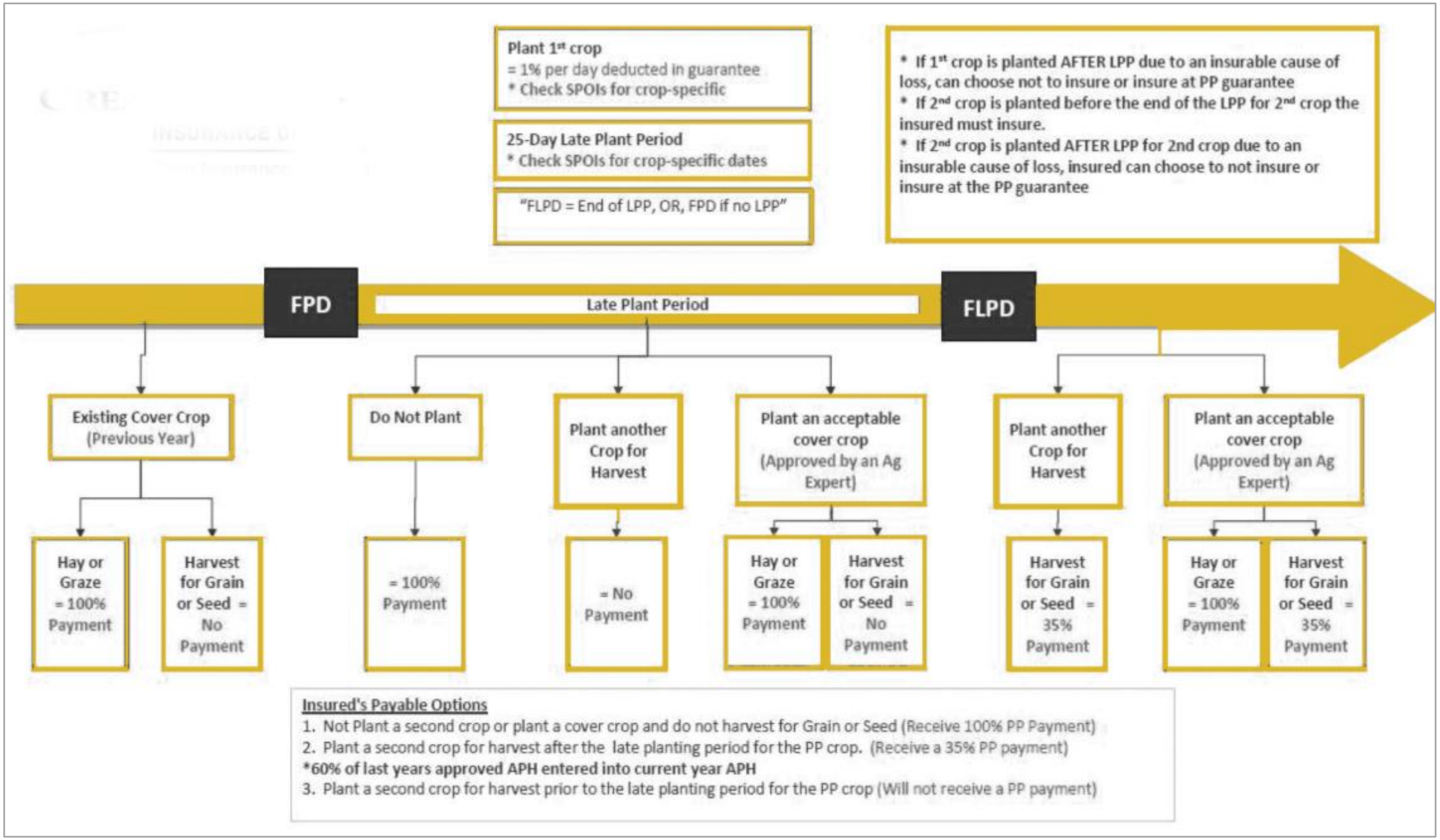
Replant and Prevented Plant
Considerations

- Option #1
  - Cont. to plant corn during the late plant period (not claim PP)
    - Guarantee is reduced by 1% per day for each day planting is delayed after the FPD through the duration of the late plant period.
    - After the late plant period ends, the insured’s [production guarantee will be equal to the PP guarantee
- Option #2
  - Claim a PP on the first insured crop (corn) and then decides to plant soybeans within the late plant period for corn
    - Insured’s forfeits his PP claim completely
    - Soybeans planted become the first insured crop
- Option #3
  - Claim a PP on the first insured crop (corn) and then decides to plant soybeans after the corn late plant period
    - Insured receives 35% of the PP payment
    - Insured receives a yield plug penalty in the APH of 60% for those corn acres
    - Must insure the soybean crop
    - Soybeans would have a reduction in their guarantee since they were planted past the final plant date
- Option #4
  - Claim a PP on the first insured crop (corn) and then decides to plant soybeans late all the way past the late plant period for soybeans
    - Inured receives 35% of the PP payment
    - Insured receives a yield plug penalty in the APH of 60% for those corn acres
    - Insured could choose to not insure those soybeans

Source: Compeer Financial, USDA RMA.

Replant and Prevented Plant

Considerations for final and final late planting dates



Source: USDA RMA.

Farm Financial Security and Risk Management

Tax implications of crop insurance indemnities

- Schedule F (A.K.A. “Profit and Loss from Farming”) is an IRS form that allows producers to report their net profit (or losses) from agricultural production.
- Schedule F pertains to reporting revenues and expenses from principal farming activities, such as grain and livestock sold, income from cooperatives, farm program payments, and federal crop insurance distributions.
- Crop insurance proceeds (or indemnities) are included on Schedule F as farm income and can be reported in several ways. Consider lines 6a-d where crop insurance income is reported. Line 6 on Schedule F is income reporting for crop insurance and federal crop disaster payments, while line 6a pertains to the amount received from these programs and 6b is the taxable amount of that income.
- Assume that a producer who is awarded a $50,000 crop insurance indemnity would receive a 1099-MISC from the crop insurance company containing that payment amount. The $50,000 would then be reported on line 6a as the amount received that year. The producer is then presented with two options: they can elect to have the indemnity included in that year’s taxable income (in which case, the producer would include the dollar amount on line 6b) or have the income deferred to next year. Income can be deferred if, and only if, the insured crop (or crops) are typically sold the year after production (checkmark line 6c while leaving 6b blank). The deferment of income protects the producer from being taxed on excess income in on year if their regular practice would have been to sell the crop the following year.
- If crop insurance payments are deferred; next year’s Schedule F would include the amount deferred from the previous year on line 6d. Furthermore, a producer is eligible to deduct their crop insurance premium expenses from their tax bill by recording the amount they paid for crop insurance policies in that year on Schedule F – Part II, line 20 (insurance (other than health)).

SCHEDULE F (Form 1040)

Department of the Treasury
Internal Revenue Service

Profit or Loss From Farming

Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
Go to *www.irs.gov/ScheduleF* for instructions and the latest information.

OMB No. 1545-0074
2022
Attachment Sequence No. **14**

Name of proprietor		Social security number (SSN)
A Principal crop or activity	**B** Enter code from Part IV	**C** Accounting method: ☐ Cash ☐ Accrual
		D Employer ID number (EIN) (see instr.)

E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses ☐ Yes ☐ No
F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions ☐ Yes ☐ No
G If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☐ No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of purchased livestock and other resale items (see instructions)	1a	
b	Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c	Subtract line 1b from line 1a		1c
2	Sales of livestock, produce, grains, and other products you raised		2
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	3b Taxable amount — 3b
4a	Agricultural program payments (see instructions)	4a	4b Taxable amount — 4b
5a	Commodity Credit Corporation (CCC) loans reported under election		5a
b	CCC loans forfeited	5b	5c Taxable amount — 5c
6	Crop insurance proceeds and federal crop disaster payments (see instructions):		
a	Amount received in 2022	6a	6b Taxable amount — 6b
c	If election to defer to 2023 is attached, check here ☐		6d Amount deferred from 2021 — 6d
7	Custom hire (machine work) income		7
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8
9	**Gross income.** Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions		9

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach **Form 4562**	10	23	Pension and profit-sharing plans	23
11	Chemicals	11	24	Rent or lease (see instructions):	
12	Conservation expenses (see instructions)	12	a	Vehicles, machinery, equipment	24a
13	Custom hire (machine work)	13	b	Other (land, animals, etc.)	24b
14	Depreciation and section 179 expense (see instructions)	14	25	Repairs and maintenance	25
15	Employee benefit programs other than on line 23	15	26	Seeds and plants	26
16	Feed	16	27	Storage and warehousing	27
17	Fertilizers and lime	17	28	Supplies	28
18	Freight and trucking	18	29	Taxes	29
19	Gasoline, fuel, and oil	19	30	Utilities	30
20	Insurance (other than health)	20	31	Veterinary, breeding, and medicine	31
21	Interest (see instructions):		32	Other expenses (specify):	
a	Mortgage (paid to banks, etc.)	21a	a		32a
b	Other	21b	b		32b
22	Labor hired (less employment credits)	22	c		32c
			d		32d
			e		32e
			f		32f

33 **Total expenses.** Add lines 10 through 32f. If line 32f is negative, see instructions — 33
34 **Net farm profit or (loss).** Subtract line 33 from line 9 — 34
If a profit, stop here and see instructions for where to report. If a loss, complete line 36.
35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a ☐ All investment is at risk. **b** ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H **Schedule F (Form 1040) 2022**

Part III Farm Income—Accrual Method (see instructions)

37	Sales of livestock, produce, grains, and other products (see instructions)		37
38a	Cooperative distributions (Form(s) 1099-PATR)	38a	38b Taxable amount — 38b
39a	Agricultural program payments	39a	39b Taxable amount — 39b
40	Commodity Credit Corporation (CCC) loans:		
a	CCC loans reported under election		40a
b	CCC loans forfeited	40b	40c Taxable amount — 40c
41	Crop insurance proceeds		41
42	Custom hire (machine work) income		42
43	Other income (see instructions)		43
44	Add amounts in the right column for lines 37 through 43 (lines 37, 38b, 39b, 40a, 40c, 41, 42, and 43)		44
45	Inventory of livestock, produce, grains, and other products at beginning of the year. Do not include sales reported on Form 4797	45	
46	Cost of livestock, produce, grains, and other products purchased during the year	46	
47	Add lines 45 and 46	47	
48	Inventory of livestock, produce, grains, and other products at end of year	48	
49	Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47*		49
50	**Gross income.** Subtract line 49 from line 44. Enter the result here and on Part I, line 9		50

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

Part IV Principal Agricultural Activity Codes

CAUTION

Do not file Schedule F (Form 1040) to report the following.

- *Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural services if your principal source of income is from providing such services. Instead, see instructions for Schedule C (Form 1040).*
- *Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead, see instructions for Schedule C (Form 1040).*
- *Income from managing a farm for a fee or on a contract basis. Instead, see instructions for Schedule C (Form 1040).*
- *Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead, see instructions for Form 4797.*

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six-digit number on line B.

111300	Fruit and tree nut farming
111400	Greenhouse, nursery, and floriculture production
111900	Other crop farming
Animal Production	
112111	Beef cattle ranching and farming
112112	Cattle feedlots
112120	Dairy cattle and milk production
112210	Hog and pig farming
112300	Poultry and egg production
112400	Sheep and goat farming
112510	Aquaculture
112900	Other animal production
Forestry and Logging	
113000	Forestry and logging (including forest nurseries and timber tracts)
113110	Timber tract operations
113210	Forest nurseries and gathering of forest products

Farm Financial Security and Risk Management

Considering the debt obligations of the farm

- Using crop insurance to guarantee debt obligation coverage is one of many ways insurance can be used as a risk management tool. Operating loans are typically revolving lines of credit that assist in covering pre-harvest expenses (e.g., seed cost, fertilizer, fuel, etc.).
- Assume the following revenue and pre-harvest expenses that might be incurred by a soybean producer.
- Additionally, they elect to use RP crop insurance to guarantee a level of revenue.

Revenue Parameter	Value
APH Yield	50 bu/ac
Projected Price	$12.60/bu
Expected Revenue on 324 acres	$204,120
RP Coverage 50% on 324 acres	$102,120

Farm Financial Security and Risk Management

Considering the debt obligations of the farm

- A producer may look to cover their operating debt obligations to manage the risk of a catastrophic loss. Will the RP guarantee cover the entire operating loan obligation?
- The following table highlights the realized returns to a producer net of their operating loan obligation based on a 324-acre farm.
- Returns are compared over an interest rate range of 5% to 10% (.5% increments) and RP elected coverage levels from 50% to 85% (5% increments).
- If the dollar value within Table is positive, then operating loan debt is covered with additional funds to pay other debt obligations. If the amount is negative, a producer would be unable to finance their entire operating loan only using RP or CAT payments. It’s important to note that pre-harvest expenses are only an estimate and RP insurance premiums and CAT administrative fees are not included in this analysis.

Farm Financial Security and Risk Management

Considering the debt obligations of the farm

- Farm size may play an important part in this decision since RP indemnities increase with the number of acres despite increase production costs with increased farm size.
- Also, under no circumstance does CAT coverage ensure a producer that they can cover their operating loan debt at the representative loan and farm size.
- Returns based on a 50% RP coverage level will be negative regardless of farm size. Increasing their coverage to 55% would mean a producer could guarantee covering their operating loan.

	CAT COVERAGE	REVENUE PROTECTION (RP) CROP INSURANCE COVERAGE LEVEL							
OPERATING LOAN INTEREST RATE	50% Yield, 55% Price	50%	55%	60%	65%	70%	75%	80%	85%
5.00%	-$51,805.21	-$5,878.21	$4,327.79	$14,533.79	$24,739.79	$34,945.79	$45,151.79	$55,357.79	$65,563.79
5.50%	-$52,101.39	-$6,174.39	$4,031.61	$14,237.61	$24,443.61	$34,649.61	$44,855.61	$55,061.61	$65,267.61
6.00%	-$52,398.01	-$6,471.01	$3,734.99	$13,940.99	$24,146.99	$34,352.99	$44,558.99	$54,764.99	$64,970.99
6.50%	-$52,695.05	-$6,768.05	$3,437.95	$13,643.95	$23,849.95	$34,055.95	$44,261.95	$54,467.95	$64,673.95
7.00%	-$52,992.51	-$7,065.51	$3,140.49	$13,346.49	$23,552.49	$33,758.49	$43,964.49	$54,170.49	$64,376.49
7.50%	-$53,290.41	-$7,363.41	$2,842.59	$13,048.59	$23,254.59	$33,460.59	$43,666.59	$53,872.59	$64,078.59
8.00%	-$53,588.73	-$7,661.73	$2,544.27	$12,750.27	$22,956.27	$33,162.27	$43,368.27	$53,574.27	$63,780.27
8.50%	-$53,887.47	-$7,960.47	$2,245.53	$12,451.53	$22,657.53	$32,863.53	$43,069.53	$53,275.53	$63,481.53
9.00%	-$54,186.64	-$8,259.64	$1,946.36	$12,152.36	$22,358.36	$32,564.36	$42,770.36	$52,976.36	$63,182.36
9.50%	-$54,486.24	-$8,559.24	$1,646.76	$11,852.76	$22,058.76	$32,264.76	$42,470.76	$52,676.76	$62,882.76
10.00%	-$54,786.26	-$8,859.26	$1,346.74	$11,552.74	$21,758.74	$31,964.74	$42,170.74	$52,376.74	$62,582.74

*Note: Average interest rate on operating loans in Q2 2023 is 8.25% with an average loan size of $65,000 (KC-FED, 2023). CAT coverage levels based on data in Table 1 for yield and projected price are 25 bushels and $6.93, respectively.

Actuarial Information Browser (AIB)

Commodity report for RP corn in Concordia Parish 2025

USDA United States Department of Agriculture
Risk Management Agency

RMA Web Applications > AIB > Crop > Commodity Report

AIB

1	Reinsurance Year:	2025
2	Commodity:	Corn (0041)
3	Commodity Year:	2025
4	Insurance Plan:	Revenue Protection (02)
5	State:	Louisiana (22)
	County:	Concordia (029)

Types / Practices | Unit Structure | Prices | T-Yield | Yield Exclusion | Dates | Rates | Maps | Subsidy Factors | Prevented Planting Coverage Level

Special Provisions | SCO Prices and Yields | SCO Rates | SCO Subsidy Factors | ECO Prices and Yields | ECO Rates | ECO Subsidy Factors

HIP-WI Rates and Payments | HIP-WI Subsidy Factors | HIP-WI Dates | Links

Source: USDA RMA.

Special Provisions of an Insurance Policy

Example for RP corn in Concordia Parish

Special Provisions

2025 and Succeeding Crop Years

Year: 2025 | Commodity: Corn (0041) | State: Louisiana (22)

Date: 11/19/2024 | Plan: Yield Protection (01)
Revenue Protection (02)
Revenue Prot with Harvest Price Exclusion (03) | County: Concordia (029)

Damage %	DF	Damage %	DF	Damage %	DF
10 and below	None	18.01-19	0.166	27.01-28	0.296
10.01-11	0.060	19.01-20	0.180	28.01-29	0.310
11.01-12	0.072	20.01-21	0.195	29.01-30	0.325
12.01-13	0.084	21.01-22	0.209	30.01-31	0.339
13.01-14	0.096	22.01-23	0.224	31.01-32	0.353
14.01-15	0.108	23.01-24	0.238	32.01-33	0.368
15.01-16	0.123	24.01-25	0.252	33.01-34	0.382
16.01-17	0.137	25.01-26	0.267	34.01-35	0.397
17.01-18	0.151	26.01-27	0.281	Above 35	See section B

SAMPLE GRADE DISCOUNTS:

Discounts for sample grade factors as follows:

Musty Odor	0.048
Sour Odor	0.048
COFO	0.048

Source: USDA RMA.

Putting it all Together

Summarization some of the major discussion points from today's meeting

Session #7

The Crop Insurance Application

Consideration points and fine details

- The most important step in the crop insurance purchase process is establishing a production history in the case of individual insurance products such as YP and RP.
- Establishing a production history, sometimes referred to as a yield history, for new farmers on land which has no history is primarily done through settlement sheets for grains and oilseeds and gin reports from country elevators and cotton gins for cotton.
- Additionally, the production must be tied to acreage which is provided by FSA form FSA-5781. A minimum of four years of farm-level production history reported by the FSA-578 is required to establish an APH yield used to determine yield and revenue guarantees.
- If four years of yield history is not available, then a producer wanting to purchase crop insurance will receive the transitional yield, or T-yield, in those years where yield data is not available. Further, if historical yield data is available through sources but it has not been reported, a producer may receive only a percentage of the T-yield.

The Crop Insurance Application Process

Points to Take Into Consideration

- If a producer has purchased crop insurance, then they do not need to provide any further information. The crop insurance policy last purchased will automatically renew year-over-year unless a producer wants to update their existing coverage.
- Producers should always review coverages for the new insurance year with their crop insurance agent before the Sales Closing Date (SCD).
- Federal crop insurance is a cost-share program in that the federal government pays for a portion of the actuarially fair premium as determined by the RMA. However, the premium subsidy is not automatically assigned to the producer- paid premium. A completed FSA AD-10263 form is required to receive the subsidized premium and failure to submit will result in the producer paying the full actuarially fair premium which can be significantly higher than the subsidized premium.

The Crop Insurance Application Process

Points to Take Into Consideration

- To encourage the conservation of wetlands and highly erodible lands, the Federal Crop Insurance Program requires participants to meet conservation compliance requirements.
- To comply, farmers must agree to maintain a minimum level of conservation on highly erodible lands and not convert wetlands to crop production.
  - The 2014 farm bill included a provision that could eliminate crop insurance support for producers who are out of compliance with conservation requirements.
  - The 2018 farm bill introduced new specifications that qualified certain voluntary uses of cover crops as a type of good farming practice – allowing land planted with cover crops to maintain crop insurance eligibility.

- ☐ Name: Farming as: Sole Proprietor, S-Corp, etc.
- ☐ Physical farm address and mailing address
- ☐ Email address
- ☐ Telephone: home and mobile
- ☐ Social Security, EIN, and Tax ID numbers for producer, spouse, and all members included on the application if the insured is an entity.
- ☐ Partnerships require valid Partnership Agreements to be submitted, so it is important to have your Partnership Agreement up to date.
- ☐ What counties do you farm in?
- ☐ What crops do you plant?
- ☐ Do you have any crop share rental agreements?
- ☐ Do you have any cash lease rental agreements?
- ☐ Be prepared to provide five years of Schedule F, Schedule of Insurance (SOI), and Production Records for the previous insurance year (applies to Whole Farm and Micro Farm).
- ☐ Do you plan on using an Assignment of Indemnity to a financial institution?
- ☐ Are you going to plant any crops you have not planted before?
- ☐ What is the irrigation practice associated with the crop you plan to insure? Irrigated? Nonirrigated?
- ☐ Are you a new producer? In other words, have you produced or insured crops in the county you plan to grow and insure in for more than two years?
- ☐ How many acres do you plan to farm this year?
- ☐ Have you signed an AD-1026? You must have FSA Conservation Compliance to receive the premium subsidy.
- ☐ Are you enrolled in Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) with FSA? This will impact your eligibility to enroll in Stacked Income Protection (STAX).
- ☐ Do you have Noninsured Disaster Assistance Program (NAP) or Catastrophic Risk Protection (CAT) coverage on a different multi-peril crop insurance policy? While participating in these products does not exclude a producer from purchasing WFRP and WFRP-MF in 2024 and subsequent years, NAP and CAT payments may impact Revenue to Count and indemnities received.
- ☐ Have you paid your previous premiums for the previous insurance year? If you have not paid your crop insurance premium in full by the sales closing date of the following year, you will be placed on the Ineligible Tracking System (ITS) list which prevents you from purchasing crop insurance.
- ☐ Are you adding any land in the current year relative to the previous year?
- ☐ When do you file your taxes? Does your tax year follow the Calendar Year (i.e., January 1 – December 31), Early Fiscal Year (August 1, 2023 – July 31, 2024), or Late Fiscal Year (September 1, 2022 – August 31, 2023)?
  - Calendar Year is the most common. If your tax year is the Calendar Year or Early Fiscal Year, then all applicable forms must be submitted on or prior to the Sales Closing Date which falls in the year which begins your tax year. If your tax year is the Late Fiscal Year, then all forms must be submitted on or prior to November 20 in the year prior to the policy year you plan to insure in. See Biram and Rainey (2023c) for more information.
- ☐ Do you understand the differences between insurable units (e.g., Optional, Basic, and Enterprise)? Are you aware of the tradeoffs between units? See Biram and Mills (2023) for more information on insurable units in federal crop insurance.

Risk Management Decisions for next year

Consider the following points when considering your options

- Traditionally, the four key elements to consider w/ farm program selection are:
  1. *Expected payments*
  2. *Type of coverage*
  3. *Payment limits*
  4. *Crop insurance availability*
- Decisions on a farm-by-farm and crop-by-crop basis
- Payments made on base acres
- Yields and prices on farms do not matter
- Payment limits of $155,000 per legal entity for 2025

Source: University of Illinois.

Generalizing the ARC/PLC Decision in 2025

Risk mitigation strategies involving farm programs and insurance

- Final thoughts…
  - ***Toss up*** **for seed cotton base if not planting cotton**
    - ARC-CO will depend on area yield, but yields would have to fall <1,000 for irrigated cotton production at a \$0.3520 price
    - PLC will trigger at \$0.3520, offers *downside* price protection
  - **If planting cotton on seed cotton base**
    - Consider STAX (or SCO/ECO buy-up) for those acres;
    - ECO's premium subsidy <u>is increased </u>65%
    - ARC/PLC ≠ STAX ; ECO ≠ Hurricane Policy
  - **Crop insurance premium cost must be justified (the "R.O.P.")**
    - Lower volatility and lower guarantees this year
    - "reinvest savings" into higher buyup or SCO coverage (PLC)

Risk Management Decisions for next year

Consider the following points when considering your options

- RP insurance protects you from the combined effects of yield and price risk. It is a valuable tool for reducing year-to-year income variability.
  - A variety of coverage levels and options are available, which allows you to design the protection you want for your own operation.
- YP insurance covers unavoidable production losses (not low commodity prices).

USDA RMA Price Discovery – Early Look at 2026

What do insurance price guarantees look like today?

Crop	Contract Month	Futures Price
Corn	September 2026	$4.59/bu
Cotton	December 2026	$0.678/lb.
Rice (long grain)	September 2026	$11.46/cwt
Soybeans	November 2026	$11.16/bu

	65% Guarantee	75% Guarantee	85% Guarantee
Corn (@ 180 bu APH)	$537.03	$619.65	$702.27
Cotton (@ 1,000 lb. APH)	$440.70	$508.50	$576.30
Rice (@68 cwt APH)	$506.53	$584.46	$662.39
Soybeans (@60 bu APH)	$435.24	$502.20	$569.16

Source: Barchart, November 12, 2025.

An Early Look at Commodity Prices in 2026

Estimating potential farm program payments (Oct. 2027).

Crop	Contract Month	Futures Price
Corn	September 2026	$4.59/bu
Cotton	December 2026	$0.678/lb.
Rice (long grain)	September 2026	$11.46/cwt
Soybeans	November 2026	$11.16/bu

Crop	Reference Price	PLC Payment Rate W/ Futures	2026 MYA Price Projections	PLC Payment Rate W/ MYA Proj.
Corn	$4.42/bu.	--	$4.20/bu	$0.22/bu
Seed Cotton*	$0.4200/lb.	$0.0775/lb.	$0.3425/lb.	$0.0775/lb.
Rice (long grain)	$16.90/cwt	$5.44/cwt	$13.45/cwt	$3.45/cwt
Soybeans	$10.71/bu.	--	$10.43	$0.28/bu

Source: Barchart, November 12, 2025 and University of Missouri FAPRI September U.S. price baseline.

Estimating Crop Insurance Protection – 2026 Corn

Projecting farm revenue against a 75% RG at PP of $4.59 (180 farm APH)

Revenue earned per acre (top table). Crop insurance indemnity (bottom table).

Highlighted cells illustrate price/yield scenarios where the revenue generated is less than the 75% RG of $619.65 per acre. Assumes a farm APH of 180 bushels and a PP of $4.59 per bushel.

	$3.50	$3.55	$3.60	$3.65	$3.70	$3.75	$3.80	$3.85	$3.90	$3.95	$4.00	$4.05	$4.10	$4.15	$4.20	$4.25	$4.30	$4.35	$4.40	$4.45	$4.50
140	$490.00	$497.00	$504.00	$511.00	$518.00	$525.00	$532.00	$539.00	$546.00	$553.00	$560.00	$567.00	$574.00	$581.00	$588.00	$595.00	$602.00	$609.00	$616.00	$623.00	$630.00
145	$507.50	$514.75	$522.00	$529.25	$536.50	$543.75	$551.00	$558.25	$565.50	$572.75	$580.00	$587.25	$594.50	$601.75	$609.00	$616.25	$623.50	$630.75	$638.00	$645.25	$652.50
150	$525.00	$532.50	$540.00	$547.50	$555.00	$562.50	$570.00	$577.50	$585.00	$592.50	$600.00	$607.50	$615.00	$622.50	$630.00	$637.50	$645.00	$652.50	$660.00	$667.50	$675.00
155	$542.50	$550.25	$558.00	$565.75	$573.50	$581.25	$589.00	$596.75	$604.50	$612.25	$620.00	$627.75	$635.50	$643.25	$651.00	$658.75	$666.50	$674.25	$682.00	$689.75	$697.50
160	$560.00	$568.00	$576.00	$584.00	$592.00	$600.00	$608.00	$616.00	$624.00	$632.00	$640.00	$648.00	$656.00	$664.00	$672.00	$680.00	$688.00	$696.00	$704.00	$712.00	$720.00
165	$577.50	$585.75	$594.00	$602.25	$610.50	$618.75	$627.00	$635.25	$643.50	$651.75	$660.00	$668.25	$676.50	$684.75	$693.00	$701.25	$709.50	$717.75	$726.00	$734.25	$742.50
170	$595.00	$603.50	$612.00	$620.50	$629.00	$637.50	$646.00	$654.50	$663.00	$671.50	$680.00	$688.50	$697.00	$705.50	$714.00	$722.50	$731.00	$739.50	$748.00	$756.50	$765.00
175	$612.50	$621.25	$630.00	$638.75	$647.50	$656.25	$665.00	$673.75	$682.50	$691.25	$700.00	$708.75	$717.50	$726.25	$735.00	$743.75	$752.50	$761.25	$770.00	$778.75	$787.50
180	$630.00	$639.00	$648.00	$657.00	$666.00	$675.00	$684.00	$693.00	$702.00	$711.00	$720.00	$729.00	$738.00	$747.00	$756.00	$765.00	$774.00	$783.00	$792.00	$801.00	$810.00
185	$647.50	$656.75	$666.00	$675.25	$684.50	$693.75	$703.00	$712.25	$721.50	$730.75	$740.00	$749.25	$758.50	$767.75	$777.00	$786.25	$795.50	$804.75	$814.00	$823.25	$832.50
190	$665.00	$674.50	$684.00	$693.50	$703.00	$712.50	$722.00	$731.50	$741.00	$750.50	$760.00	$769.50	$779.00	$788.50	$798.00	$807.50	$817.00	$826.50	$836.00	$845.50	$855.00
195	$682.50	$692.25	$702.00	$711.75	$721.50	$731.25	$741.00	$750.75	$760.50	$770.25	$780.00	$789.75	$799.50	$809.25	$819.00	$828.75	$838.50	$848.25	$858.00	$867.75	$877.50
200	$700.00	$710.00	$720.00	$730.00	$740.00	$750.00	$760.00	$770.00	$780.00	$790.00	$800.00	$810.00	$820.00	$830.00	$840.00	$850.00	$860.00	$870.00	$880.00	$890.00	$900.00
205	$717.50	$727.75	$738.00	$748.25	$758.50	$768.75	$779.00	$789.25	$799.50	$809.75	$820.00	$830.25	$840.50	$850.75	$861.00	$871.25	$881.50	$891.75	$902.00	$912.25	$922.50
210	$735.00	$745.50	$756.00	$766.50	$777.00	$787.50	$798.00	$808.50	$819.00	$829.50	$840.00	$850.50	$861.00	$871.50	$882.00	$892.50	$903.00	$913.50	$924.00	$934.50	$945.00
215	$752.50	$763.25	$774.00	$784.75	$795.50	$806.25	$817.00	$827.75	$838.50	$849.25	$860.00	$870.75	$881.50	$892.25	$903.00	$913.75	$924.50	$935.25	$946.00	$956.75	$967.50
220	$770.00	$781.00	$792.00	$803.00	$814.00	$825.00	$836.00	$847.00	$858.00	$869.00	$880.00	$891.00	$902.00	$913.00	$924.00	$935.00	$946.00	$957.00	$968.00	$979.00	$990.00

	$3.50	$3.55	$3.60	$3.65	$3.70	$3.75	$3.80	$3.85	$3.90	$3.95	$4.00	$4.05	$4.10	$4.15	$4.20	$4.25	$4.30	$4.35	$4.40	$4.45	$4.50
140	$129.65	$122.65	$115.65	$108.65	$101.65	$94.65	$87.65	$80.65	$73.65	$66.65	$59.65	$52.65	$45.65	$38.65	$31.65	$24.65	$17.65	$10.65	$3.65	$0.00	$0.00
145	$112.15	$104.90	$97.65	$90.40	$83.15	$75.90	$68.65	$61.40	$54.15	$46.90	$39.65	$32.40	$25.15	$17.90	$10.65	$3.40	$0.00	$0.00	$0.00	$0.00	$0.00
150	$94.65	$87.15	$79.65	$72.15	$64.65	$57.15	$49.65	$42.15	$34.65	$27.15	$19.65	$12.15	$4.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
155	$77.15	$69.40	$61.65	$53.90	$46.15	$38.40	$30.65	$22.90	$15.15	$7.40	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
160	$59.65	$51.65	$43.65	$35.65	$27.65	$19.65	$11.65	$3.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
165	$42.15	$33.90	$25.65	$17.40	$9.15	$0.90	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
170	$24.65	$16.15	$7.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
175	$7.15	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
180	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
185	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
190	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
195	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
200	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
205	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
210	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
215	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
220	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Estimating Crop Insurance Protection – 2026 Corn

Projecting farm revenue against a 75% RG at PP of $4.59 (180 farm APH)

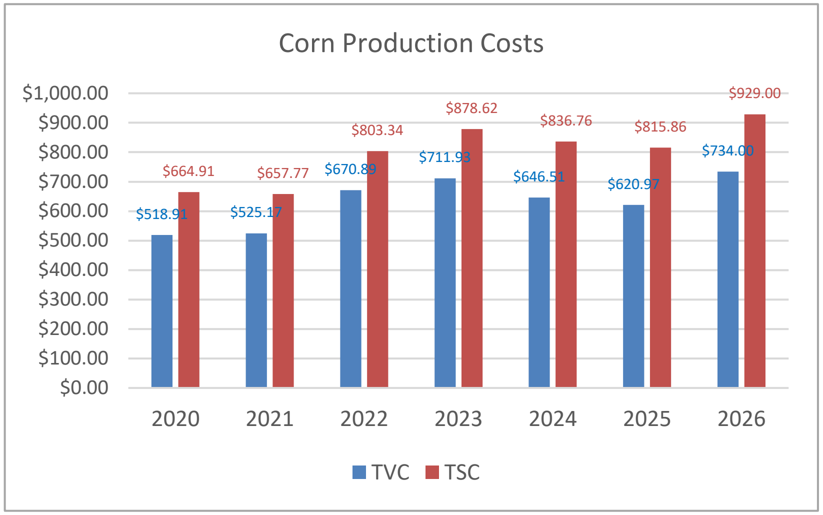
Net returns above variable costs ($600/ac) (top table). Crop insurance indemnity (bottom table).

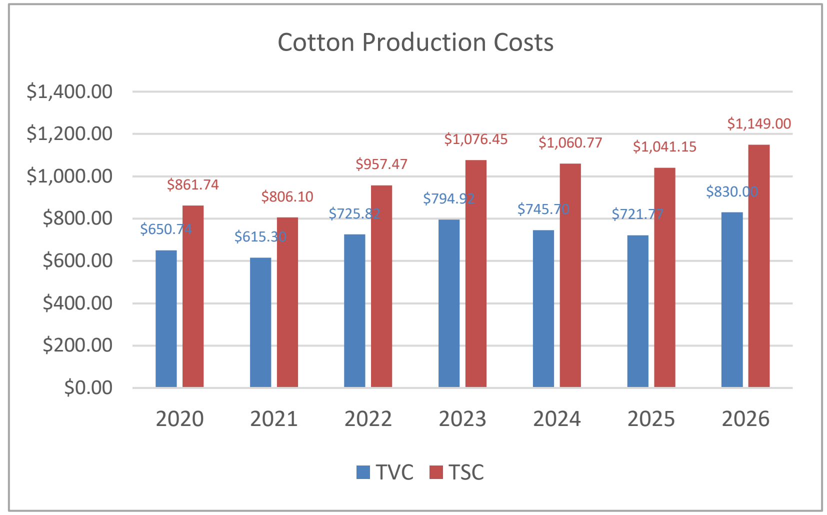
	$3.50	$3.55	$3.60	$3.65	$3.70	$3.75	$3.80	$3.85	$3.90	$3.95	$4.00	$4.05	$4.10	$4.15	$4.20	$4.25	$4.30	$4.35	$4.40	$4.45	$4.50
140	-$110.00	-$103.00	-$96.00	-$89.00	-$82.00	-$75.00	-$68.00	-$61.00	-$54.00	-$47.00	-$40.00	-$33.00	-$26.00	-$19.00	-$12.00	-$5.00	$2.00	$9.00	$16.00	$23.00	$30.00
145	-$92.50	-$85.25	-$78.00	-$70.75	-$63.50	-$56.25	-$49.00	-$41.75	-$34.50	-$27.25	-$20.00	-$12.75	-$5.50	$1.75	$9.00	$16.25	$23.50	$30.75	$38.00	$45.25	$52.50
150	-$75.00	-$67.50	-$60.00	-$52.50	-$45.00	-$37.50	-$30.00	-$22.50	-$15.00	-$7.50	$0.00	$7.50	$15.00	$22.50	$30.00	$37.50	$45.00	$52.50	$60.00	$67.50	$75.00
155	-$57.50	-$49.75	-$42.00	-$34.25	-$26.50	-$18.75	-$11.00	-$3.25	$4.50	$12.25	$20.00	$27.75	$35.50	$43.25	$51.00	$58.75	$66.50	$74.25	$82.00	$89.75	$97.50
160	-$40.00	-$32.00	-$24.00	-$16.00	-$8.00	$0.00	$8.00	$16.00	$24.00	$32.00	$40.00	$48.00	$56.00	$64.00	$72.00	$80.00	$88.00	$96.00	$104.00	$112.00	$120.00
165	-$22.50	-$14.25	-$6.00	$2.25	$10.50	$18.75	$27.00	$35.25	$43.50	$51.75	$60.00	$68.25	$76.50	$84.75	$93.00	$101.25	$109.50	$117.75	$126.00	$134.25	$142.50
170	-$5.00	$3.50	$12.00	$20.50	$29.00	$37.50	$46.00	$54.50	$63.00	$71.50	$80.00	$88.50	$97.00	$105.50	$114.00	$122.50	$131.00	$139.50	$148.00	$156.50	$165.00
175	$12.50	$21.25	$30.00	$38.75	$47.50	$56.25	$65.00	$73.75	$82.50	$91.25	$100.00	$108.75	$117.50	$126.25	$135.00	$143.75	$152.50	$161.25	$170.00	$178.75	$187.50
180	$30.00	$39.00	$48.00	$57.00	$66.00	$75.00	$84.00	$93.00	$102.00	$111.00	$120.00	$129.00	$138.00	$147.00	$156.00	$165.00	$174.00	$183.00	$192.00	$201.00	$210.00
185	$47.50	$56.75	$66.00	$75.25	$84.50	$93.75	$103.00	$112.25	$121.50	$130.75	$140.00	$149.25	$158.50	$167.75	$177.00	$186.25	$195.50	$204.75	$214.00	$223.25	$232.50
190	$65.00	$74.50	$84.00	$93.50	$103.00	$112.50	$122.00	$131.50	$141.00	$150.50	$160.00	$169.50	$179.00	$188.50	$198.00	$207.50	$217.00	$226.50	$236.00	$245.50	$255.00
195	$82.50	$92.25	$102.00	$111.75	$121.50	$131.25	$141.00	$150.75	$160.50	$170.25	$180.00	$189.75	$199.50	$209.25	$219.00	$228.75	$238.50	$248.25	$258.00	$267.75	$277.50
200	$100.00	$110.00	$120.00	$130.00	$140.00	$150.00	$160.00	$170.00	$180.00	$190.00	$200.00	$210.00	$220.00	$230.00	$240.00	$250.00	$260.00	$270.00	$280.00	$290.00	$300.00
205	$117.50	$127.75	$138.00	$148.25	$158.50	$168.75	$179.00	$189.25	$199.50	$209.75	$220.00	$230.25	$240.50	$250.75	$261.00	$271.25	$281.50	$291.75	$302.00	$312.25	$322.50
210	$135.00	$145.50	$156.00	$166.50	$177.00	$187.50	$198.00	$208.50	$219.00	$229.50	$240.00	$250.50	$261.00	$271.50	$282.00	$292.50	$303.00	$313.50	$324.00	$334.50	$345.00
215	$152.50	$163.25	$174.00	$184.75	$195.50	$206.25	$217.00	$227.75	$238.50	$249.25	$260.00	$270.75	$281.50	$292.25	$303.00	$313.75	$324.50	$335.25	$346.00	$356.75	$367.50
220	$170.00	$181.00	$192.00	$203.00	$214.00	$225.00	$236.00	$247.00	$258.00	$269.00	$280.00	$291.00	$302.00	$313.00	$324.00	$335.00	$346.00	$357.00	$368.00	$379.00	$390.00

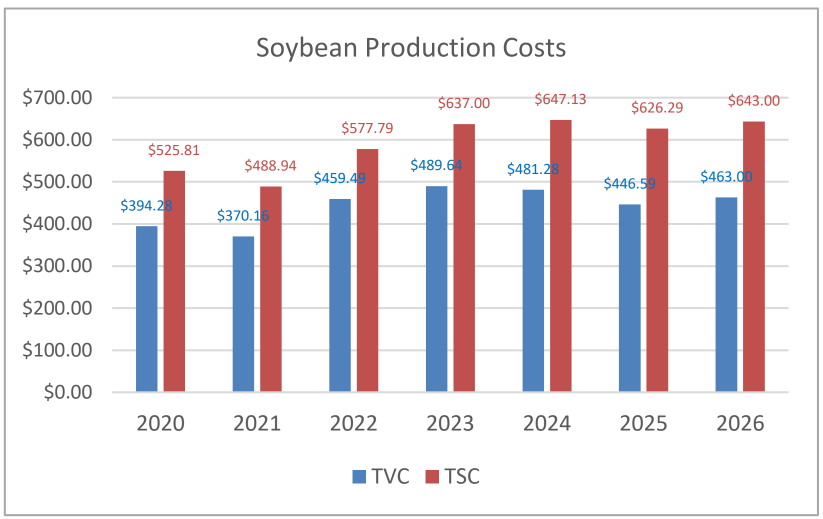
	$3.50	$3.55	$3.60	$3.65	$3.70	$3.75	$3.80	$3.85	$3.90	$3.95	$4.00	$4.05	$4.10	$4.15	$4.20	$4.25	$4.30	$4.35	$4.40	$4.45	$4.50
140	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$23.00	$30.00
145	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$23.50	$30.75	$38.00	$45.25	$52.50
150	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$22.50	$30.00	$37.50	$45.00	$52.50	$60.00	$67.50	$75.00
155	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$20.00	$27.75	$35.50	$43.25	$51.00	$58.75	$66.50	$74.25	$82.00	$89.75	$97.50
160	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$24.00	$32.00	$40.00	$48.00	$56.00	$64.00	$72.00	$80.00	$88.00	$96.00	$104.00	$112.00	$120.00
165	$19.65	$19.65	$19.65	$19.65	$19.65	$19.65	$27.00	$35.25	$43.50	$51.75	$60.00	$68.25	$76.50	$84.75	$93.00	$101.25	$109.50	$117.75	$126.00	$134.25	$142.50
170	$19.65	$19.65	$19.65	$20.50	$29.00	$37.50	$46.00	$54.50	$63.00	$71.50	$80.00	$88.50	$97.00	$105.50	$114.00	$122.50	$131.00	$139.50	$148.00	$156.50	$165.00
175	$19.65	$21.25	$30.00	$38.75	$47.50	$56.25	$65.00	$73.75	$82.50	$91.25	$100.00	$108.75	$117.50	$126.25	$135.00	$143.75	$152.50	$161.25	$170.00	$178.75	$187.50
180	$30.00	$39.00	$48.00	$57.00	$66.00	$75.00	$84.00	$93.00	$102.00	$111.00	$120.00	$129.00	$138.00	$147.00	$156.00	$165.00	$174.00	$183.00	$192.00	$201.00	$210.00
185	$47.50	$56.75	$66.00	$75.25	$84.50	$93.75	$103.00	$112.25	$121.50	$130.75	$140.00	$149.25	$158.50	$167.75	$177.00	$186.25	$195.50	$204.75	$214.00	$223.25	$232.50
190	$65.00	$74.50	$84.00	$93.50	$103.00	$112.50	$122.00	$131.50	$141.00	$150.50	$160.00	$169.50	$179.00	$188.50	$198.00	$207.50	$217.00	$226.50	$236.00	$245.50	$255.00
195	$82.50	$92.25	$102.00	$111.75	$121.50	$131.25	$141.00	$150.75	$160.50	$170.25	$180.00	$189.75	$199.50	$209.25	$219.00	$228.75	$238.50	$248.25	$258.00	$267.75	$277.50
200	$100.00	$110.00	$120.00	$130.00	$140.00	$150.00	$160.00	$170.00	$180.00	$190.00	$200.00	$210.00	$220.00	$230.00	$240.00	$250.00	$260.00	$270.00	$280.00	$290.00	$300.00
205	$117.50	$127.75	$138.00	$148.25	$158.50	$168.75	$179.00	$189.25	$199.50	$209.75	$220.00	$230.25	$240.50	$250.75	$261.00	$271.25	$281.50	$291.75	$302.00	$312.25	$322.50
210	$135.00	$145.50	$156.00	$166.50	$177.00	$187.50	$198.00	$208.50	$219.00	$229.50	$240.00	$250.50	$261.00	$271.50	$282.00	$292.50	$303.00	$313.50	$324.00	$334.50	$345.00
215	$152.50	$163.25	$174.00	$184.75	$195.50	$206.25	$217.00	$227.75	$238.50	$249.25	$260.00	$270.75	$281.50	$292.25	$303.00	$313.75	$324.50	$335.25	$346.00	$356.75	$367.50
220	$170.00	$181.00	$192.00	$203.00	$214.00	$225.00	$236.00	$247.00	$258.00	$269.00	$280.00	$291.00	$302.00	$313.00	$324.00	$335.00	$346.00	$357.00	$368.00	$379.00	$390.00

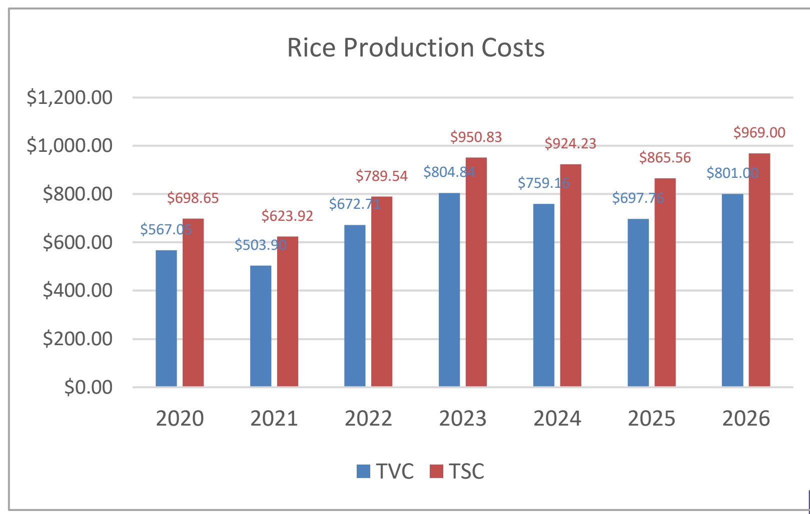
Production Costs in Louisiana

Inputs projected higher moving in 2026 for all fertilizers and diesel fuel









Farm Decision Tools and Risk Management Reports

Developed by the LSU AgCenter and available for free!!!

- Spreadsheet-based Tools:
  - Enterprise Budgets
  - ARC/PLC Payment Estimator
  - PLC Program Estimator
  - Seed Cotton PLC Payment Estimator
  - RP Crop Insurance Buy-up Matrix
  - STAX Crop Insurance Buy-up
- Economic Reports:
  - ARC Payment Matrices
  - Crop Insurance, STAX, SCO, ECO
  - Monthly Market Outlooks

Panel Discussion

An open dialogue on crop insurance with industry professionals

Session #8

Appreciation is extended to the Louisiana Soybean and Grain Research and Promotion Board and the Louisiana State Support Committee of Cotton Incorporated for their research funding as well as to the Louisiana Cotton and Grain Association and the Louisiana Rice Research Board for their support. THANK YOU !!!

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