PRECISION
RISK MANAGEMENT

2026 CROP INSURANCE DECISION GUIDE

THINGS HAVE CHANGED

Missing these changes could cost you in premium savings while leaving gaps in your risk management plan that won't be adjustable until 2027.

2026

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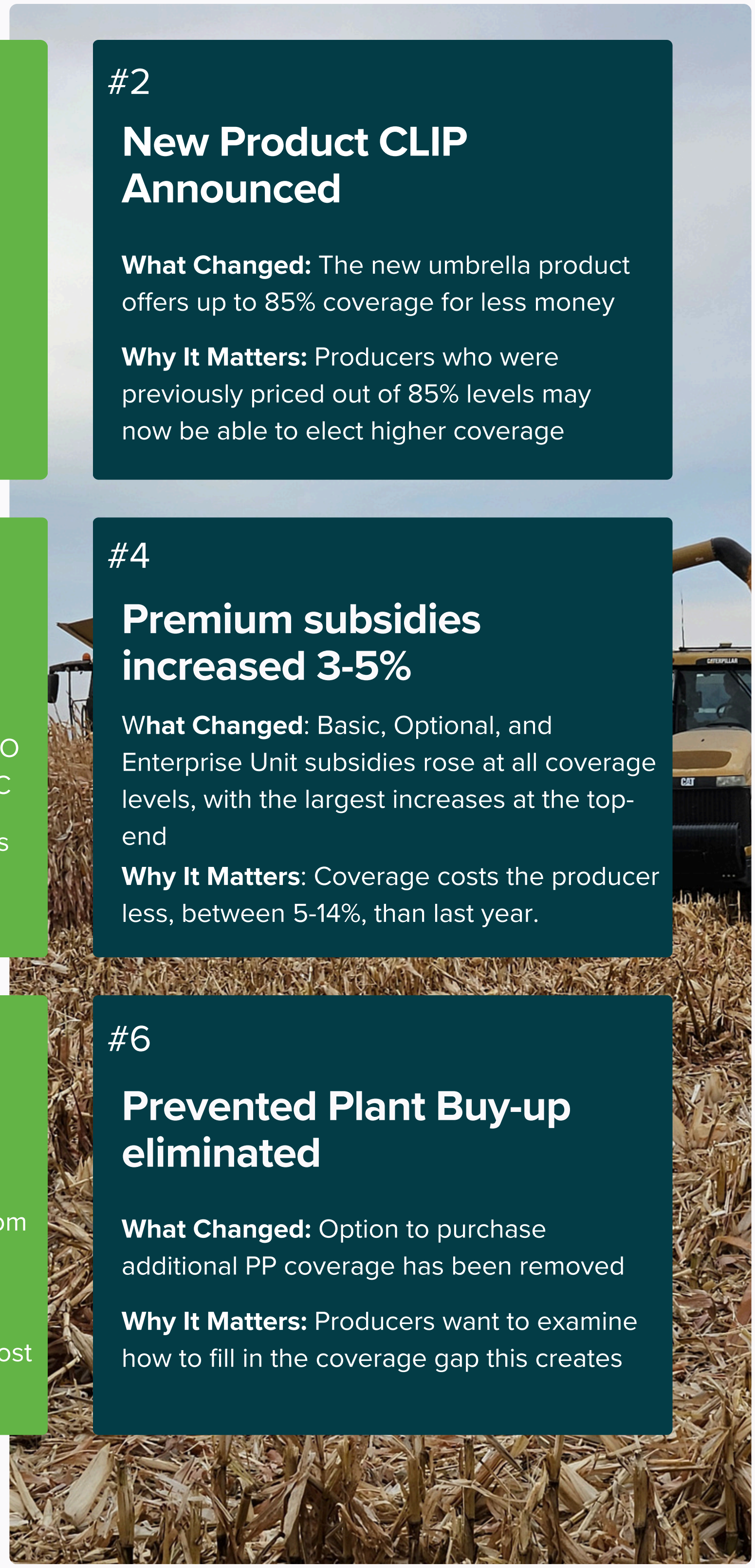
TOP 6 CHANGES

What are the key things you need to know for your risk management plan decisions



#1

Area-based coverage is now 80% subsidized

What Changed: ECO and SCO premium subsidies increased from 65% to 80%

Why It Matters: These coverages are now significantly less premium (43%) to the producer from last year.

#2

New Product CLIP Announced

What Changed: The new umbrella product offers up to 85% coverage for less money

Why It Matters: Producers who were previously priced out of 85% levels may now be able to elect higher coverage

#3

SCO no longer tied to PLC election

What Changed: You can now purchase SCO regardless of whether you elect ARC or PLC

Why It Matters: For the first time, producers preferring ARC can add SCO

#4

Premium subsidies increased 3-5%

What Changed: Basic, Optional, and Enterprise Unit subsidies rose at all coverage levels, with the largest increases at the top-end

Why It Matters: Coverage costs the producer less, between 5-14%, than last year.

#5

Beginning Farmer benefits expanded to 10 years

What Changed: BFR eligibility extended from 5 to 10 crop years

Why It Matters: Longer eligibility with increased premium subsidies means less cost to the producer

#6

Prevented Plant Buy-up eliminated

What Changed: Option to purchase additional PP coverage has been removed

Why It Matters: Producers want to examine how to fill in the coverage gap this creates

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CLIP CROP AND LIVESTOCK INCOME PROTECTION

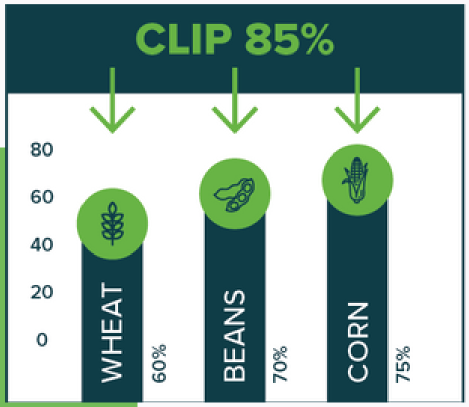
DEEPER DIVE:

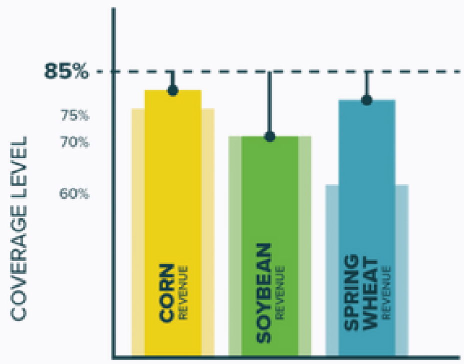
CLIP- 85% Coverage at Lower Costs

CLIP is designed to help producers in areas where high RP coverage levels have become too costly or out of reach. This is a solution for producers wanting to reach 85% coverage without spending a significant amount on premiums. CLIP is individual coverage and not area-based, such as ECO.

- **Up to 85% Coverage Levels**
- **Stacks on Top of Underlying RP Policy**
- **Must have at Least Two Underlying Policies**
- **Lower Cost than Comparable 85% Coverage of Underlying Policy**
- **Claims are Separate, CLIP Paid After RP Claims/Production**
- **Available in Certain States**
- **Sign-up Deadline Same as Earliest Underlying Policy**

Instead of buying high-coverage levels crop-by-crop, CLIP allows you to apply an additional layer of protection across your entire farm (within one county) at a more affordable cost. This is an umbrella policy sitting above your other RP policies.





Imagine CLIP as a single, stronger safety net that catches your entire farm operation's revenue when things go bad.

CLIP doesn't replace your underlying RP coverage; it only insures the gap between your existing coverage and the higher level you choose for CLIP (up to 85%).

DECISION TO MAKE: DO YOU WANT HIGHER COVERAGE WITH CLIP?

CLIP may be a great way to increase your coverage levels to 85% with an acceptable increase in premium.

Have your Risk Management Advisor quote you 80 - 85% levels with traditional Revenue Protection and CLIP so you can compare.

SCAN TO LEARN MORE

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DEEPER DIVE:

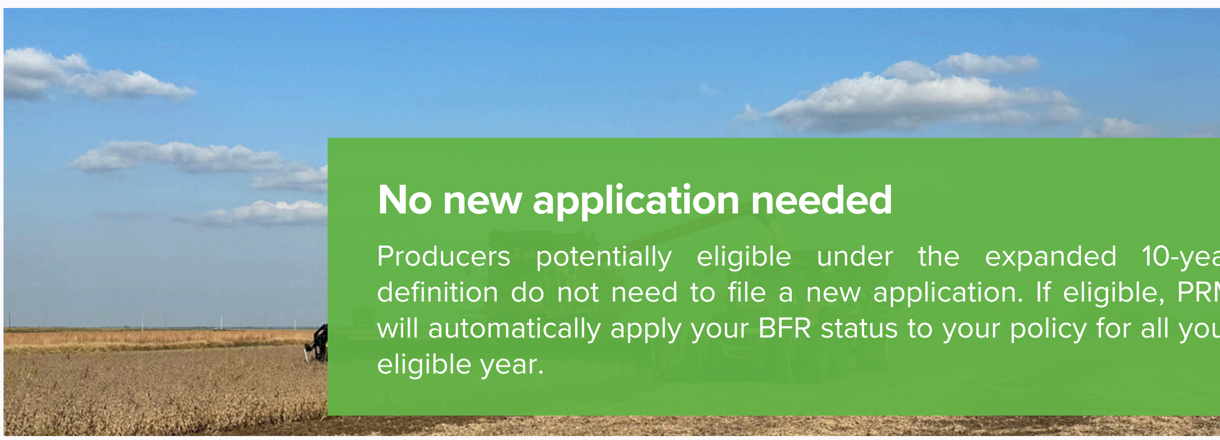
Beginning Farmer and Rancher Program Expanded

Beginning Farmer or Rancher (BFR) now extends eligibility from 5 crop years to 10 crop years of farming experience. To qualify, an individual must not have actively operated and managed a farm or ranch with an insurable interest as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years.

BFR Additional Premium Subsidy:

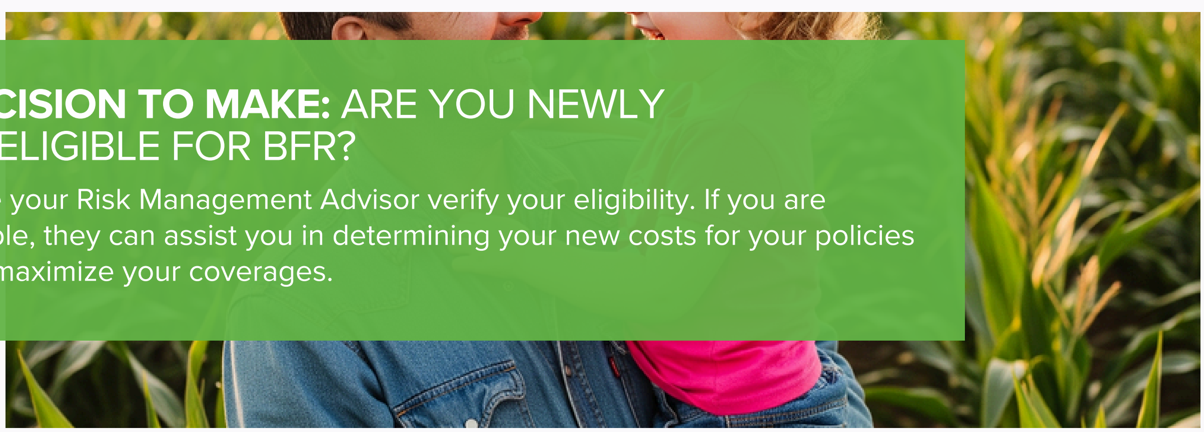
- Years 1-2: Additional 15% premium subsidy (10% base + 5% enhancement)
- Year 3: Additional 13% premium subsidy (10% base + 3% enhancement)
- Year 4: Additional 11% premium subsidy (10% base + 1% enhancement)
- Years 5-10: Additional 10% premium subsidy (baseline rate)

These additional subsidies stack on top of the standard premium subsidy rates



No new application needed

Producers potentially eligible under the expanded 10-year definition do not need to file a new application. If eligible, PRM will automatically apply your BFR status to your policy for all your eligible year.



DECISION TO MAKE: ARE YOU NEWLY RE-ELIGIBLE FOR BFR?

Have your Risk Management Advisor verify your eligibility. If you are eligible, they can assist you in determining your new costs for your policies and maximize your coverages.

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DEEPER DIVE:

Premium Subsidies Increased 3-5%

Premium subsidy rates for Basic and Optional Units increased by 3-5 percentage points across most coverage levels. These changes also affected some of the EU equivalent rates. The revised subsidy schedule effective for 2026 and the producer premium paid impact:

Coverage Level	Basic/Optional Unit	Premium Impact	Enterprise Unit	Premium Impact*
55%	69%	-14%	80%	-
60%	69%	-14%	80%	-
65%	64%	-12%	80%	-
70%	64%	-12%	80%	-
75%	60%	-11%	80%	-13%
80%	51%	-6%	71%	-9%
85%	41%	-5%	56%	-6%

Coverage Level Increases

Producers previously selecting lower coverages due to premium costs may be able to increase coverage at similar premiums under the increased subsidies.

DECISION TO MAKE: DO YOU WANT HIGHER COVERAGE OF BASE POLICY?

Some producers may want to get a higher coverage level with these subsidy increases. But it may not be the best risk management strategy.

Have your Risk Management Advisor form a risk management plan with all the available options to reach your desired coverage level such as CLIP, ECO, SCO.

*EU changes calculated through dollar-equivalency with Basic/Optional Units

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DEEPER DIVES:

SCO CAN BE CHOSEN WITH ARC OR PLC

SCO is now available regardless of Area Risk Coverage (ARC) or Price Loss Coverage (PLC) program elections with FSA.

Producers no longer need to report which acres are enrolled in ARC versus PLC for SCO policy purposes.

DECISION TO MAKE: ARC VS PLC AND SHOULD YOU PURCHASE TOP-END AREA PLAN?

Producers will still need to elect their Farm Program of either ARC or PLC, regardless of SCO pairing.

Have your Risk Management Advisor form a risk management plan with all the available options to reach your desired coverage level such as CLIP, ECO, SCO.

ECO/SCO INCREASED SUBSIDIES

43% REDUCTION IN PRODUCER PREMIUM

The premium subsidy rate for ECO and SCO increased from 65% to 80% for the 2026 crop year. This increase substantially changes the affordability of area-based coverage products.

- SCO offers area based coverage up to 86% levels
- ECO offers area based coverage up to 90-95% levels

HIGHER PLC/ARC PRICES AND GUARANTEES

PLC reference prices increased 10-21%, making PLC more competitive with ARC.

ARC also by increasing the revenue guarantee from 86% to 90% and raising the maximum payment from 10% to 12%.

PLC Reference Prices

	Previous Prices	New Prices
Corn	$3.70	$4.10
Soybeans	$8.40	$10.00
Wheat	$5.50	$6.35

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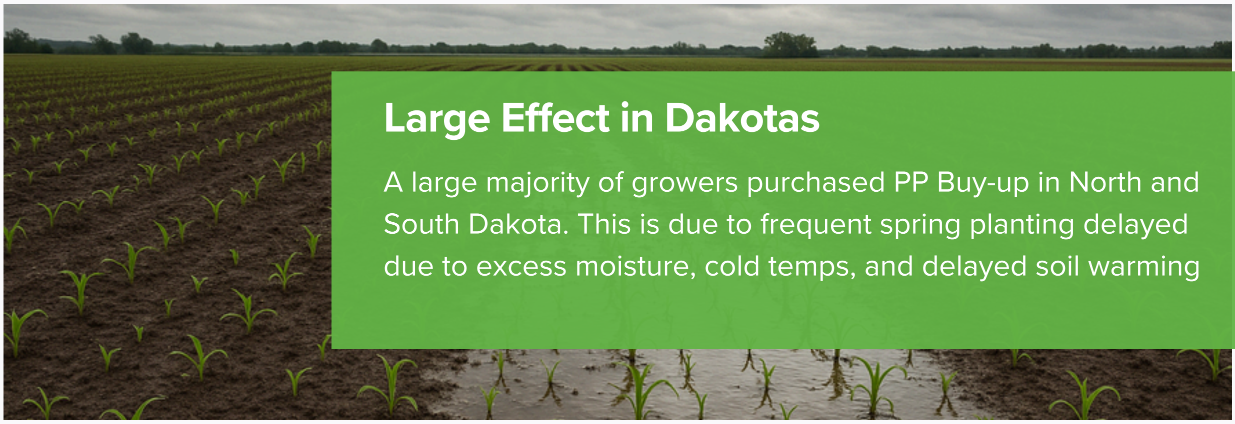
DEEPER DIVE:

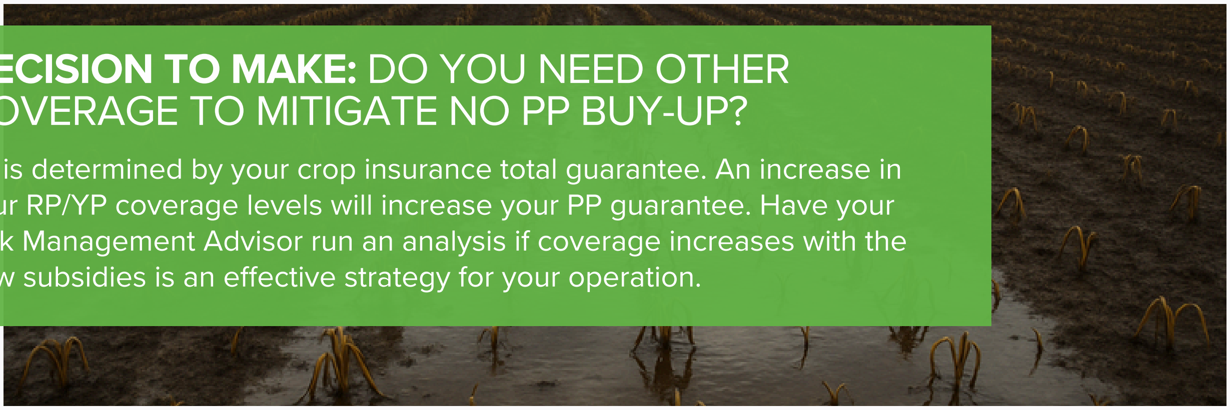
Prevented Plant Buy-Up Eliminated

Risk Management Agency (RMA) has removed buy-up prevented planting coverage from the federal crop insurance program. The previous option provided an additional 5% guarantee to Prevented Plant.



Large Effect in Dakotas

A large majority of growers purchased PP Buy-up in North and South Dakota. This is due to frequent spring planting delayed due to excess moisture, cold temps, and delayed soil warming



DECISION TO MAKE: DO YOU NEED OTHER COVERAGE TO MITIGATE NO PP BUY-UP?

PP is determined by your crop insurance total guarantee. An increase in your RP/YP coverage levels will increase your PP guarantee. Have your Risk Management Advisor run an analysis if coverage increases with the new subsidies is an effective strategy for your operation.

OTHER CHANGE:

1:4 Rule Changed for PP

RMA removed the "insured" requirement from the 1-in-4 rule for prevented planting payments. Producers no longer need to prove the land was insured in those previous years, reducing paperwork burden and expanding eligibility for newly purchased or rented ground. Now, producers must only show land was planted/harvested 1 of the past 4 years.

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DECISION CHECKLIST

- [ ] Do you want higher coverage with CLIP?
- [ ] Do you want higher coverage of base policy?
- [ ] Do you want higher coverage with an area plan?
- [ ] Do you need other coverage to mitigate PP buy-up elimination?
- [ ] Are you newly re-eligible for BFR?
- [ ] ARC or PLC?

QUESTIONS TO CONSIDER

- What are my 2026 premium costs at 70%, 75%, and 80% coverage levels with new subsidies?
- What are my CLIP vs RP 85% premium costs?
- What are SCO and ECO premium costs with the 80% subsidy rate?
- What is the best combination and levels of products for my operations: CLIP, ECO, SCO, RP?
- Do I qualify for BFR benefits under the expanded 10-year eligibility window?
- Do I want to make changes to balance the loss of PP buy-up?
- Do I need to examine my unit structure?
- Is ARC or PLC a better choice for my operation?