News Release

USDA Looks to Expand Supplemental Coverage Option for the 2016 Crop Year

WASHINGTON, Nov. 19, 2014 — The U.S. Department of Agriculture’s (USDA) Risk Management Agency (RMA) today announced that it is evaluating the feasibility of over 40 additional crops that may be covered under Supplemental Coverage Option (SCO) insurance for the 2016 crop year. SCO, a provision of the 2014 Farm Bill, is designed to help protect producers from yield and market volatility.

Currently, SCO is available for corn, cotton, cottonseed, grain sorghum, rice, soybeans, spring barley, spring wheat, and winter wheat in selected counties for the 2015 crop year. A list of the crops under review for 2016 can be found on the RMA website in the Spotlight Section. RMA will provide SCO coverage for any crop under review that has adequate data to operate SCO.

"USDA is committed to making crop insurance available to as many farmers as possible. Expanding SCO to additional crops will provide producers another safety net option", said RMA Administrator Brandon Willis.

SCO is an area-based policy endorsement that can be purchased to supplement an underlying crop insurance policy—it covers a portion of losses not covered by the same crop’s underlying policy. Producers who elect to participate in Agricultural Risk Coverage (ARC), which is offered by the Farm Service Agency, are not eligible for SCO for the crop and farm participating in ARC.

To help producers decide whether SCO will work with their operation, RMA has developed an online Crop Insurance Decision Tool. This tool, available at http://prodwebnlb.rma.usda.gov/apps/CIDT/ on RMA’s website, will help farmers understand how SCO coverage is determined, when it pays, the approximate premium cost, and how it interacts with traditional crop insurance. This user-friendly resource can help producers quickly explore and understand the variety of available coverage options. Users will get general estimates to help them make purchasing decisions. Producers should consult their crop insurance agent for detailed information and an actual premium quote.

More information, including availability of the product, can be found on RMA’s website. Federal crop insurance is sold and delivered solely through private insurance agents. Contact a local insurance agent for more information about the program. A list of insurance agents is available at all RMA regional offices or on the RMA agent Web page.

Today’s announcement was made possible by the 2014 Farm Bill. The 2014 Farm Bill builds on historic economic gains in rural America over the past five years, while achieving meaningful reform and billions of dollars in savings for taxpayers. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve quality of life in rural America. For more information, visit Farmbill.

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