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Davis RO: USDA Announces New Margin Coverage Option for Row Crops

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DAVIS, Calif., July 3, 2025 – The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) announced the Margin Coverage Option (MCO) as a crop insurance endorsement for corn, cotton, grain sorghum, rice, soybeans and spring wheat in select states for the 2026 and succeeding crop years.

MCO provides growers with area-based coverage against an unexpected decrease in operating margin (revenue minus input costs) caused by reduced county yields, reduced commodity prices, increased prices of certain inputs or any combination of these perils. MCO provides a band of coverage from 86% or 90% to 90% or 95% of the expected crop value.

"We're excited to offer this product as an improved coverage option to producers who increasingly face input cost uncertainty," said Jeff Yasui, Director of the RMA Regional Office in Davis.

MCO can be purchased with Supplemental Coverage Option (SCO) and Stacked Income Protection (STAX) but cannot be combined with the Margin Protection Plan (MP), Enhanced Coverage Option (ECO) or Hurricane Insurance Protection-Wind Index (HIP-WI).

MCO will be available for six crops: corn, soybeans, cotton, grain sorghum, rice, and spring wheat. The area covered by this MCO pilot will be select counties in the following states:

- **Corn and Soybeans:** Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.
- **Cotton and Grain Sorghum:** Kansas, Oklahoma and Texas.
- **Rice:** Arkansas, California, Louisiana, Mississippi, Missouri and Texas.
- **Spring Wheat:** Idaho, Minnesota, Montana, North Dakota, Oregon, South Dakota and Washington.

MCO must be purchased as an endorsement to a Yield Protection (YP), Revenue Protection (RP), Revenue Protection with the Harvest Price Exclusion (RP-HPE) or Actual Production History (APH) plan of insurance.

More Information

RMA secures the future of agriculture by providing world class risk management tools to rural America through Federal crop insurance and risk management education programs. RMA provides policies for more than 130 crops and is constantly working to adjust and create new policies based on producer needs and feedback.?

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online at the RMA Agent Locator. Producers can learn more about crop insurance and the modern farm safety net at rma.usda.gov or by contacting their RMA Regional Office. RMA's Basics for Beginners provides information for those new to crop insurance.

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