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USDA Approves Modifications to Margin Protection Plan of Insurance

News Release |

Washington DC

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May 15, 2017

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Crop Insurance Program Expands Options for America's Farmers

WASHINGTON, May 15, 2017 – The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) today announced greater crop insurance options for farmers against unexpected decreases in their operating margin. Offered through the federal crop insurance program, margin protection insurance for corn, wheat, rice and soybeans will be available in more states and have updates designed to better clarify the real input costs covered beginning in 2018.

“The federal crop insurance program is a prime example of how USDA works with producers to create products that fit their needs, making the farm safety net stronger for the economic health of our rural communities,” said RMA Acting Administrator Heather Manzano.

The RMA is expanding margin protection for corn and soybeans to Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. The RMA also reevaluated how the liabilities and deductibles were identified and has increased the maximum coverage level available to 95 percent. In addition, the program was updated to add a harvest price option for all margin protection crops, which will allow farmers to get the greater of the projected price or the harvest price to further result in a more effective safety net for farmers.

The expansion of the margin protection insurance pilot program for corn and soybeans to 11 more states also includes a harvest price option, which allows farmers to get the greater price so they can rebound faster.

Margin protection insurance is a privately-developed product and first became available in 2016 to provide coverage based on an expected margin, which is the expected area revenue minus the expected area operating costs, for each applicable crop, type and practice. Margin protection is area-based coverage and may not necessarily reflect individual experience. The margin protection plan can be purchased by itself, or in conjunction with a Yield Protection or Revenue Protection policy.

A producer may choose coverage from 70 percent to 95 percent of their expected margin. A higher level of coverage will have a higher premium rate. The last day to purchase a margin protection policy for corn, soybeans, and spring wheat is Sept. 30, 2017. The last day to purchase margin protection for rice is the same as the sales closing date for the underlying rice insurance policy, which varies by county. Maps of eligible counties and other resources can be found on the [margin protection](#) webpage.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA [Agent Locator](#).

Learn more about crop insurance and the modern farm safety net at [the RMA website](#).

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