



**UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
MCO PRICE PROVISIONS
2026 AND SUCCEEDING CROP YEARS**

The MCO Price Provisions are an extension of the MCO Endorsement along with the Common Crop Insurance Policy Basic Provisions and the underlying Crop Provisions for the following crops: corn, cotton, grain sorghum, rice, soybeans, and wheat.

These MCO Price Provisions consist of three sections for each insured crop. Section I applies to all crops and counties where the MCO Endorsement is designated as available in the actuarial documents. Each crop insured under the MCO Endorsement, has specific Sections II and III that contain the definitions of the commodity price and of the commodity input information specific to the crop.

Section I: General Information

(1) Definitions

Average daily settlement price – The sum of all daily settlement prices divided by the total number of daily settlement prices included in the sum. All daily settlement prices during the price discovery period for the contract specified in the applicable crop’s margin projected price, margin harvest price, projected input price, or harvest input price definition will be included in the sum, provided the threshold requirements, as defined below, are met. If the threshold requirements are not met for the specified contract, see the terms under the substitute average daily settlement price definition.

Basic Provisions – The Common Crop Insurance Policy Basic Provisions (7 C.F.R. § 457.8).

CME – Chicago Mercantile Exchange Group.

Daily settlement price – A price established in accordance with these MCO Price Provisions, which is available for the crop at the end of a trading day.

DAP – Diammonium Phosphate fertilizer. Contract is the CME DAP FOB NOLA.

Diesel – The diesel price is obtained from the NYMEX New York Harbor Ultra Low Diesel Contract (ULSD).

Full active trading day – For all futures exchanges, any day on which a minimum of one open interest contract for the relevant futures contract are available.

Harvest Input Price – See the definition in Section III.

Harvest Year – The calendar year in which the crop is normally harvested.

KCBT – Kansas City Board of Trade.

MCO – Margin Coverage Option endorsement.

Margin Harvest Price – See the definition in Section II.

Margin Projected Price – See the definition in Section II.

MGEX – Minneapolis Grain Exchange.

Natural Gas Futures – Contract is Henry Hub Natural Gas futures on the NYMEX.

NYMEX – New York Mercantile Exchange.

Potash – Potash fertilizer, an input rich in potassium. Price is based on a formula that relies on the Natural Gas price, Urea price, and DAP price. The potash price methodology is located at <https://margincoverageoption.com>.

Projected Input Price – See the definition(s) in Section III.

Substitute Average Daily Settlement Price – An average daily settlement price used when the threshold requirements for the contract specified in the applicable margin projected price, margin harvest price, projected input price, or harvest input price definition are not met. The substitute average daily settlement price is generally obtained from the contract immediately prior to the contract specified in the applicable insured crop's margin projected price or margin harvest price definition, but may be obtained from another contract, as determined by RMA. It must represent the same crop year as the insured crop. Threshold requirements must be met for the substitute average daily settlement price, except cash and swaps markets are not required to meet threshold requirements to use a substitute average daily settlement price. If threshold requirements are not met, the margin projected price, margin harvest price, projected input price, or harvest input price will be established in accordance with I.2(c) or I.2(d).

Threshold Requirements – The minimum number of full active trading day(s) and

the minimum trading volume that must occur during the price discovery period for the contract specified in the applicable crop's margin projected price or margin harvest price for Margin Protection to be offered. There must be one full active trading day during the price discovery period. The contract must also trade at least once during the discovery period, i.e., there must be one trading day with a volume of at least one. The minimum trading volume requirement only applies to futures exchanges and not cash or swaps markets.

Urea – A fertilizer rich in nitrogen. Contract is CME Urea FOB US Gulf.

(2) Price Determinations

- (a) In accordance with the MCO Endorsement, the MCO Price Provisions specify how and when the margin projected price, the margin harvest price, the projected input price and the harvest input price for the inputs subject to price change will be determined by crop. These provisions are a part of the MCO Endorsement. These provisions **do not apply** to the underlying policy.
- (b) The MCO Price Provisions will be used to determine:
 - (1) The margin projected price and margin harvest price for insured crops; and
 - (2) The projected input price and the harvest input price for the inputs subject to price change.
- (c) RMA reserves the right to omit any daily settlement price or substitute daily settlement price if market conditions are different than those used to rate or price the MCO Endorsement.
- (d) If a margin projected price, margin harvest price, projected input price, or harvest input price cannot be calculated by the procedures outlined in these MCO Price Provisions, section 2(f) of MCO Endorsement will apply.
- (e) The margin harvest price will not be greater than the margin projected price multiplied by 2.00.
- (f) Margin projected prices, margin harvest prices, projected input prices, and harvest input prices, and associated factors and adjustments for all crops, can be found at <https://margincoverageoption.com>.

