# Soybean & Corn Divisions

FARM BUREAU
ARKANSAS

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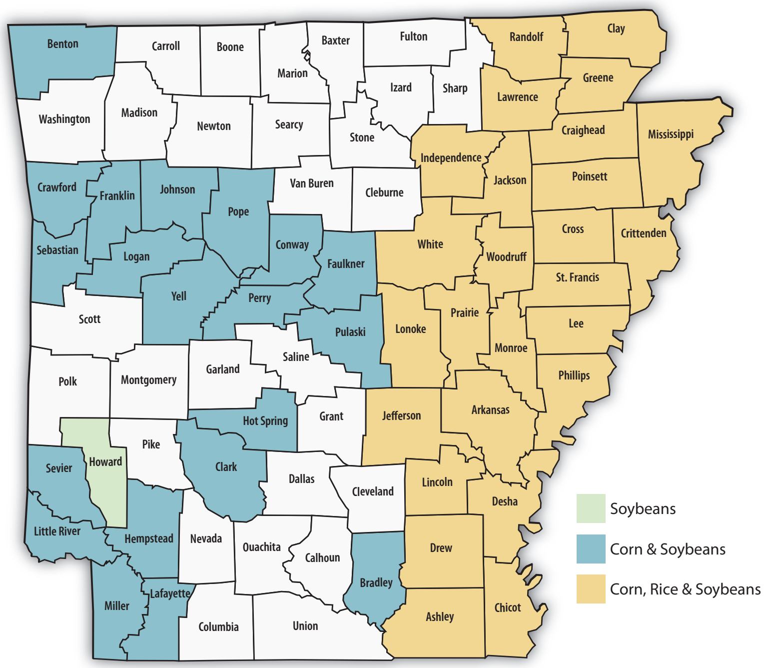
## Corn and Soybean Margin Protection

The Risk Management Agency of the U.S. Department of Agriculture has announced an expansion of Margin Protection insurance, making Arkansas corn and soybean producers eligible for coverage. This expansion will encompass 1,729 counties for corn and 1,255 counties for soybeans across the nation. It extends coverage to 22 states for soybeans, bringing the total number of states covered to 34. Additionally, Margin Protection will now be available for corn in all contiguous United States regions.

**Margin Protection Plan 2024**




The Margin Protection plan provides coverage based on the difference between crop revenue and production costs, commonly referred to as the "margin." In addition to corn and soybeans, select counties in Arkansas, California, Louisiana, Mississippi, Missouri, and Texas will have the option to enroll in the plan for rice.

To take advantage of this opportunity, corn and soybean growers must enroll by September 30 to be eligible for the 2024 crop year. Rice growers have until February 28, 2024 for their sales closing date to be eligible.

For more information, see the attached fact sheet or contact your crop insurance agent.

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# Margin Protection for Federal Crop Insurance

## Margin Protection

Margin Protection provides you coverage against an unexpected decrease in your operating margin (revenue less input costs). Margin Protection is area-based, using county-level estimates of average revenue and input costs to establish the amount of coverage and indemnity payments. Because Margin Protection is area-based (average for a county), it may not reflect your individual experience. A payment may be made when the harvest margin for the county is lower than the trigger margin due to a decrease in revenue and/or an increase in input costs. Margin Protection will cover a portion of that shortfall.

## Eligible Insurance Plans

Margin Protection can be purchased by itself, or in conjunction with a Yield Protection or Revenue Protection policy purchased from the same Approved Insurance Provider that issued the Margin Protection policy. If you buy a Yield Protection or Revenue Protection policy, you will receive a Margin Protection premium credit to reflect that indemnity payments from one policy can offset payments from the other. You may buy any optional coverages or endorsements available for the base policy, except the Supplemental Coverage Option and Enhanced Coverage Option are not allowed on the crop if you purchase Margin Protection.

## Important Dates

| Sales Closing Date | |
|---|---|
| Corn, Soybeans, and Spring Wheat | September 30 |
| Rice | Varies by State and County |

## Coverage Availability

Margin Protection is available in select counties for corn, rice, soybeans, and wheat in the states listed below.

| Rice | Corn | Wheat |
|---|---|---|
| Arkansas | All states except Alaska and Hawaii | Minnesota |
| California | | Montana |
| Louisiana | | North Dakota |
| Mississippi | | South Dakota |
| Missouri | | |
| Texas | | |
| **Soybeans** | | |
| Alabama | Maryland | Oklahoma |
| Arkansas | Michigan | Pennsylvania |
| Colorado | Minnesota | South Carolina |
| Delaware | Mississippi | South Dakota |
| Florida | Missouri | Tennessee |
| Georgia | Montana | Texas |
| Illinois | Nebraska | Vermont |
| Indiana | New Jersey | Virginia |
| Iowa | New York | West Virginia |
| Kansas | North Carolina | Wisconsin |
| Kentucky | North Dakota | |
| Louisiana | Ohio | |

## Coverage Levels and Premium Subsidies

Margin Protection provides coverage that is based on an expected margin for each applicable crop, type, and practice.

## For More Information

Contact your crop insurance agent. If you do not have a crop insurance agent, a list of crop insurance agents is available on the RMA website by using the RMA Agent Locator at [www.rma.usda.gov/information-tools/agent-locator](https://www.rma.usda.gov/information-tools/agent-locator).

Expected Margin = Expected Revenue – Expected Costs, where:

- Expected revenue (per acre) is the expected county yield multiplied by a projected commodity price; and
- Expected cost (per acre) is the dollar amount determined by multiplying the quantity of each allowed input by the input's projected price.

Trigger Margin = Expected Margin– Deductible, where the deductible is 1.00 minus the coverage level multiplied by the expected revenue.

Coverage levels are offered from 70 to 95%. A higher level of coverage will have a higher premium rate. You may also choose to purchase Margin Protection with the Harvest Price Option (MP-HPO). Under MP-HPO, if the harvest price exceeds the projected price, the expected revenue used in setting trigger margins is reset based on the harvest price.

## Loss Payments

A loss may be paid if the harvest margin is less than the trigger margin. If there is a loss paid under your Yield Protection or Revenue Protection policy, the indemnity amount from that policy will be subtracted from any loss under your Margin Protection policy.

## Determining the Margin

When determining the margin, two types of inputs are considered, those subject to price change as listed below, and those not subject to price change (i.e., fixed from planting to harvest). Inputs not subject to price change are not specifically identified, but include, seed, machinery, operating costs (other than fuel), and similar expenses. Inputs subject to price change are identified in the Margin Provisions and include the following:

| Crop | Allowed Inputs Subject to Price Change |
|---|---|
| Corn | Diesel, Urea, Diammonium Phosphate price (DAP), Potash, Interest |
| Soybeans | Diesel, DAP, Potash, Interest |
| Rice | Diesel, Urea, DAP, Potash, Interest |
| Wheat | Diesel, Urea, Monoammonium Phosphate(MAP), Potash, Interest |

## Payments

Any indemnities owed will be paid when final county yields are available, in the spring of the following year.

## Insurable Types and Practices

All types and practices that are insurable for corn, rice, soybeans, and spring wheat in the respective county is listed in the Margin Protection actuarial documents.

## Where to Buy Crop Insurance

All Federal reinsured crop insurance policies, including Margin Protection policies, are available from authorized crop insurance agents. The purchase must be made before the Margin Protection sales closing date, which for most MP crops is earlier than traditional spring crop insurance policy sales closing dates.