

## **MGR-19- 016**

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Date

June 28, 2019

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator

Subject

Supplemental Coverage Option (SCO) Endorsement Changes - 2020 and Succeeding Crop Years

## **Background**

The Agriculture Risk Protection (ARC) and Price Loss Coverage (PLC) programs administered by the Farm Service Agency (FSA) were initially implemented, per the Agricultural Act of 2014, with a one-time election between the two programs lasting five years. In accordance with the Federal Crop Insurance Act (Act), crop acreage with ARC elected cannot be covered under SCO. The current SCO Endorsement was designed to accommodate one-time elections of ARC or PLC lasting several years. In December 2018, the Agriculture Improvement Act of 2018 was signed into law, which allowed producers to annually elect ARC or PLC. To comply with the Act, RMA is updating the SCO endorsement.

## **Action**

Beginning with the 2020 crop year, producers that have purchased SCO will be required to annually report acres that have ARC elected or will have ARC elected on their acreage report. Producers that later elect ARC on acreage not identified as

covered by ARC, or that have misidentified acres covered by ARC, will be ineligible for an SCO indemnity on such acreage due to the prohibition on SCO coverage on acreage with ARC elected. Producers will owe 60% of the premium due on affected acres.

RMA will place, by close of business today, the 2020 crop year SCO Endorsement on the RMA website at [www.rma.usda.gov](http://www.rma.usda.gov).

**DISPOSAL DATE:**

December 31, 2019