

# 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](http://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.