

Navigating 2025 Crop Insurance Choices



College of Agricultural,
Consumer &
Environmental Sciences

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN



Gary Schnitkey

farmdoc



Nick Paulson

Topics

- Crop Insurance
 - 2025 Projected Prices and Volatilities
 - Impact on guarantees and premiums
 - Thoughts on 2025 strategies
 - Decision Tools
- Farm Bill program decision intro
 - ARC vs PLC
 - March 28 webinar



Acronyms and Clarifications

Farm Bill Programs

- Price Loss Coverage (PLC)
- Agricultural Risk Coverage (ARC)
 - County option (ARC-CO)
 - Individual farm option (ARC-IC)

Crop Insurance

- Individual plans (COMBO product)
 - Revenue protection (RP)
 - Revenue Protection with Harvest Price Exclusion (RP-HPE)
 - Yield Protection (YP)
- Area plans (ARPI)
- Supplemental Area Plans
 - Supplemental Coverage Option (SCO)
 - Enhanced Coverage Option (ECO)

Crop Insurance

Projected prices, guarantees and premiums



2025 Federal Crop Insurance Choices

have until
March 15th
to make decisions

2025 MARCH						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Base Contract: CBOT December Corn 2025 (ZCZ25)

Projected Price

\$4.70
per Bushel

Price Volatility

0.18

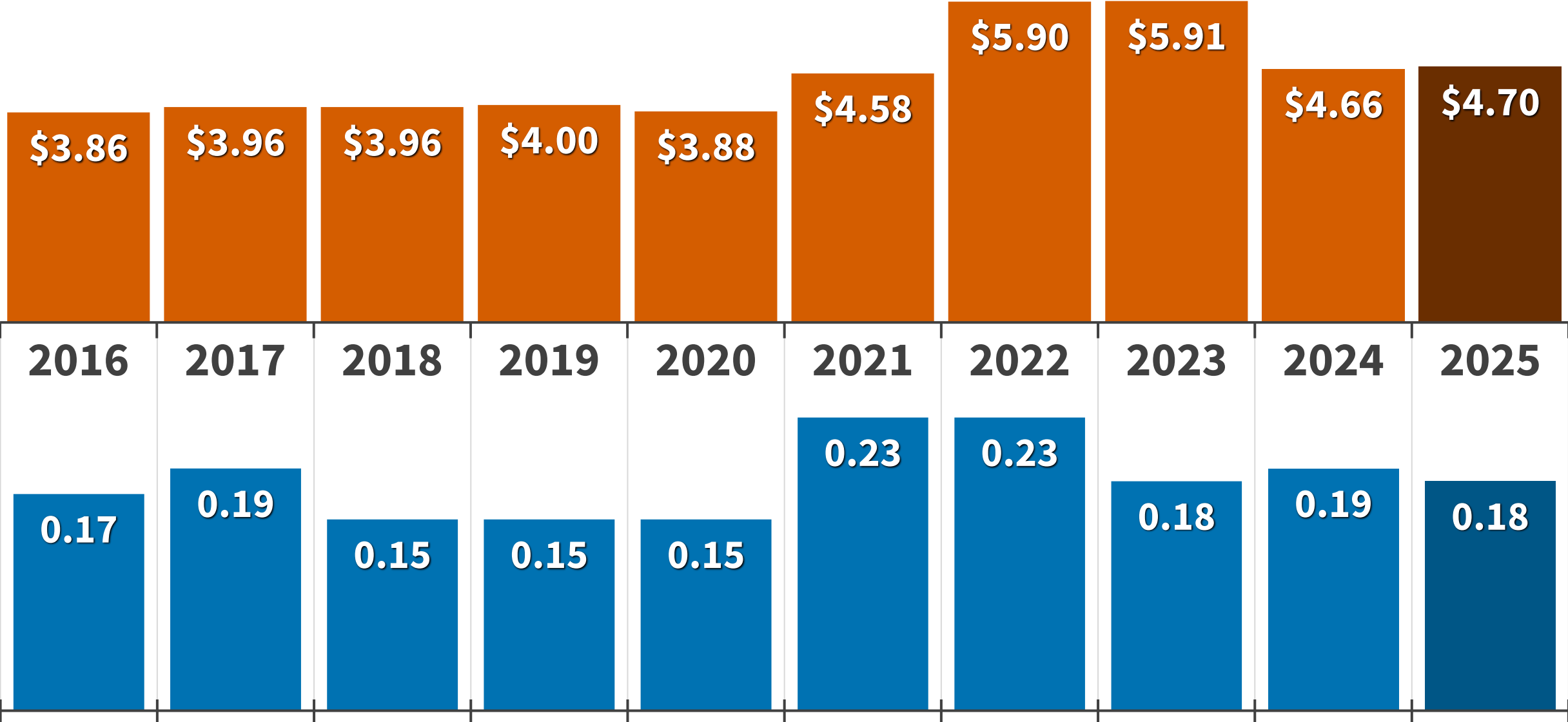
Status	Released	Released
Start Date	2/1/2025	2/1/2025
End Date	2/28/2025	2/28/2025

<https://public-rma.fpac.usda.gov/apps/PriceDiscovery>



Date	Ending Value	Price	Volatility
02/03	\$4.65	\$4.65	
02/04	\$4.68	\$4.67	
02/05	\$4.69	\$4.67	
02/06	\$4.70	\$4.68	
02/07	\$4.66	\$4.68	
02/10	\$4.71	\$4.68	
02/11	\$4.70	\$4.68	
02/12	\$4.74	\$4.69	
02/13	\$4.73	\$4.69	
02/14	\$4.73	\$4.70	
02/18	\$4.78	\$4.71	
02/19	\$4.77	\$4.71	
02/20	\$4.80	\$4.72	
02/21	\$4.75	\$4.72	
02/24	\$4.71	\$4.72	0.1825
02/25	\$4.70	\$4.72	0.1821
02/26	\$4.67	\$4.71	0.1808
02/27	\$4.62	\$4.71	0.1820
02/28	\$4.55	\$4.70	0.1819

Corn Projected Price and Price Volatility for Illinois



Base Contract: CBOT November Soybeans 2025 (ZSX25)

Projected Price

\$10.54
per Bushel

Price Volatility

0.14

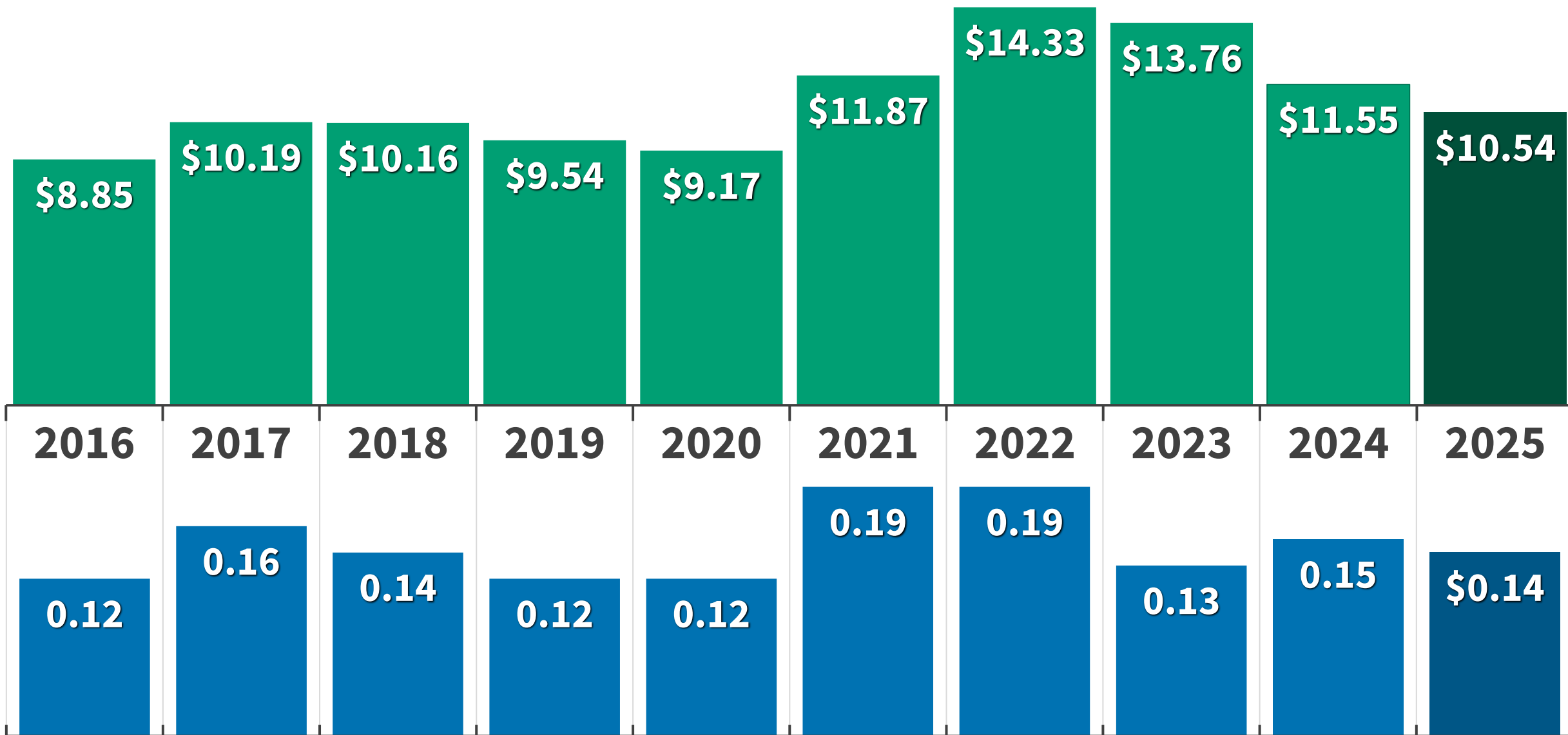
Status	Released	Released
Start Date	2/1/2025	2/1/2025
End Date	2/28/2025	2/28/2025

<https://public-rma.fpac.usda.gov/apps/PriceDiscovery>



Date	Ending Value	Price	Volatility
02/03	\$10.63	\$10.63	
02/04	\$10.74	\$10.68	
02/05	\$10.63	\$10.66	
02/06	\$10.66	\$10.66	
02/07	\$10.58	\$10.65	
02/10	\$10.58	\$10.63	
02/11	\$10.56	\$10.62	
02/12	\$10.44	\$10.60	
02/13	\$10.45	\$10.58	
02/14	\$10.52	\$10.58	
02/18	\$10.58	\$10.58	
02/19	\$10.51	\$10.57	
02/20	\$10.61	\$10.58	
02/21	\$10.60	\$10.58	
02/24	\$10.52	\$10.57	0.1397
02/25	\$10.51	\$10.57	0.1388
02/26	\$10.46	\$10.56	0.1378
02/27	\$10.42	\$10.55	0.1372
02/28	\$10.30	\$10.54	0.1354

Soybean Projected Price and Price Volatility for Illinois

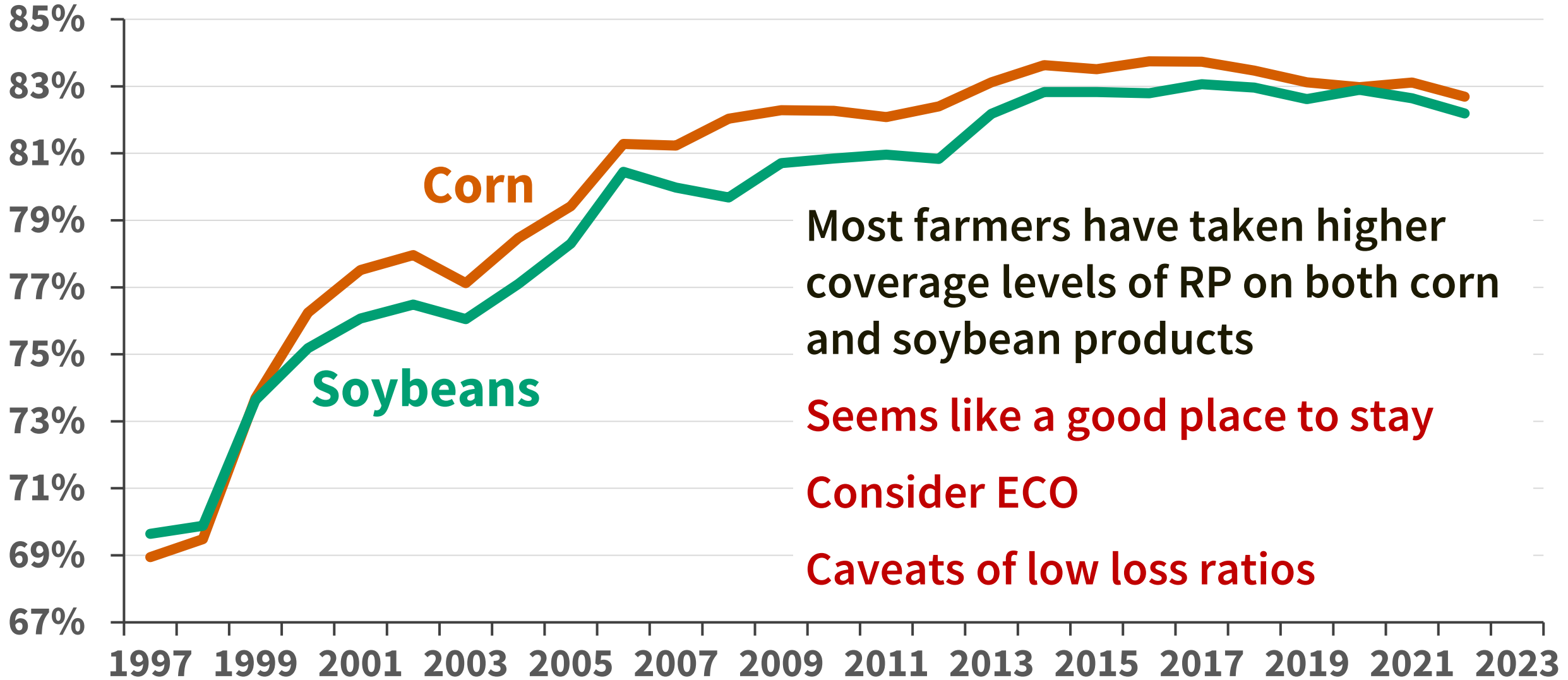


Summary (relative to 2024)

- **Volatility effect**
 - Slightly lower for both corn and soybeans
- **Projected price level effect**
 - Similar for corn
 - Almost \$1/bu lower for soybeans
- **Revenue guarantees continue to be low relative to production costs**

2025 Crop Insurance Strategies

Average Coverage Level on RP Policies, Illinois



Most farmers have taken higher coverage levels of RP on both corn and soybean products

Seems like a good place to stay

Consider ECO

Caveats of low loss ratios

Champaign County, Illinois

\$4.70 x 225 bu TA-APH yield = \$1,060

Avg Non-land Costs = \$600+

Avg Land Costs = \$330+

	RP minimum and RP-HPE guarantees (\$/acre)	YP guarantees (bu/acre)
0.85	\$899	191
0.80	\$846	180
0.75	\$793	169
0.70	\$740	158
0.65	\$687	146
0.60	\$635	135
0.55	\$582	124

Enter your farm information to generate crop insurance quotes for 2025

State: Illinois | County: Champaign | Crop: Corn

Use TA/YE Adjustment * **Yes** | TA Yield * **225** | APH Yield * **215** | Rate Yield * **215**

Type * **Grain** | Practice * **Non-Irrigated** | Risk Class * **None** | Prevented Planting * **None**

Acres * **100** | Projected Price * **\$ 4.70** | Volatility Factor * **0.18**

➤ CALCULATE PREMIUMS

Estimated Projected Price is \$4.70 with Volatility Factor of 0.21. Last Updated on Feb 28, 2025.

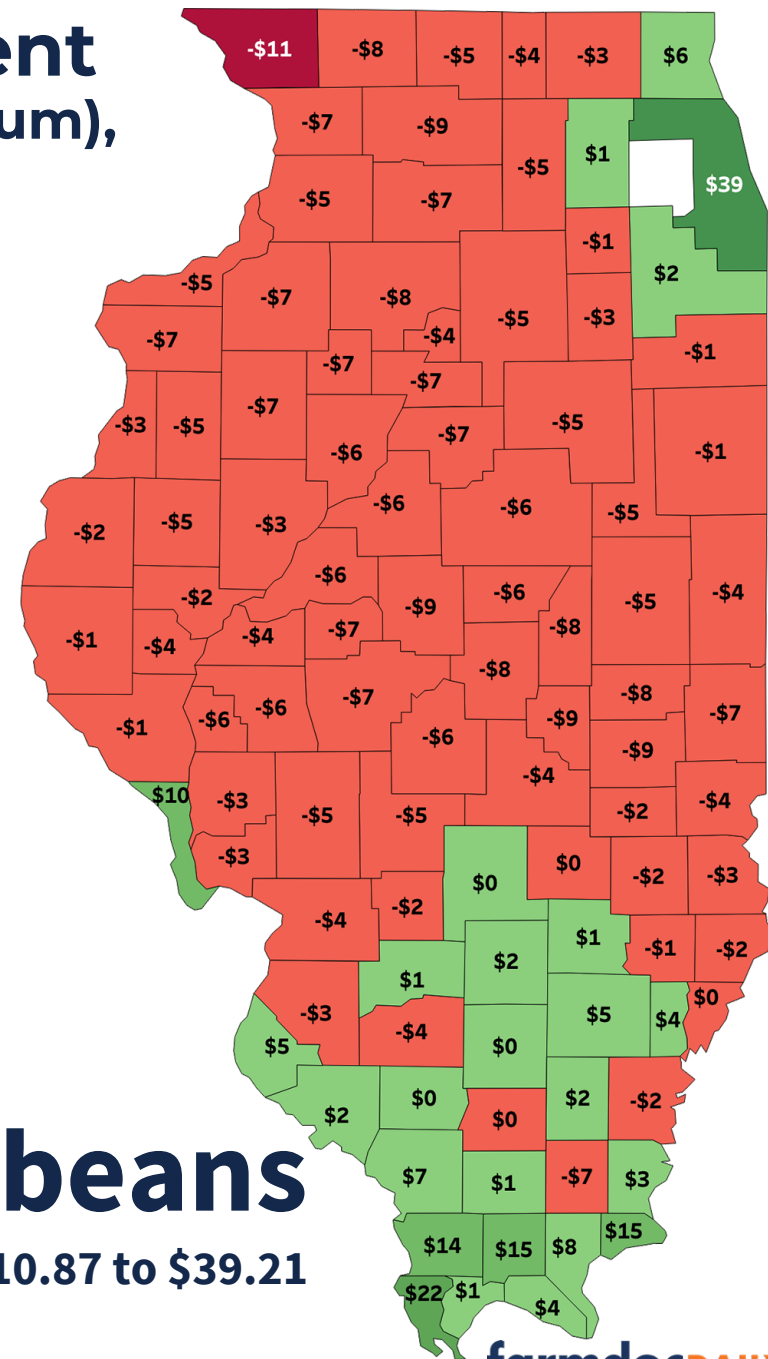
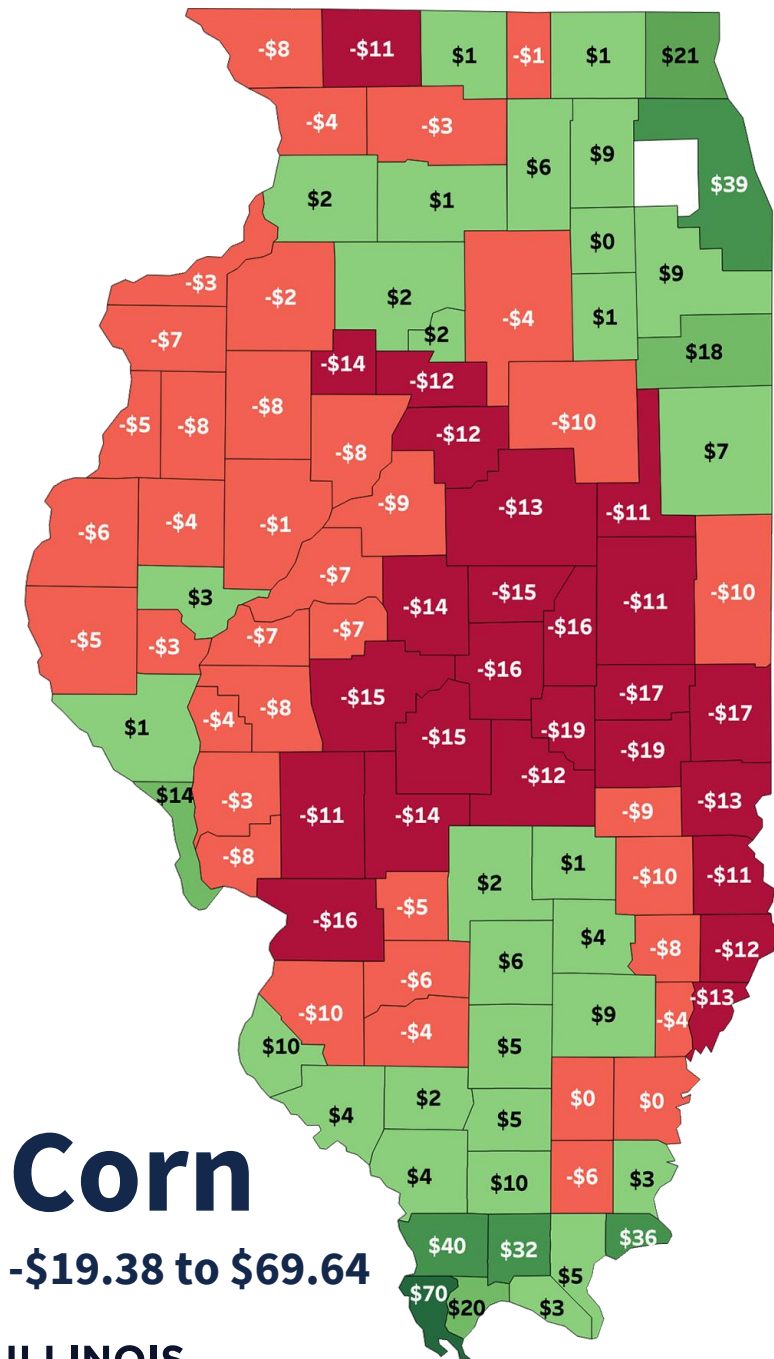
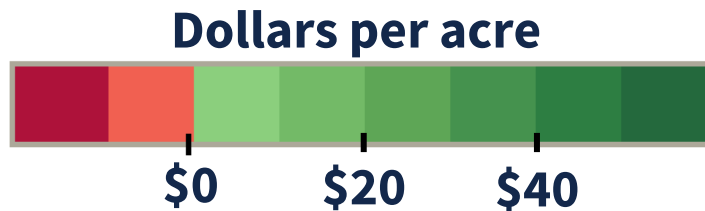
Premiums Per Acre - Individual Farm Level Policies

Coverage Level	Revenue Protection				Revenue Protection With Harvest Price Exclusion				Yield Protection			
	Enterprise	Basic	Optional	Min. Revenue Guarantee	Enterprise	Basic	Optional	Revenue Guarantee	Enterprise	Basic	Optional	Yield Guarantee (bu/acre)
50%	0.74	1.22	1.84	529	0.61	1.00	1.42	529	0.60	1.00	1.54	112
55%	1.04	1.88	2.82	582	0.75	1.36	1.89	582	0.81	1.46	2.21	124
60%	1.57	2.94	4.15	634	0.91	1.76	2.49	634	1.17	2.10	3.10	135
65%	2.19	4.80	6.57	687	1.14	2.64	3.85	687	1.60	3.28	4.74	146
70%	3.16	6.98	9.31	740	1.61	3.79	5.31	740	2.19	4.52	6.42	158
75%	5.36	11.43	14.72	793	2.62	6.06	8.28	793	3.44	6.92	9.65	169
80%	10.82	19.33	24.00	846	5.35	10.44	13.98	846	6.44	11.02	15.10	180
85%	23.35	33.49	39.90	899	11.98	18.48	23.66	899	12.66	17.74	23.80	191

<https://fd-tools.ncsa.illinois.edu/premiums>

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Net Insurance payment (payment - farmer-paid premium), Illinois, 2014 to 2023



Supplemental and Enhanced Coverage Options (SCO and ECO)

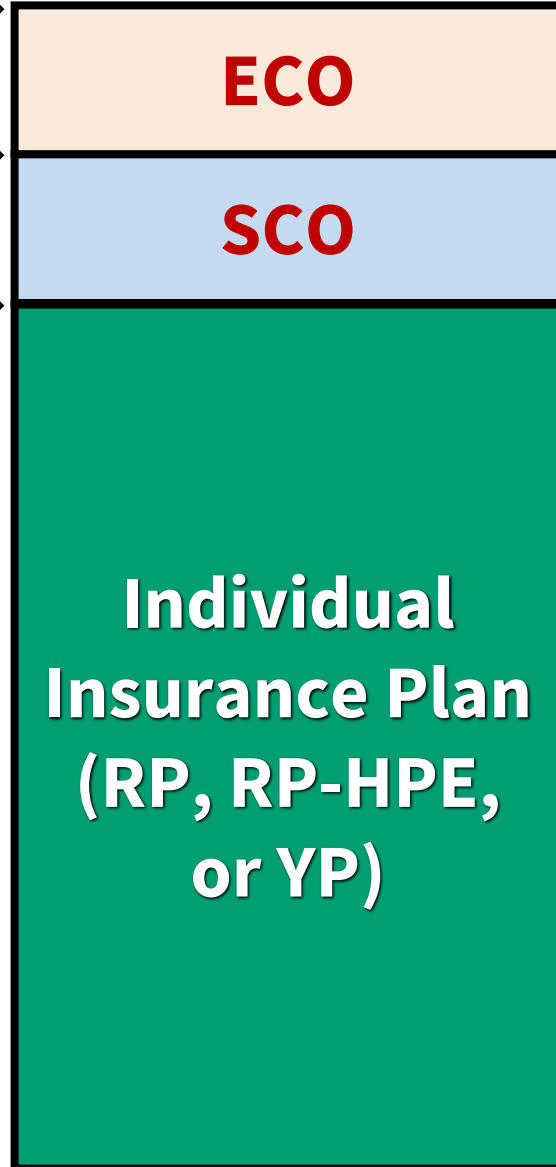
- Requires an underlying individual plan (RP, RP-HPE, or YP)
- Provides area-based (county) coverage that mimics underlying policy
- Basis risk: farm and county losses don't always align

ECO Coverage = 90 or 95%

SCO Coverage = 86%

Individual Coverage Level

- Acres must be enrolled in PLC to be eligible for SCO
- No eligibility ties to ARC/PLC for ECO



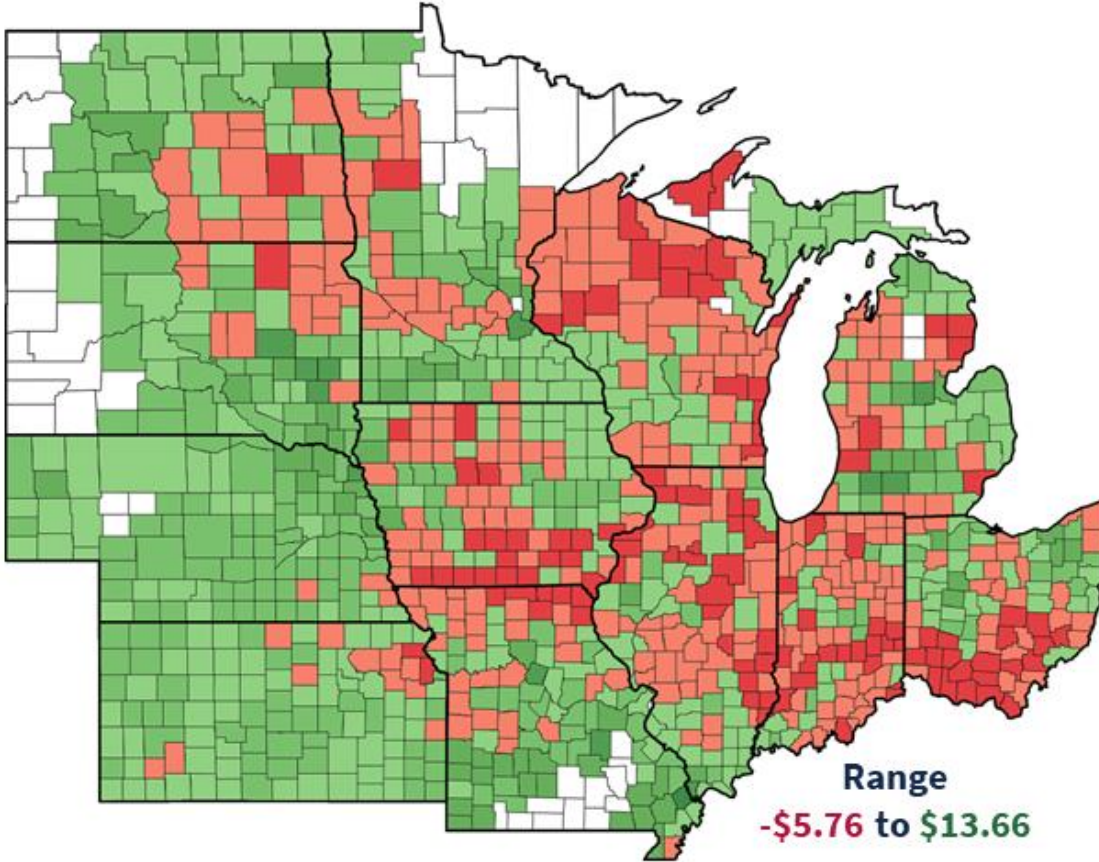
Enhanced Coverage Option

- Subsidy rate increased to 65% for 2025
- Premium impact example (Macon County, Corn)
 - 2024 policy at 95% would cost **\$27.12 per acre**
 - 2025 policy at 95% would cost **\$17.28 per acre** } **-\$9.84**
- Increases overall guarantee but with a county-based band
- Do not have to use SCO,
and can use even on acres enrolled in ARC
- Likely a stronger case for corn acres

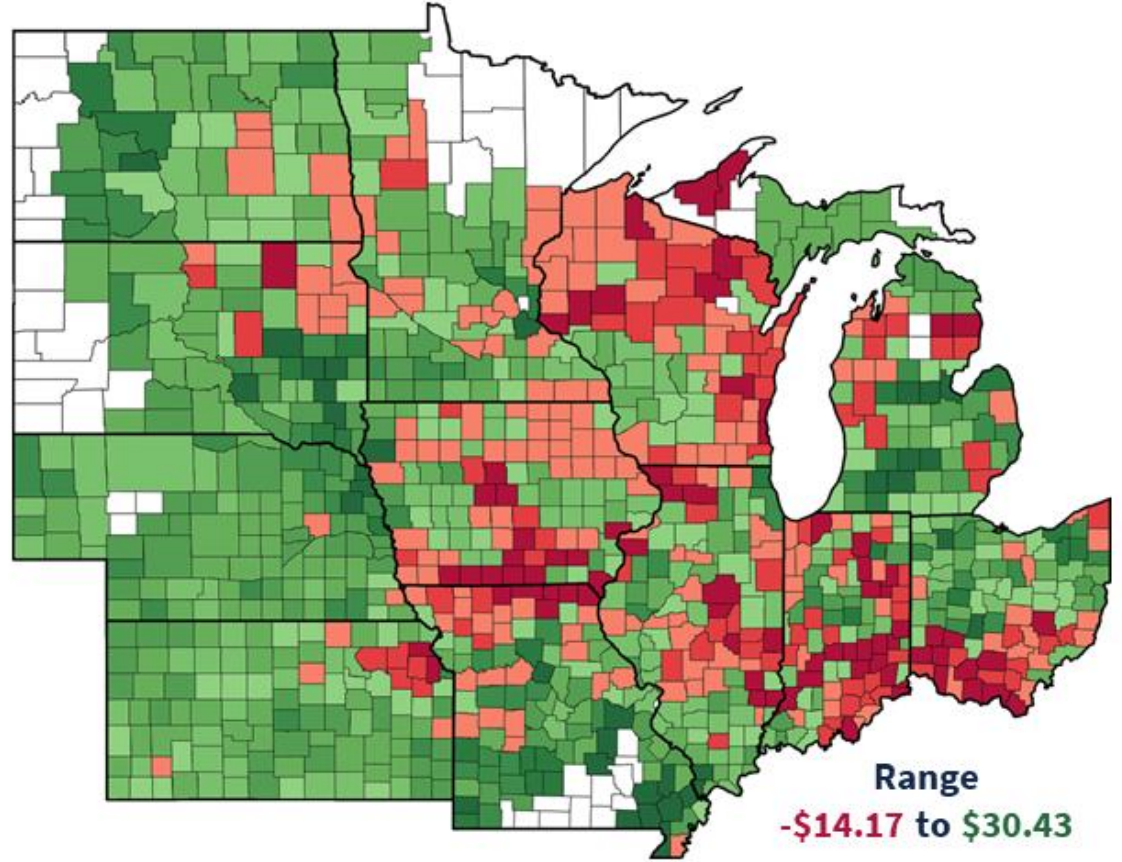
Enhanced Coverage Option

Net Payments on Non-irrigated Corn, 2015 - 2023

ECO-90%



ECO-95%



Dollars per Acre per Year

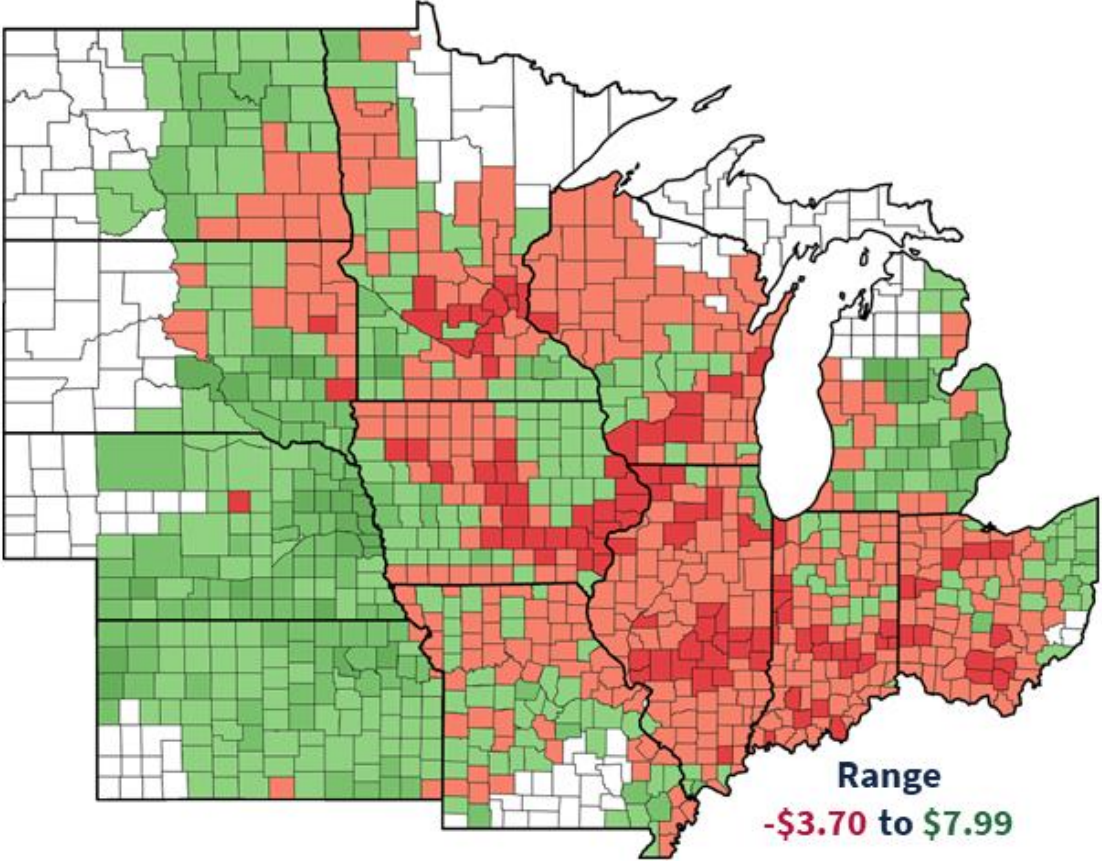


Net payments are calculated using a 65% premium support rate to be instituted in 2025.

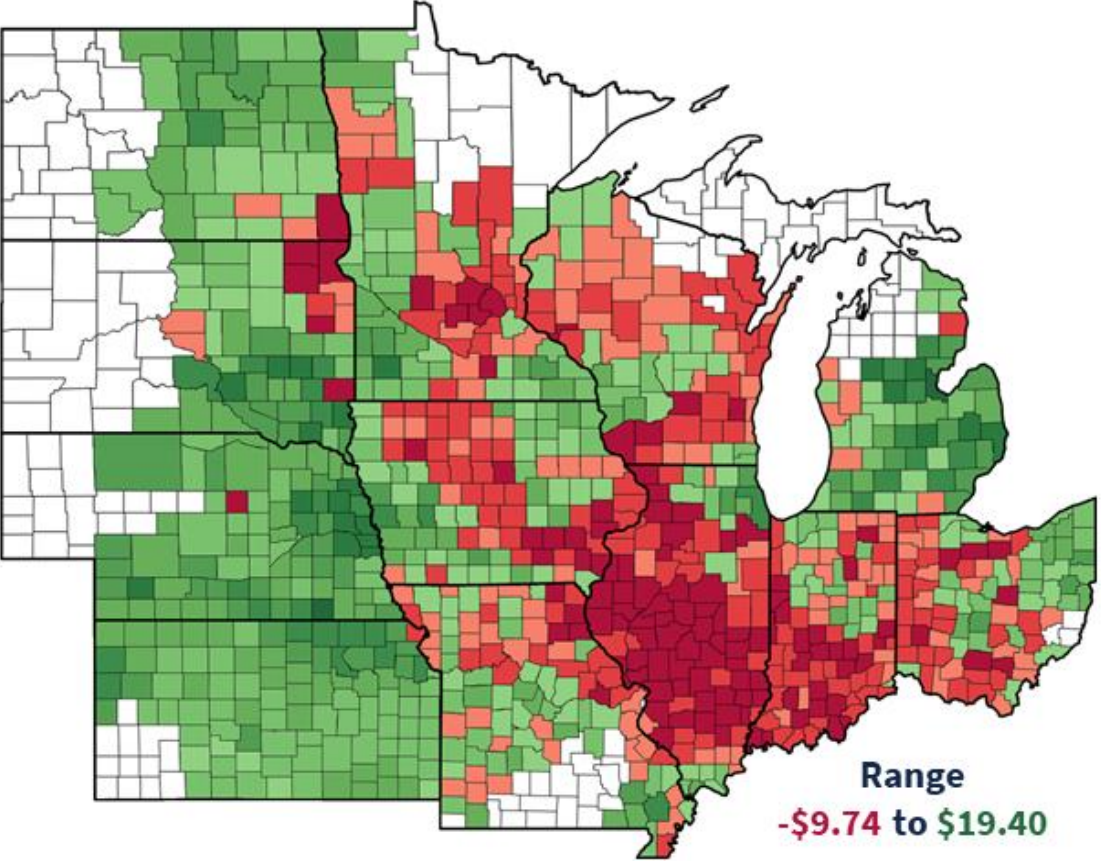
Enhanced Coverage Option

Net Payments on Non-irrigated Soybeans, 2015 - 2023

ECO-90%



ECO-95%



Crop Insurance

Decision Tools

Crop Insurance Decisions – 2025

Premium Calculator

Crop Insurance Premium Calculator

Last Updated: March 1, 2024

The 2024 *iFarm* Crop Insurance Premium Calculator allows users to develop highly customized estimates of their crop insurance premiums, and compare revenue and yield guarantees across all available crop insurance products and elections for their actual farm case.

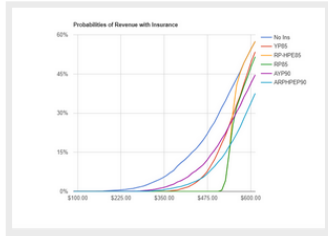


Payment Evaluator

Crop Insurance Payment Evaluator

Last Updated: February 27, 2025

The 2024 *iFarm* Crop Insurance Payment Evaluator provides helpful information to producers comparing costs and risk reductions across their available crop insurance alternatives.

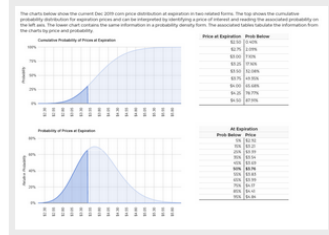


Price Distribution

Price Distribution Tool

Last Updated: Always Live

The *iFARM* Price Distribution Tool uses current option market prices to derive estimates of the probability distribution of prices at the expiration of an underlying corn and soybean futures contracts.

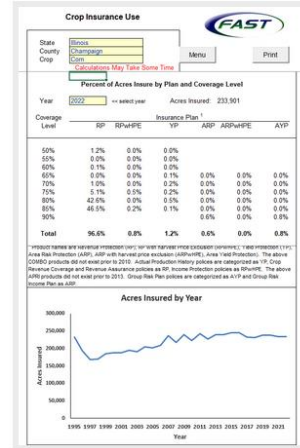


Crop Insurance Summary of Business Tool

Crop Insurance Summary of Business Tool

Last Updated: August 27, 2024

This program calculates crop insurance historical use and performance back to 1996. ...



Decision Tool

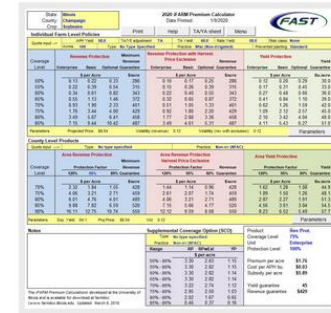
Crop Insurance Decision Tool

Last Updated: December 18, 2024

This program calculates premiums, evaluates insurance payments, and provides historical data useful when making crop insurance decisions for multiple crops. Estimates are for crops in midwest and southeast states. Learn more on the [farmdoc Daily crop insurance archive](#).

Catch up with the [farmdoc Daily Article](#)

View our [Youtube Guide here](#).



PACE Tool

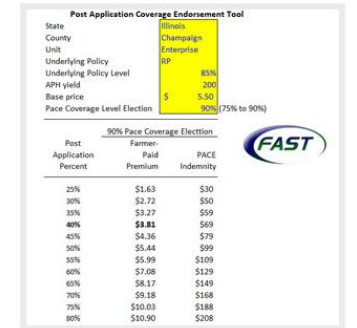
Post Application Coverage Endorsement Tool

Last Updated: January 31, 2024

This program calculates premiums for PACE: Post Application Coverage Endorsement Insurance.

Catch up with the [farmdoc Daily Article](#)

View our [Youtube Guide here](#).



Margin Protection Tool

Margin Protection Tool

Last Updated: September 25, 2023

With this program, a user can examine the performance of margin protection insurance.

Catch up with the [farmdoc Daily Article](#)

Historical Results for Margin Protection with Harvest Price Option (MP-hps)

State: Illinois, County: Mercer

Table 1: Prices, Yields, and Margins Used in Margin Protection with Harvest Price Option, Corn, Mercer County, Illinois

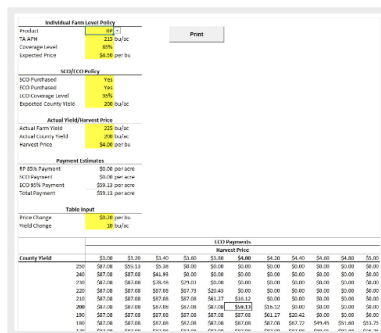
Year	Harvest Price ¹	Exp. Harvest Yield ²	Exp. Harvest Revenue ³	Exp. Harvest Costs ⁴	Exp. Harvest Margin ⁵	Harvest Price ⁶	Harvest Yield ⁷	Harvest Revenue ⁸	Harvest Costs ⁹	Harvest Margin ¹⁰
2018	3.97	3.68	123.2	229.7	762.64	845.10	304.75	318.65	672.89	526.64
2019	3.95	3.90	197.9	182.6	781.71	712.14	340.68	325.46	441.03	386.68
2020	4.03	3.99	210.8	198.0	849.52	790.02	327.13	314.81	522.41	475.21
2021	3.82	5.37	210.8	307.0	1132.00	1111.59	314.59	360.62	837.41	790.37
2022 ¹¹	5.06	5.30	210.8	317.9	1442.36	1453.90	403.78	353.03	1008.56	936.90

ECO/SCO Payment Estimator

ECO/SCO Payment Estimator

Last Updated: January 22, 2024

With this program, a user can estimate payments for individual farm level crop insurance products in addition to SCO and ECO.



Suite of free tools at [farmdoc](#) and [farmdocDAILY](#) to allow users to calculate crop insurance premiums, probabilities of payment, degree of risk reduction, future price information, and policy decisions related to ECO/SCO, cover crops, PACE, and other crop-risk management information.

farmdoc.illinois.edu/crop-insurance

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ILLINOIS

2025 Premium Calculator and Payment Evaluator

11 States, all counties

- Farm-level premium estimates
- County-level case farm evaluations

Premium Calculator

Crop Insurance Premium Calculator

Last Updated: March 1, 2024

The 2024 *iFarm* Crop insurance Premium Calculator allows users to develop highly customized estimates of their crop insurance premiums, and compare revenue and yield guarantees across all available crop insurance products and elections for their actual farm case.

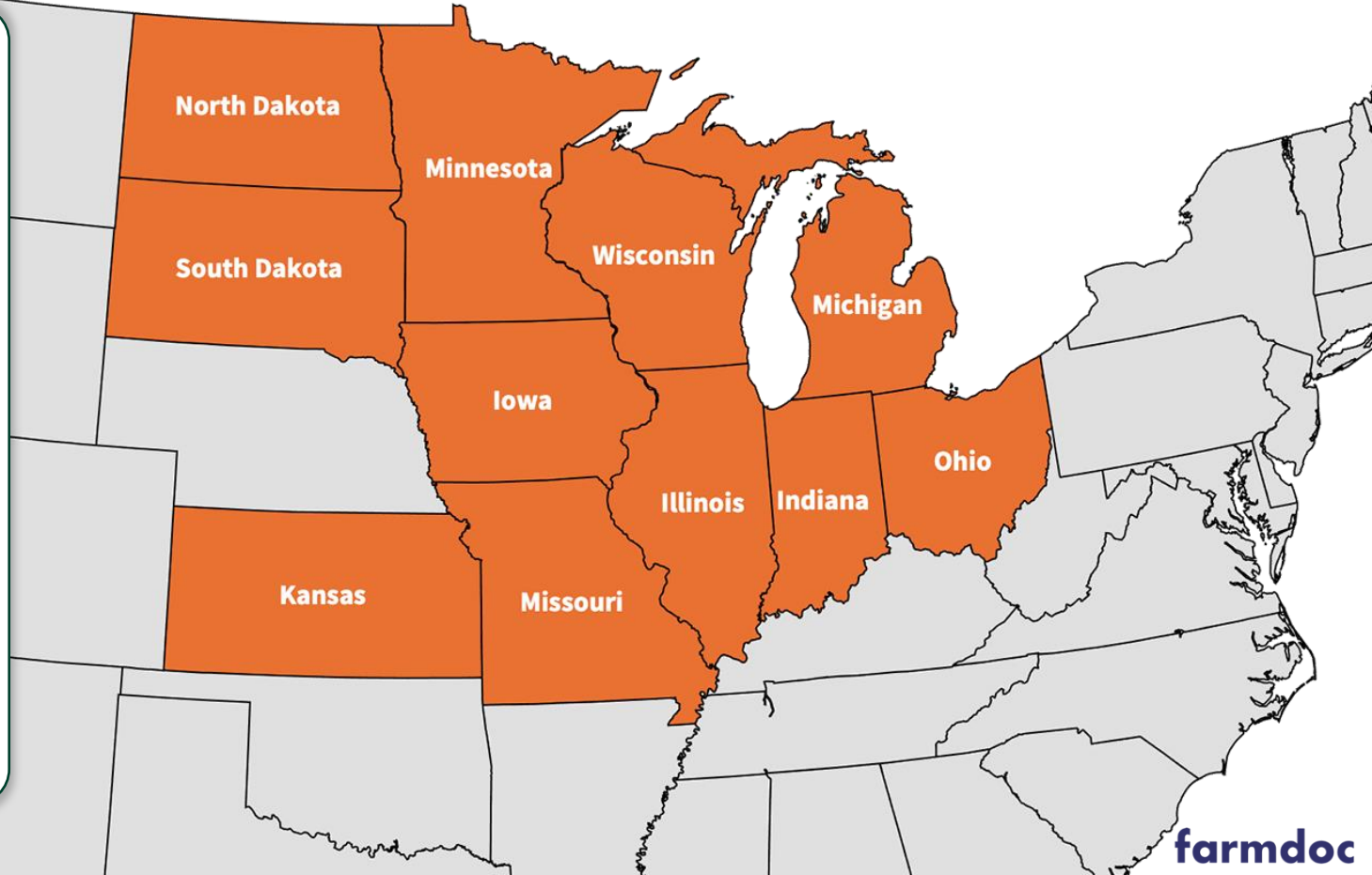
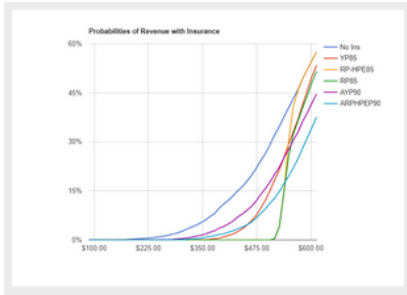


Payment Evaluator

Crop Insurance Payment Evaluator

Last Updated: February 27, 2025

The 2024 *iFarm* Crop Insurance Payment Evaluator provides helpful information to producers comparing costs and risk reductions across their available crop insurance alternatives.



Crop Insurance

Important Dates



Crop Insurance Dates and Guarantees

Final planting date

- Date after which you can claim prevented planting

Late planting period

- 20 days after final planting period for corn, 25 days for soybeans
- Can plant, but crop insurance guarantee goes down 1% per day

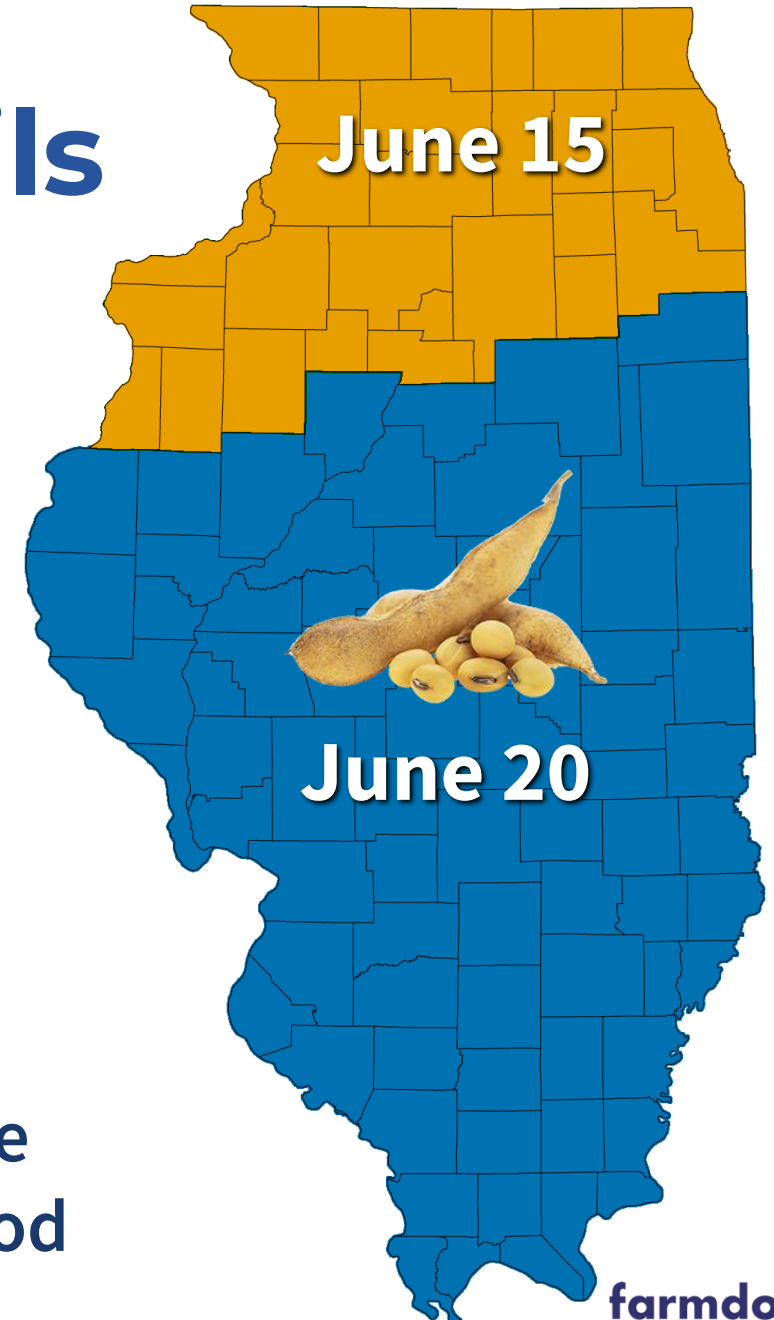
After late planting period

- Insurance guarantee is 60% of original
- Can plant another crop for harvest,
but prevented planting payment is 35% of original amount

Corn Final Planting Date



Soybean Final Planting Date



Prevented Planting Details

Final Planting Dates

- Date you can take a prevented planting payment for crop
- Can plant after, but guarantee is reduced
 - 1% per day during late planting period
 - 60% of initial guarantee after late planting period

Commodity Program Decisions

ARC vs PLC



2025 Commodity Title Choices

ARC vs PLC
have until

April 15th

to make decision
but do not wait
until the 15th

2025 APRIL						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15 ARC ? PLC ?	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

The Decision

Have until April 15

Farm	Program Crop	Crop Choice	OR
FSA Farm 1	Corn	PLC/ARC-CO	ARC-IC
	Soybeans	PLC/ARC-CO	
FSA Farm 2	Corn	PLC/ARC-CO	ARC-IC
	Soybeans	PLC/ARC-CO	

Situations where ARC-IC might be considered:

- Farms with significant production variability
- Highly productive farms (farm benchmark yield significantly higher than county benchmark yield)
- “High” share of FSA farm acreage planted to non-program crops

farmdocdaily.illinois.edu/2019/10/the-case-for-looking-at-the-arc-ic-arc-individual-program-option.html

Choices

ARC-CO has the highest chance of payments

	Soybeans	Corn	Wheat
Effective Reference Price	\$9.66	\$4.26	\$5.56
ARC Benchmark Price	\$12.17	\$5.03	\$6.72
86% of ARC Price	\$10.47	\$4.33	\$5.78
	Prices need to be very low for PLC. Strong lean to ARC-CO	PLC will pay more at low prices. Lean to ARC-CO	PLC will pay more at low prices. Lean to ARC-CO

Upcoming Webinar

Friday, March 28, 2025 | 11:00 AM – Noon

Deadline Decisions:

Making the Right ARC/PLC Choice for 2025

With the April 15th deadline approaching, this crucial session focuses on the 2025 ARC/PLC program election decision. The webinar will analyze the three program options (ARC-CO, PLC, and ARC-IC) using current market projections and historical data. Dr. Schnitkey and Dr. Paulson will provide commodity-specific analysis for major Illinois crops, examining how different price scenarios could trigger payments under each program option. The presentation will include decision tools and specific recommendations based on various farm situations and risk management goals.

Other Webinars

THU, MAR 13, 2025 | 03:00 PM - 04:00 PM CDT

**South America's Crop Season Update:
Soybeans, Corn, and Export Markets**

TUE, MAR 25, 2025 | 11:00 AM - 12:00 PM CDT

**Agricultural Legacy Planning:
Securing Your Farm's Future**

TUE, APR 1, 2025 | 11:00 AM - 12:00 PM CDT

Precision Conservation Management (PCM) 2025



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<https://go.illinois.edu/fdwebinars>

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