

Final Thoughts on 2026 Crop Insurance Decisions



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Topic Outline

- Price Discovery Results
- Crop Insurance Changes & SCO/ECO Questions
- Net Benefits, Risk, and Probability of Regret
- 2026 Crop Insurance Decision Resources



Base Contract: CBOT December Corn 2026 (ZCZ26)



Projected Price

\$4.62
per Bushel

Price Volatility

0.15

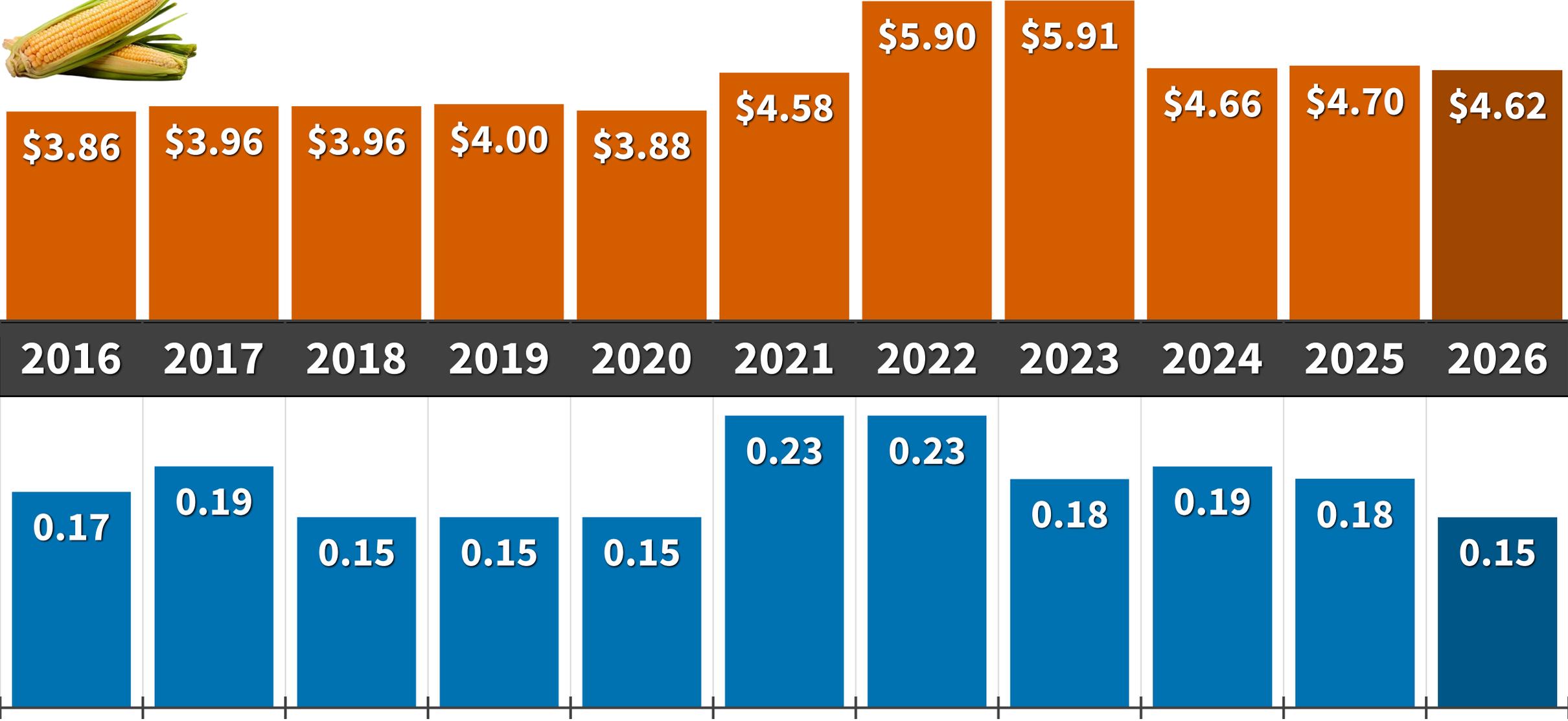
| Status | Released | Released |
|------------|----------|----------|
| Start Date | 2/1/26 | 2/1/26 |
| End Date | 2/28/26 | 2/28/26 |

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



| Projected Daily Prices | | | |
|------------------------|--------------|--------|------------|
| Date | Ending Value | Price | Volatility |
| Feb 02 | \$4.5475 | \$4.55 | |
| Feb 03 | \$4.5675 | \$4.56 | |
| Feb 04 | \$4.5725 | \$4.56 | |
| Feb 05 | \$4.6100 | \$4.57 | |
| Feb 06 | \$4.5775 | \$4.58 | |
| Feb 09 | \$4.5725 | \$4.57 | |
| Feb 10 | \$4.5825 | \$4.58 | |
| Feb 11 | \$4.5975 | \$4.58 | |
| Feb 12 | \$4.6400 | \$4.59 | |
| Feb 13 | \$4.6450 | \$4.59 | |
| Feb 17 | \$4.6000 | \$4.59 | |
| Feb 18 | \$4.6100 | \$4.59 | |
| Feb 19 | \$4.6150 | \$4.60 | |
| Feb 20 | \$4.6450 | \$4.60 | |
| Feb 23 | \$4.6450 | \$4.60 | 0.1521 |
| Feb 24 | \$4.6375 | \$4.60 | 0.1520 |
| Feb 25 | \$4.6700 | \$4.61 | 0.1512 |
| Feb 26 | \$4.6700 | \$4.61 | 0.1519 |
| Feb 27 | \$4.6950 | \$4.62 | 0.1541 |

Corn Projected Price and Price Volatility for Illinois



Base Contract: CBOT November Soybeans 2026 (ZSX26)



Projected Price

\$11.09
per Bushel

Price Volatility

0.13

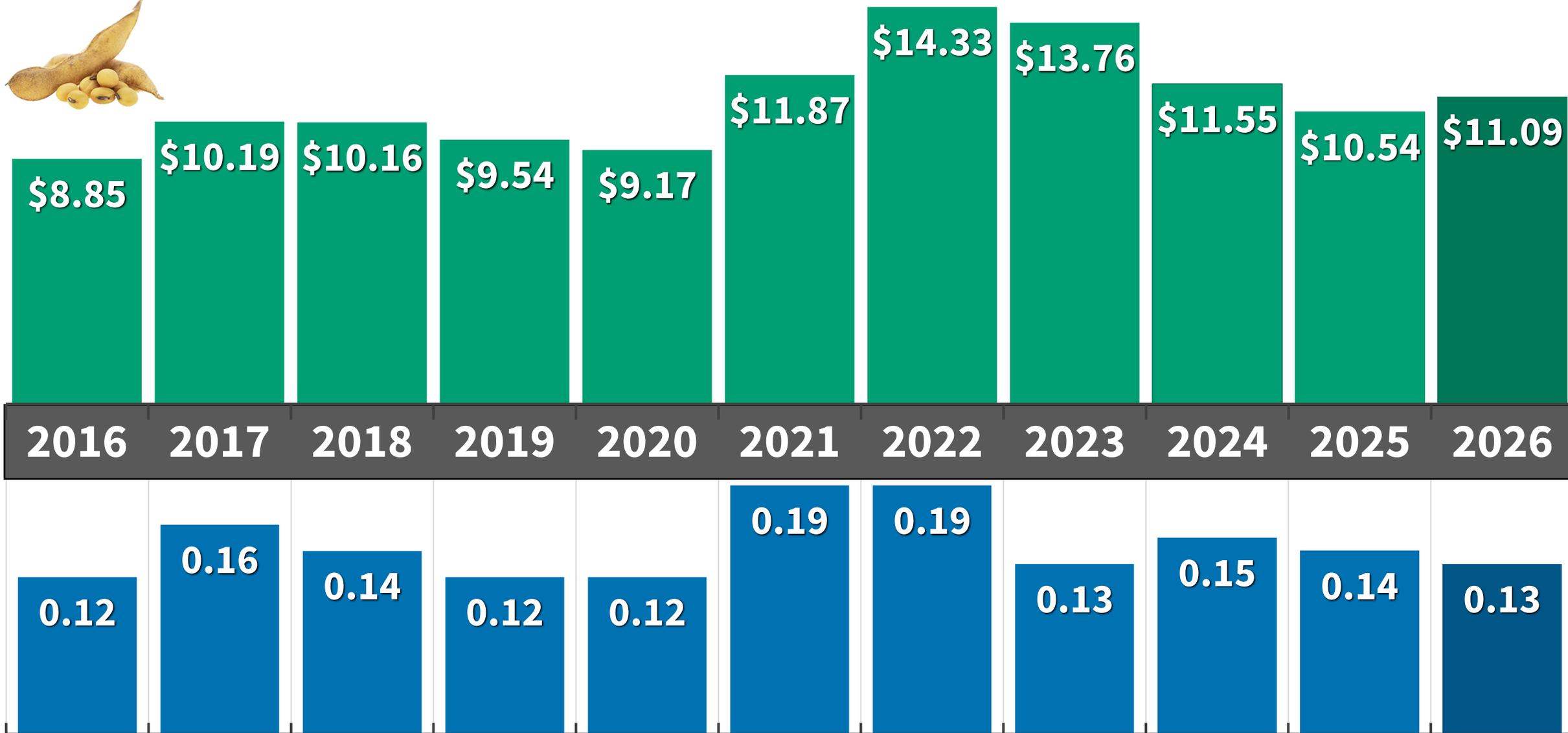
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<https://public-rma.fpac.usda.gov/apps/PriceDiscovery>



| Projected Daily Prices | | | |
|------------------------|--------------|---------|------------|
| Date | Ending Value | Price | Volatility |
| Feb 02 | \$10.7525 | \$10.75 | |
| Feb 03 | \$10.7925 | \$10.77 | |
| Feb 04 | \$10.8750 | \$10.81 | |
| Feb 05 | \$10.9850 | \$10.85 | |
| Feb 06 | \$10.9400 | \$10.87 | |
| Feb 09 | \$10.9575 | \$10.88 | |
| Feb 10 | \$11.0650 | \$10.91 | |
| Feb 11 | \$11.1050 | \$10.93 | |
| Feb 12 | \$11.1625 | \$10.96 | |
| Feb 13 | \$11.1350 | \$10.98 | |
| Feb 17 | \$11.1750 | \$11.00 | |
| Feb 18 | \$11.1650 | \$11.01 | |
| Feb 19 | \$11.1825 | \$11.02 | |
| Feb 20 | \$11.1500 | \$11.03 | |
| Feb 23 | \$11.1725 | \$11.04 | 0.1277 |
| Feb 24 | \$11.2125 | \$11.05 | 0.1269 |
| Feb 25 | \$11.2775 | \$11.07 | 0.1264 |
| Feb 26 | \$11.2750 | \$11.08 | 0.1252 |
| Feb 27 | \$11.2825 | \$11.09 | 0.1259 |

Soybean Projected Price and Price Volatility for Illinois



Crop Insurance Changes & SCO/ECO Questions

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Summary of crop insurance changes

- Higher subsidies for COMBO products (RP, RP-HPE, YP)
- Significantly higher subsidy for SCO
RMA also implementing for ECO and similar programs
- SCO no longer tied to ARC/PLC decision
Don't worry about impacts of commodity title choices when signing up for crop insurance

Supplemental and Enhanced Coverage Options

SCO and ECO are area (county) products that supplement coverage from an underlying farm-level plan (RP, RP-HPE, YP)

OBBBA Changes to SCO

- Increase premium support rate from 65% to **80%**
Will also apply to ECO (and similar products) in 2026
- Increase coverage level from 86% to **90%**
will be phased in for 2027
(90% coverage through ECO available for 2026)

→ Every farm **should consider** SCO and ECO in 2026

Summary ECO/SCO recommendations

1. Strongly consider ECO-95% (over ECO-90%)
2. Consider lowering RP coverage level
3. Add SCO to cover the layer from 86% to down to RP coverage level

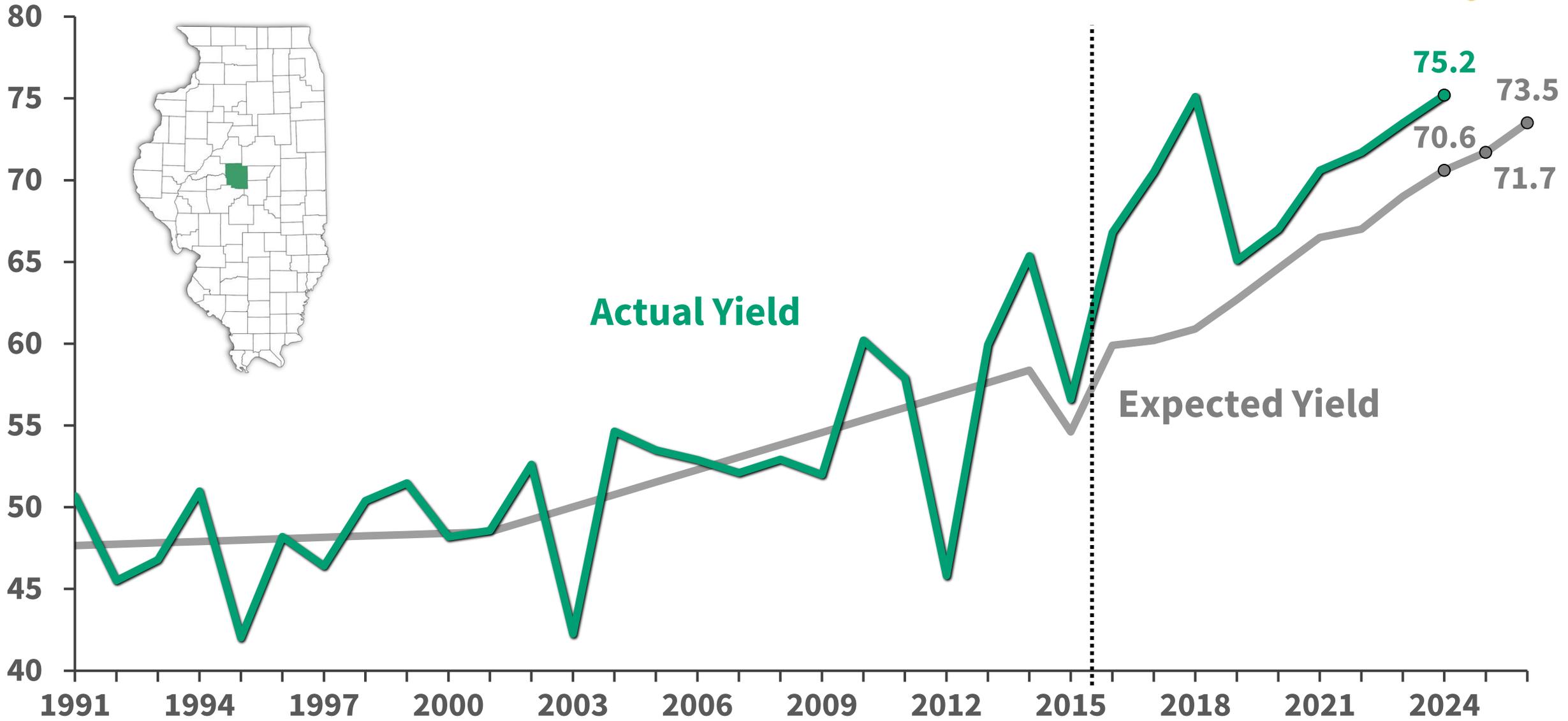
Common SCO/ECO Questions

Should the Fact that County Expected Yields Lag Actual Yield Influence My Decision?

If expected yields are below actual county yield potential payments are less likely to be triggered



Expected and County Yields For County-Level Products, Non-Irrigated Soybeans in Logan County, Illinois



Common SCO/ECO Questions

Should the Fact that County Expected Yields Lag Actual Yield Influence My Decision?

- If expected yields are below actual county yield potential payments are less likely to be triggered
- The farmdoc Insurance Evaluator accounts for this and still suggests positive expected benefits for SCO/ECO in most cases
- Expected yield adjustments by RMA for 2026 appear to be improved



Common SCO/ECO Questions

ECO-95% or ECO-90%? What about SCO?

- In most cases ECO-95% will perform better.
At 95% coverage, ECO will trigger payments more often.
- Prioritize ECO-95% first.
Then consider SCO if additional coverage is desired.
 - Will also depend on the coverage level of your underlying plan

Common SCO/ECO Questions

Should I avoid SCO/ECO if my farm's APH is above RMA's expected yield for my county?

- The farm's APH does not impact the likelihood of SCO or ECO triggering payments
- The size of SCO/ECO payments is scaled to the farm's APH. Higher APH yields will receive larger SCO/ECO payments when triggered and vice versa.
- Performance of the COMBO products (i.e. RP) tends to be worse for higher APH farms

→ SCO/ECO may be **more attractive** for farms with high APH

Common SCO/ECO Questions

Should I lower my RP coverage and add SCO/ECO? What about basis risk?



Net Benefits, Risk, and Probability of Regret



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Definitions

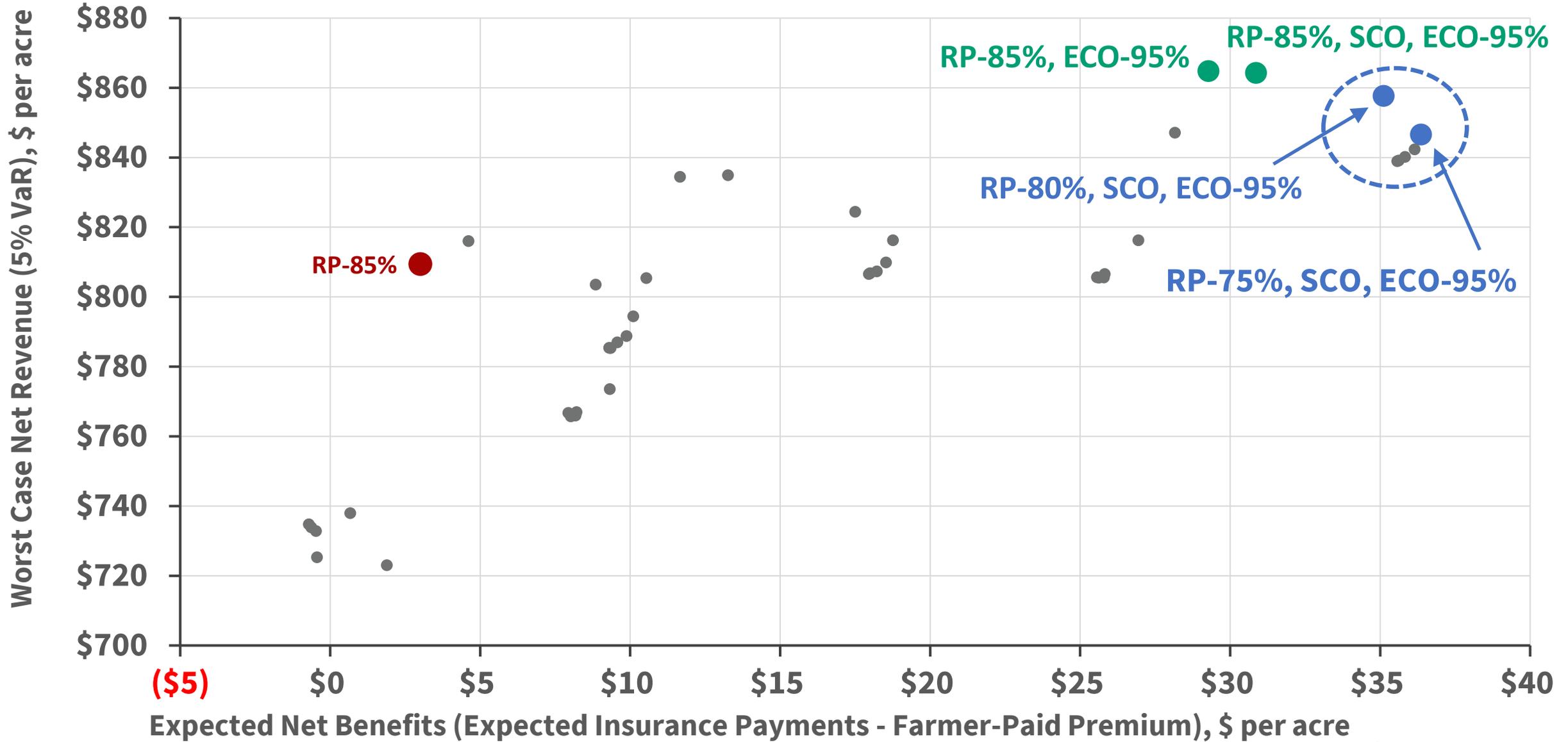
Net Benefits

- Expected indemnities less farmer premium
- Measure of return in \$ per acre, should be positive given premium subsidies

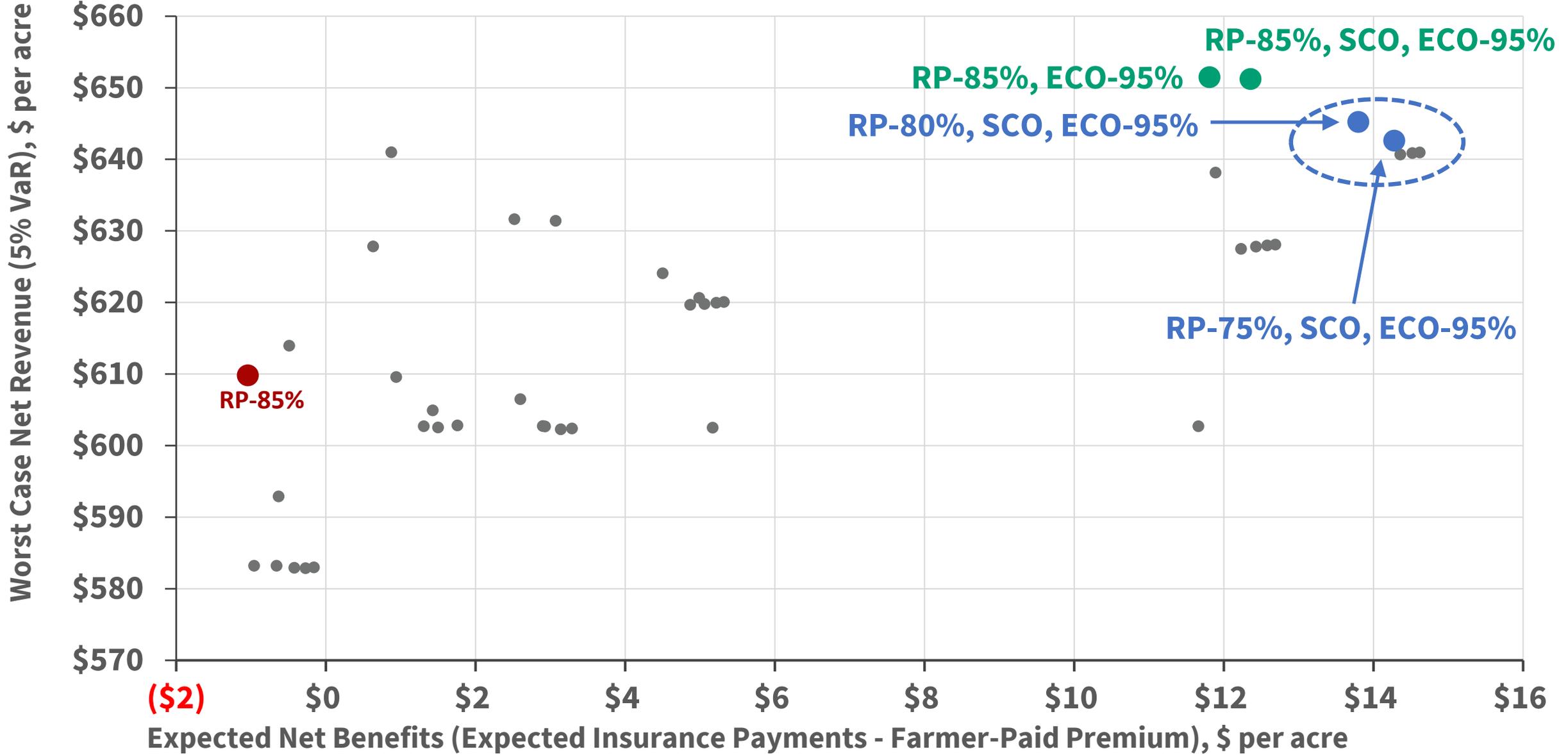
Downside Risk: “Worst Case” Revenue

- Revenue in 5% worst outcomes
- 5% Value at Risk (VaR) measure

Expected Net Benefits and Risk from RP, SCO, and ECO for Corn McLean County, IL, 2026

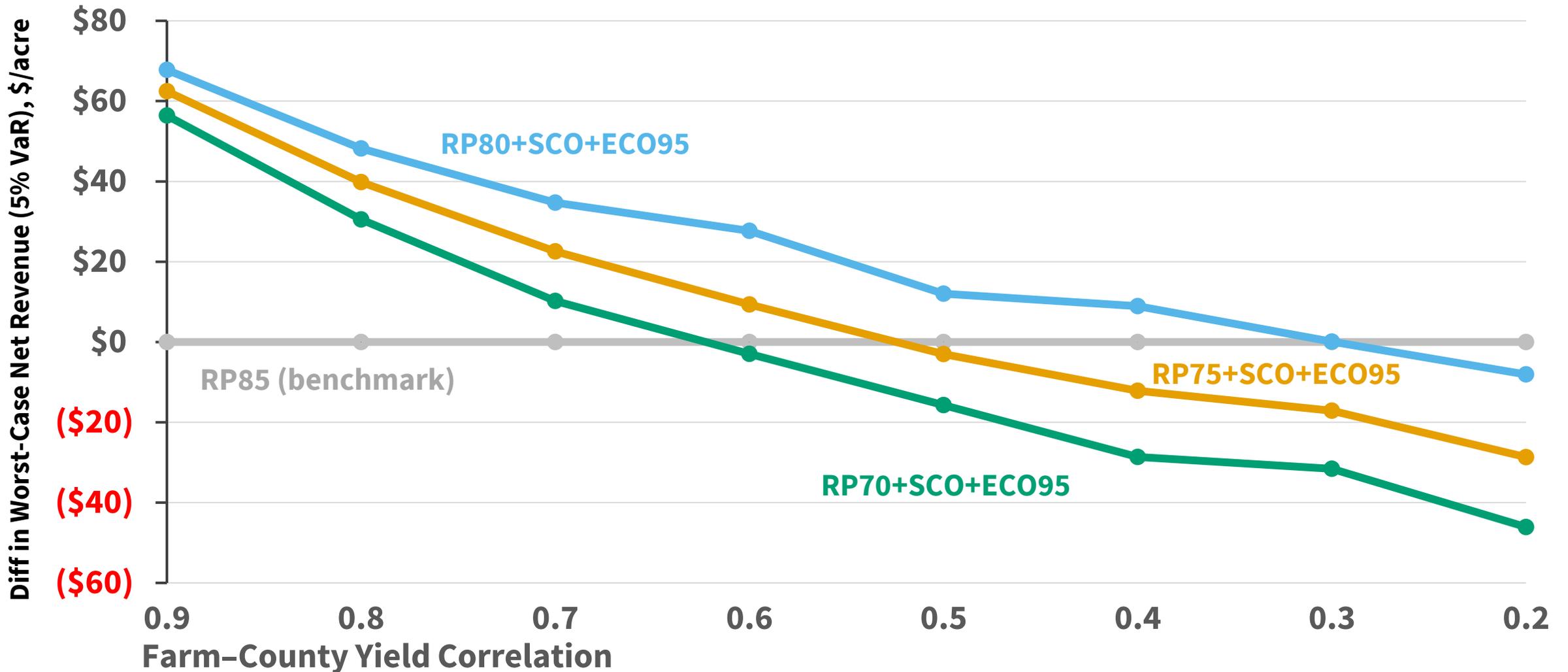


Expected Net Benefits and Risk from RP, SCO, and ECO for Soybean McLean County, IL, 2026



Worst-Case Net Revenue Differences When Replacing RP85 with SCO and ECO Coverage

Values show difference in worst-case net revenue relative to RP85
(positive values indicate lower risk than RP85)



Definitions

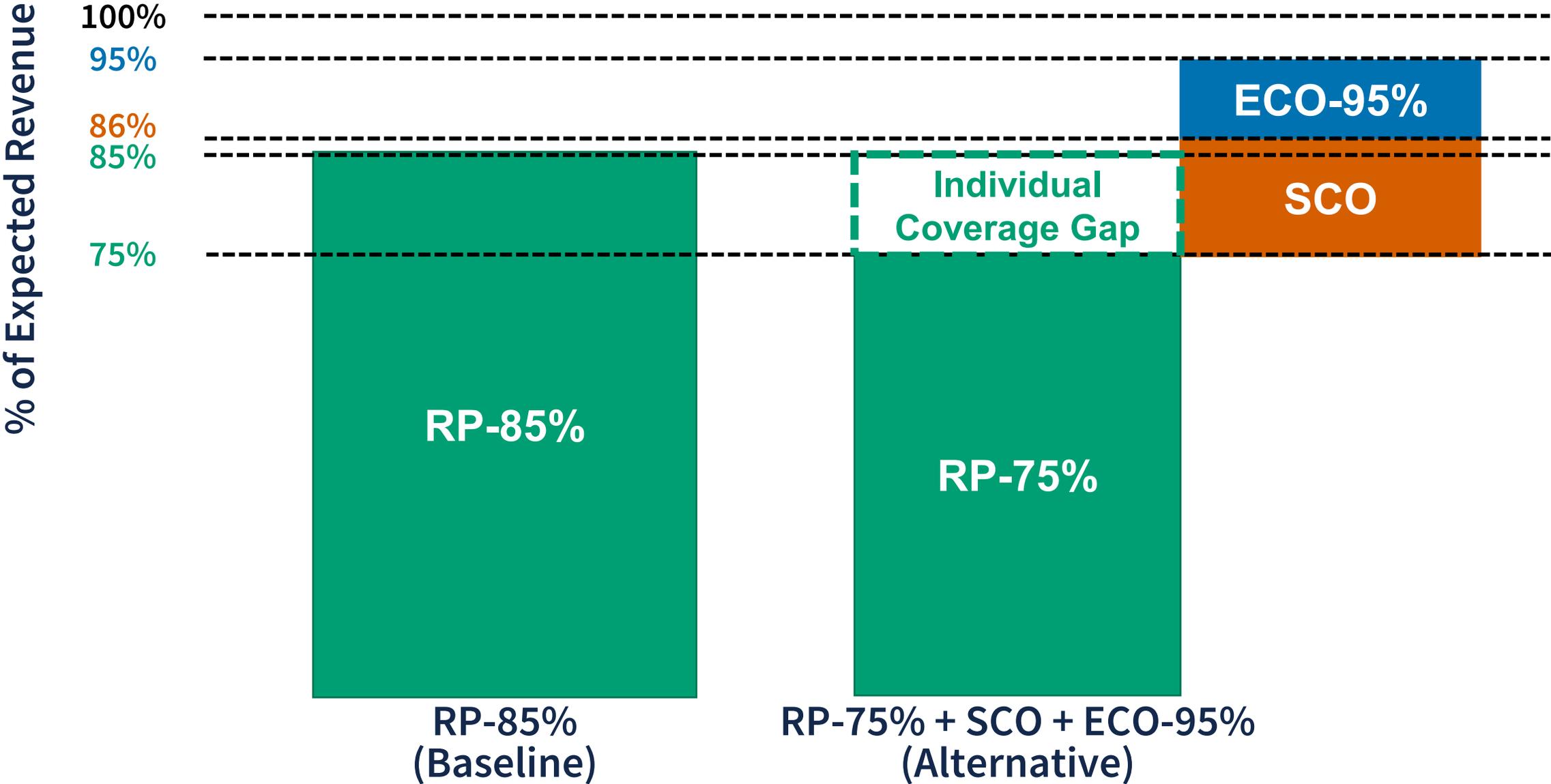
Probability of “Regret”

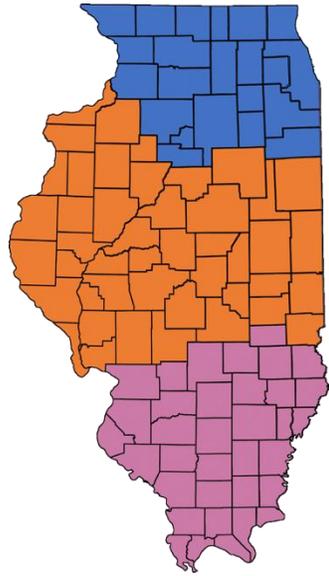
Comparison:

- A. A high coverage level RP plan (i.e. 85%)
- B. A lower coverage RP plan (i.e. 75%)
with SCO and ECO-95%

How often would the indemnity payment from A be greater than the indemnity payment from B?

Insurance Coverage Scenario Comparison

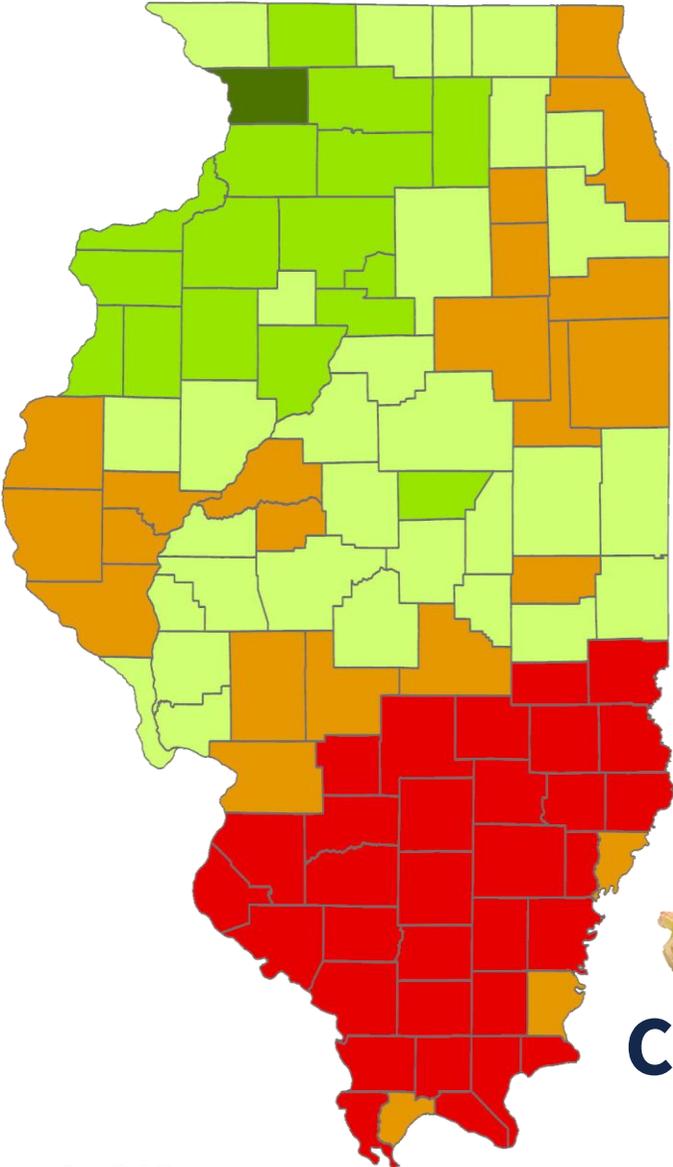




RP-75%+SCO+ECO-95% vs RP-85%

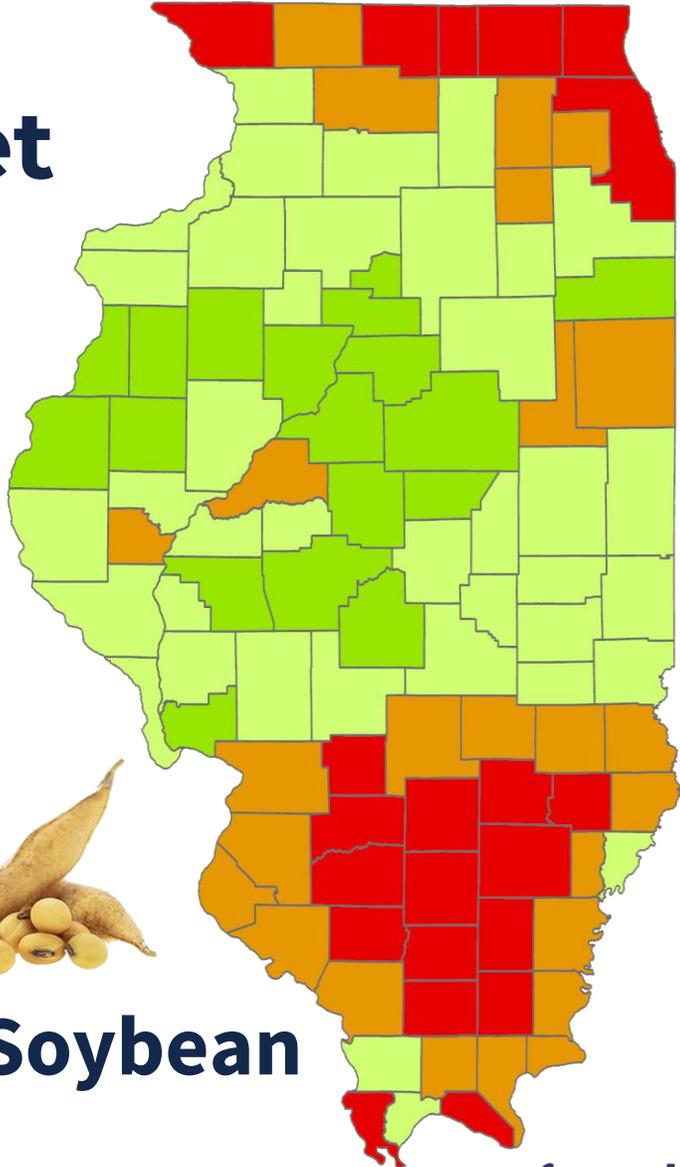
| | Corn | | | Soybean | | |
|-----------------------|--------------------|----------------------|-----------------------|--------------------|----------------------|-----------------------|
| | Premium Difference | Net Benefit Increase | Probability of Regret | Premium Difference | Net Benefit Increase | Probability of Regret |
| Northern | -\$1.91 | \$33.20 | 4.4% | -\$2.58 | \$17.49 | 6.6% |
| Central | -\$1.99 | \$35.60 | 5.4% | -\$0.82 | \$15.51 | 4.4% |
| Southern | -\$8.34 | \$38.61 | 8.9% | -\$5.58 | \$18.84 | 8.0% |
| Illinois (All) | -\$4.15 | \$36.14 | 6.4% | -\$2.81 | \$17.06 | 6.1% |

RP-75%+SCO+ECO-95% vs RP-85% Probability of Regret



Corn

-  **Less than 2%**
-  **2% to 4%**
-  **4% to 6%**
-  **6% to 8%**
-  **Greater than 8%**



Soybean

Observations and Guidance

- **ECO is a reasonable choice for 2026**
 - Risk benefits, high subsidy suggests positive expected return
 - 95% coverage maximizes risk and return benefits
 - Use ECO before SCO
- **SCO may not be needed, particularly for high coverage levels**
- **Some farmers may consider lowering individual (RP) coverage to save on premium**
 - SCO can cover this gap at lower cost, but county-based coverage
 - More advisable for soybeans than corn
 - Need to consider basis risk and impact on prevent plant coverage

2026 Crop Insurance Decision Resources

- Insurance Evaluator
- Premium Calculator
- Crop Insurance Decision Tool (Excel)



Insurance Evaluator Tool

Available at farmdoc.illinois.edu and farmdocdaily.illinois.edu

↳ **Tools**

↳ **Crop Insurance Tools**

↳ **Crop Insurance Payment Evaluator**

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Crop Insurance Payment Evaluator

Crop Insurance Premium Calculator

Crop Insurance Summary of Business Tool (Sheet)

ECO/SCO Payment Estimator (Sheet)

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McLean County Soybeans Example



Farm Information

STATE
Illinois

COUNTY
McLean

CROP
Soybeans

ACRES
500

APH YIELD
67.05 bu/acre

FARM TA YIELD
70 bu/acre

Insurance Plan

Revenue Protection (RP)

COVERAGE LEVEL 80%

55% 85%

Revenue Protection With Harvest Price Exclusion (RP-HPE)

Yield Protection (YP)

→ RUN EVALUATOR

Individual Farm Level Policies

Yield & Price info

View case farm info

| | |
|---------------------------|---------|
| Estimated Projected Price | \$10.89 |
| Nov 26 Future Price | \$11.06 |

Compare Mode →

Compare multiple insurance plans to determine the best fit for your farm

Insurance Impact Summary

Enterprise Unit

Revenue Protection (RP)

○ COVERAGE LEVEL: 80%

COUNTY ADD-ON OPTION

Supplemental Coverage Option (SCO) On Off

Enhanced Coverage Option (ECO) 90% 95% Off

| | |
|------------------------------------|----------|
| Farm Paid Premium (\$/acre) | \$3.05 |
| Avg. Indemnity Payment (\$/acre) | \$2.14 |
| Net Insurance Benefit (\$/acre) | \$-0.91 |
| Payment Frequency (%) | 6.1% |
| Net Revenue (worst case) (\$/acre) | \$581.70 |

Simulated payments and benefits do not include prevent planting.

McLean County Soybeans Example



Insurance Evaluator
LOGIN REGISTER

← BACK

Compare insurance plans

Farm information ✎

| STATE | COUNTY | CROP | ACRES | APH YIELD | FARM TA YIELD |
|----------|--------|----------|-------|---------------|---------------|
| Illinois | McLean | Soybeans | 500 | 67.05 bu/acre | 70 bu/acre |

Yield & Price info

Estimated Projected Price
Nov 26 Future Price

+ ADD INSURANCE PLAN ▾

- + New insurance plan
- Maximum Insurance Benefit
- Minimum Risk (one-in-twenty event)

Insurance Impact Summary

YOUR BASE SELECTION ✎

Revenue Protection (RP)

○ COVERAGE LEVEL: 80%

COUNTY ADD-ON OPTION
Supplemental Coverage Option (SCO)

On Off

Enhanced Coverage Option (ECO)

90% 95% Off

| | |
|------------------------------------|----------|
| Farm Paid Premium (\$/acre) | \$4.31 |
| Avg. Indemnity Payment (\$/acre) | \$5.41 |
| Net Insurance Benefit (\$/acre) | \$1.10 |
| Payment Frequency (%) | 13.6% |
| Net Revenue (worst case) (\$/acre) | \$608.23 |

PLAN 2 ⋮

Revenue Protection (RP)

○ COVERAGE LEVEL: 80%

COUNTY ADD-ON OPTION
Supplemental Coverage Option (SCO)

On Off

Enhanced Coverage Option (ECO)

90% 95% Off

| | |
|------------------------------------|------------|
| Farm Paid Premium (\$/acre) | \$5.92 ↗ |
| Avg. Indemnity Payment (\$/acre) | \$10.74 ↗ |
| Net Insurance Benefit (\$/acre) | \$4.82 ↗ |
| Payment Frequency (%) | 23.5% ↗ |
| Net Revenue (worst case) (\$/acre) | \$623.31 ↗ |

PLAN 3 ⋮

Revenue Protection (RP)

○ COVERAGE LEVEL: 80%

COUNTY ADD-ON OPTION
Supplemental Coverage Option (SCO)

On Off

Enhanced Coverage Option (ECO)

90% 95% Off

| | |
|------------------------------------|------------|
| Farm Paid Premium (\$/acre) | \$9.48 ↗ |
| Avg. Indemnity Payment (\$/acre) | \$23.92 ↗ |
| Net Insurance Benefit (\$/acre) | \$14.44 ↗ |
| Payment Frequency (%) | 45.0% ↗ |
| Net Revenue (worst case) (\$/acre) | \$644.34 ↗ |

McLean County Soybeans Example



YOUR BASE SELECTION 

Revenue Protection (RP) 

COVERAGE LEVEL: 80%

COUNTY ADD-ON OPTION

Supplemental Coverage Option (SCO) On Off

Enhanced Coverage Option (ECO) 90% 95% Off

| | |
|------------------------------------|----------|
| Farm Paid Premium (\$/acre) | \$4.31 |
| Avg. Indemnity Payment (\$/acre) | \$5.41 |
| Net Insurance Benefit (\$/acre) | \$1.10 |
| Payment Frequency (%) | 13.6% |
| Net Revenue (worst case) (\$/acre) | \$608.23 |

PLAN 2 

Revenue Protection (RP) 

COVERAGE LEVEL: 80%

COUNTY ADD-ON OPTION

Supplemental Coverage Option (SCO) On Off

Enhanced Coverage Option (ECO) 90% 95% Off

| | |
|------------------------------------|------------|
| Farm Paid Premium (\$/acre) | \$5.92 ↑ |
| Avg. Indemnity Payment (\$/acre) | \$10.74 ↑ |
| Net Insurance Benefit (\$/acre) | \$4.82 ↑ |
| Payment Frequency (%) | 23.5% ↑ |
| Net Revenue (worst case) (\$/acre) | \$623.31 ↑ |

PLAN 3 

Revenue Protection (RP) 

COVERAGE LEVEL: 80%

COUNTY ADD-ON OPTION

Supplemental Coverage Option (SCO) On Off

Enhanced Coverage Option (ECO) 90% 95% Off

| | |
|------------------------------------|------------|
| Farm Paid Premium (\$/acre) | \$9.48 ↑ |
| Avg. Indemnity Payment (\$/acre) | \$23.92 ↑ |
| Net Insurance Benefit (\$/acre) | \$14.44 ↑ |
| Payment Frequency (%) | 45.0% ↑ |
| Net Revenue (worst case) (\$/acre) | \$644.34 ↑ |

 **Minimized Net Cost**

PLAN 4 

Revenue Protection (RP) 

COVERAGE LEVEL: 50%

COUNTY ADD-ON OPTION

Supplemental Coverage Option (SCO) On

Enhanced Coverage Option (ECO) 90% 95%

| | |
|------------------------------------|------------|
| Farm Paid Premium (\$/acre) | \$7.40 ↑ |
| Avg. Indemnity Payment (\$/acre) | \$22.68 ↑ |
| Net Insurance Benefit (\$/acre) | \$15.28 ↑ |
| Payment Frequency (%) | 44.8% ↑ |
| Net Revenue (worst case) (\$/acre) | \$640.87 ↑ |

 **Minimum risk (one-in-twenty years event)**

PLAN 5 

Revenue Protection With Harvest Price Exclusion (RP-HPE) 

COVERAGE LEVEL: 85%

COUNTY ADD-ON OPTION

Supplemental Coverage Option (SCO) Off

Enhanced Coverage Option (ECO) 90% 95%

| | |
|------------------------------------|------------|
| Farm Paid Premium (\$/acre) | \$6.19 ↑ |
| Avg. Indemnity Payment (\$/acre) | \$18.12 ↑ |
| Net Insurance Benefit (\$/acre) | \$11.93 ↑ |
| Payment Frequency (%) | 33.1% ↑ |
| Net Revenue (worst case) (\$/acre) | \$652.10 ↑ |

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