

**Signed Up for PLC? You Are Eligible for Supplemental Crop Insurance**

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Starting with the 2015 crop year, producers that enrolled in Price Loss Coverage (**PLC**), and who also participate in the federal crop insurance program, may purchase additional crop insurance coverage called the **Supplemental Coverage Option (SCO)**, where available.

Crops for which the producer has elected to receive Agriculture Risk Coverage (ARC) or acres enrolled in Stacked Income Protection Plan (STAX) are not eligible for SCO benefits.

**SCO** offers additional **area-based** insurance coverage, rather than coverage for individual farm loss. SCO is based on county average **yield** or **revenue**. The price protection offered by SCO is based on crop futures prices within the crop year. Thus, the closer a producer's farm yields and revenues are to county averages, the better the fit of SCO coverage.

SCO is available, starting with the 2015 crop year, in select counties for spring barley, corn, soybeans, wheat, sorghum, cotton, and rice. Starting with the 2016 crop year, the Risk Management Agency (RMA) will be making greater use of crop insurance data to expand SCO coverage into more areas, more crops, and to make SCO coverage more practice-specific.

This is not a stand-alone policy and is based on expected county yields or revenue, to cover part of the deductible under the producer's companion underlying insurance policy, which could be for Yield Protection (YP), Revenue Protection (RP), or Revenue Protection with the Harvest Price Exclusion (RPHPE).

SCO mimics the coverage offered by the producer's individual insurance plan. If you choose YP, then SCO covers yield loss within the deductible of the underlying crop policy. If you choose RP, then SCO covers revenue loss. It is important to understand that the amount of SCO coverage provided is dependent on the liability, coverage level, and approved yield for your underlying policy.

However, a **payment** is only triggered for SCO coverage on an area basis when there is a county level loss in yield or revenue. Thus, it is possible that a producer will experience an individual loss but not receive an SCO payment, or the other way around it. If you would like an example of how SCO payments are calculated, please refer to the [USDA RMA SCO Fact Sheet](#).

The RMA administers SCO and therefore payments received under SCO do not count towards the FSA payment cap of \$125,000. Also, SCO is not subject to payment limitations or adjusted gross income (AGI) eligibility limits.

Producers will have until the end of the summer to purchase SCO. The program provides subsidies to producers of 65% of their premiums. This is an annual policy and producers must contact crop insurance agents by the application closing date each year. **Application closing dates vary by crop and area**. Contact the [RMA Regional Office](#) or find [here](#) a list of crop insurance agents.

Have any questions or concerns? **Contact us!**

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