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RISK MANAGEMENT



2025 Crop Insurance Update
Grains Webinar
January 30, 2025

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Dry Bean And Dry Pea Harvest Prices



Harvest Price Tracking



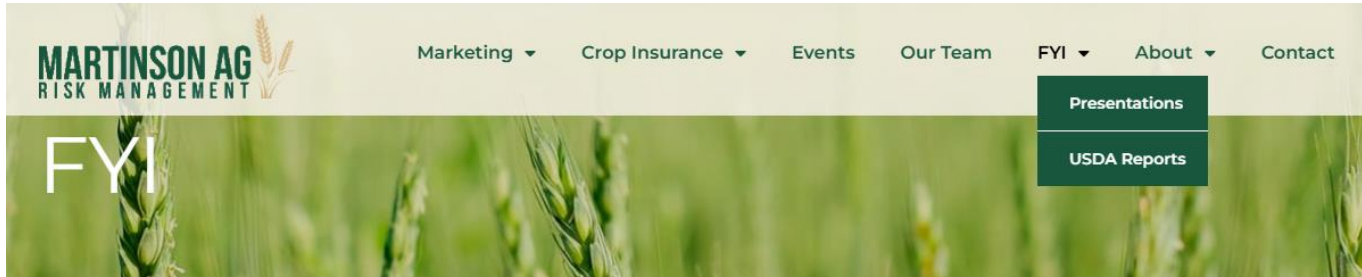
2025 Projected Prices



Prevent Plant Guidelines



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January Cattle On Feed Report



Dry Bean And Dry Pea Harvest Prices



Commentary On January USDA Reports



Summary Of January USDA Reports



December Cattle On Feed Report



Marketing Update



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2025/26 US Winter Wheat Seedings

Category	Area	2025	Average	Change	Last Year	Change
All wheat	35,515,000	33,966,000	-	-1,549,000	33,289,000	+1,277,000
Hard red	25,000,000	23,730,000	-	-1,270,000	23,780,000	-1,250,000
Soft red	6,400,000	6,100,000	-	-300,000	6,400,000	-300,000
Other	4,115,000	4,136,000	+221,000	-	4,109,000	+27,000

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January 2025 USDA Reports
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July 2024 Other Spring Wheat Yield

Buildup and Percent Change from Previous Year

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July USDA Report
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2024 Corn Planted Acreage

Thousand Acres and Percent Change from Previous Year

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June 28 USDA Reports Commentary
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2023/24 South American Production

Category	Area	2023	Average	Change	Last Month	Change
Wheat	122,000,000	122,200,000	-	-200,000	122,000,000	+200,000
Corn	154,000,000	152,200,000	-	-1,800,000	153,000,000	-1,800,000
Soybeans	113,000,000	112,200,000	-	-800,000	112,000,000	+200,000
Other	30,000,000	30,000,000	+200,000	-	30,000,000	+200,000

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May USDA Report
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2024 Prospective Plantings

Category	Area	2024	2023	Change	Last Year	Change
All wheat	34,135	34,435	-	300	34,135	+300
Hard red	24,000	23,730	-	-270	23,730	+270
Soft red	6,400	6,100	-	-300	6,100	+300
Other	3,735	3,605	+130	-	3,705	+30

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2024 Cattle Webinar
February 7, 2024

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2024 Crop Insurance Update
Grains Webinar
January 31, 2024

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2023/24 US Wheat Production

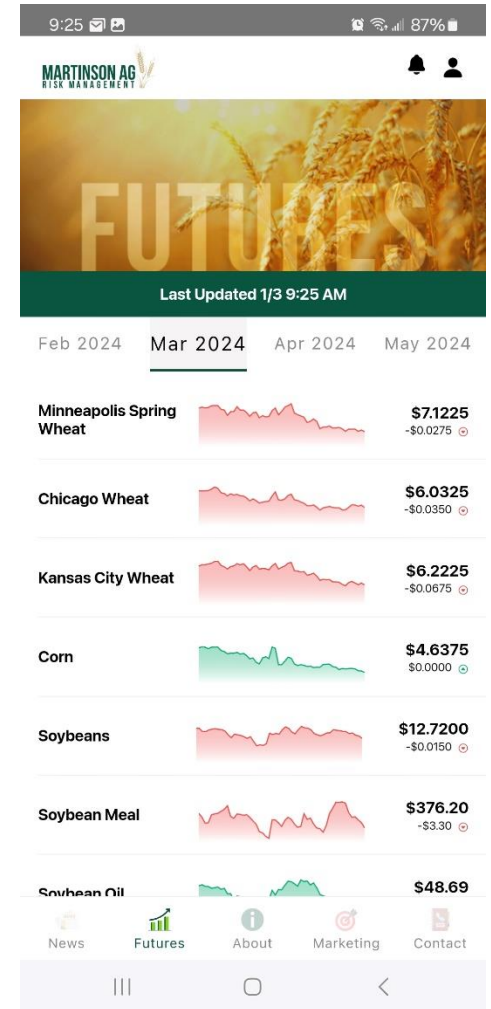
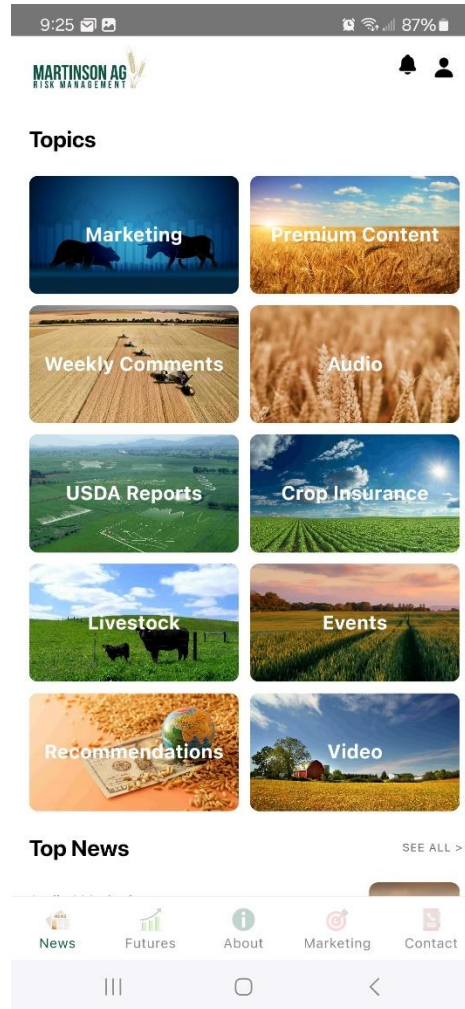
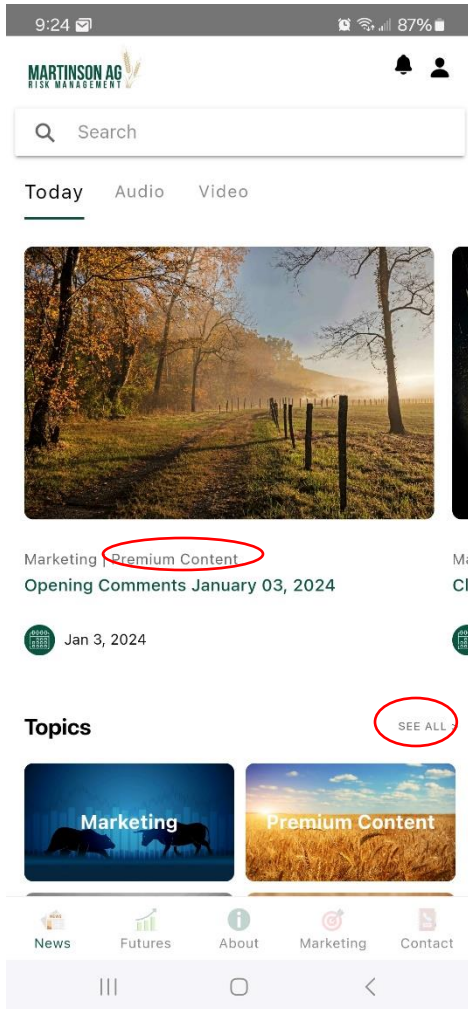
Category	Area	2023	Average	Change	Last Month	Change
All wheat	1,199,000,000	1,197,000,000	-	-2,000,000	1,197,000,000	+2,000,000
Hard red	810,000,000	807,000,000	-	-3,000,000	807,000,000	+3,000,000
Soft red	270,000,000	267,000,000	-	-3,000,000	267,000,000	+3,000,000
Other	119,000,000	119,000,000	+2,000,000	-	119,000,000	+2,000,000

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May USDA Report
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Revenue Projected Price Estimates

Crop	2025 Est. Proj. Price	2024 Proj. Price
Barley		\$4.34
Canola, Spring		\$0.203
Corn	<i>Dec '25 at \$4.64 on 1-30</i>	\$4.66
Flax – <i>new for 2025</i>	<i>Based on ICE canola oil</i>	
Oats		\$3.38
Rye	\$6.95	\$7.86
Soybeans	<i>Nov '25 at \$10.54 on 1-30</i>	\$11.55
Sunflowers, Oil		\$0.238
Sunflowers, Conft		\$0.288
Wheat, Spring	<i>Sep '25 at \$6.47 on 1-30</i>	\$6.84
Wheat, Durum		\$7.89
Wheat, Winter (SD)	\$6.00	\$7.38

Projected prices are tracked in the month of February. Official prices will be released at the beginning of March.

Revenue Projected Price Estimates

Dry Beans	2025 Est. Proj. Price	2024 Proj. Price	2024 Harvest Price
Black		\$0.39	\$0.29
Dark Red Kidney		\$0.43	\$0.47
Pea (Navy)		\$0.38	\$0.30
Pinto		\$0.39	\$0.29

Official projected prices will be released at the beginning of March.

Revenue Projected Price Estimates

Dry Peas	2025 Est. Proj. Price	2024 Proj. Price	2024 Harvest Price
Spring Smooth Green/Yellow		\$0.15	\$0.14
Spring Lentils		\$0.37	\$0.35
Spring Small Kabuli Chickpeas		\$0.28	\$0.28
Spring Large Kabuli Chickpeas		\$0.32	\$0.30

Official projected prices will be released at the beginning of March.



2025 Crop Expansion for ND

- None

2025 Crop Expansion for MN

- Canola: Becker, Clay, Grant, Hubbard, Otter Tail, Stevens, Traverse, Wilkin
- Dry Beans: Dakota

2025 Crop Expansion for SD

- Canola: Corson, Perkins
- Soybeans: Haakon, Ziebach

Date Changes for Canola

- Final planting date changed from 5/15 to 5/25
- End of late planting period changed from 5/30 to 6/9



Date Changes for Canola

- Final planting date changed from 5/25 to 6/1
- End of late planting period changed from 6/9 to 6/16



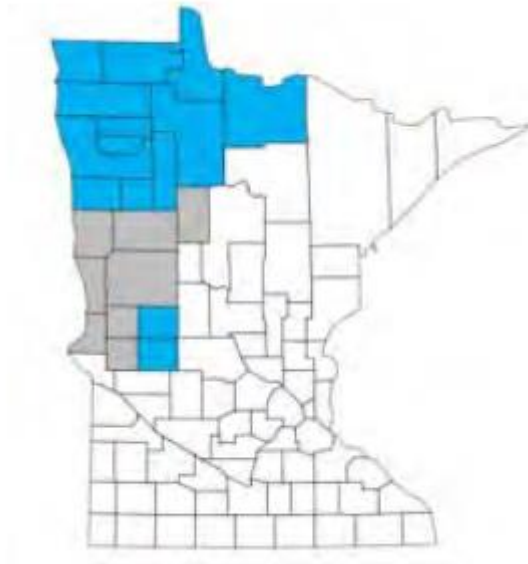
Date Changes for Canola

- Final planting date changed from 5/20 to 5/25
- End of late planting period changed from 6/4 to 6/9



Date Changes for Canola

- Initial planting date changed from 4/16 to 4/15



Enterprise Unit Codes

- EU – enterprise unit
- EI – enterprise unit by irrigation practice
- ET – enterprise unit by type
- EC – enterprise unit by cropping practice
- EO – enterprise units by organic/non-organic units
(new for 2025)

Enterprise Unit Codes

- MCEU – multi-county enterprise unit
 - Counties must be contiguous and in same state
 - The primary county MUST qualify for EU on its own
 - The secondary county MUST NOT qualify for EU on its own
 - MCEU cannot be used with ET or EC

Reminder - EU by Type

- Can now have separate enterprise units by type for **dry beans, dry peas, sunflowers, and wheat**
- Example: Insured intends to plant 1 section of pintos, 3 sections of navies and 3 sections of small red beans.
 - Could choose BU for pintos, ET for navies, and OU for small reds
 - If the insured also has IRR and NI dry beans and wants EU, they must choose either EU by practice or EU by type (can't do both)

Prevent Plant Reminders

- 2 crop history no longer needed if proof is provided that the producer intended to plant another crop or crop type on the acreage
 - Example: You have a 200-acre field. You intended to plant corn on all 200 acres but due to wet conditions you only got 50 acres of soybeans planted.
 - You can now call the 150 acres PP corn
- Reminder: If the PP is a different crop than what was planted, the acres must still meet the 20/20 rule for the unit

Prevent Plant Reminders

- Allow for a **cover crop** to be hayed, grazed, or cut for silage, haylage, or baleage at any time without a reduction in a prevented planting payment
- A payment reduction will apply if the cover crop is harvested at any time for grain or seed
- Remember – there must be a valid cause of loss to claim PP and corn is **NOT** a cover crop

\$200,000 Reviews

- RMA does data mining on who will get a \$200,000 review and companies are given exempt lists
- Old rule: Had to hit a claim total of \$200,000 on 1 crop in 1 county with 1 type of loss
- New for 2025: \$200,000 is based on all types of losses added together for a crop in a county
 - PP, harvested, and unharvested losses are added together plus any SCO, ECO, or Margin Protection losses
 - When the total claims for a crop/county reach \$200,000 ALL claims will be reviewed

Direct Deposit for Claim Checks

- All of our insurance companies can direct deposit your claim check to your bank account
- We are seeing more delays and lost checks with USPS
- Let your agent know at sales closing if you want to set up direct deposit
- If you have your lender listed as an assignee, they must sign an additional statement for the funds to be sent electronically

New Breaking and Native Sod

- RMA simplified insuring new breaking (NB) and native sod (NS) acres for 2025
- Definition of new breaking: Acreage which has not been planted and harvested, or insured within the **4** previous crop years

New Breaking and Native Sod

- For new breaking or native sod land to be insurable the first year planted, the acreage must meet soil criteria:
 - 75% or more of the acreage must be composed of soil types defined as Capability Classes I, II, III, or IV from the NRCS Web Soil Survey
 - Soil survey maps must be submitted with the acreage report to the insurance company by July 15
 - If documentation is not timely received, the acreage will not be insurable the first year

New Breaking

- Need proof land was tilled on or prior to February 7, 2014, to prove land is not native sod
- Will be insured at 85% of the county T-yield if the soil types qualify
- New breaking acreage is not eligible for PP the first year
- New breaking rules do not apply if the NB acreage is 5% or less of the insured planted acreage in the unit

Land Coming out of CRP

- Acreage that has not been planted in at least 3 of the 4 most recent crop years to comply with other USDA programs is NOT considered new breaking
- But acreage not planted within TWO years of emergence from a USDA program must follow the new breaking requirements

Native Sod

- Only applies to the original native sod states
 - IA, MN, MT, NE, ND, and SD
- For native sod broken between on or after Dec. 21, 2018:
 - Producer must have 4 crop years of an ***insured*** crop on the acres for the native sod status to be removed.
 - CAT or NAP coverage does not count toward the 4 years of insurance.
 - Limited to the first 10 crop years after initial tillage.
 - Native sod rules apply when ***more than 5 acres are tilled in the county, cumulatively across crop years.***

Native Sod

- Until the land is out of native sod status:
 - The guarantee will be based on 65% of the county T-yield
 - Premium subsidy will be 50 percentage points less than the usual premium subsidy
 - Production reports are required, but actual yields will not be used until the land is out of native sod status

Quality Loss Option (QL)

- This option allows you to replace actual yields based on post-quality production with actual yields based on pre-quality production
- A notice of loss must have been filed for the crops and years being used (can be applied to prior years)
- QL option must be added to the crop(s) on your policy by March 15
- Then have until April 29 to opt out of QL on any specific database if desired

Quality Loss Option

B. GROSS PRODUCTION				C. ADJUSTMENTS TO HARVESTED PRODUCTION									
53.	54.	55.	56.	57.	58a. 58b.	59a. 59b.	60a. 60b.	61.	62.	63.	64a. 64b.	65.	66.
Net Cubic Feet	Conver- sion	Gros s Prod.	Bu Ton Lbs	Shell/ Sugar Facto	FM % Factor	Moisture %	Test WT P Factor	Adjusted Production	Prod Not to Count	Production Pre-QA	Value MKT	Qualit y Facto	Production to Count
3820.2	0.8		3056.2	1.00 00	0.770.933	14.670.9868	59.771.028	3078.6	28.2	3050.4		0.845	2577.6
241.2	0.8		193.0	1.00 00	0.770.933	14.670.9868	59.771.028	194.4	0.0	194.4		0.845	164.3
402	0.8		321.6	1.00 00	0.770.933	14.670.9868	59.771.028	324.0	0.0	324.0		0.845	273.8
652.1	0.8		521.7	1.00 00	0.770.933	14.670.9868	59.771.043	533.2	0.0	533.2		0.845	450.6
396.9	0.8		317.5	1.00 00	0.770.933	14.670.9868	59.771.043	324.5	0.0	324.5		0.845	274.2
4119.7	0.8		3295.8	1.00 00	1.170.383	13.571.0000	60.371.057	3445.3	40.8	3404.5		0.776	2641.9
375.6	0.8		300.5	1.00 00	1.170.383	13.571.0000	60.371.057	314.1	0.0	314.1		0.776	243.7
641.2	0.8		513.0	1.00 00	1.170.383	13.571.0000	60.371.057	536.3	0.0	536.3		0.776	416.2
8731.1	0.8		6984.9	1.00 00	1.170.383	13.571.0000	60.371.057	7301.8	75.5	7226.3		0.776	5607.6
799.2	0.8		639.4	1.00 00	1.170.383	13.571.0000	60.371.057	668.4	0.0	668.4		0.776	518.7
1055.6	0.8		844.5	1.00 00	1.170.383	13.571.0000	60.371.057	882.8	0.0	882.8		0.776	685.1
1467.8	0.8		1174.2	1.00 00	0.870.933	13.571.0000	59.671.028	1197.4	18.0	1179.4		0.690	813.8

Quality Loss Option

Year	Production	Pre-Quality Production	Production Type	Acres	Yield	Pre-Quality Yield	PP Acres	Aprv Yld	APH Yield	Yield Type	Yield Adj	Trend Adj	QL
2003	0			0.00	0		0	0	0	Z	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2004	0			0.00	0		0	0	0	Z	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2005	0			0.00	0		0	0	0	Z	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2006	0			0.00	0		0	0	0	Z	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2007	0			0.00	0		0	0	0	Z	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2012	10039.1			207.00	48		0	0	54	A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2015	14688.7			207.00	71		0	0	76	A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2018	10052.4		B	197.11	51		0	0	54	A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2022	9624.5		A	200.29	48		0	0	49	A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2024	8798.8	9542.4	M	200.28	44	48	0	0	48	A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



Economic Assistance for Crop Year 2024 Losses

- \$10 billion in funding
- Must be disbursed by March 21
- Per acre payments based on
 - Planted acres determined by FSA certification (grazing, haying, silage, and similar uses included)
 - PP acres paid at 50%
- Payment limits:
 - If less than 75% **average gross income** from 2020 to 2022 is from agriculture, limit is \$125,000
 - If over 75%, payment limit is \$250,000

Economic Assistance for Crop Year 2024 Losses – Estimated Payments

Commodity	Estimated Payment (\$/Acre)
Corn	\$43.80/acre
Soybeans	\$30.61/acre
Wheat	\$31.80/acre
Cotton	\$84.70/acre
Rice (L/M)*	\$71.37/acre
Sorghum	\$41.85/acre
Oats	\$78.42/acre
Barley*	\$21.76/acre
Peanuts*	\$76.30/acre
Dry peas*	\$16.16/acre
Lentils*	\$19.32/acre

Chickpeas, large*	\$24.16/acre
Chickpeas, small*	\$25.04/acre
Sunflower*	\$23.38/acre
Rapeseed*	\$23.23/acre
Canola*	\$26.76/acre
Safflower*	\$15.71/acre
Flaxseed*	\$17.48/acre
Mustard*	\$11.42/acre
Crambe*	\$19.37/acre
Sesame*	\$5.28/acre

Disaster Assistance for Calendar Year 2023 & 2024 Losses

- \$20.78 billion in funding
- Must have a qualifying loss
- The Trump administration will write the rules
- No other details yet

2025 PLC and ARC Prices

Commodity	2025 PLC Effective Reference Price	2025 estimated ARC Price as of 1/2/2025
Corn	\$4.26	\$5.03
Soybeans	\$9.66	\$12.17
Wheat	\$5.56	\$6.72
Barley	\$4.95	\$5.88
Oats	\$2.76	\$3.76
Dry Peas	\$0.1163	\$0.1428
Lentils	\$0.2297	\$0.3099
Sunflowers	\$0.2015	\$0.2343
Canola	\$0.2054	\$0.2488

ARC and PLC Payment Example

- For crop year 2024 ARC using Cass co. corn:
 - $173.56 \text{ bu (Olympic average)} \times \$5.03 = \$873$
 - $\$873.01 \times 86\% = \751
 - Assume $180.0 \text{ bu. yield} \times \$4.55 = \$819$
 - Payment = $\$751 - \$819 = \text{No payment}$
- For crop year 2024 PLC Corn:
 - Reference price of $\$4.26$
 - 2024 marketing year average estimated at $\$4.55$
 - No payment

ARC and PLC Sign-up

- Sign up at FSA runs January 21 through April 15
- Crop insurance deadline for SCO and ECO is still March 15
- Remember: If you sign up for SCO you cannot have ARC on that crop/farm number

SCO: Supplemental Coverage Option

- SCO provides area-based coverage for a portion of your insurance deductible **up to 86%**
- Must be purchased with an underlying individual policy for that crop with the same insurance company
- Amount of coverage based on your APH
- Loss payment based on how well the county does
- Begins to pay out when the county average revenue falls below 86% of the expected level

SCO: Supplemental Coverage Option

- Can't use on a crop if its farm number is ARC at FSA
- If you have some farm numbers enrolled in PLC and some in ARC, at acreage reporting time you must tell your agent if any acres are under ARC
 - Land on ARC farm numbers will be removed from SCO coverage with no penalty at acreage reporting time
 - If you do not specify acres and you did have ARC on some land, those acres will not be eligible for SCO, and you will still have to **pay 60% of the premium** as a penalty

ECO: Enhanced Coverage Option

- ECO also provides area-based coverage
 - Choose coverage of 86% to 90% or 86% to 95%
- Must be purchased with an underlying individual policy for that crop with the same insurance company
- Amount of coverage based on your APH
- Loss payment based on how well the county does
- Area can be multiple counties put together
- Can have either ARC or PLC at FSA
- Can purchase with or without SCO

SCO and ECO

95% ECO Trigger

Deductible (no coverage)	100% - 95%
ECO coverage range	95% - 86%
SCO or ARC coverage range	86% - MPCI coverage level
MPCI coverage level	up to 85%

90% ECO Trigger

Deductible (no coverage)	100% - 90%
ECO coverage range	90% - 86%
SCO or ARC coverage range	86% - MPCI coverage level
MPCI coverage level	up to 85%

Final county yields note

2024 crop year final county yields will be released:

- By May 15, 2025 for canola and wheat
- By June 16, 2025 for corn and soybeans

ECO: Major Change for 2025

- ECO subsidy was 44% in 2024
- ECO subsidy is 65% in 2025
- Now matches the SCO subsidy of 65%

Quote: Corn in Cass, ND

100 acre EU

	Price	Yield	Guar/acre	Coverage/acre	Premium/acre
RP 70%	\$4.66	180.0 bu.	126.0 bu.	\$587.16	\$8.85
SCO 70% to 86%				\$134.21	\$10.20
ECO 86% to 95%				\$75.49	\$13.60
RP 75%	\$4.66	180.0 bu.	135.0 bu.	\$629.10	\$12.44
SCO 75% to 86%				\$92.27	\$8.28
ECO 86% to 95%				\$75.49	\$13.60
RP 80%	\$4.66	180.0 bu.	144.0 bu.	\$671.04	\$21.13
SCO 80% to 86%				\$50.33	\$5.39
ECO 86% to 95%				\$75.49	\$13.60
ECO 86% to 90%				\$33.55	\$5.20

Quote: Corn in Cass, ND

100 acre EU

	Price	Yield	Guar/acre	Coverage/acre	Premium/acre
ECO 86% to 95%	\$4.66	180 bu		\$75.49	\$13.60
ECO 86% to 90%				\$33.55	\$5.20

2025 Cass NI Grain Corn expected yield is **171.4** bu.
Assume harvest price is unchanged from base price

For ECO 86% to 95%:

- A final county yield of 162 bu. would pay out \$4.23
- A final county yield of 160 bu. would pay out \$14.27 (cover premium)
- A final county yield of 147 bu. would pay out the entire \$75.49

For ECO 86% to 90%:

- A final county yield of 154 bu. would pay \$1.68
- A final county yield of 153 bu. would pay \$5.87 (cover premium)
- A final county yield of 147 bu. would pay out the entire \$75.49

Quote: Soybeans in Cass, ND

100 acre EU

	Price	Yield	Guar/acre	Coverage/acre	Premium/acre
RP 70%	\$10.65	45.0 bu.	31.5 bu.	\$335.48	\$3.63
SCO 70% to 86%				\$76.68	\$4.70
ECO 86% to 95%				\$43.13	\$7.27
RP 75%	\$10.65	45.0 bu.	33.8 bu.	\$359.97	\$5.35
SCO 75% to 86%				\$52.80	\$3.89
ECO 86% to 95%				\$43.13	\$7.27
RP 80%	\$10.65	45.0 bu.	36.0 bu.	\$383.40	\$9.42
SCO 80% to 86%				\$28.76	\$2.65
ECO 86% to 95%				\$43.13	\$7.27
ECO 86% to 90%				\$19.17	\$2.72

Quote: Soybeans in Cass, ND

100 acre EU

	Price	Yield	Guar/acre	Coverage/acre	Premium/acre
ECO 86% to 95%	\$10.65	45 bu		\$43.13	\$7.27
ECO 86% to 90%				\$19.17	\$2.72

2025 Cass NI Commodity Soybean expected yield is **40.2** bu.

Assume harvest price is unchanged from base price.

For ECO 86% to 95%:

- A final county yield of 38.0 bu. would pay out \$2.42
- A final county yield of 37.5 would pay out \$8.15 (cover premium)
- A final county yield of 34.5 bu. would pay out the entire \$43.13

For ECO 86% to 90%:

- A final county yield of 36.0 bu. would pay \$1.92
- A final county yield of 35.9 bu. would pay out \$3.35 (cover premium)
- A final county yield of 34.5 bu. would pay out the entire \$19.17

SCO and ECO Scenarios

Supplemental Coverage Option (SCO) & Enhanced Coverage Option (ECO) Indemnity Worksheet

Coverage Calculation

Base Price	\$4.66	Harvest Price	\$4.66	ECO/SCO Top Coverage Trigger	95%	Expected Crop Value	\$839
Higher Price times Farm APH	180			minus RP Coverage	86%	ECO + SCO Coverage	9%
				<i>(or 86% if SCO not purchased)</i>			
equals Expected Crop Value	\$839			equals ECO + SCO Coverage	9%	ECO + SCO \$ Protection	\$75.49

Loss Calculation

Expected County Yield	171.4	Final County Yield	147.0	Final County Revenue	\$685
times higher of Base Price/Harvest Price	\$4.66	times Harvest Price	\$4.66	divided by Expected County Revenue	\$799
equals Expected County Revenue	\$799	equals Final County Revenue	\$685	equals % of Expected Revenue Realized	86.0%

(Cannot be below RP coverage level)

Payment Factor Calculation

ECO/SCO Top Coverage Trigger	95%				
minus % of Expected Revenue Realized	86.0%				
equals % Revenue Loss	9.00%	divided by ECO + SCO Coverage	9%	equals ECO/SCO Indemnity Factor	100.0%
				<i>(Cannot exceed 100%)</i>	

Indemnity Calculation

ECO + SCO \$ Protection	\$75.49	times ECO/SCO Indemnity Factor	100.0%	equals ECO/SCO Combined Indemnity	\$75.49
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Yellow boxes must be filled in.

Sales Closing Notes

- Please send in your production report if you haven't yet
- Without your 2024 production:
 - We can't calculate ND Personal T-yields
 - We can't calculate simple averages
 - We can't determine how much an option (such as TA or QL) will help your APH or if the benefit is worth the cost
- We can start doing preliminary quotes and SCO/ECO scenarios now

Any Questions?

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