

King Crop News



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CELEBRATING 59 YEARS!

February 2026

Sales-Closing/Policy Change Deadline: March 15, 2026



If you have talked to a **King Crop Insurance** agent or read a **KCI** newsletter since the passing of the **One Big Beautiful Bill Act** legislation in the summer of 2025, you have probably heard about how the new law will affect crop insurance and likely benefit U.S. farmers. If you have not, take note.

The largest and most immediate advantage current policy-holders will experience is the increased federal subsidy amount on all levels of buy-up coverage for **Revenue Protection** and **Yield Protection**. All coverage levels between 55%-75% will see a 5% raise in subsidy, while the 80% and 85% levels will have a 3% raise. Off the bat, the majority of farmers with **Multi-Peril Crop Insurance** policies will be paying 5% less in crop insurance rates in 2026 than they were in 2025.

There is more good news in the OBBBA: the **Supplemental Coverage Option (SCO)** and **Enhanced Coverage Option (ECO)** are also seeing increases in federal subsidy percentages, from 65% up to 80%, making these extra options to an MPCPI policy more affordable than ever.

SCO and **ECO** are area based protection plans that act as a band of coverage on top of an insured's existing **MPCPI** coverage. **SCO** is also no longer in conflict with the ARC program at FSA, so a

farmer can now select both for their risk management plan in 2026. Read further in this newsletter for more detailed description of how **SCO** and/or **ECO** can work for you.

SCO	ECO
Policy option that would fill the deductible gap from MPCPI coverage to 86%	Policy option that adds a higher band of coverage by offering protection from 86% to 90%-95%
Losses paid on an area basis: losses are triggered when there is a county level loss in yield or revenue	Losses paid on an area basis: losses are triggered when there is a county level loss in yield or revenue
Subsidy increased from 65% to 80% for 2026	Subsidy increased from 65% to 80% for 2026
No longer tied with FSA programs	Can't carry ECO and HIP-WI on the same policy

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The OBBBA also prolonged **Beginning Farmer and Rancher** benefits from a five-year window to a ten-year window. Qualifying producers will now enjoy an additional time-frame of exemption from administrative fees for their policies, as well as between 10%-15% in additional premium subsidies, and a higher percentage of county T-yields when used as substitute yields.

With these changes it is a good time to review your coverage with an agent to ensure you are getting the best protection for 2026. The **Policy Change Deadline is March 15th** so please contact **King Crop Insurance** today. This newsletter contains information on the options available to all insureds. We can analyze any scenario that may affect your operation and can help you make the best informed decisions for 2026.



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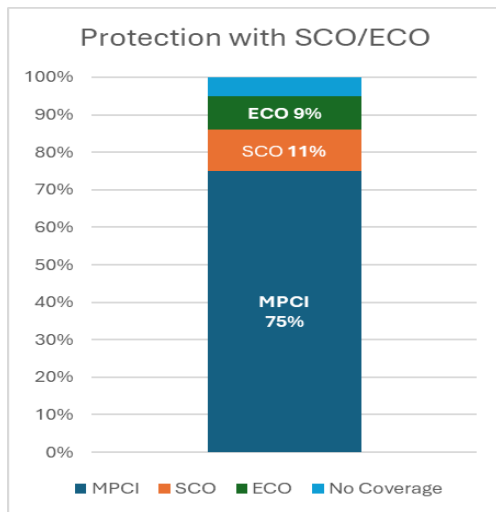
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SCO & ECO - Will They Work For You?

Have you been hearing a lot of chatter about the **Supplemental Coverage Option (SCO)** and the **Enhanced Coverage Option (ECO)** recently? Neither program is new, but the recent increase in federal subsidy and expanded availability of the crop insurance add-ons has created a buzz around them. Let's go over the pros and cons of each option to see if they are right for you.

First, let's define what each option is. **SCO** is an endorsement that protects the gap in insurance coverage between your **MPCI** coverage level and 86%. So, if your coverage level is 75%, **SCO** protects the 11% deductible gap between 75% and 86%; if your coverage level is 85%, **SCO** protects the 1% deductible gap between 85% and 86% (in 2027, SCO coverage will increase to 90%). **SCO** is often described as sitting on top of your coverage.



ECO works similarly to **SCO** and covers the 86%-95% coverage area of a policy, with elections at 90% and 95%. Unlike **SCO**, it does not fill the gap between your **MPCI** coverage level and the **ECO** coverage, so a policy with 75% **MPCI** protection and **ECO** at 95% has nothing to protect the area between 75% and 86% without **SCO** sandwiched between.

SCO and **ECO** coverages are based on an individual's production history. Let's say you have an approved yield of 150 bu/a on nonirrigated corn with 75% **MPCI** coverage and **SCO** and **ECO** at 95% added. Let's also assume the discovery price for corn is \$4.50 (note: the discovery price for 2026 corn has not been determined as of publication).

Your coverage guarantees would look something like this:

Coverage	Yield Guarantee	Coverage Per Acre
MPCI 75%	112.5 bu	\$506.25
SCO 86%	N/A	\$74.25
ECO 95%	N/A	\$60.75

At \$4.50 per bushel and 150 bu/a, the value of the crop is \$675 per acre. 75% **MPCI** coverage will guarantee \$506.25 of that amount. With **SCO**, the protected amount reaches \$580.50, while **ECO** stretches it to \$641.25, nearly the entire projected value of the crop. Who wouldn't want to protect nearly the entirety of their planted crop?

Well, this is where **SCO** and **ECO** get tricky. The protections are based on the individual's production history. However, losses are triggered based on area production, typically on the county level. Your county would have to have to produce under the projected amount for a crop for **SCO** and **ECO** to trigger a payable loss. It does not matter what you produce of a crop other than that amount will get pooled in with rest of the county in order to calculate a per acre average that will be used to determine whether a loss has occurred or not. The good news is that you do not have to have a production loss in order to collect an indemnity. The bad news is that band between your **MPCI** coverage level and 95% is not guaranteed protection.

One other detractor is when indemnities are paid. Because production reporting is not complete until the following crop year, indemnities on **SCO** and **ECO** for 2026 will not be paid until summer of 2027. That can be a long time for some operations to wait for payment. In some instances, these payments could trigger high-dollar claim reviews for an insured, presumably many months after initial claims are settled. With that information, let's review the pros and cons of these two options:

Pros	Cons
More affordable than ever	Triggers only when county does not meet projected yields
Covers gap between MPCI and 86% (SCO only)	ECO covers only between 86% and 95%, does not bridge gap between MPCI
In conjunction with MPCI, can protect up to the 95% level	Payments are not made until following crop year
Insured does not need to have a loss to collect payment	Payments can trigger high-dollar yield reviews depending on size

The best way to decide if **SCO** and/or **ECO** are the right choices for you is to discuss it with your agent. At **King Crop Insurance**, we can look at your coverage with you and see what makes sense for your operation. If you are eager for more information or are more confused than before, give us call today and we will get you the coverage you need.

Do You Follow? We Need Your Input!

Double-cropping is a common practice in our area. Any combination of wheat, barley, green peas, snap beans, lima beans, sweet corn, or soybeans can be grown in a double-crop practice. The crop insurance rules for double-cropping can be complex and, in some opinions, unfair.

Double-crop acres, to begin with, are insured differently than a full-season crop. Farmers must have double-crop history in two of the last four years in order to qualify for full coverage for both crops. If they do not have this history, their coverage can be affected.

For instance, a farmer may plant wheat with the intention of growing soybeans behind his small grains. In the past four years, this farmer has only double-cropped wheat to soybeans once; they do not have the qualifying history.

If this farmer has a claim on the planted wheat, they will only collect 35% of the indemnity value on the crop because there will be a crop on the same acreage in the same crop year.

In this scenario, if the farmer plants soybeans behind the wheat and have a claim on the second crop, they can collect 100% of the indemnity value of that crop. If there is no claim on the second crop, they can request a restore of indemnity on the first crop to collect the remaining 65% from that claim. If there is a claim on the second crop but the dollar amount is less than the dollar amount of the restored indemnity on the first crop, the farmer can choose to forfeit the claim on the second crop and collect the remainder of the indemnity of the first crop.



Insuring double-crop acres is convoluted and often confusing. It stands to reason an insured should be able to receive 100% of their protection since that is what they signed up for (it should be noted that a farmer is only charged 35% of the premium on a crop that receives only 35% indemnity from a loss). As of right now, we are stuck with the two-in-four rule for insuring double-

cropped acres, despite protestations from farmers and **King Crop Insurance** agents alike.



There may be a change on the horizon, however, for another rule dealing with double-crop acres. Policies in our area currently insure soybeans on double-crop acres and full-season acres together if they are on the same unit. That means if you had soybeans planted in April on the same farm number as soybeans planted behind green peas in June, their production is pooled together after both are harvested. So, a full-season soybean that averages 70 bu/a could be dragged down by double-crop soybean that yields half that, affecting APH. Likewise, a double-crop soybean that produces less than the yield guarantee could be buoyed by a high-yielding full-season soybean, leaving a farmer without a claim despite a subpar crop.

There is a proposal to change this with a crop insurance standard referred to as **Following Another Crop/Not Following Another Crop**. With this proposed change, full-season acres would be insured separately from double-crop acres following small grains and they would have different APH databases. Double-crop yields would no longer drag down full-season production and full-season yields would no longer boost double-crop totals out of a loss scenario.

FAC/NFAC has been utilized in other parts of the country and it seems like a no-brainer to adopt this policy change in our area. However, there are some caveats.

For one, this change is likely to drive premiums up from their current rates. Also, once the policy change to **FAC/NFAC** is implemented it is not something farmers can opt in and out of, it is compulsory.

Another important aspect of the proposed change is the impact of the separate databases. It is good that there would be one yield guarantee for full-season units and another for double-crop units. However, at the onset, it will mostly benefit the farmer who has been keeping (Continued on next page)

Double-Cropping Policy Continued

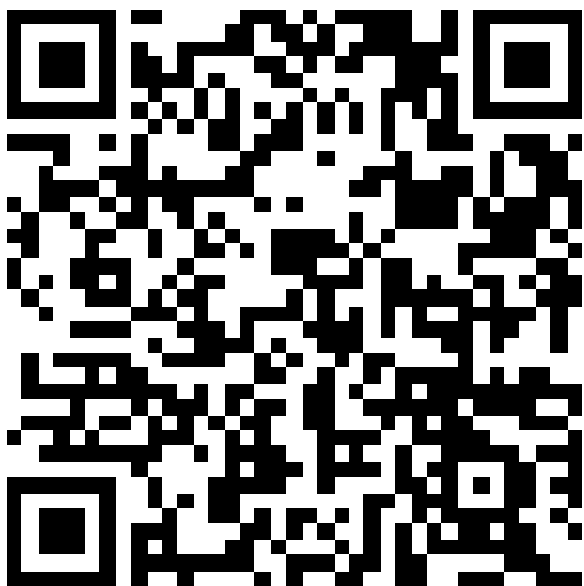
separate production records for each of their cropping practices. Those who do not have separate records will likely have to use a percentage of a yet-to-be-determined county T-Yield as their guarantee, which may not reflect their true production history.

There are many moving parts and many scenarios to consider before implementing **FAC/NFAC**. We here at **King Crop Insurance** believe it should be up to the farmers of our area to decide whether or not this insurance option is put in place.

University of Delaware Cooperative Extension also holds this belief and this is why they have set up an online survey to gather information and producer opinions about **FAC/NFAC**. If you are a farmer in the area, especially one who grows soybeans or practices double-cropping, please take the short amount of time it should take to complete the survey. You can find it by logging on to:

https://delaware.ca1.qualtrics.com/jfe/form/SV_3W70GH0K3eJJEe

or by scanning the QR code below. If you want more information on **FAC/NFAC** before you submit your survey, do not hesitate to contact an agent at **King Crop Insurance**. We can guide you!



Don't be afraid to share with King Crop Insurance!

This time of year we are busy quoting crop insurance coverage to farmers for their 2026 crops. To ensure we provide you with the most accurate, detailed quote possible, please consider the following:

- Have you provided us with your 2025 production? Adding last crop year's totals to your APH will update your guarantee so we will know exactly what you are covering
- Has your operation or entity changed? Any new partners or changes in shares? Any added irrigation or removed irrigation?
- Any new crops you might be planting? Even if you are unsure at this time whether you will plant something new, it would be beneficial to add that crop to your policy now so you are not stuck without protection later. Remember, adding the crop to your policy costs you nothing if you do not plant the crop.
- Any new land or expansion into a different county or state? You may need a separate policy depending on where your acres are.

Risk Management Conference - February 25, 2026

Harrington Fire Hall 8:00 AM - 4:00 PM

Delaware Farm Bureau and University of Delaware Cooperative Extension will be presenting a day of risk management discussions with topics including crop insurance, grain marketing, crop budgets, and farmer retirement plans. Guests from University of Delaware, University of Maryland, USDA, and American Farm Bureau are scheduled to speak and lunch will be provided. Visit DEFB.ORG or call 302-697-3183 to register for attendance.

ALERT—Don't destroy an insured small grain crop before calling us! An adjuster will need to appraise the crop prior to destruction. Failure to do so could cost you an indemnity!



Come Work for King Crop!



We're looking for a motivated **Office Administrator** with an agricultural background to join our team. This position is ideal for someone who enjoys wearing multiple hats, working with customers, and keeping an office running smoothly.

Qualifications & Skills

- Background in or strong understanding of agriculture
- Proficiency in Microsoft Office suite
- Experience with Canva and social media platforms
- Strong customer service skills
- Ability to multitask and manage competing priorities
- Accurate and efficient data processing
- Detail-oriented, organized, and dependable

Responsibilities include:

- Assisting customers by phone, email, and in person
- General office administration
- Data entry and processing
- Creating basic marketing and social media content
- Supporting daily office operations and team needs

King Crop Insurance is a small business with a big job - protecting the livelihood of farmers everywhere. Our farmers are the lifeblood of our community and our area would suffer if agriculture cannot be sustained. We are committed to all farmers, not just our customers, and we demonstrate this through our work, our advocacy, and our friendship.

We are coming up our 60th year in business in 2027. We were founded by the King family, a southern Delaware farm family, in 1967 and specialize in crop insurance. All our agents were raised on farms and continue to be active in our farm communities.

We are looking for someone who takes pride in their work, enjoys working with people, and wants to be part of a team that values agriculture and community. If you think that person is you, call us at 302-855-0800, email agents@kingcrop.com, or visit our office at 101 W. Market St. in Georgetown, DE.



Crop Insurance Can Cover More Than You Might Think!

King Crop Insurance has an unequalled history of protecting the crops of the Mid-Atlantic region - corn, soybeans, lima beans, snap beans, sweet corn, blueberries, & peaches among others - but our services are not limited to commodities planted in the dirt.

Recent years have seen big improvements in programs designed to insure livestock producers. **Livestock Gross Margin (LGM)** protection policies are available for beef cattle, dairy, and swine. **Livestock Risk Protection (LRP)** is available for feeder cattle and swine. Enrollment for these policies takes place throughout the year and **King Crop Insurance** is experienced in the applications and mechanics of the policies, so reach out to us if you are interested in protecting your livestock investment.

The 2023 crop year saw the introduction of a shellfish pilot program designed to protect oyster producers on the East Coast, with a late fall sales-closing date. The pilot program was purposely small in scope at the onset, but was expanded for the 2024 crop year and beyond. If you are a shellfish producer or know one, keep in touch with **King Crop Insurance** for all updates.

