



The 2025 Crop Insurance Decision Tool: Lower ECO Farmer-Paid Premium

Gary Schnitkey, Ryan Batts, and Nick Paulson

Department of Agricultural and Consumer Economics
University of Illinois

Carl Zulauf

Department of Agricultural, Environmental and Development Economics
Ohio State University

December 3, 2024

farmdoc daily (14): 218

Recommended citation format: Schnitkey, G. R. Batts, C. Zulauf, and N. Paulson. "The 2025 Crop Insurance Decision Tool: Lower ECO Farmer-Paid Premium." *farmdoc daily* (14): 218, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, December 3, 2024.

Permalink: <https://farmdocdaily.illinois.edu/2024/12/the-2025-crop-insurance-decision-tool-lower-eco-farmer-paid-premium.html>

The 2025 Crop Insurance Decision Tool has been released to aid in crop insurance decisions. It is a Microsoft Excel workbook that can be downloaded from farmdoc ([here](#)). It provides farmer-paid premiums for different federally regulated policies administered through the Risk Management Agency. Using 2024 projected prices and volatilities, farmer-paid premiums for most policies would be similar to last year, except those related to the Enhanced Coverage Option (ECO). ECO's premiums will be lower because of an increase in premium support.


2025 Crop Insurance Decision Tool

Figure 1 shows the premiums that are available from the 2025 Crop Insurance Decision Tool. Premiums shown in Figure 1 are calculated using 2025 rates released by the Risk Management Agency (RMA). These premiums are not final as projected prices and volatilities have yet to be set. Figure 1 uses the projected price and volatility for 2024. If the user wishes, the projected price and the volatility can be changed. When projected prices and volatilities are known at the end of February, premiums also will be known for 2025. By the March 15 deadline, farmers can change crop insurance choices from the previous year.

Users of the premium calculator can change items with blue text and yellow shading. All counties are available for states from the Great Plains east. Further description of the input into the premium calculator is available here in a [January 19, 2021](#), *farmdoc daily* article.

We request all readers, electronic media and others follow our citation guidelines when re-posting articles from farmdoc daily. Guidelines are available [here](#). The farmdoc daily website falls under University of Illinois copyright and intellectual property rights. For a detailed statement, please see the University of Illinois Copyright Information and Policies [here](#).

Figure 1. The 2025 Crop Insurance Decision Tool

State: Illinois		2025 iFARM Premium Calculator		Date Printed: 12/3/24									
County: McLean		Update Parameters						Print					
Crop: Corn		BFR/Veteran: No		APH Yield: 210.0		TAYE adjustment TA		TA Yield: 220.0		Rate Yield: 210.0		Risk class: None	
Quote input -->		Acres: 100		Type: Grain		Practice: Non-irrigated		Prevented planting: Standard					
Coverage Level	Revenue Protection (RP)			Minimum Revenue Guarantee	Revenue Protection with Harvest Price Exclusion (RPphe)			Revenue Guarantee	Yield Protection (YP)			Yield Guarantee	
	Enterprise	Basic	Optional		Enterprise	Basic	Optional		Enterprise	Basic	Optional		
	\$ per Acre			\$/acre	\$ per Acre			\$/acre	\$ per Acre			Bu/acre	
50%	0.43	0.71	1.08	513	0.40	0.65	0.89	513	0.34	0.56	0.86	110.0	
55%	0.68	1.23	1.78	564	0.52	0.94	1.27	564	0.49	0.88	1.32	121.0	
60%	1.06	1.91	2.69	615	0.69	1.23	1.63	615	0.69	1.24	1.84	132.0	
65%	1.63	3.34	4.44	666	0.88	1.81	2.40	666	0.97	1.99	2.88	143.0	
70%	2.40	5.04	6.53	718	1.18	2.55	3.49	718	1.36	2.81	3.99	154.0	
75%	4.50	9.39	11.60	769	2.15	4.81	6.12	769	2.28	4.61	6.40	165.0	
80%	9.60	16.47	19.61	820	4.63	8.40	10.48	820	4.32	7.43	10.14	176.0	
85%	20.16	27.89	32.06	871	9.81	14.24	17.26	871	8.19	11.48	15.39	187.0	
Parameters		Projected Price: \$4.66				Volatility (revenue): 0.19				Parameters			
Supplemental Coverage Option (SCO) and Enhanced Coverage Option (ECO)													
Underlying Farm Policy		RP Unit		Enterprise		Type: Grain		Practice: Non-irrigated					
Coverage Level	SCO	ECO		RP		RP		RP		RP		Premiums in green box add together the 1. underlying policy 2. SCO 3. ECO	
		ECO-90%	ECO-95%	RP	SCO	ECO-90%	ECO-95%	ECO-90%	ECO-95%				
		\$ per acre		\$ per acre		\$ per acre		\$ per acre		\$ per acre			
50% - 86%	9.93	ECO	6.42	17.86	50%	0.43	10.36	16.78	28.22	6.85	18.29		
55% - 86%	9.93	from 86%	6.42	17.86	55%	0.68	10.61	17.03	28.47	7.10	18.54		
60% - 86%	9.54	to either	6.42	17.86	60%	1.06	10.60	17.02	28.46	7.48	18.92		
65% - 86%	8.85	90% or	6.42	17.86	65%	1.63	10.48	16.90	28.34	8.05	19.49		
70% - 86%	8.38	95% as	6.42	17.86	70%	2.40	10.78	17.20	28.64	8.82	20.26		
75% - 86%	7.63	indicated	6.42	17.86	75%	4.50	12.13	18.55	29.99	10.92	22.36		
80% - 86%	5.49	in column	6.42	17.86	80%	9.60	15.09	21.51	32.95	16.02	27.46		
85% - 86%	1.22	heading	6.42	17.86	85%	20.16	21.38	27.80	39.24	26.58	38.02		
County Level Product													
Quote input -->		Type: Grain		Practice: Non-irrigated		Expected yield: 226.8		Pro price: \$4.66		Volatility 0.19			
Coverage Level	Area Revenue Protection (ARP)			Minimum Revenue Guarantee	Area Revenue Protection with Harvest Price Exclusion (ARPhpe)			Revenue Guarantee	Area Yield Protection (AYP)			Yield Guarantee	
	Protection Factor	85%	80%		Protection Factor	85%	80%		Protection Factor	85%	80%		
	\$ per Acre			\$/acre	\$ per Acre			\$/acre	\$ per Acre			Bu/acre	
70%	5.25	3.72	3.50	740	5.04	3.57	3.36	740	4.89	3.46	3.26	158.8	
75%	8.51	6.03	5.67	793	7.47	5.29	4.98	793	6.19	4.38	4.13	170.1	
80%	13.36	9.46	8.91	846	10.33	7.32	6.89	846	7.99	5.66	5.33	181.4	
85%	23.93	16.95	15.95	898	16.75	11.86	11.17	898	9.59	6.79	6.39	192.8	
90%	41.19	29.18	27.46	951	26.35	18.66	17.57	951	13.55	9.60	9.03	204.1	

The iFARM Premium Calculator was developed at the University of Illinois and is available to download at farmdoc (www.farmdoc.illinois.edu). Updated: January 4, 2023 

2024 Premium Changes

Table 1 shows farmer-paid premiums for 2024 and 2025 generated using the respective rates for McLean County, Illinois. For both years, the 2024 projected prices and volatilities are used.

Given the same projected prices and volatilities, farmer-paid premiums shown in Table 1 reflect changes in rates made by the Risk Management Agency (RMA) and changes in premium support levels. Panel A shows the premium for Revenue Protection (RP) policies. In McLean County, an RP policy at an 85% coverage level will increase from \$20.05 in 2024 to \$20.16 in 2025, an increase of 1%. On the other hand, a soybean RP policy will decrease from \$9.27 per acre in 2024 to \$8.91 in 2025, a decrease of 4%. Corn premiums will increase in McLean County, and soybean premiums will decrease. Rate changes in other counties will vary from those. Overall, though, rate changes led to small dollar value changes in most Midwest states.

Panel B shows the Supplemental Coverage Option (SCO) premium (see *farmdoc daily*, February 17, 2014). SCO is a county-level coverage that can be added to the farm-level coverage offered by RP (more generally, a COMBO product plan, which also includes Yield Protection or RP with the harvest price exclusion). If RP is purchased at 70%, SCO will offer coverage from 70% up to 86%, denoted as "70% to 86%" in Panel A. An SCO product from "70% to 86%" coverage has an \$8.72 per acre farmer-paid premium in 2024 and a \$8.38 premium in 2025, a reduction of 4%. For McLean county, all SCO products associated with RP have premium reductions associated with lower rates.

Table 1. Farmer-Paid Premium for 100-acre Enterprise Unit in McLean County, Illinois for 2024 and 2025 Rates

Project and Coverage Level	Corn ¹			Soybeans ²		
	2024 Rates	2025 Rates	Chg	2024 Rates	2025 Rates	Chg
Panel A. Revenue Protection (RP) Premium						
	\$/acre	\$/acre		\$/acre	\$/acre	
50%	0.43	0.43	0%	0.13	0.12	-8%
55%	0.68	0.68	0%	0.22	0.20	-9%
60%	1.05	1.06	1%	0.37	0.33	-11%
65%	1.61	1.63	1%	0.62	0.56	-10%
70%	2.47	2.40	-3%	1.04	0.96	-8%
75%	4.45	4.50	1%	1.91	1.81	-5%
80%	9.51	9.60	1%	4.29	4.11	-4%
85%	20.05	20.16	1%	9.27	8.91	-4%
Panel B. Supplemental Coverage Option (SCO) Premium						
50 to 86%	10.18	9.93	-2%	5.34	4.99	-7%
55 to 86%	10.18	9.93	-2%	5.34	4.98	-7%
60 to 86%	9.91	9.54	-4%	5.34	4.98	-7%
65 to 86%	9.19	8.85	-4%	5.34	4.98	-7%
70 to 86%	8.72	8.38	-4%	5.07	4.81	-5%
75 to 86%	7.85	7.63	-3%	4.34	4.14	-5%
80 to 86%	5.59	5.49	-2%	2.96	2.84	-4%
85 to 86%	1.25	1.22	-2%	0.62	0.60	-3%
Panel C. Enhanced Coverage Option (ECO) Premium						
86 to 90%	10.32	6.42	-38%	5.43	3.34	-38%
86 to 95%	28.52	17.86	-37%	16.44	10.25	-38%

¹ Both 2024 and 2025 premiums are generated using the 2024 projected price of \$4.66 and 2024 volatility of .19. A 210 APH yield and 220 TA-APH yield are used to generate premium

² Both 2024 and 2025 premiums are generated using the 2024 projected price of \$11.55 and 2024 volatility of .15. A 65 APH yield and 68 TA-APH yield are used to generate premium



The Enhanced Coverage Option (ECO) also provides county coverage from 86% to 90% or 95%. ECO has significant farmer-paid premium reductions from 2024. For example, ECO from 86% to 95% had a farmer-paid premium of \$28.52 in 2024. In 2025, that premium declines to \$17.86, a reduction of 37%. A similar reduction exists for soybeans. Those reductions occurred because premium support was increased from 44% of total premium to 65% of total premium (see *farmdoc daily*, [November 5, 2024](#))

Summary

Farmer-paid premiums for 2025 can be generated using the recently released Crop Insurance Decision Tool. The most noticeable change resulting from ratings and premium support adjustments from 2024 will be lower ECO premiums. Given their lower premiums, farmers may wish to add ECO. A future article will evaluate situations in which it may be advisable to consider SCO and/or ECO coverage.

References

Paulson, N. and J. Coppess. "[2014 Farm Bill: The Supplemental Coverage Option.](#)" *farmdoc daily* (4):37, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, February 27, 2014.

Schnitkey, G., R. Batts, K. Swanson, N. Paulson and C. Zulauf. "[Release of the 2021 Crop Insurance Decision Tool.](#)" *farmdoc daily* (11):8, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, January 19, 2021.

Schnitkey, G., N. Paulson, C. Zulauf, B. Sherrick and B. Goodrich. "[Impacts of Higher Premium Support Rates on ECO Performance.](#)" *farmdoc daily* (14):201, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, November 5, 2024.