



United States  
Department of  
Agriculture

**BULLETIN NO.: MGR-14-009**

Farm and Foreign  
Agricultural  
Services

**TO:** All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

Risk  
Management  
Agency

**FROM:** Brandon Willis /s/ Michael Alston, for 7/29/2014  
Administrator

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**SUBJECT:** Supplemental Coverage Option

**BACKGROUND:**

The Agricultural Act of 2014 (2014 Farm Bill), enacted on February 7, 2014, authorized the Risk Management Agency (RMA) to offer the Supplemental Coverage Option (SCO) for the 2015 and succeeding crop years. SCO provides area-based coverage for a portion of the producer's deductible. The producer must have an underlying policy under the Basic Provisions of the Common Crop Insurance Policy –Yield Protection, Revenue Protection, or Revenue Protection with the Harvest Price Exclusion. Beginning with the 2015 crop year, SCO will be available for selected areas for corn, soybeans, sorghum, barley, rice, cotton, and wheat.

**ACTION:**

By the close of business today, the following materials will be available on the RMA Web site (<http://www.rma.usda.gov>):

- Supplemental Coverage Option Endorsement
- Supplemental Coverage Option Underwriting Standards Handbook
- Map of counties where SCO will be available for winter and spring wheat (also attached)

Producers who apply for SCO for their fall-planted wheat for 2015 may elect to withdraw coverage on any farm where they have elected, or where they intend to elect, the Agricultural Risk Coverage (ARC) program (administered by the Farm Service Agency) for winter wheat by the earlier of their acreage reporting date or December 15 without penalty. This allows producers additional time to make an informed decision related to whether to elect to participate in either the ARC or Price Loss Coverage (PLC) programs for their winter wheat. If producers withdraw SCO coverage for a farm by the earlier of

their acreage reporting date or December 15, they will not be charged a crop insurance premium. In order to withdraw coverage without penalty, producers must notify their agents of their intended election for ARC by the earlier of their winter wheat acreage reporting date or December 15.

In early August, a decision tool intended to help growers understand how SCO works with their underlying policy will be made available on the RMA web site. Also in August, maps of counties where SCO will be offered for the remaining crops will be available.

In early October, expected county yields and premium rates for the remaining crops will be available on the RMA web site.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA Web site: <http://www.rma.usda.gov>.

**DISPOSAL DATE:**

June 30, 2015