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2025 Year in Reviews

By NCIS Staff

The story of 2025 was one of resilience, adjustment, and continued change across American agriculture. Producers navigated a year shaped by persistent weather volatility, shifting commodity markets, rising production costs, and major developments in the Federal crop insurance program. Even as conditions varied widely by region and commodity, the year underscored the critical role risk management plays in helping farmers and ranchers respond to uncertainty.

This year-in-review highlights the forces that shaped the agricultural and crop insurance landscape in 2025, from weather and market conditions to program performance, policy updates, and industry trends. Together, these developments provide a broad picture of how agriculture and the crop insurance delivery system adapted during a consequential year for producers, insurers, and policymakers alike.

U.S. Weather and Its Impacts on Agriculture

Weather remains a key factor influencing the health of the U.S. agricultural economy. In 2025, persistent La Niña conditions contributed to elevated drought levels across much of the country. Drought coverage exceeded 40 percent for much of the year, peaking at 46.1 percent in November 2024, with only brief relief during early summer. Although drought expanded late in the growing season, corn and soybean crops largely avoided major damage, resulting in record-high yields, particularly for soybeans.

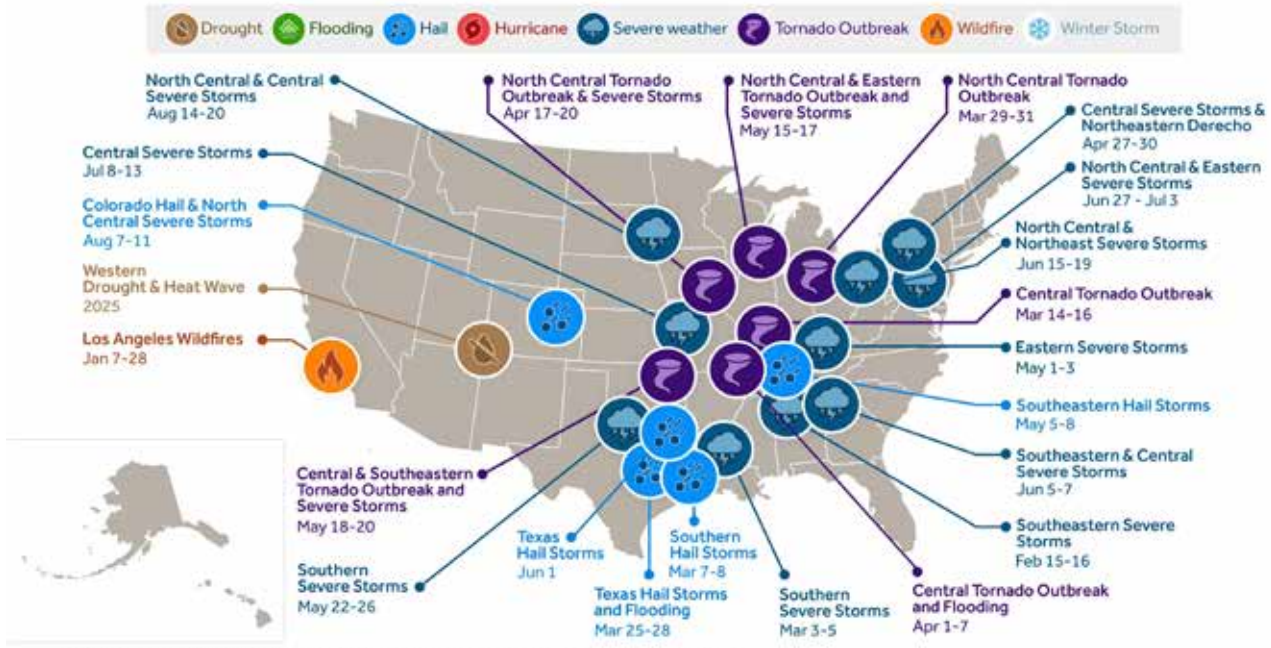
Late in the year, the Midwest experienced sharp weather swings, including record November snowfall followed by unusually warm December temperatures. Overall, 2025 ranked among the warmest years on record, driven by an exceptionally warm spring and autumn.

The magnitude of weather-related impacts has historically been summarized by the National Oceanic and Atmospheric Administration's (NOAA) National Centers for Environmental Information (NCEI) through its Billion-Dollar Weather and Climate Disasters product, which covered the period from 1980 through 2024. However, due to evolving priorities, statutory mandates, and staffing changes, NCEI no longer updates this product.

As of July 28, 2025, Climate Central assumed responsibility for managing and maintaining the billion-dollar disaster dataset, building on the foundational work established by NCEI. Accordingly, billion-dollar weather

FIGURE 1

U.S. Billion-Dollar Weather and Climate Disasters in 2025



This map shows the approximate location for each of the 23 separate billion-dollar weather and climate disasters that impacted the United States from January-December of 2025

CLIMATE CENTRAL

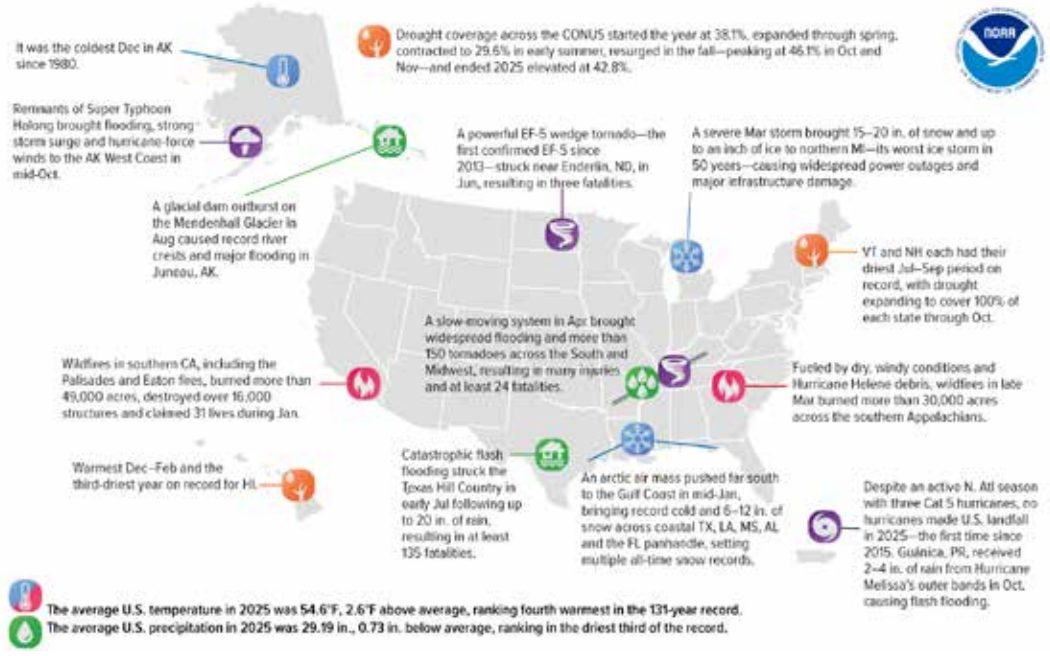
U.S. Billion-Dollar Weather and Climate Disasters | Climate Central

and climate disaster events for 2025 are illustrated in Figure 1. In addition to the information provided by Climate Central, NOAA does provide an annual summary of weather conditions over the course of the year along with notable weather events for the year (Figure 2)[1]. In the assessment of events, NOAA highlighted significant events that reinforced those described by Climate Central as well.

In 2025, the United States experienced 23 separate billion-dollar weather and climate disasters, with estimated damages totaling $115 billion.

FIGURE 2

Notable Weather and Climate Events in 2025



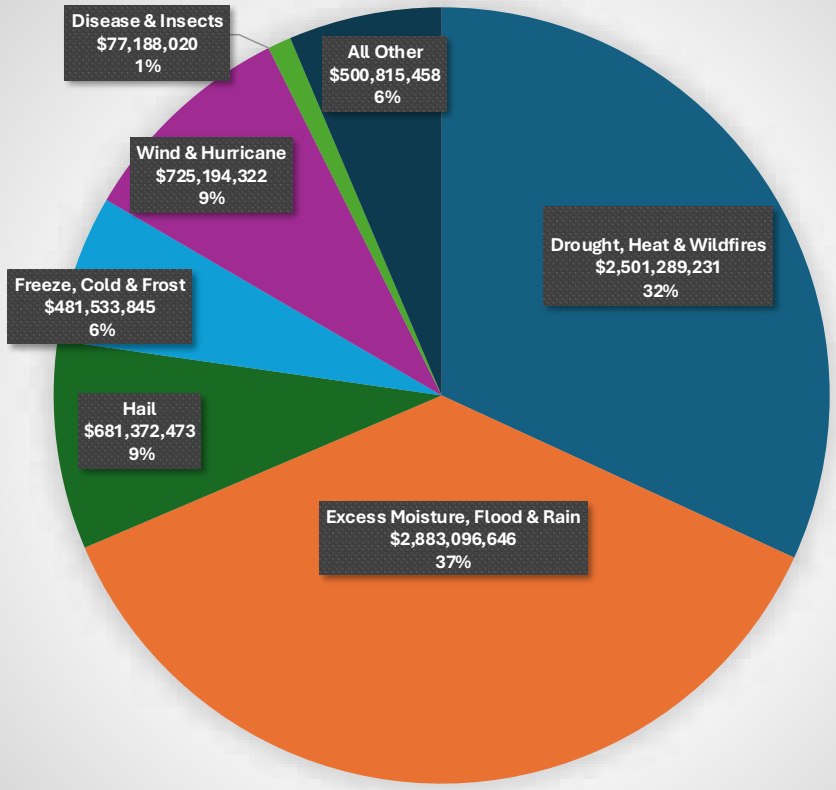
Please Note: Material provided in this map was compiled from NOAA's State of the Climate Reports. For more information please visit: https://www.ncei.noaa.gov/access/monitoring/monthly-report/

U.S. Billion-Dollar Weather and Climate Disasters | Climate Central

[1]Assessing the U.S. Temperature and Precipitation Analysis in 2025 | News | National Centers for Environmental Information (NCEI)

FIGURE 3

Insurable Cause of Loss for Individual Plans of Insurance for 2025: $7.851 Billion



Source: U, RMAm colsom_2025.zip as of 6/28/2026
Insurable losses for area plans of insurance for crops (ARPI/SCO/ECO/STAX/MP/PACE) are not segregated by individual COL, they accounted for an additional $3.297 billion, for a total loss value of $11.148 billion as of end June, 2026. Total insurable losses are adjusted as additional information is made available.

Despite preseason expectations, the Atlantic hurricane season was relatively mild, producing 13 named storms and five hurricanes, none of which made landfall in the United States.

Severe flooding occurred when remnants of Tropical Storm Barry triggered catastrophic flash flooding in Texas, killing at least 135 people. In contrast, the eastern Pacific hurricane season was highly active, generating 18 named storms and 10 hurricanes. Moisture from these systems brought beneficial rainfall to the western United States, helping reduce drought conditions and suppress wildfire activity, although major wildfires in southern California early in the year caused damages exceeding $60 billion.

Overall, severe weather was significant nationwide, with more than 1,500 tornadoes recorded—among the highest totals on record—resulting in 68 fatalities, including a deadly tornado in Kentucky in May.

In terms of the overall impact on agriculture, the insurable causes of loss for 2025 are illustrated in Figure 3.

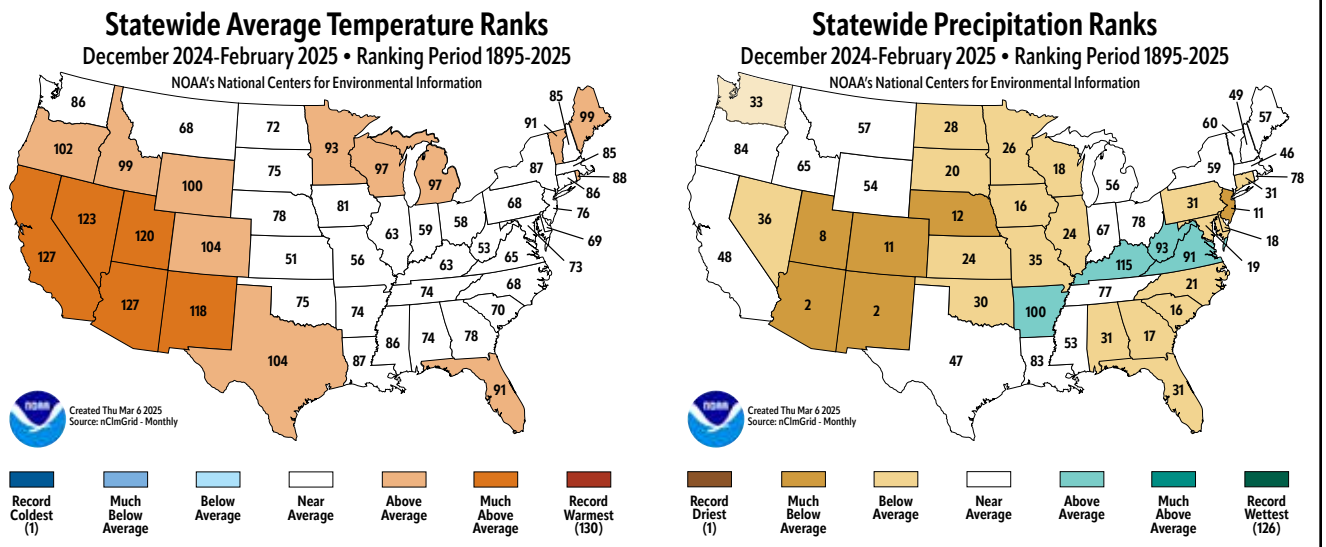
Most of the total indemnity for individual plans of insurance of around $7.851 billion for 2025 was segregated into areas that experienced either drought, excessive heat or wildfires (32 percent) or areas that had excess moisture (37 percent). The next major source of loss was associated with hail (9 percent), and the remaining losses were attributable to events related to extreme cold (6 percent), damaging wind and hurricanes (9 percent), and diseases and price other related effects representing 1 percent and 2 percent, respectively. Insurable losses for area-based plans of insurance for crops (ARPI/SCO/ECO/STAX/MP/PACE) totaled an additional $3.297 Billion in losses that were not segregated into similar cause of loss categories. Together, the combined insurable losses totaled $11.148 billion for 2025.

Winter 2024–2025

Winter 2024–2025 featured generally mild and dry conditions across much of the continen-

FIGURE 4

Winter 2025, Statewide Temperature and Precipitation Ranks



Source: nClmGrid-Monthly

tal United States, driven by a warm December and a dry January. Regional variability was pronounced, with warm, dry weather in the Southwest, periodic cold outbreaks in the central and eastern United States and the Northwest, and a winter snow drought across much of the northern Plains and western Corn Belt. (Figure 4)

Southern California experienced warm, windy conditions following two winters of abundant precipitation and vegetation growth, contributing to large and destructive wildfires beginning in early January. La Niña conditions developed late in the season and influenced precipitation patterns, reinforcing dryness in the Southwest and increased storm activity farther north. By the end of winter, two main areas of drought concern were apparent across the western and central United States, with one focused from southern California to western and southern Texas, and the other covering portions of the northern Plains and upper Midwest. Drought conditions also plagued the Rockies and Plains states, where topsoil moisture was rated very low, to very low, at the end of February.

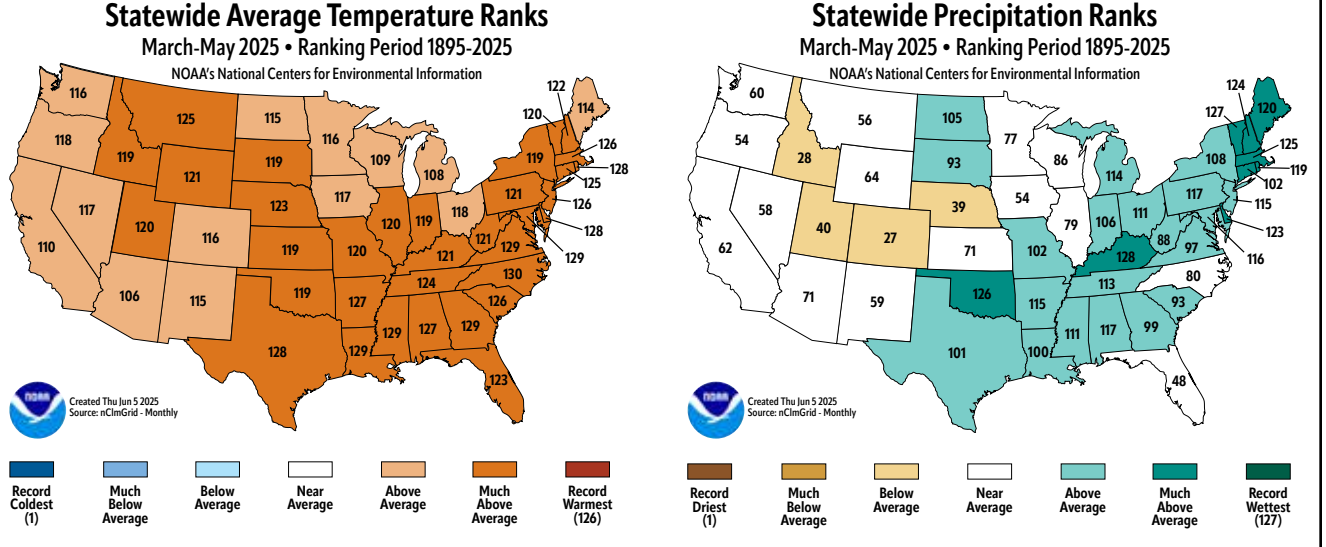
Spring 2025

Spring 2025 was marked by persistently above-normal temperatures, making it the second-warmest spring on record for the continental United States. Early-season heat accelerated snow-melt in the West, reducing anticipated summer water supplies and raising wildfire concerns. (Figure 5)

Warm conditions supported rapid crop development across much of the Midwest and East. While drought coverage remained elevated early in the season, widespread spring precipitation

FIGURE 5

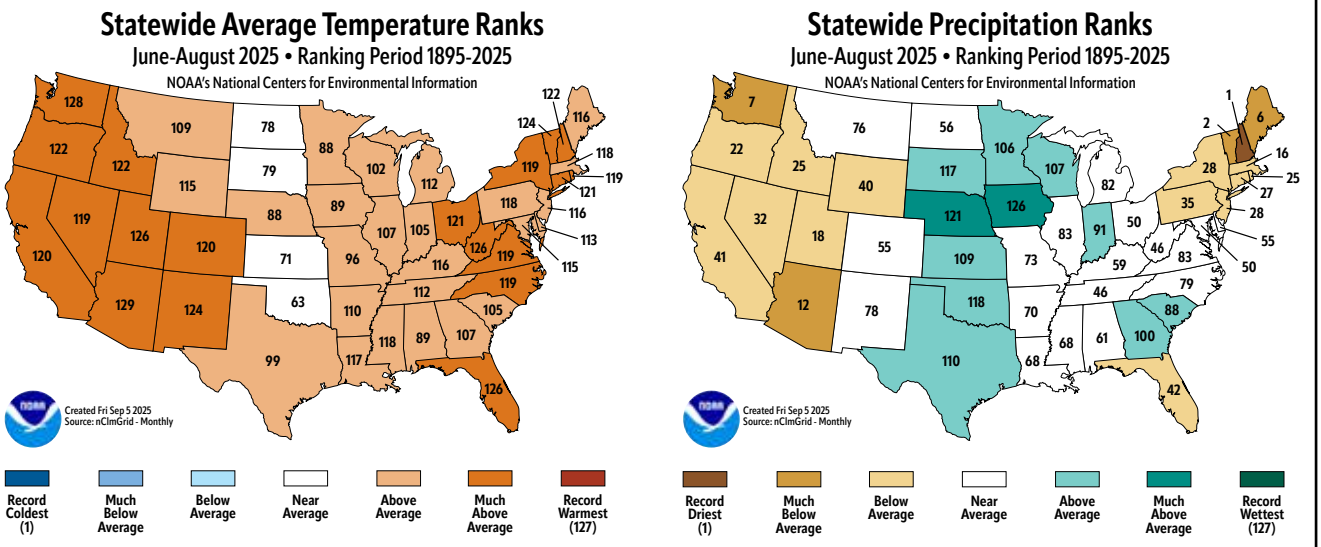
Spring 2025, Statewide Temperature and Precipitation Ranks



Source: nClmGrid-Monthly

FIGURE 6

Summer 2025, Statewide Temperature and Precipitation Ranks



Source: nClmGrid-Monthly

helped replenish soil moisture in many regions, although planting delays occurred in areas experiencing excessive rainfall.

Summer 2025

Drought expanded across portions of the United States during summer 2025, particularly in the Pacific Northwest and Intermountain West. By early September, drought affected nine percent of corn acreage and 16 percent of soybean acreage nationwide, with barley and spring wheat experiencing the greatest impacts. (Figure 6)

The Atlantic hurricane season remained untypically calm through the summer months, while remnants of Tropical Storm Barry contributed to catastrophic flooding in Texas. Tornado activity was elevated early in the summer, including a powerful derecho event in the northern Plains, before declining later in the season.

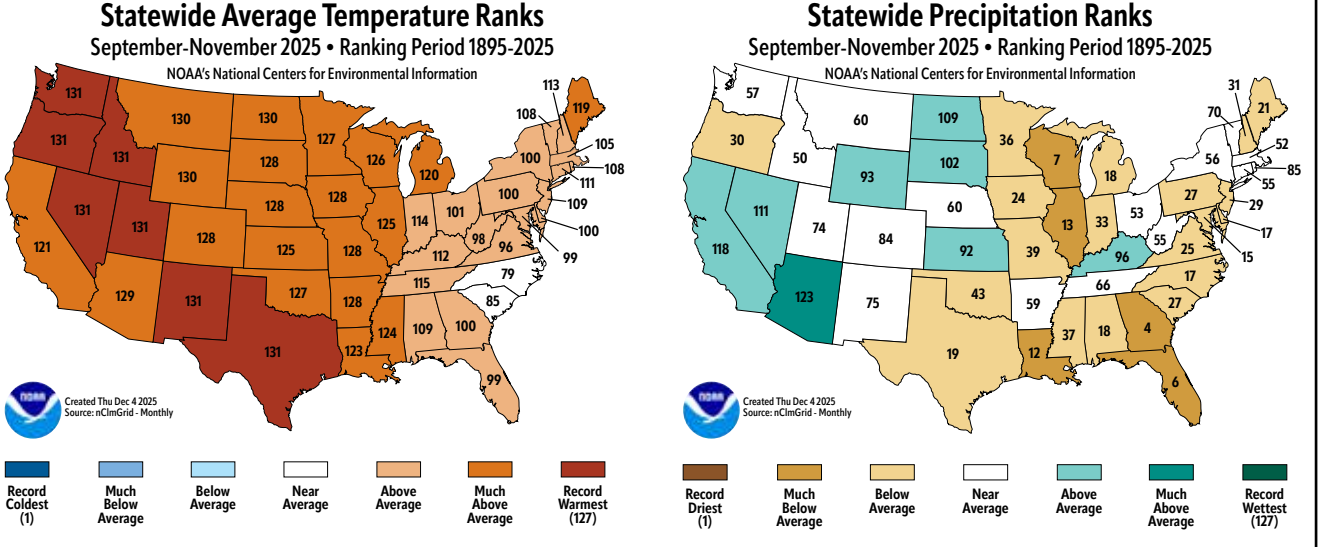
Fall 2025

Drought conditions expanded again during the fall, with national coverage exceeding 40 percent by early December. While timely precipitation improved winter wheat conditions across parts of the central Plains, drought intensified in portions of the Midwest, Deep South, and northern Rockies. (Figure 7)

The United States completed the Atlantic hurricane season without a hurricane making landfall, although the eastern Pacific tropical activity remained high and contributed beneficial rainfall to the western United States. Persistent dryness in other regions continued to affect pasture, rangeland, and soil moisture conditions entering 2026.

FIGURE 7

Fall 2025, Statewide Temperature and Precipitation Ranks



Source: nClmGrid-Monthly

Commodity Market Developments

The balance between global grains and oilseeds production and consumption remained close in 2025 (Figure 8).[2] However, conditions in the United States reflected ongoing market weakness and increased competition facing U.S. grains and oilseeds.

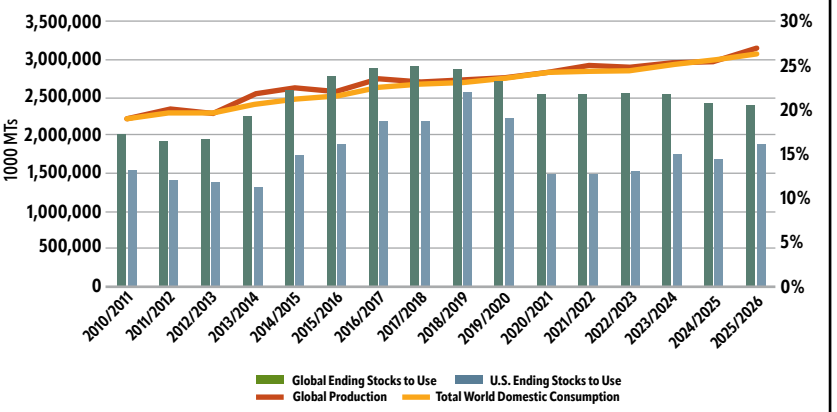
A comparison between the United States and the rest of the world reveals a significant divergence in grains and oilseeds market conditions. Global production of grains and oilseeds reached 3.132 billion metric tons in 2025, up five percent from 2024, while global consumption increased 2.8 percent to 3.076 billion metric tons. Although global supply and demand remained closely balanced, global ending stocks declined slightly, falling from 20.7 percent in 2024 to 20.6 percent in 2025. In contrast, U.S. ending stocks increased substantially, rising 12 percent to 16.1 percent from 14.4 percent in 2024.

Increases in U.S. ending stocks reflect a combination of higher grain stocks, driven primarily by a sharp increase in corn ending stocks, and higher oilseed stocks, including soybeans. U.S. corn production increased by just over 14 percent in 2025, while total corn use rose by nearly nine percent—insufficient to prevent an expansion in ending stocks. Oilseed ending stocks increased more than 11 percent, largely due to a decline of nearly 16 percent in soybean exports, which was not offset by a modest reduction in soybean production or a 6.7 percent increase in soybean crush.

Together, wheat, corn, and soybeans account for approximately 79 percent of total global grains and oilseeds production. A closer examination of these major crops provides insight into commodity-specific developments during 2025.

FIGURE 8

World Grains and Oilseeds Global Production and Consumption; U.S. and Global Stocks/Use%



Source: USDA/FAS/PSD/Online 4/17/2026: https://apps.fas.usda.gov/psdonline/app/index.html#/app/advQuery

Wheat

Global wheat production increased 5.6 percent in 2025 and represented roughly 27 percent of total world grains and oilseeds production. Global wheat output reached a record 844.4 million metric tons in 2025, following the 2024 record of 799.3 million metric tons and well above the 10-year average of 768.1 million metric tons. Production gains were widespread among major wheat-producing countries.

The European Union, the world's largest wheat producer when treated as a single unit, recorded nearly a 20 percent increase in production, reaching more than 145 million metric tons. The increase was driven by yield recoveries in France, Germany, and Poland following favorable summer growing conditions. Russia, the fourth-largest wheat producer, also reported an increase in production of nearly 11 percent from 2024, reaching more than 90 million metric tons, above its long-term average of just over 88 million metric tons. Production gains were attributed to record yields in Siberia and the Urals, which offset lower than expected yields in parts of European Russia due to excess moisture.

Significant production increases also occurred in Argentina, where output rebounded by nearly 51 percent to approximately 28 million metric tons, exceeding the previous record harvest of 23 million metric tons in 2021. Argentina's rebound was attributed to optimal soil moisture conditions following timely rainfall earlier in the year. Canadian wheat production rose more than 11 percent to nearly 40 million metric tons, driven by higher durum yields and expanded harvested area, along with increased harvested winter wheat acreage, despite lower yields.

These gains were partially offset by notable production declines across the Middle East, where wheat output fell approximately 17 percent, including declines of 62 percent in Syria and 17 percent in Iraq. Wheat production in Mexican wheat production declined over 34 percent to around 1.6 million metric tons, due to prolonged drought and low reservoir levels in major producing regions. Output in China, the world's largest single-country wheat producer, showed little change from the previous year.

Global wheat consumption for the 2025/26 marketing year is projected at a record 820.1 million metric tons, up 1.3 percent from the previous year. Consumption outside China is expected to increase 1.9 percent, while U.S. wheat consumption is projected to decline 1.5 percent. A key driver of increased demand is wheat used for animal feed, which is projected to rise 8.8 percent globally to 165.2 million metric tons.

Feed use outside China is expected to increase 10.8 percent, with notable gains in Canada and Southeast Asia. In Canada, feed use of wheat increased to 4.5 million metric tons, an almost 50 percent increase from 2024. While in Southeast Asia, wheat used as feed increased to 11.15 million metric tons, up 16 percent from 2024 led by over one million metric ton increases in wheat feed use in Indonesia and Vietnam.

Changes in production and consumption resulted in higher global wheat ending stocks in 2025, which are projected to rise 9.3 percent to 283 million metric tons. In the United States, modest production growth and higher exports were outweighed by increased beginning stocks and lower food use, resulting in a 9.7 percent increase in ending stocks. Among major exporters—Argentina, Australia, the European Union, Russia, and Ukraine—ending stocks increased sharply, reflecting higher production and beginning inventories. Australia experienced a smaller increase relative to other exporters.

[2]Global oilseeds include Copra, Cottonseed, Palm Kernel, Peanut, Rapeseed, Soybeans and Sunflower seeds. Global grains include barley, corn, millet, mixed grains, oats, rye, sorghum, and wheat. U.S. grains exclude millet and mixed grains. Wheat and corn comprise around 87 percent of global grains, while soybeans account for almost 60 percent of global oilseeds. Accordingly, additional detail is provided for these three crops.

It is important to note that Ukraine continues to face significant challenges due to geopolitical conditions and increased competition from other exporters. As of the April 2026 WASDE report, Ukraine's wheat ending stocks are projected to increase by approximately three million metric tons, more than three times the 2024 level, attributable to a reduction in expected exports.

Taken together, higher global production, increasing stocks, and ongoing trade uncertainty, combined with a modest increase in consumption of less than two percent, are projected to put downward pressure on average wheat prices. The market year average price is projected at $5.00 per bushel in 2025-2026, down nine percent from the $5.50 estimated for 2024.

Corn

Global corn production accounted for more than 80 percent of total coarse grain output in 2025. World corn production increased 5.6 percent, or 69.7 million metric tons, from the previous year and was the primary contributor to the 5.7 percent increase in global coarse grain production. The majority of the increase resulted from record U.S. production. The increase in U.S. corn production of 14.3 percent, or just over 54 million metric tons, from the previous year, combined with an increase in foreign production of 1.8 percent, or almost 16 million metric tons, accounts for the increase in global production.

U.S. corn production reached record levels in 2025 at an estimated 17 billion bushels, driven by record yields and expanded harvested acreage. Average yields reached 186.5 bushels per acre, while harvested area increased 10 percent to 91.3 million acres. Planted area, at 97.3 million acres, was the highest since 1937. Favorable planting and growing conditions, along with strong market incentives tied to expected export demand and ethanol production, supported these outcomes.

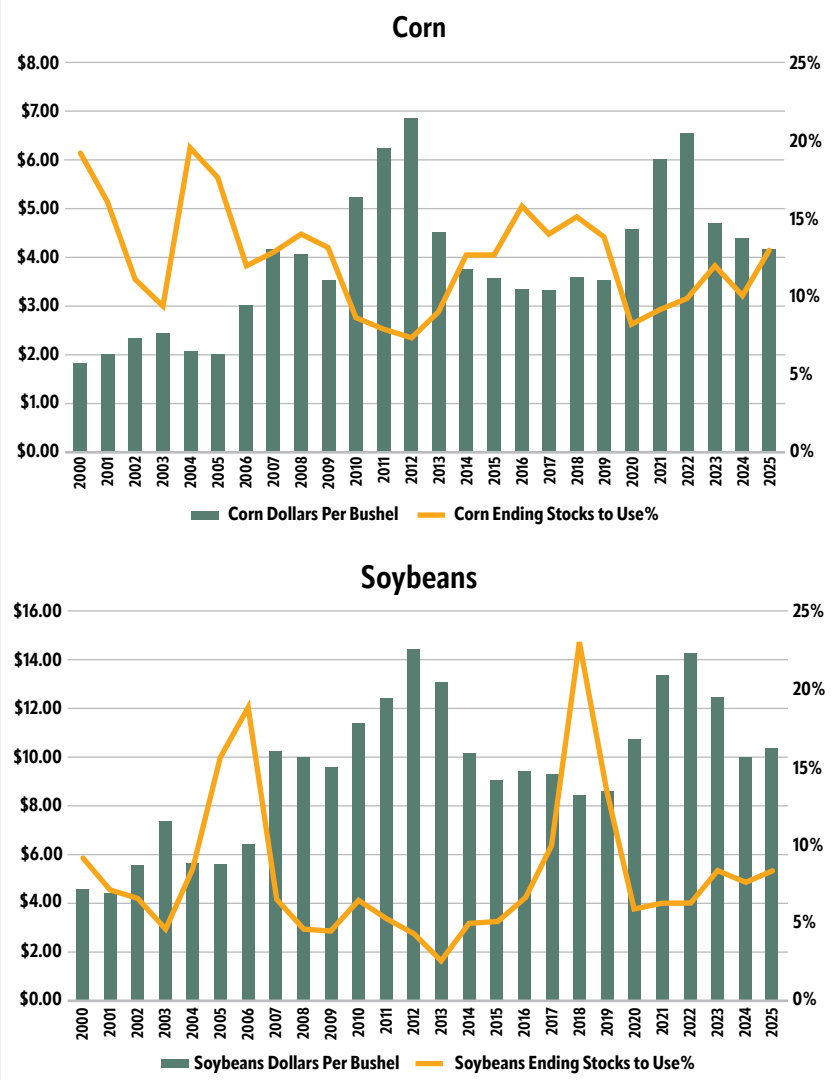
Outside the United States, global corn production increased modestly. China's production rose 2.1 percent, accounting for roughly 40 percent of the total increase in foreign production, reflecting adoption of higher-yielding varieties and favorable weather. In South America, Argentina increased production due to expanded planted area, while Brazil experienced a decline linked to delayed Safrinha (second crop) planting resulting from excessive early-season rainfall.

On the demand side, global corn consumption increased 4.2 percent in 2025. Consumption outside the United States rose 3.1 percent, as demand among major importers showed only modest growth. The United States accounted for a significant share of the global increase, with domestic consumption rising 7.4 percent, driven primarily by higher feed use and continued growth in ethanol production. Ethanol accounted for more than 40 percent of total U.S. corn use in 2025.

Despite strong demand growth, record U.S. production led to an increase in the corn stocks-to-use ratio to 12.9 percent in 2025. (Figure 9) Traditionally, higher stocks would exert downward pressure on prices; however, optimism regarding export opportunities and bio-fuel demand supported modest price increases. The projected market year average price was revised upward to $4.15 per bushel in the April WASDE report. Future price movements remain sensitive to Brazilian second-crop production, bio-fuel policy developments, and global supply conditions.

FIGURE 9

U.S. Corn and Soybeans Prices and Ending Stocks as a % of Total Use, 2000-2025



Source: Updated USDA, WASDE, April 2026

Soybeans

Globally, soybeans accounted for approximately 61 percent of world oilseed production in 2025. Global soybean production declined slightly, falling 0.2 percent from 428.2 million metric tons in 2024 to 427.4 million metric tons in 2025. The decline was driven primarily by reduced U.S. production, while foreign production increased modestly.

The United States and Brazil together accounted

for more than two-thirds of global soybean production. U.S. soybean production declined due to reduced planted acreage, despite record average yields of 53 bushels per acre. In South America, Brazil recorded a moderate production increase, while Argentina experienced a decline linked to adverse late-season weather. Paraguay posted a significant rebound in production due to improved conditions and expanded acreage, albeit the third largest producer in South America with 12 million metric tons in 2025.[3]

In the United States, the soybean ending stocks-to-use ratio increased to 8.2 percent in 2025, reflecting reduced exports despite higher domestic crush. U.S. soybean exports declined sharply due to increased competition from South American producers and ongoing trade tensions with China. China's share of U.S. soybean exports fell to below 20 percent, highlighting the risks associated with heavy reliance on a single export market.

Efforts to diversify export destinations gained momentum in 2025, with increased shipments to the European Union, Mexico, and countries categorized as the rest of the world. While increased domestic crush supported demand, it was insufficient to offset export declines. Optimism for the future market conditions are tempered as they remain influenced by South American production growth, Chinese trade policy, and policy-dependent developments in bio-diesel and sustainable aviation fuel markets.

As described in the case of corn, typically increases in the stocks-to-use ratio put downward pressure on prices, however, expectations for positive policy developments to bolster domestic use in bio-fuels production along with efforts to diversify export market opportunities have maintained existing price expectations of a modest increase in price.[4] The estimated market year average price is projected at $10.30 per bushel for 2025-2026, three percent above the 2024 estimated price of $10.00. If the current projected price prevails it would reverse the recent downward price trend from the 2022-2023 market year average high price year $14.20 per bushel. (Figure 9)

Prices Paid and Received

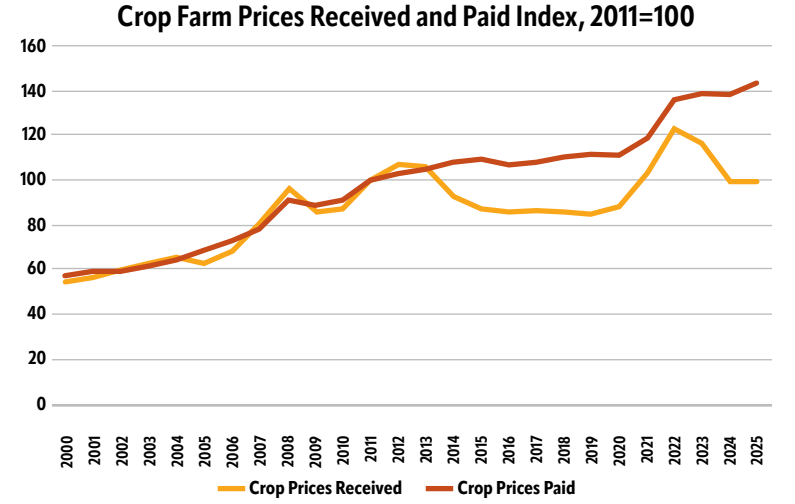
Divergence between crop and livestock producers continued in 2025. (Figure 10) Prices received by crop producers stabilized at lower levels following declines since 2022, while input prices continued to rise. This widening gap placed continued pressure on crop producer margins and eventually contributed to gradual erosion of farm equity.

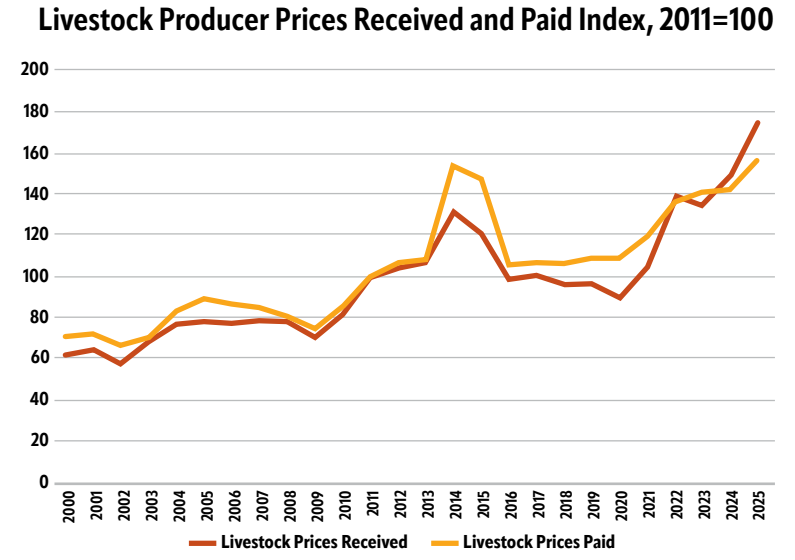
The divergence between the challenges facing crop producers and the conditions being experienced by livestock and producers continued in 2025. As illustrated in the overall index of prices paid for inputs and prices received for crops and livestock the two sectors faced opposite market trends. (Figure 10) In the case of crop producers, the decline in prices from relatively high levels in 2022 over the past two years leveled off in 2025. However, prices paid for inputs by crop producers remained elevated, and moving on an upward path. The continued gap between the two puts further pressure on producer returns as margins shrink leading to a gradual eroding of equity for farming operations. These challenges continued in 2025, but the growth in that gap may be slowing as prices bottomed out and stabilized at lower levels for the year.

The path of those indices for livestock producers provides a different picture. In contrast the livestock sector has been experiencing a continued upward trend in prices from their recent low point in 2020. While livestock producers have faced increasing input cost, unlike

FIGURE 10

Index of Farm Prices Paid and Received for Crops and Animals, 2000-2025





Source: Agricultural Prices, March edition, various years, USDA, National Agricultural Statistics Service
Crop Prices Received and Paid and Livestock Prices Received, USDA, NASS, Quick Stats https://quickstats.nass.usda.gov

[3] How Shifting Weather Conditions Impact South America's Major Crops - Octopusbot

[4] Hubbs, T. and S. Irwin. "Rewriting the RFS Playbook: Final 2026-2027 RVOs for Biomass-Based Diesel." *farmdoc daily* (16):66, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, April 16, 2026.

crop producers, prices received by livestock producers continued to rise, and surpassed the increase in input cost in 2024 and 2025.

The market conditions illustrated by the relative indices reveal the important tendency causing reoccurring problems for farmers. Input prices tend to be resistant to downward adjustments and will take longer to reflect changes in relative supply and demand conditions in the market relative to commodity prices that tend to adjust more rapidly upward and downward based on such changes. In addition, the indices reflect a basket of crops and livestock groupings and reflect overall conditions in the two sectors. As with most things in agriculture, aggregate conditions often mask the realities faced by individual farming operations and/or the economic performance of specific commodities.

The tendency for input prices and the price paid to be sticky and slow to retreat to lower levels is reflected in their continued upward trend. Evidence of the continued rise is reflected in the most recent case for the crop sector as the annual index for prices paid continued to climb, up by five percent in 2025 above the annual index for the sector in 2024. Accordingly, the gap between the prices received and paid in the crops sector widened from the previous year. Once again, tighter margin conditions increased the need for crop farmers to carefully consider their risk management strategies to mitigate any further erosion of potential returns. On the positive side, some solace may be found in the fact that the index of prices received by the crop sector did not decline further in 2025. The annual index remained unchanged from 2024 based on a strengthening of prices in the last six months of 2025. However, concerns surrounding crop sector prices remain, as a review of prices for individual crops reveals only oilseeds registered an increase in their index of prices received in 2025 year-to-year, while feed grains and food grains indices were below their 2024 levels.

For the livestock sector, high cattle and calf prices have continued their upward trend helping to reduce the margin between receipts and costs since 2020. (Figure 10) The index of prices received by livestock producers rose nearly 11 percent in 2024. For only the second time during this period (along with 2022), the livestock price index exceeded the livestock prices paid index, which increased less than one percent from the previous year.

The favorable conditions in the livestock sector continued in 2025 as evidenced by the index

Favorable Conditions in the Livestock Sector

of prices received increasing by almost 14 percent over 2024, continuing the sustained upward trend and widening the margin over prices paid. However, some concern is warranted as the index of prices paid by livestock producers displayed a measurable increase of 10.4 percent in 2025 over 2024 levels. It is important to note that as with the crops sector, the increase in this aggregate measure is largely tied to the fortunes of one component, in this case the cattle market as other categories, hogs, dairy, poultry and eggs have not fared as well. Only hogs had virtually stable prices in 2025, while the other categories experienced index declines.

Favorable conditions for the livestock sector linked to the cattle market will be dependent on if, and if so, how quickly producers begin to rebuild the size of the cattle herd. The U.S. cattle herd decline is linked to drought and high input costs, which resulted in the herd size falling to 86.7 million head in January 2025, the lowest level since 1951. Over the year an increase was observed with herd size reaching 94.2 million head as of July 1, 2025, up 8.6 percent from the January count. Currently the lower cattle inventory is likely to continue as livestock economists suggest it could be two to three years before there is significant change on the supply side.

Within the livestock sector, it is worth noting that the well documented concerns regarding the need to address rising egg prices were successful. The rapid rise in table egg prices, linked to issues with avian flu problems in the poultry sector led to the average price for table eggs reaching $4.34 per dozen in December 2024. By December 2025 table egg prices had declined to $1.49 per dozen, down almost 66 percent.

Overall, persistent input cost inflation and uneven price recovery underscore the importance of risk management strategies for producers. Aggregate indicators may mask commodity-specific and operation-level challenges, reinforcing the need for careful financial planning across the agricultural sector.

[The information sources for this section were: USDA, Quick Stats https://quickstats.nass.usda.gov, USDA, OCE, WASDE, http://usda.gov/oce/commodity/wasde and USDA, FAS, Market and Trade Data, PSD Online, https://apps.fas.usda.gov/psdonline/app/index.html#/app/home. USDA, NASS, Ag Prices https://usda.library.cornell.edu/concern/publications/c821gj76b. Feed Outlook: April 2026, FDS-25d, April 14, 2026, USDA, Economic Research Service. https://www.ers.usda.gov/topics/crops/corn-and-other-feed-grains/feed-grains-sector-at-a-glance ; and U.S.D.A., NASS, Crop Production, ISNN 1936 – 3737, May 2026 and May 2025, https://usda.library.cornell.edu/concern/publications/tm70mv177?locale=en&page=2#release-items

Federal Crop Insurance Experience

From 2024 to 2025, the total insured acreage increased by 3.5 percent (Figure 11). Pasture, Rangeland and Forage (PRF) continued to expand, increasing by nearly 18.3 million acres in 2025, representing a 6.2 percent increase over

FIGURE 11

Insured Acres by Major Crop[1]

Crop	2023	2024	2025	CHANGE 2024/25	% CHANGE 2024/25
Wheat	39,191	37,482	36,338	-1,144	-3.1%
Corn	86,031	83,932	90,630	6,699	8.0%
Sorghum	5,581	5,099	5,267	168	3.3%
Soybeans	76,526	80,165	75,169	-4,995	-6.2%
Upland Cotton	10,130	10,788	9,313	-1,476	-13.7%
Pasture, Range & Forage	289,446	295,693	313,960	18,268	6.2%
Total (Above Crops)	506,905	513,158	530,677	17,519	3.4%
Total (All Crops)	538,926	542,462	561,291	18,829	3.5%
NASS Planted Acres (Field Crops)	319,542	311,996	311,543	-453	-0.1%

[1] 2023-2024 Data as of April 30, 2026; 2025 Data as of May 21, 2026 In (000) acres.
Source: RMA Summary of Business, NASS Quick Stats

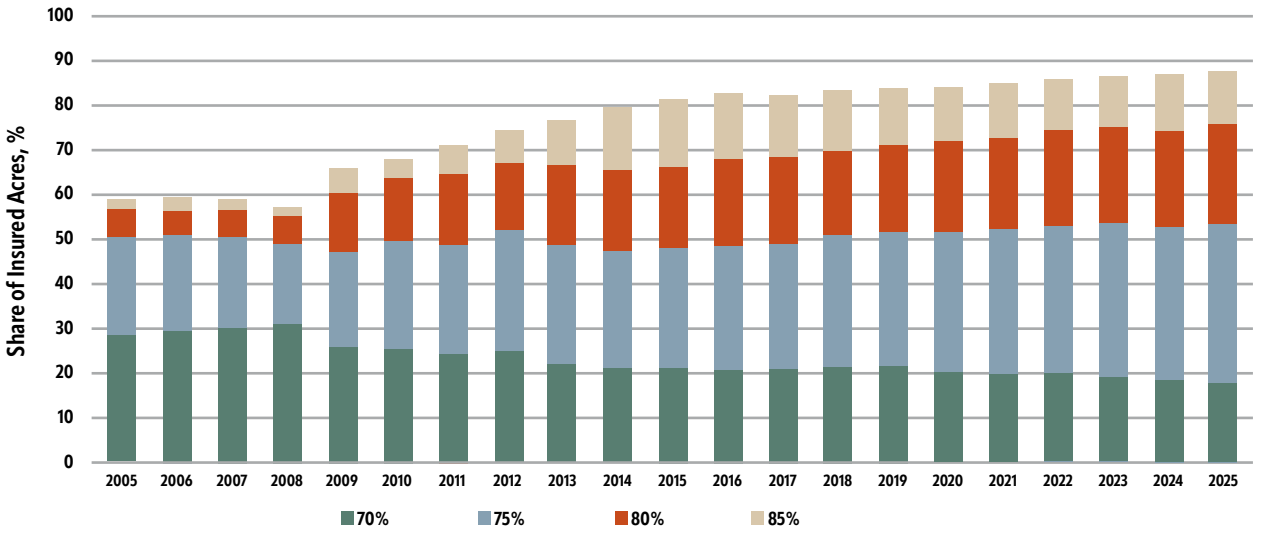
2024, compared to the 2.2 percent increase from 2023 to 2024. Insured acreage declined for Wheat, Soybeans, and Upland Cotton, down 3.1 percent, 6.2 percent, and 13.7 percent, respectively. Along with the increase in PRF acreage, offsetting these decreases was the increased insured acreage for Corn and Sorghum, up 8.0 percent and 3.3 percent respectively. In addition to the overall increase in total acres insured and the acreage shifts among the major crops, average coverage levels for the U.S. also increased, as illustrated in Figure 12. Just under 88 percent of U.S. insured acres are protected at coverage levels exceeding 70 percent.

FCI underwriting performance is provided in Figure 13. Indemnities for 2025 were approximately $10.1 billion compared to $15.1 billion in 2024. The gross loss ratio (indemnity divided by premium) was 58 percent for 2025, down from both the 98 percent loss ratio in 2023 and the 95 percent loss ratio experienced in 2024. Figure 14 provides a breakdown of premiums and indemnities ranked by both state and crop for 2025. In terms of premium volume, Texas, North Dakota, Iowa, Kansas, and South Dakota were all once again ranked among the top five states for 2025, with Iowa premium surpassing that of Kansas to become the third highest premium ranking state. With respect to indemnities, Texas, California, and North Dakota were once again in the top five, while Minnesota and Kansas moved down from the second and fourth highest to the tenth and seventh highest, respectively. In 2025, Florida ranked third with respect to indemnities, with just under $672.1 million reported. Arkansas also made the top five for 2025, with $456.6 million in indemnities. The top five crops by premium volume remained the same from 2024 to 2025, however PRF continued to climb, moving ahead of Wheat to take the number three spot. Although the same five crops ranked in the top five by indemnities, there was some shifting in the order compared to 2024. Corn, PRF, and Soybean indemnities were ranked number one, two and three in 2025, coming in at $1.8 billion, $1.6 billion, and $1.2 billion.

The U.S. loss ratio map in Figure 15 reveals that sixteen states had loss ratios above 100 percent in 2025, with five of those states having loss ratios at or above 150 percent. Not pictured are Alaska, which had a loss ratio of 127 percent, and Hawaii, which had a loss ratio of 175 percent. Florida had the highest loss ratio at 186 percent, followed by West Virginia at 177 percent, Arkansas and Hawaii at 175 percent, and New Hampshire at 150 percent. Other states with poor loss ratios above 100 percent include Utah, Arizona, Nevada, and California in the west, Mississippi and Tennessee in the southeast, and Vermont, New York, New Jersey, and West Virginia in the northeast in addition to Montana and Alaska. Hurricane was the major cause of loss in Florida, representing just over 38 percent of the reported indemnities. Additionally, 34.6 percent of the losses stemmed from area plans (ARPI/SCO/ECO/STAX/MP/PACE). In Hawaii, just under 44

FIGURE 12

Share of Insured Acres Covered at 70% or Higher



2005-2024 Data as of April 30, 2026; 2025 Data as of May 21, 2026
Source: RMA Summary of Business

FIGURE 13

Federal Crop Insurance Program Performace, Gross Basis[1]

Crop Year	Policies with Premium	Units with Premium	Liability	Premium	Farmer-Paid Premium	Indemnity	Gross Underwriting Gain	Insured Acres	Loss Ratio
	Thousands		*Million Dollars*					*Million*	
2016	1,160	2,442	100,623	9,329	3,462	3,913	5,416	286	0.42
2017	1,125	2,370	106,066	10,072	3,716	5,435	4,637	312	0.54
2018	1,108	2,330	110,166	9,896	3,630	7,324	2,573	335	0.74
2019	1,106	2,355	109,871	10,128	3,758	10,609	-481	379	1.05
2020	1,112	2,434	113,979	10,065	3,746	8,709	1,356	398	0.87
2021	1,167	2,634	136,685	13,719	5,109	9,610	4,109	444	0.70
2022	1,193	2,720	173,587	18,393	6,760	19,429	-1,036	493	1.06
2023	1,230	2,879	181,623	18,107	6,778	17,792	315	539	0.98
2024	1,218	2,867	158,688	15,885	6,002	15,145	740	542	0.95
2025	1,327	3,252	159,287	16,834	6,244	10,060	6,774	561	0.60

[1] Data as of May 14, 2025
Source: RMA Summary of Business

FIGURE 14

Top 10 Premiums and Indemnities Ranked by State and Crop for 2025

	RANK BY STATE				RANK BY CROP			
	Premium		Indemnity		Premium		Indemnity	
2025 Rank	State	MIL.$	State	MIL.$	Crop	MIL.$	Crop	MIL.$
1	TX	1,748.0	TX	1,521.7	Corn	6,270.4	Corn	1,814.2
2	ND	1,330.6	CA	897.2	Soybeans	2,822.6	PRF	1,555.8
3	IA	1,153.6	FL	672.1	PRF	1,529.8	Soybeans	1,248.5
4	KS	1,112.1	ND	510.3	Wheat	1,398.8	Wheat	944.1
5	SD	1,068.5	AR	456.6	Cotton	1,067.5	Cotton	730.9
6	IL	986.9	MT	395.3	Annual Forage	333.8	Rice	511.3
7	MN	980.7	KS	367.9	Grain Sorghum	275.8	Annual Forage	445.6
8	NE	911.1	IL	332.5	Rice	262.4	Grapes	228.5
9	CA	819.7	WA	311.7	Peanuts	210.4	Dry Peas	199.5
10	IN	531.6	MN	305.6	Apples	203.0	Almonds	196.2
Top 10 Sub-Total		10,642.8		5,771.1		14,374.6		7,874.7
All Other		6,191.3		4,289.3		2,459.5		2,185.7
U.S. Total		16,834.1		10,060.4		16,834.1		10,060.4
Top 10 Share of U.S.		63%		57%		85%		78%

Source: RMA Summary of Business as of May 21, 2026

percent of the losses were attributed to area plans, with Insects making up another 21.4 percent.

States in the Upper Midwest and Great Lakes region had quite favorable loss ratios in 2025. Specifically, the states of Wisconsin, South Dakota, Iowa, Indiana, and Nebraska all experienced loss ratios at or below 30 percent for the FCI program, with Minnesota, Kansas, Michigan, Illinois, and North Dakota all showing loss ratios just slightly above 30 percent, and the Ohio loss ratio coming in under 50 percent.

Although many of the southeastern states had favorable loss ratios, Florida, Arkansas, and Tennessee experienced high loss ratios above 100 percent in 2025, and the loss ratios in Kentucky and Alabama were only slightly below. Several of these states had Excess Moisture/Precipitation/Rain as the primary cause of loss, with the top causes for other states including Hurricane and Drought. Most of the losses in the southwestern states with poor loss ratios were related to Area

Positive Policy Developments

Plans, while the northeastern states had a mix of Excess Moisture/Precipitation/Rain and Drought as the primary causes of loss.

Revenue Products

The projected base prices used to establish the value of a crop and the insured liability under the Revenue Protection and Yield Protection forms of insurance are shown in Figure 16 for crop years 2019 through 2026. Projected base prices are the average of futures prices during the discovery month, i.e., the month preceding the sales closing date for a policy.

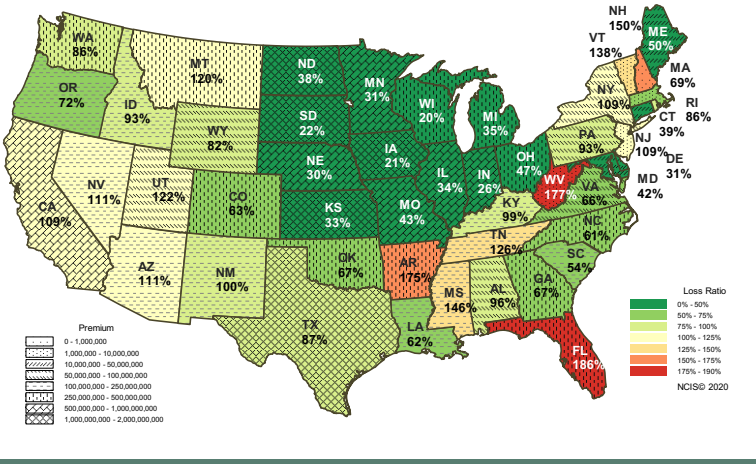
Projected base prices declined from 2024 to 2025 for the major crops of Winter Wheat, Spring Wheat, Soybeans, Upland Cotton, and Rice and increased slightly for Corn. From 2025 to 2026, the projected base prices once again decreased for Winter Wheat, Spring Wheat, and Rice. Corn also experienced a decrease in projected base price, while the projected price increased for Soybeans and remained the same for Upland Cotton.

Commodity prices were down noticeably for Winter Wheat and Upland Cotton in 2025, with decreases of 19.6 percent and 15.9 percent, respectively. The decreases for Rice and Soybeans were 8.4 percent and 8.7 percent, compared to the more modest decrease for Spring Wheat of 4.2 percent. In contrast, Corn showed a slight increase of 0.9 percent.

Implied volatility factors (IV) are derived from futures market information and serve as the measure of risk for expected harvest prices. RMA annually calculates the implied volatility factor for a crop by averaging the implied volatility of in-the-money options for a designated futures contract over the final five trading days of the discovery period for that crop (generally the last five trading days before the sales closing date). For example, implied volatilities over the final five trading days in February for the December futures contract are used to determine the IV factor in the major corn producing states.

FIGURE 15

2025 MPCI Premium and Loss Ratios, All Plans Combined



Data as of May 21, 2026
Source: RMA Summary of Business

FIGURE 16

Major Revenue Policy Base Prices[1]

	2019	2020	2021	2022	2023	2024	2025	2026	% CHANGE 2024/25	% CHANGE 2025/26
Wheat, Winter ($/bu)	5.74	4.35	4.90	7.08	8.79	7.34	5.90	5.61	-19.6	-4.9
Wheat, Spring ($/bu)	5.77	5.56	6.53	9.19	8.87	6.84	6.55	6.19	-4.2	-5.5
Corn ($/bu)	4.00	3.88	4.58	5.90	5.91	4.66	4.70	4.62	0.9	-1.7
Soybeans ($/bu)	9.54	9.17	11.87	14.33	13.76	11.55	10.54	11.09	-8.7	5.2
Upland Cotton ($/lb)	0.74	0.70	0.80	1.02	0.85	0.82	0.69	0.69	-15.9	0.0
Rice ($/cwt)	10.80	12.10	12.70	14.50	16.90	15.40	14.10	12.10	-8.4	-14.2

[1] Revenue Protection for 2019-2026 as of May 4, 2026
Source: RMA Actuarial Information Browser

FIGURE 17

Volatility Factors

	Historical Price Volatility[1]	Volatility Factor[2]									
	1968-2024	2019	2020	2021	2022	2023	2024	2025	2026	% CHANGE 2024/25	% CHANGE 2025/26
Wheat, Winter ($/bu)	0.20	0.19	0.17	0.16	0.21	0.31	0.21	0.22	0.19	4.8	-13.6
Wheat, Spring ($/bu)	0.22	0.14	0.14	0.18	0.23	0.18	0.14	0.19	0.16	35.7	-15.8
Corn ($/bu)	0.20	0.15	0.15	0.23	0.23	0.18	0.19	0.18	0.15	-5.3	-16.7
Soybeans ($/bu)	0.17	0.12	0.12	0.19	0.19	0.13	0.15	0.14	0.13	-6.7	-7.1
Upland Cotton ($/lb)	0.23	0.14	0.13	0.20	0.22	0.23	0.15	0.14	0.13	-6.7	-7.1
Rice ($/cwt)	0.22	0.11	0.13	0.15	0.10	0.11	0.09	0.09	0.15	0.0	66.7

[1] Historical volatility values are obtained by fitting log-normal distribution to the time series of the ratio of the harvest price to the base price from 1968 to 2024. For each year in that time period, the harvest and base prices are calculated by using relevant futures prices in that year. Source: Barchart.com
[2] Revenue Protection as of May 4, 2026.
Source: RMA Actuarial Browser

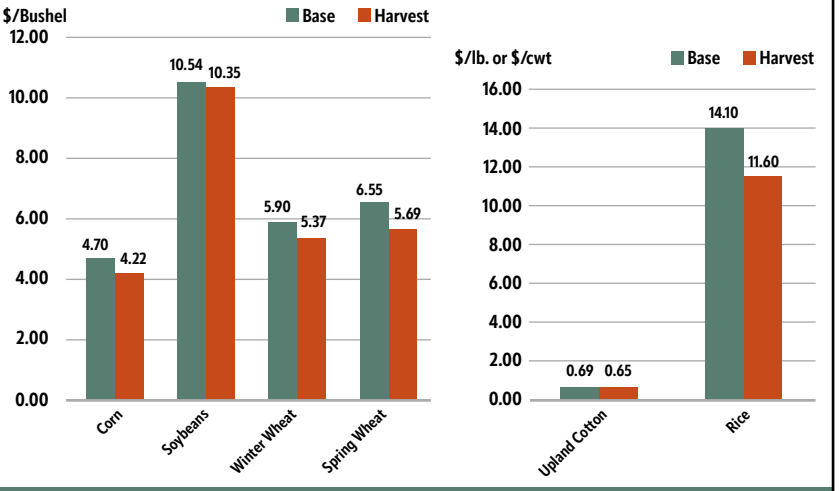
RMA uses the IV factor to simulate the risk of an expected change in harvest price for the crop, which is then utilized to establish the price risk component of the premium rate for the specific crop. A higher IV indicates a greater likelihood for larger price movements while a lower IV implies a more stable market with futures prices expected to move within a smaller range. All things being equal, higher IV factors result in higher premiums, while lower IV factors result in lower premiums.

Historical IV values for selected major crops during the period 2019-2026 are shown in Figure 17. The IV factors observed for 2025 exhibited mixed behavior, with Spring Wheat up 35.7 percent and Winter Wheat up 4.8 percent. In contrast, decreases in the IV factor for Soybeans and Upland Cotton were 6.7 percent, while the Rice IV did not change. The decreases in base prices and IV factors for several of the major crops were offset by increases for other crops, increased insured acreage, and a significant expansion of Enhanced Coverage Option (ECO) premium, which increased from $429 MM in 2024 to $1.885 billion in 2025. The combined impact was an increase in premium from 2024 to 2025.

Figure 18 shows the change between the base prices established at the outset of 2025 in relation to the harvest prices established close to the end of the growing season. The harvest prices provided in Figure 18 are the average daily prices in the harvest month for the same futures contract used to establish the base price earlier in the year. Harvest prices are an essential element of the indemnity calculation process as they are used to determine the farmer's actual revenue, which in turn is used to establish the amount of indemnity provided by Revenue Protection (RP) policies.

FIGURE 18

Prices for 2025 RP and RP-HPE Plans of Insurance



Data as of May 4, 2026
Source: RMA Actuarial Information Browser

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Harvest prices for Corn, Spring Wheat, Winter Wheat, Soybeans, Upland Cotton, and Rice all decreased compared to their base prices for 2025. Corn decreased from $4.70 to $4.22 per bushel, Spring Wheat from $6.55 per bushel to $5.69, Winter Wheat from $5.90 per bushel to $5.37, Soybeans from $10.54 to $10.35 per bushel, Upland Cotton from $0.69 per pound to $0.65, and rice from $14.10 to $11.60 per hundredweight. The largest percentage decrease in base price to harvest price observed was for Rice, which exhibited a decrease of 17.7 percent.

Figure 19 presents Corn loss ratios by state for the yield plan of insurance (YP) and revenue plans of insurance (RP and RP-Harvest Price Exclusion combined) for Illinois, Iowa, Nebraska, Minnesota, Indiana, Missouri, Michigan, and Wisconsin. Revenue plans experienced higher loss ratios than yield plans in Illinois, Iowa, Nebraska, Indiana, and Wisconsin. Minnesota, Missouri, and Michigan all experienced higher loss ratios for yield plans; this same pattern occurred for the US overall with yield plans having a loss ratio of 66 percent, compared to a loss ratio of 36 percent for revenue plans.

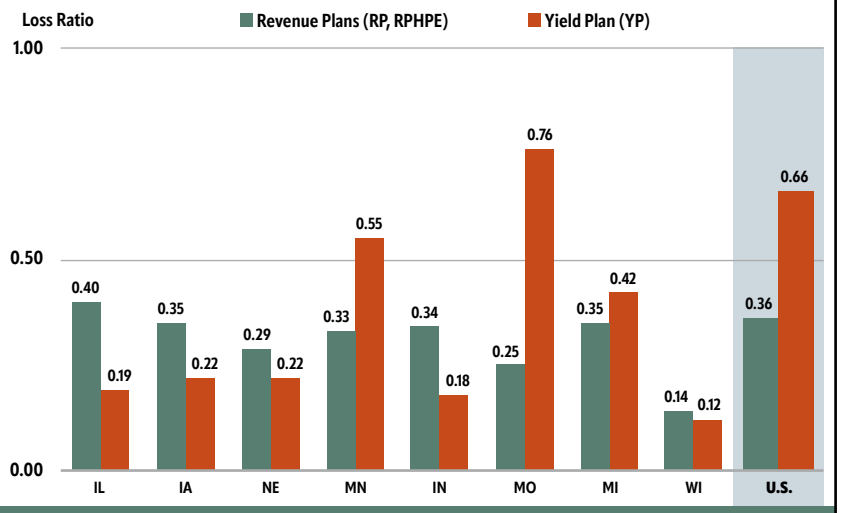
For 2025, the Corn RP plans within the Corn Belt states experienced an overall loss ratio of 32 percent; all the states had exceptional loss ratios, with the highest loss ratio for Corn RP plans being 40 percent in Illinois. The overall loss ratio for Corn YP plans within the Corn Belt of 30 percent was slightly lower than corresponding RP plans.

Figure 20 shows that at the national level, the loss ratio for Soybean revenue plans was higher than that for Corn. Within the Corn Belt states, only Missouri YP plans had a loss ratio close to 100 percent for Soybeans in 2025, with a loss ratio of 96 percent for YP plans compared to Missouri's RP plan loss ratio of 51 percent. The loss ratios for the remaining states were favorable for both RP and YP plans, with many being only slightly above 50 percent or well below. Apart from YP plans in Missouri, only Minnesota YP plans and Illinois RP plans exceeded 60 percent, at 63 percent and 61 percent, respectively.

[Information sources for this section include USDA, Foreign Agricultural Service, P, S & D database; Office of the Chief Economist; World Agricultural Supply and Demand Estimates Report (WASDE), various issues; NASS Quick Stats; RMA Manager's Bulletins, Price Discovery Application, and Actuarial Information Browser.]

FIGURE 19

State Loss Ratios for 2025: Corn



Data as of May 21, 2026
Source: RMA Summary of Business

Program and Policy Developments

2025 Reshapes the Federal Crop Insurance Program

Legislative, regulatory, and administrative actions in 2025 fundamentally reshaped the Federal crop insurance program, marking one of the most significant years of change in more than a decade. For Approved Insurance Providers (AIPs), agents, re-insurers, and the Risk Management Agency (RMA), these developments altered program economics, eligibility standards, and delivery while projecting a new long-term trajectory for the program.

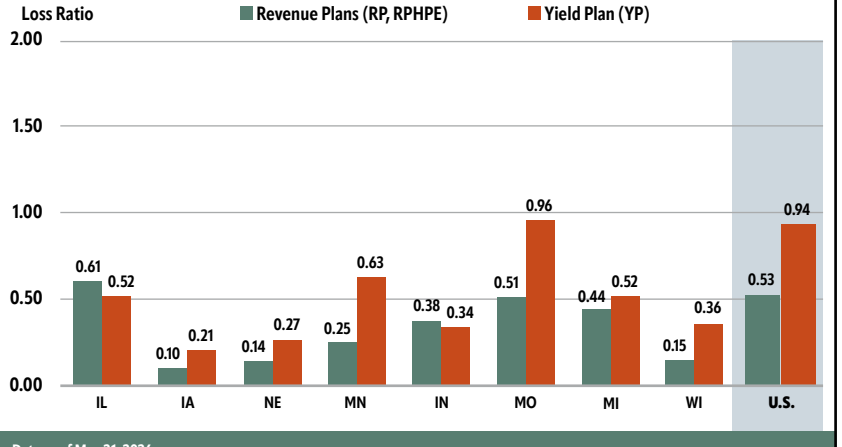
Taken together, reforms enacted and implemented during the year reflected a renewed emphasis on expanding access to coverage, modernizing administration, strengthening program integrity, and reinforcing the crop insurance program's role as the cornerstone of the farm safety net.

Continued Program Growth in the Face of Increased Production Costs

While farmers and ranchers faced an upward spiral in production costs, they continued to invest in risk management protection by adding more acres and coverage to their operations. The program continued growth with insured crop acreage totaling more than 560 million

FIGURE 20

State Loss Ratios for 2025: Soybeans



Data as of May 21, 2026
Source: RMA Summary of Business

acres, approximately 20 million acres more than in 2024. With premium of $16.8 billion, farmers and ranchers contributed approximately $6.2 billion of their own money towards risk management protection. Given the increased costs of farm inputs and related expenses, this was a testament to farmers and ranchers' reliance on crop insurance as a primary risk management tool demonstrated by their willingness to insure almost 90 percent of major crop acreage in the U.S. at coverage levels of 70 percent or higher. (Figure 12)

While crop prices continued to decline, liability still exceeded $159 billion on 1.3 million premium earning policies, more than 100,000 additional policies than the prior crop year. Livestock coverage increased by $6.5 billion from the previous year to over $40.1 billion in liability written on over 26,500 policies earning premium. In total the Federal crop insurance program provided coverage on more than $199 billion in crop and livestock risk protection to America's farmers and ranchers.

A Legislative Reset – The One Big Beautiful Bill Act

The most significant catalyst for change was enactment by the One Big Beautiful Bill Act (OBBBA) signed by the President on July 4, 2025. The legislation made numerous changes to the Farm Bill and amended the Federal Crop Insurance Act representing the most substantial statutory update to the crop insurance program since the last major reforms in 2014.

These Congressional changes affected a wide range of program elements, including premium support, eligibility rules, and coverage options. USDA and the RMA moved quickly to implement many provisions, with several changes taking effect mid-year and requiring accelerated operational adjustments across the crop insurance delivery system.

For insurers and agents, key impacts included expanded eligibility for Beginning Farmers and Ranchers (BFRs), materially higher premium support for area-based insurance products and traditional policy coverage levels, elimination of the long-standing linkage between the Supplemental Coverage Option (SCO) and Farm Service Agency (FSA) Agriculture Risk Coverage (ARC) elections, while also making Whole Farm Revenue Protection (WFRP) and several other policy and program administrative improvements.

FIGURE 21

Premium Subsidy Rates by Coverage Level

	50%	55%	60%	65%	70%	75%	80%	85%
Optional Unit	67%	69%	69%	64%	64%	60%	51%	41%
Basic Unit	67%	69%	69%	64%	64%	60%	51%	41%
Enterprise Unit	80%	80%	80%	80%	80%	80%	71%	56%

Source: MGR-25-006: One Big Beautiful Bill Act Amendment | Risk Management Agency

Expanded Support for Beginning Farmers and Ranchers

One of OBBBA's impactful changes rolled out in 2025 directly addressed longstanding concerns about barriers faced by BFR's and extended eligibility for higher levels of premium support from five to ten crop years. OBBBA also introduced a more graduated and generous premium support structure up to as high as an additional 15 percent discount for the first two crop years creating a more predictable transition of BFR policies into the program. These changes enhanced the affordability of risk management protection at a critical stage for many BFR operations, phasing down over time to standard premium support levels.

While Veteran Farmer and Rancher provisions remain unchanged, RMA clarified how overlapping eligibility would be handled, ensuring producers received the highest benefit for which they qualify and providing direction to agents for education and guidance for advising their farmer clients.

Rebalanced Area-Based Coverage

OBBBA materially altered the economics of area-based products. First, the maximum coverage level for the Supplemental Coverage Option (SCO) was increased to 90 percent from 86 percent and premium support for SCO increased from 65 percent to 80 percent. RMA also aligned the Enhanced Coverage Option, Margin Coverage Option, and other index-based plans, namely the Hurricane Insurance Protection-Wind Index Endorsement (HIP-WI) and the Fire Insurance Protection-Smoke Index Endorsement (FIP-SI) to be consistent with SCO. (This came after the Federal Crop Insurance Corporation (FCIC) Board of Directors previously aligned premium support for ECO at 65 percent for the 2025 crop year.)

At the same time, Congress eliminated the statutory linkage between SCO eligibility and FSA ARC elections. Removing this requirement resolved a long-standing source of complexity and confusion for farmers and agents, while improving coordination between farm program elections and crop insurance decisions to further aid farmers in formulating their risk management strategies.

Premium Support Continues Affordability

The OBBBA also provided an increase to the general premium support for most crop insurance policies starting with 55 percent and higher coverage levels. With these changes, RMA also adjusted premium support for policies with Enterprise units as well. Figure 21 shows what new premium support levels look like today.

These premium support adjustments for traditional coverage, along with improvements for area-based policies, were aimed at encouraging greater use of layered risk protection strategies, particularly in areas vulnerable to weather volatility and market fluctuations. By reducing out-of-pocket premium costs, Congress and USDA signaled strong support for comprehensive coverage structures that better reflect modern production risks and continued commitments to finding alternatives to costly and untimely ad-hoc disaster assistance.

Continued Expansion of WFRP and Other Key Improvements

WholeFarm Revenue Protection also received a notable enhancement with the maximum coverage level increasing from 85 percent to 90

percent for the 2025 crop year. This change was widely viewed as a meaningful step forward for diversified operations, specialty crop producers, and mixed-enterprise farms that rely on whole-farm coverage rather than crop specific policies. This support helps reduce reliance on ad hoc disaster assistance and strengthens pre-disaster risk management options for these growers.

OBBBA also recognized and made several helpful changes to support the efficient delivery of crop insurance by acknowledging and updating the administrative reimbursement. These changes reflect the pressures of inflation, recognizing increased costs of business in areas with high or prolonged periods of loss, and the challenges with providing unique and more complex policies tailored to specialty crops that often require greater time and attention.

Lastly, to continue the emphasis and past success of compliance and program oversight leading to one of the lowest improper payment rates within USDA (3.29 percent) under the Improper Payments Elimination and Recovery Improvement Act, additional funds were provided to assure that program integrity remains at its highest level given the increase in program participation and the additional benefits provided to farmers.

Administrative and Regulatory Reset–Expanding Access to Risk Protection Final Rule

While the OBBBA attracted early attention, 2025 ended with the finalization of the rule titled *Expanding Access to Risk Protection* (EARP). Published in the Federal Register on November 28, 2025, the rule implemented statutory changes from OBBBA while simultaneously providing greater flexibility. It also clarified several aspects of crop insurance regulations.

Key elements of the rule also included reducing prescriptive regulatory timelines, and relocating certain administrative requirements—such as termination, cancellation, and end-of-insurance dates—from regulations to county-level Special Provisions. These changes were intended to increase flexibility while still preserving underwriting discipline needed for an actuarially sound program.

In addition, the rule addressed the Prevented Planting "one-in-four" policy eligibility requirement by revising the eligibility standard based on whether acreage was planted to a crop and harvested, or if not harvested then adjusted for claim purposes due to an insured cause of loss in one of the prior four crop years. This replaced the previous standard that required determining whether the acreage was previously insured. This change was intended to reduce administrative burdens on farmers, agents, adjusters, and AIPs while still maintaining program integrity.

To strengthen the safety net, the rule addressed issues that had amassed over years of program growth. Clarifications were made around certain harvest price methodologies, improving consistency in quality adjustment and claims processes, and modernizing policy interpretation procedures. It also expanded direct marketing options by allowing coverage for fresh market tomatoes and peppers sold directly to consumers under the Dollar Plan of Insurance. The change also better reflected evolving marketing practices, particularly for specialty crop producers in the Northeast.

Another key administrative efficiency allowed producers who transfer policies between AIPs to now submit production reports directly to their new AIP instead of returning to their previous AIP, eliminating redundant reporting. In another measure, RMA removed the "automatic nullification" provision from the dispute resolution process, shifting factfinding authority to the courts with the intention of lowering compliance complexity for program participants.

Finally, the rule targeted crop specific updates affecting commodities such as cotton, sugar beets, safflower, canola, forage seeding, green peas, fresh market tomatoes, and peppers by addressing coverage gaps, aligning contract dates, and codifying longstanding procedural clarifications.

These updates were in response to farmer feedback and were intended to help farmers better manage financial risks from weather, markets, and other uncertainties while ensuring the long-term viability of American agriculture and the actuarial integrity of the Federal crop insurance program.

A Notable Shift on Prevented Planting Buy-Up Coverage

Embedded within the EARP rule was one of the more surprising and debated changes of the year: elimination of the ability for farmers to buy up higher levels (plus 5) of Prevented Planting coverage. RMA concluded that buy-up coverage disproportionately benefited limited geographic regions and that widespread Prevented Planting events were more appropriately addressed through Congressional disaster assistance rather than permanent policy enhancements.

While standard Prevented Planting coverage remains intact, the elimination of the option to buy five percentage points higher coverage signaled an interest in better targeting Federal support to address the challenges of regional risk realities and national program consistency.

Leadership Transition and Alignment During a Pivotal Year

Reforms unfolded amid important leadership transitions at USDA stemming from the 2024 election and the arrival of new political leadership at USDA and the Farm Production and Conservation (FPAC) mission area. In March 2025, Pat Swanson, a crop insurance agent from Iowa and a former FCIC Board Member was appointed Administrator of RMA, assuming leadership during a period of extensive statutory and regulatory change.

In addition, another former FCIC Board Member, Ken Selzer, joined Swanson as Associate Administrator and brought an emphasis on actuarial discipline, operational transparency, and improved alignment with the public-private delivery system. Finally, Richard Fordyce, a Missouri farmer and former FSA State Committee Chairman took the reins as Under Secretary for FPAC. Together, these leadership transitions underscored the importance of experienced stewardship during a period of rapid change.

A Pivotal Year: Key FCIC Board of Director and Agency Actions in 2025

The FCIC Board of Directors continued a course of shaping product offerings, encouraging and improving the private delivery system involvement in product development, as well as engaging producers to address program needs and setting future direction. At a high level, the Board's actions reflected three consistent priorities: expanding meaningful access to risk management tools, modernizing and clarifying program rules and new product performance, and reinforcing the integrity of the public–private partnership at the core of the program.

Perhaps one of the more visible and farmer impactful actions that affected the 2025 crop year came when the Board voted to harmonize premium subsidy rates across several area based products. The Board approved a 65 percent subsidy rate for the Enhanced Coverage Option (ECO), aligning it with the already established

FIGURE 22

Area and Index-Based Plans of Insurance Countrywide

Plans of Insurance		2024 Policy Count (in "000)	2025 Policy Count (in '000)	2024 Prem. (in mil. $s)	2025 Prem. (in mil. $s)	2024 Liab. (in mil. $s)	2025 Liab. (in mil. $s)
ARPI	Area Risk Protection Insurance	3.2	2.9	33.3	25.5	659.7	549.3
SCO	Supplemental Coverage Option	32.9	33.1	232.9	277.8	1,178.7	1,082.3
ECO	Enhanced Coverage Option	42.8	176.2	429.2	1,885.1	871.5	3,785.6
STAX	Stacked Income Protection	17.7	4.9	282.5	53.5	720.9	129.1
MP	Margin Protection	9.4	4.8	232.1	96.5	3,406.4	1,502.9
HIP-WI	Hurricane Ins. Protection–Wind Index	32.9	36.1	398.7	450.8	1,908.4	2,188.1
PRF-RI	Pasture, Range., Forage Rainfall Index	79.3	86.2	1,775.2	2,001.2	7,760.1	8,665.6
MPCI	Standard Book of Business	1,000.3	982.7	15,885.5	16,835.5	158,696.6	159,298.8

Source: RMA's Summary of Business tables as of May 12, 2026. Policy count refers to policies earning premiums.

rates for SCO and HIP-WI. Previously, ECO carried a lower level of premium support limiting its adoption despite its ability to provide higher level "shallow loss" coverage above individual policies. By equalizing cost share treatment, the Board substantially improved ECO's affordability and competitive footing. For farmers, particularly those with high input costs and tight margins, coverage bands up to 90 or 95 percent of expected area revenue or yield became more affordable. As a result, the number of premium earning ECO policies went from just less than 43,000 in 2024 to more than 176,000 in 2025. Premium increased to almost $1.9 billion and the associated liability jumped four-fold to more than $3.7 billion. (Figure 22)

The Board used 2025 to clarify expectations around program governance. In a formal "Sense of the Board" issued in September, emphasis was placed on the need for stronger and earlier involvement by AIPs in section 508(h) submissions. The guidance made clear that submissions lacking a clearly identified applicant AIP—or adequate documentation of AIP participation—should be rejected outright. The message was clear: marketability, actuarial soundness, and delivery feasibility begin with meaningful AIP engagement. For insurers, the guidance reinforced both opportunity and responsibility in shaping future products.

Looking Ahead

Throughout 2025, the Board continued supporting product innovation and sustaining the public–private pipeline that has produced many of today's most widely used insurance products. The Board expanded access where it believed coverage could be more effective, pared back options seen as misaligned with national objectives, and modernized rules to better fit today's agricultural economy. As the program moves into the future these decisions will define the framework within which farmers, agents, and AIPs operate—making 2025 a key chapter in the ongoing evolution of Federal crop insurance.

Major RMA Initiatives in 2025

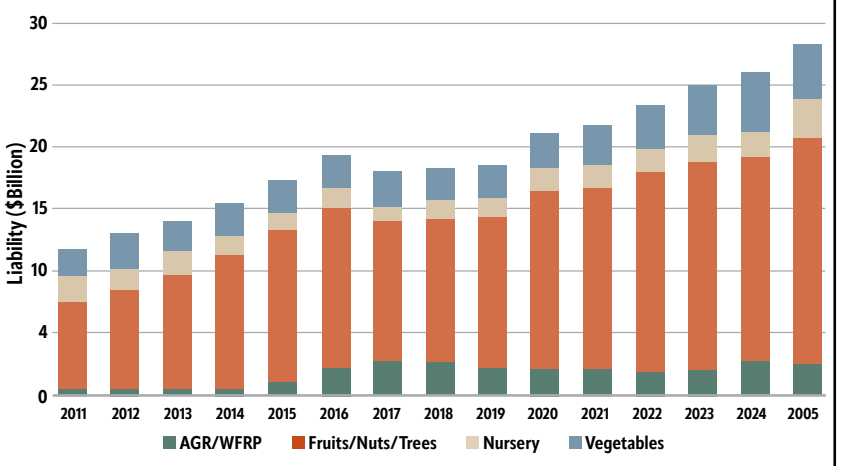
Beyond formal rule-making, RMA undertook several initiatives during 2025 to strengthen the program's integrity, accessibility, and delivery. RMA continued investments in transparency and digital tools, including expanded use of indemnity mapping, the RMA Map Viewer, and Summary of Business reporting to improve stakeholders' ability to evaluate regional loss experience, coverage availability, and participation trends. RMA also reinforced program integrity through refinements to underwriting guidance, claims language, and harvest price methodologies, particularly in cases where limited data could otherwise produce anomalous outcomes.

Specialty Crop Expansion in 2025: Structural Growth Driven by Risk Alignment

In 2025, expansion in the U.S. specialty crop

FIGURE 23

FCIC Program Growth for Specialty Crops



RMA Specialty Crop Coordinator–RMA Summary of Business–May 2026

sector followed a deliberate and structural path. Across fruits, vegetables, tree nuts, and horticultural crops, growth was shaped primarily by incremental improvements in risk management tools, expanded insurance availability, and continued geographic diversification. Specialty crop liability jumped again in 2025 exceeding $29 billion with growth occurring in trees, fruits, nuts and nursery while vegetables and Whole Farm maintained their levels of coverage protection. (Figure 23)

For specialty crop growers there was the continued expansion and approval of new county level coverage for several specialty crops addressing historical gaps that had limited access to formal risk protection. This included blueberries in Georgia; grapes in North Carolina, New York, Texas and New Mexico; peppers in several mid-Atlantic and Northeastern states; cabbage in certain Georgia and Wisconsin counties; and, dry peas in Montana and South Dakota. While each individual expansion covered a limited geographic footprint, collectively they signaled steady progress in aligning insurance programs with current production patterns, diversified rotations, and regional marketing systems.

RMA also updated the Controlled Environment Pilot Crop Insurance program, strengthening risk protection for farmers who grow crops in controlled environments such as greenhouses and indoor facilities. In 2026, the pilot expanded to 48 additional counties across 17 states, reflecting the continued growth in controlled environment agriculture and the maximum coverage level was raised from 75 to 85 percent, giving farmers greater ability to cover their high value production. Also, the program now provides limited coverage for quarantine-related losses when specific qualifications are met, addressing a risk unique to controlled environments. In addition, the Nursery Value Select program will now be the only nursery policy available, replacing the older Nursery Field Grown and Container policy which lacked the data needed to continue.

Efforts were also made to expand FIPSI for farmers in Idaho, Oregon, and Washington, building on its prior availability in California. The endorsement provides indemnity payments based on objectively measured smoke exposure associated with wildfire events rather than individual field damage assessments.

Additional Specialty Crop Support

On August 8, 2025, RMA announced a one-time, congressionally mandated payment under the Additional Payment Program II (ADD PAY II). The program provided $30 million in total funding to AIPs and agents that administered eligible specialty crop insurance contracts for the 2022 and 2023 reinsurance years.

The payments were designed to increase compensation for AIPs and crop insurance agents who supported specialty crop farmers and acknowledged the critical role insurance providers and agents play in supporting U.S. agriculture and advancing expanded insurance coverage for specialty crops.

Funding for ADD PAY II came from the American Relief Act of 2025, which was signed into law on December 21, 2024. That legislation also extended the 2018 Farm Bill for one year covering the 2025 crop year along with authorizing additional disaster relief.

Livestock and Associated Coverages Continue to Grow

In the spring of 2025 significant updates were announced for the Livestock Risk Protection (LRP) program to be effective beginning with the 2026 crop year. This reflected actions by the FCIC Board to modernize coverage and better align insurance options with current livestock marketing practices. For LRP, coverage was expanded by adding two new insurance types: Unborn Calves under Feeder Cattle, allowing price protection for beef and beef-dairy cross calves marketed shortly after birth, and Cull Cows under Fed Cattle offering coverage tailored to dairy cull cow marketing. The revisions also allow coverage to be based on forward contracts or purchase agreements supported with appropriate documentation. The updates further strengthen record keeping and compliance requirements by adding feeder cattle documentation requirements, clarifying correction of errors language, addressing non-allowable subsidy capture practices, and incorporating a drought based exemption for feeder cattle using the U.S. Drought Monitor.

Livestock Gross Margin (LGM) and Dairy Revenue Protection (DRP) saw similar changes where appropriate and included other administrative changes applicable to their unique policy design. Collectively, these changes are intended to expand risk management options for livestock producers while ensuring program consistency and integrity going forward.

Updates were also announced in the Fall of 2025 to the Rainfall Index (RI) insurance policy and Pasture, Rangeland, and Forage (PRF) crop provisions effective for the 2026 crop year. These updates clarified insurance eligibility and documentation requirements, especially for leased land, contiguous acres crossing state lines, and grazing permits. The changes also included allowing a single payee for indemnity assignments and adding clearer procedures and examples in the RI Handbook to improve consistency and verification in policy administration.

In late 2025 RMA implemented the Crop and Livestock Income Protection (CLIP) insurance program approved by the FCIC Board in November 2024. This program provides umbrella income coverage for commodities insured under two or more Revenue Protection policies, allowing higher coverage levels that may be more affordable than purchasing individual policies separately. The program begins with the 2026 crop year for certain spring crops in 13 states.

NCIS and Industry Engagement

Throughout 2025, NCIS and its members played a central role in supporting program delivery, facilitating industry engagement, and reinforcing efforts to refine actuarial relevance and regional responsiveness to a growing and ever-evolving crop portfolio. NCIS coordinated extensive outreach during implementation of OBBBA and EARP, serving as a key liaison between policymakers and delivery partners along with providing ongoing awareness through the *Crop Insurance Today* magazine and the Crop Insurance in America website. There was a continuing emphasis on education and training of AIP personnel, agents, and loss adjusters to convey the many program changes and improvements to ensure correct, timely, and efficient implementation.

A Defining Year

Collectively, the legislative, regulatory, and administrative actions of 2025 represent a significant recalibration of the Federal crop insurance program. Expanded eligibility, rebalanced premium support, regulatory changes and direction, and strengthened program integrity reinforced the Federal program's central role in the farm safety net. For the crop insurance industry, 2025 will likely stand as a defining year—one that will influence participation, delivery, and program stability well into the next decade.

U.S. Crop-Hail Experience

Crop-Hail insurance policies insure direct damage from hail as the primary cause of loss. In addition to hail damage, many policy forms carry endorsements for additional perils such wind, fire, vandalism, and theft.

Crop-Hail premium exhibited an increasing trend from 2020 to 2023, with the premium amount increasing 15.6 percent from 2020 to 2021, 18.5 percent from 2021 to 2022, and a modest 3.1 percent from 2022 to 2023. Premium then decreased 3.7 percent from 2023 to 2024 and another 5.1 percent from 2024 to 2025, resulting in a premium volume of $1.302 billion for 2025. Crop-Hail provided $43.768 billion in private insurance protection to U.S. farmers in 2025, and losses paid out were just under $1.045 billion (Figure 24).

The industry loss ratio, defined as paid losses divided by premium written, was 80 percent in 2025, down from the loss ratios of 83 to 84 percent seen in 2022 and 2024, as well as the 95 percent loss ratio experienced in 2023. In fact, in the last ten years the 2025 loss ratio was the second lowest, coming in only slightly above the 79 percent loss ratio from 2021.

Nine of the top ten storm dates in 2025 had losses that exceeded $20 million each, with the storm date with the tenth highest loss amount coming in just below. The most significant storm occurred on August 9th, causing over $66.6 million in Crop-Hail losses with just under 90 percent of those losses occurring in Nebraska. Another 3.7 percent of the August 9th losses were in Iowa, roughly 2 percent from both Minnesota and Kansas, and 1.1 percent reported in North Dakota. June, July, and August each had three of the ten top storm dates, with one of the top ten dates occurring in September. There were $113.5 million of losses reported with a July storm date, $110.0 million from August, and $90.5 million from June. In total, the losses from the top ten storm days in 2025 amounted to just under $340 million, below the $480 million seen in 2024, the $469 million seen in 2023 and the $541 million seen in 2022. In fact, the amount attributed to the top ten storm dates was below the amount from the top ten dates since at least 2020. Nebraska accounted for just over 50 percent of the damage caused on the ten largest storm dates, absorbing over $169.9 million in losses. North Dakota experienced the next highest percentage (15.4 percent) with over $52 million in losses. Minnesota was slightly behind with 10.8 percent of the losses, equating to $36.6 million. Iowa had 8.7 percent and Illinois had 5.8 percent, with losses of $29.4 million and $19.8 million, respectively.

Crop-Hail loss ratios by state are shown in Figure 25. Colors identify states with similar loss ratios, while shading is used to identify states with similar premium volume. Crop-Hail insurance was purchased in 42 states in 2025. Of these, five states had loss ratios greater than 100 percent and are shown in color shading ranging from yellow to red on the map. Montana had the highest loss ratio at 181 percent, followed by Pennsylvania with a loss ratio of 173 percent and Arizona at 167 percent.

The top five states by premium volume – Nebraska, Illinois, Iowa, North Dakota, and Minnesota – experienced loss ratios of 84 percent, 75 percent, 72 percent, 101 percent, and 78 percent, respectively. Overall, 18 of the 42 states with premium had loss ratios of 50 percent or less, shown in dark green on the map. Nine states, shown in medium green, had loss ratios between 50 and 75 percent, and ten states, shown in light green, had loss ratios falling at or above 75 percent but below 100 percent.

[Information sources for this section include: NCIS' Insured Crop Summary and claim files.]

FIGURE 24

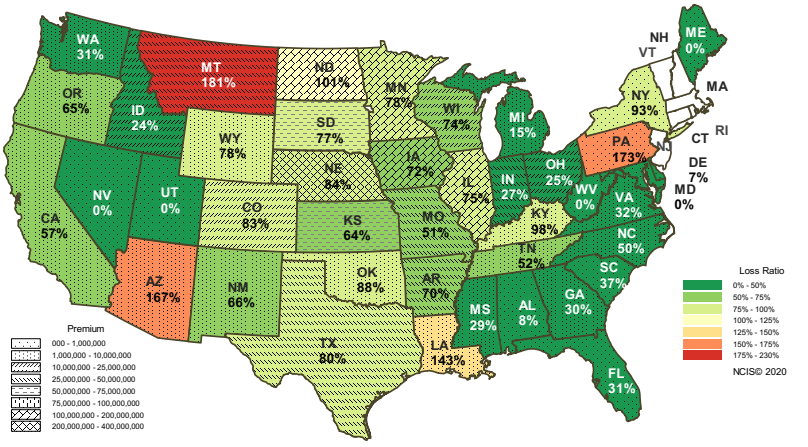
U.S. Crop-Hail Results, All Perils

Crop Year	Liabiltiy Mil. $	Premium Mil. $	Losses Mil. $	Loss Ratio
2016	36,178	983.3	880.1	0.90
2017	35,775	958.8	882.0	0.92
2018	36,084	987.3	937.4	0.95
2019	35,359	1,019.6	996.5	0.98
2020	35,802	1,010.0	1,154.4	1.14
2021	40,309	1,167.3	924.2	0.79
2022	46,169	1,383.1	1,142.0	0.83
2023	47,104	1,426.2	1,361.6	0.95
2024	45,411	1,372.8	1,153.8	0.84
2025	43,768	1,302.3	1,044.8	0.80

Data as of April 30, 2026
Source: Adjusted Verified Totals, US only, for NCIS member companies combined with the data from non-members.

FIGURE 25

2025 Crop-Hail Premium and Loss Ratios



Data as of April 30, 2026, All Perils
Source: National Crop Insurance Services Insured Crop Summary

Canadian Crop-Hail Experience

The 2025 crop-year was one marked by volatility and resilience. As commodity prices continued to struggle nationwide leading to a decrease

in total insured acres, the crop hail industry saw a decrease in premium compared to the prior year. While an unanticipated increase in demand had led to a jump of 21.6 percent from 2021 to 2022 and premium continued to increase from 2022 to 2024, the 2025 premium of $327 million was roughly 2.3 percent below the 2022 premium and represented a decrease of 6.4 percent compared to the 2024 premium of $349 million. (Figure 26).

According to the Canadian Crop Hail Association (CCHA), the 2025 year was an average claims year for the industry, with overall numbers down slightly compared to the prior year. Overall, losses decreased 14.1 percent compared to 2024, which was a favorable year. Although premium decreased, the larger decrease in losses resulted in a loss ratio of 61 percent, which is below the 10-year average. Claim activity in 2025 was below both the five and ten-year averages, above only the 2017 and 2023 claim counts in the last ten years. The average claim size in 2025, however, was the fourth highest since 2016, behind 2021, 2024, and 2022.

In mid-June, Western Canada experienced thunderstorms with pea to toonie (the equivalent of a U.S. quarter) sized hail, primarily causing crop damage in Alberta and Saskatchewan. According to CCHA president Tyson Rhyorchuk, most sustained only light to moderate damage. Later in June, Saskatchewan experienced crop damage due to heavy rain, strong winds, and large hail. Because these storms occurred early in the growing season, there was strong opportunity for plants to recover.

An intense storm came through early in July, bringing with it large hailstones, strong winds, and heavy rain resulting in substantial crop losses. However, the moisture that came along with the storms was welcome in many areas given the drought-like conditions at the start of the season. More storms came through in the first part of July and began to impact crops in the vegetative stages, leading to a few reports of heavy damage. Although many of the July storms resulted in only light to medium damage in most areas, Alberta saw more intense storms on July 13th that produced pea to golf ball sized hail, generating damage to various crops including barley, canola, chickpeas, corn, flax, lentils, mustard, oats, peas, rye, and wheat.

Based on an early August news report, the number of hail losses across Western Canada were much lower at that point compared to previous years, although there were some significant losses reported in small, but significantly affected, areas. Early August hailstorms hit during the time that pulse crops, such as peas and lentils, were nearing harvest. CCHA indicated that a mid-August storm caused widespread damage to various crops in Western Saskatchewan, while Alberta and Manitoba saw more isolated storms and damage. A significant storm later in August caused heavy damage across several areas, hitting crops with tennis-ball and baseball sized hail just as farmers were getting ready to harvest. Several more storms at the end of August and into September, although small and isolated, caused devastating losses to many mature crops.

Although late season claims were abundant and the harvest timeline was behind the yearly average by approximately 10 percent, reports indicate that there were improved yields, which was a welcome surprise for producers.

In 2025, Alberta and Saskatchewan had favorable loss ratios of 54 percent and 59 percent, respectively, while the loss ratio in Manitoba was higher, coming in at 68 percent. While the total claim count increased nine percent for Manitoba, claim counts decreased 8.5-9 percent for Saskatchewan and Alberta. Average claim size, however, decreased in Manitoba and Saskatchewan but increased noticeably in Alberta. The average claim size increased 17.3 percent in Alberta, compared to decreases of 12.8 percent and 11.9 percent in Manitoba and Saskatchewan, respectively.

Overall, producers received just under $125.7 million in indemnity payments in Saskatchewan, roughly $50.0 million in Manitoba, and $22.1 million in Alberta in 2025, compared to the respective payments of $156.9 million, $52.6 million, and $20.6 million in 2024.

[Information sources for this section include: News reports that can be found on CropInsuranceinCanada.org and data provided by the CCHA. This section excludes non-NCIS member data]

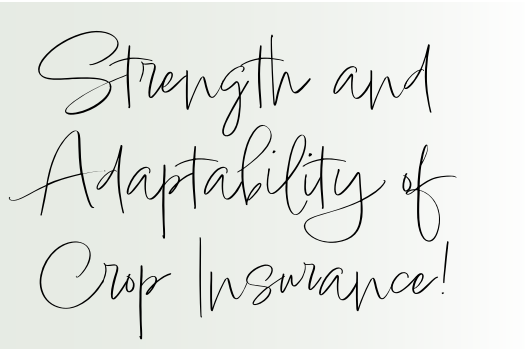
FIGURE 26

Canadian Crop-Hail Results, All Perils

Crop Year	Premium *Mil. C$*	Losses *Mil. C$*	Number of Claims	Loss Ratio[1]
2016	256	230	19,048	0.90
2017	243	82	7,968	0.34
2018	235	158	11,030	0.67
2019	235	221	15,657	0.94
2020	270	171	11,372	0.63
2021	275	297	10,989	1.08
2022	334	229	11,451	0.69
2023	336	146	8,625	0.43
2024	349	230	10,896	0.66
2025	327	198	10,351	0.61

[1] Loss ratios do not reflect loss adjustment costs
[2] Values shown in table are for NCIS members only
Data as of December 11, 2025
Source: The Canadian Crop-Hail Association

Conclusion

Taken together, the developments of 2025 reinforced the complexity and resilience of modern agriculture. Weather extremes, uneven commodity markets, persistent input cost pressure, and evolving policy conditions created a challenging environment for producers, while also highlighting the importance of sound risk management across every stage of the production cycle. Although conditions varied by region, commodity, and operation, the year made clear that uncertainty remains a constant in agriculture.

At the same time, 2025 showed the continued strength and adaptability of the crop insurance system and the broader private-sector safety net. From Federal crop insurance to crop-hail coverage, these tools continued to provide meaningful protection as farmers and ranchers navigated changing risks and shifting economic realities. As the industry moves into 2026, the lessons of 2025 will help shape future decisions about coverage, policy design, and the long-term stability of agricultural risk protection.