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Prevented Planting Buy-Up Coverage: Payments and Policy Changes

Rwit Chakravorty, Dylan Turner, and Francis Tsiboe

Agricultural Risk Policy Center, North Dakota State University

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Prevented planting (PP) coverage allows insured producers to receive indemnities when weather or other covered causes prevent timely planting of an insured crop. In addition to base prevented planting coverage, producers historically could elect a buy-up option that increased the share of pre-planting costs covered in the event of a prevented planting claim. On November 28, 2025, the U.S. Department of Agriculture's Risk Management Agency (RMA) eliminated the 5% prevented planting buy-up option from all crop insurance policies. This brief explores patterns in prevented planting indemnities paid on buy-up records across crops and states from 2010–2024 to provide a reference point for the likely effect this change will have on prevented planting indemnities going forward.

From 2010–2024, prevented planting indemnities paid on buy-up records¹ were largest for corn (\$5.31 billion), followed by rice, soybeans, wheat, and cotton, as shown in [Figure 1](#). By state, the highest total indemnities over the same period were in North Dakota (\$3.18 billion) and South Dakota (\$1.59 billion), largely associated with corn and soybeans, and in California (\$1.46 billion) and Arkansas (\$1.07 billion),

1. Buy-up records are defined as those entries in the USDA, Risk Management Agency's Cause of Loss database that indicated that the recorded prevent plant indemnities had the buy-up option attached to the policy. Total indemnities paid on buy-up records provide a proxy for the total scale of affected FCIP outcomes in the absence of any publicly available records that indicate what share of purchased policies had the buy-up option.

largely associated with rice. Corn and rice together account for roughly \$7.16 billion of the 2010–2024 total fiscal outlays shown here, while North Dakota and South Dakota together account for roughly \$4.77 billion, indicating where a substantial share of observed prevented planting indemnities with buy-up coverage were paid during this period.

Figure 1: Top Five Crops and States by Prevented Planting (PP) Indemnities with Buy-Up Coverage

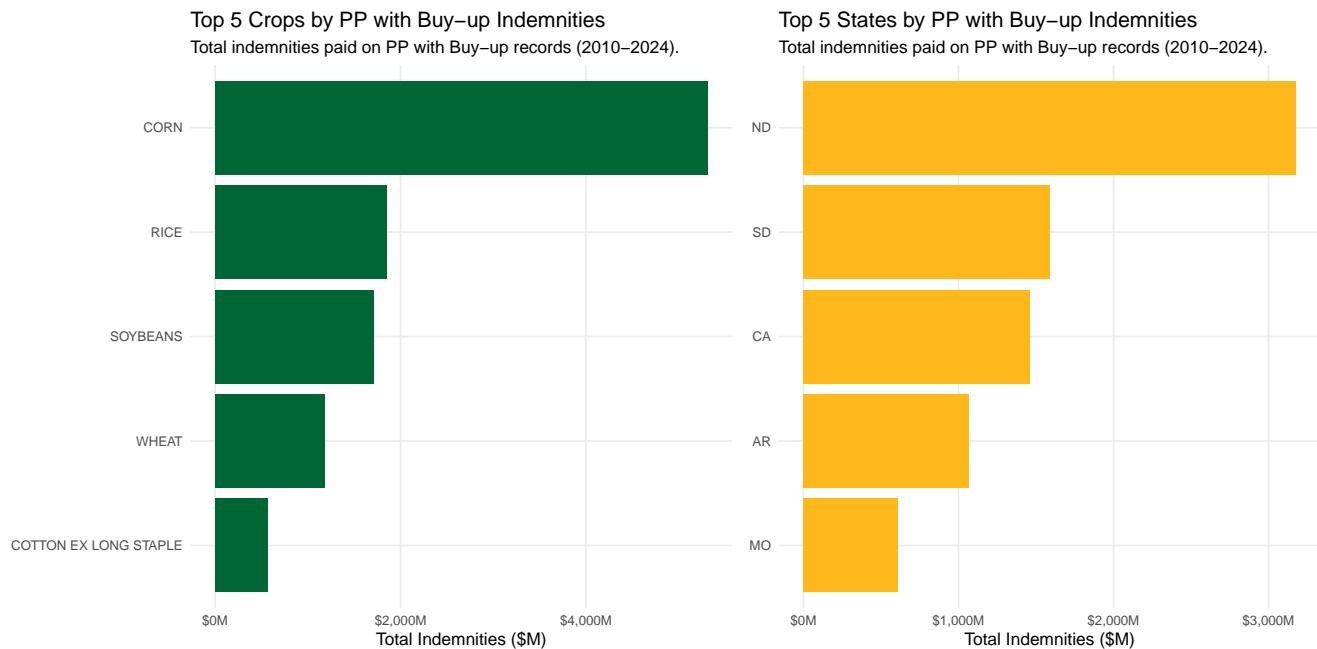
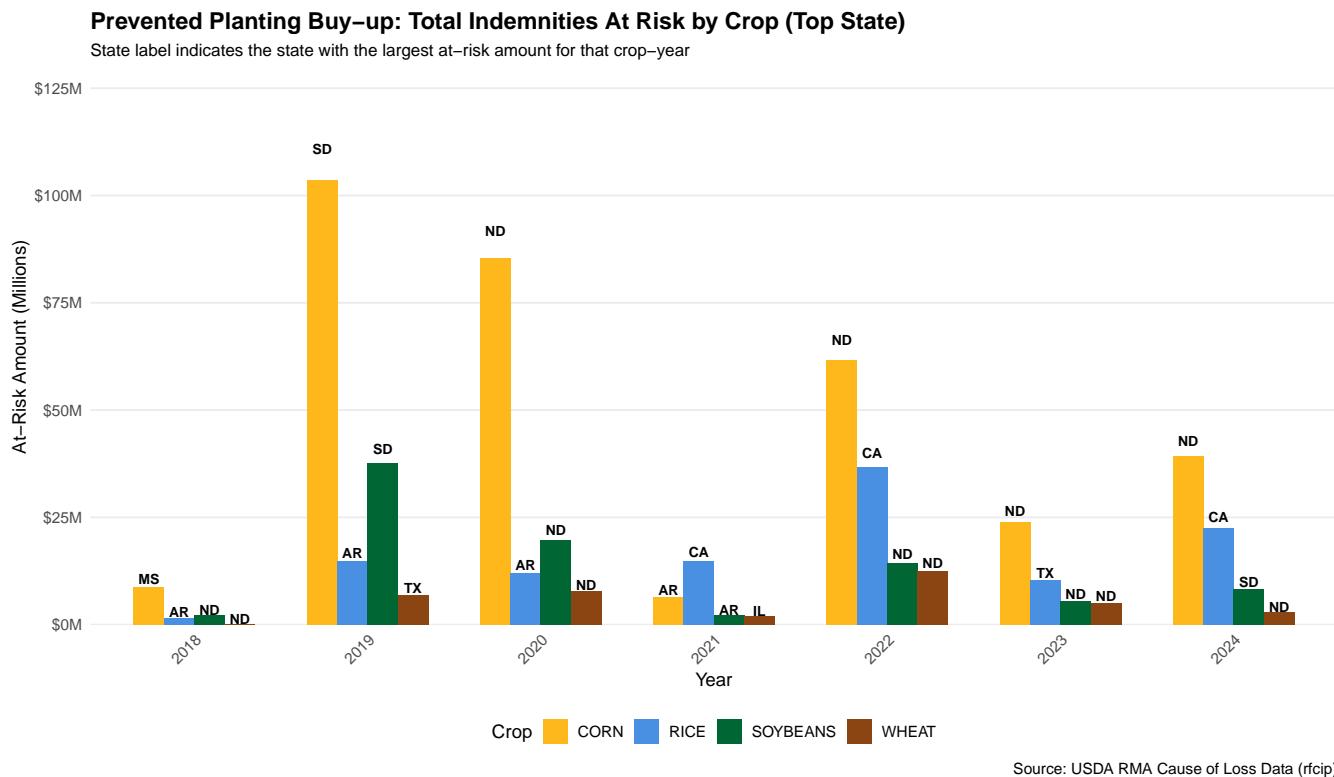


Figure 2 shows annual at-risk buy-up indemnities from 2018–2024 for corn, soybeans, rice, and wheat, with state labels indicating the state accounting for the largest at-risk amount for each crop-year. In this figure, the “at-risk” amount represents the portion of prevented planting indemnities attributable to the 5% buy-up option. Specifically, it reflects the incremental share of indemnities associated with the availability of the buy-up option during 2018–2024, which represents the counterfactual foregone indemnities if the 5% buy-up option were not in effect. Corn accounts for the largest share of at-risk indemnities in all years, driven primarily by South Dakota and North Dakota. South Dakota accounted for more than \$105 million in 2019 alone, while North Dakota led corn at-risk amounts in subsequent years. Soybeans follow this same regional pattern, with South Dakota leading in 2019 (approximately \$40 million) and North Dakota leading most years thereafter. Rice, alternatively, is concentrated in Arkansas and California, with amounts ranging from \$12 million to \$35 million. Wheat shows the smallest totals (typically below \$15 million), with North Dakota again being the state with the most at-risk indemnities.

Figure 2: Prevented Planting Buy-Up Indemnities at Risk by Crop with Top State by Year, 2018–2024



The recent removal of the 5% buy-up option is not the first time prevent plant coverage has been reduced. Beginning in 2018, the prevented planting buy-up option was reduced from 10% to 5%. Applying a counterfactual 10% buy-up share to observed indemnities among buy-up records from 2018–2024 allows for a quantification of already foregone indemnities from the previous reduction in prevent plant buy-up coverage. For corn, total indemnities associated with buy-up records over this period totaled approximately \$3.95 billion. Under the implemented 5% buy-up structure, about \$329 million of these indemnities were attributable to the buy-up option, compared to roughly \$608 million under a 10% counterfactual, implying approximately \$278 million in foregone buy-up-attributed indemnities. For rice, indemnities among buy-up records totaled approximately \$1.35 billion from 2018–2024, with about \$113 million attributable to the 5% buy-up option, compared to \$208 million under a 10% counterfactual, implying approximately \$95 million in foregone buy-up-attributed indemnities over this period. Overall, the historical patterns documented here provide a benchmark for understanding how changes in prevented planting coverage design affect program expenditures and producer payments and serve as a reference point for the likely reduction in producer support that will come from the removal of the buy-up option.

About the Agricultural Risk Policy Center

The Agricultural Risk Policy Center at North Dakota State University conducts independent, evidence-based economic research to inform agricultural policy and strengthen the U.S. farm safety net. The Center's work focuses on evaluating risk management tools such as crop insurance and disaster assistance, analyzing market disruptions, and providing timely insights that support producers, policymakers, and industry leaders.

ARPC Briefs communicate the outcomes of this research by presenting data, methods, and findings in a structured format. Designed to make rigorous analysis accessible, these briefs translate complex economic issues into clear insights that enhance understanding and support evidence-based decisions, contributing to the resilience and long-term prosperity of U.S. agriculture.

About the Authors



Rwit Chakravorty, Ph.D.

Dr. Rwit Chakravorty is a Junior Research Economist with the Agricultural Risk Policy Center at North Dakota State University. His research investigates how collective action among farmers affects agricultural productivity, resilience, and long-term adaptation to environmental and climate risks.



Dylan Turner, Ph.D.

Dr. Dylan Turner is a Senior Research Economist at the Agricultural Risk Policy Center at North Dakota State University. His work focuses on agricultural policy, risk management, decision-making under uncertainty, and natural hazards, analyzing how risk and insurance markets affect producers and the broader agricultural sector.



Francis Tsiboe, Ph.D.

Dr. Francis Tsiboe is a Senior Research Economist and Program Leader at the Agricultural Risk Policy Center at North Dakota State University. His work focuses on risk management strategies and agricultural policy, with particular emphasis on how farm-level risk and insurance programs affect U.S. agricultural producers.

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Contact Us

 arpc@ndsu.edu

 www.ndsu.edu/agriculture/arp

 Richard H. Barry Hall 400, Fargo, ND

 <https://www.linkedin.com/company/ndsu-agricultural-risk-policy-center>