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# Ending Prevented Planting Buy-Ups Changes Insurance Choices and Expands Program Risk

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Prevented planting (PP) coverage is part of the Federal Crop Insurance Program that helps farmers when bad weather (such as too much rain or drought) prevents them from planting a crop on time. Unlike regular crop insurance, which covers yield or revenue losses after planting, PP coverage helps reimburse early-season costs that farmers have already incurred, such as land preparation or purchasing inputs. Payments are based on a fixed percentage of farmers' overall insurance coverage (Chakravorty et al., 2025; Turner et al., 2025).

For many years, farmers could increase this protection by purchasing extra PP coverage, known as a "buy-up." The buy-up increased PP payments without changing protection against other types of crop losses. This allowed farmers to better manage planting-season risk without altering the rest of their insurance policy.

That option is being eliminated. Under the [Expanding Access to Risk Protection \(EARP\)](#) finalized by the U.S. Department of Agriculture's Federal Crop Insurance Corporation in November 2025, all PP buy-up options will end with the 2026 crop year. Going forward, farmers will no longer be able to adjust PP coverage separately. Instead, PP protection will depend entirely on the overall coverage level chosen. This

raises an important question: can farmers replace the lost PP protection by selecting higher coverage levels, and at what cost?

Research from the Agricultural Risk and Policy Center shows how removing PP buy-ups alters planting-season risk management (Tsiboe, 2026). Because buy-ups are no longer available, farmers who want equivalent PP protection must increase their overall insurance coverage. This shifts early-season risk management into a broader, and often more expensive, insurance decision. It also raises concerns about whether higher coverage can fully replace buy-up protection and how limits on coverage and higher premiums affect farmer choices.

**Figure 1: Mechanical Feasibility and Limits of Coverage Substitution**

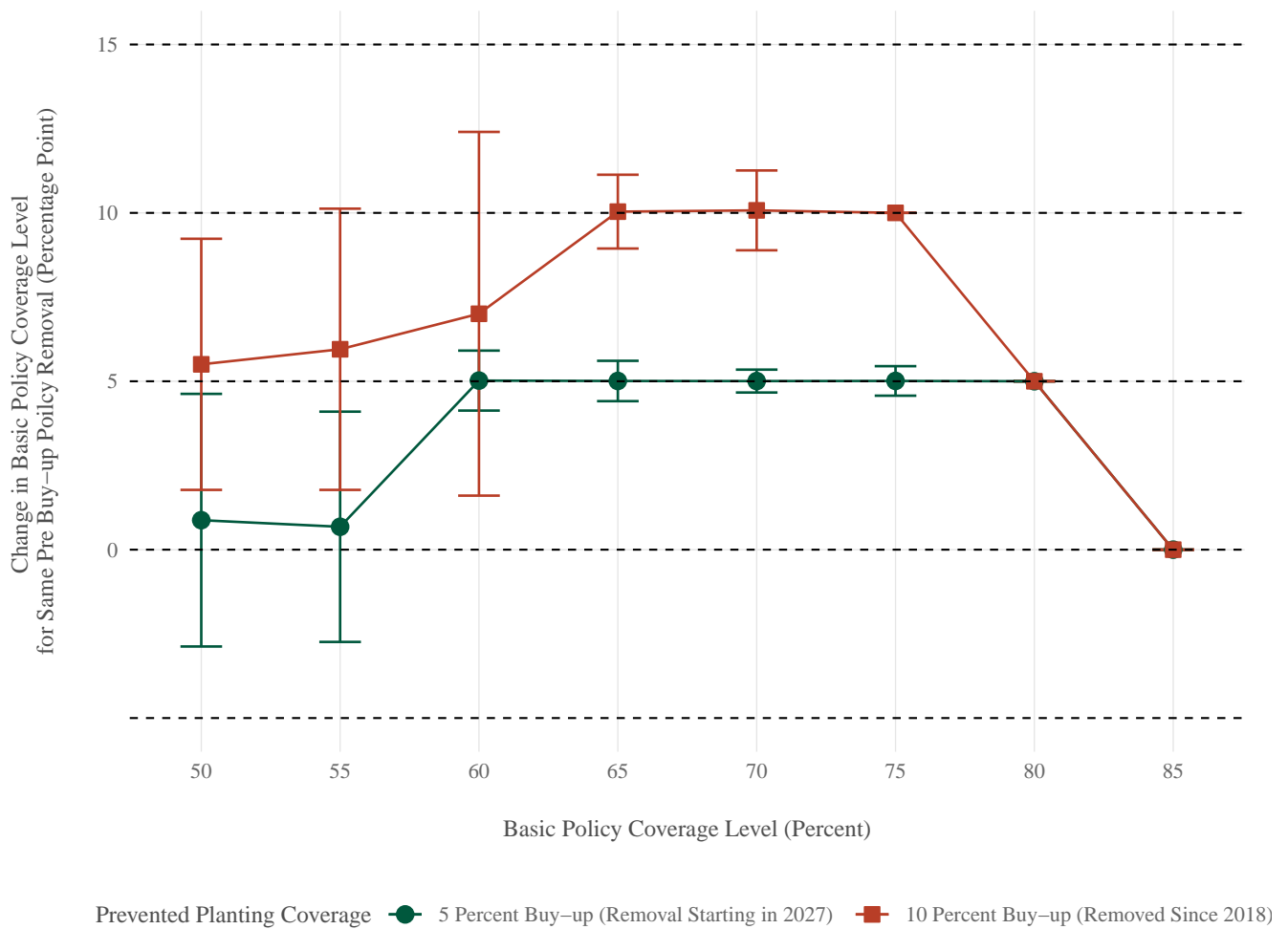


Figure 1 shows how much coverage increases farmers would need to match the PP protection previously

provided by the buy-ups. At moderate basic policy coverage levels, approximately 60 - 75 percent, small increases in coverage can roughly replace a 5 percent buy-up. Replacing larger buy-ups, however, requires much bigger increases. As farmers approach the maximum allowed coverage of 85 percent, there is little room left to adjust, making it impossible to fully replace buy-up protection. This means the ability to substitute depends heavily on where a farmer starts.

**Figure 2: Observed Producer Responses following Buy-Up Removal**

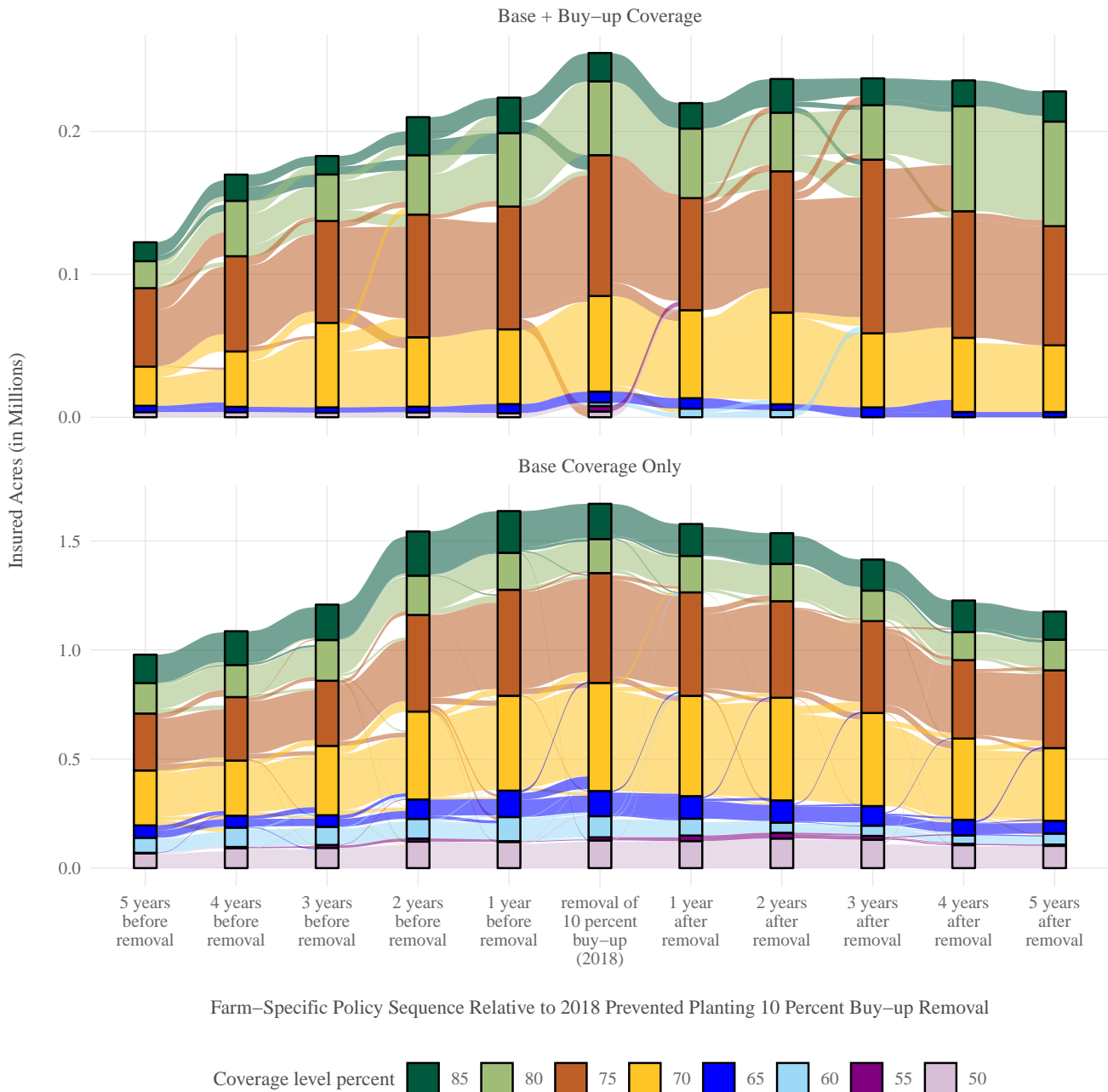


Figure 2 shows how farmers responded when a previous buy-up option was eliminated in 2018. Farmers who had used buy-ups gradually shifted toward higher coverage levels over several years, especially from 70 and 75 percent to 80 and 85 percent coverage. These changes were slow, suggesting that higher premiums and programming limits constrained adjustment. Farmers who never used buy-ups showed little change, confirming that the shifts were driven by policy change rather than broader trends.

Overall, eliminating PP buy-ups reduces farmers' ability to manage planting-season risk in a targeted way. Higher coverage levels only partly replace lost protection and often come with higher premiums, increasing costs for farmers and raising government spending through larger premium subsidies. More importantly, shifting PP protection into higher overall coverage expands insurance protection across all types of losses during the growing season, not just planting-related risks. This means that efforts to replace lost PP protection also increase the program's exposure to within-season yield and revenue losses, potentially amplifying indemnity payments when weather or market conditions deteriorate after planting. As a result, the removal of PP buy-ups does not simply change how farmers manage early-season risk, but also reshapes the distribution and scale of risk borne by the Federal Crop Insurance Program, leaving both producers and taxpayers more exposed to broader in-season losses, especially for farmers already near coverage limits who have limited room to adjust.

## References

Chakravorty, Rwit, Dylan Turner, and Francis Tsiboe (2025). *Prevented Planting Buy-Up Coverage: Payments and Policy Changes*. ARPC Brief 2025-18. <https://doi.org/10.22004/ag.econ.386094>.

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## 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



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