

# Annual Forage Insurance Update

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The deadline to purchase Annual Forage Insurance (AFI) is July 15 for any annual forage crop planted from August 2026 through July 2027, which is recognized as the 2027 commodity year. Producers who buy coverage will have premiums billed on Aug. 30, 2027. You are not required to secure AFI coverage for all annual forage acres planted.

This brief article covers key AFI policy characteristics and recent participation and outcomes. Refer to previous articles and resources below for additional policy details and examples, including a [2024 AgManager.info article](#) that provides more details about interval selection and a [2025 article](#) that provides additional examples relevant to producers who grow annual forage crops as a tool to manage water shortages.

## What is Annual Forage Insurance?

An insurance product based on a precipitation (rainfall) index, AFI is designed to protect policyholders if annual forage crops<sup>1</sup> yield poorly due to insufficient rainfall. When precipitation falls below a set amount, a policy provides a payout. Precipitation is measured locally in a “grid” that roughly covers a 14- by 16-mile area. Like other federal crop insurance products, the government shares the AFI premium cost with policyholders.

## Who may want to consider purchasing Annual Forage Insurance?

Nearly anyone in Kansas or other select states who produces an annual crop and feeds it to livestock as a grazing forage, grain, silage, or other feedstock can use AFI. Coverage may be of interest to producers who (1) want to manage drought or rainfall risk or (2) cannot use regular multi-peril crop insurance or are looking for alternatives.

## What major decisions must you make to use Annual Forage Insurance?

A producer must make three major choices. *Coverage level* determines the local precipitation level necessary to trigger a payout. A producer must select a *productivity factor*, which ranges from 60% to 150%. The productivity factor scales AFI premiums and potential indemnities down or up — in effect decreasing or increasing the AFI guarantee, or the value of the forage crop that is insured. The highest productivity factor has the highest premium and potential payout and vice versa for low productivity factors. The AFI “growing season” extends for seven months beginning in the month after a forage crop’s planting date. Within a growing season, the producer must select four months to six months to be covered by AFI. Known as *intervals*, the coverage periods can be structured as three 2-month intervals, or for select growing seasons, two 2-month intervals may be an option.

## Where is Annual Forage insurance used in Kansas?

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<sup>1</sup> This includes annual crops used for grazing, haying, grazing/haying, grain/grazing, green chop, grazing/green chop, or silage.



For 2026 (commodity year)<sup>2</sup>, nearly 540,000 acres in Kansas have AFI coverage to date — up from more than 480,000 acres in 2025 (commodity year) and about 408,000 acres in 2024 (commodity year). The value of annual forage crop production insured (insurance liabilities or guarantee) is over \$132 million for 2026 (commodity year). Figures 1 and 2 show relatively high AFI participation in several western and south-central Kansas counties during 2026 and 2025, respectively, and limited participation in the eastern third of the state. AFI has only been used in Kansas since 2014. Producers more commonly grow annual forages in western Kansas than eastern Kansas, and western Kansas is more susceptible to drought than eastern Kansas.

### Does it pay?

To date, commodity year 2026 AFI payouts in Kansas total nearly \$15 million compared with nearly \$16 million in producer-paid premiums. Current 2026 loss ratios are reported in Figure 3.

In 2025 (commodity year), \$33.8 million in indemnities, averaging about \$70 per insured acre, were paid to Kansas producers using AFI. 2025 payouts are higher than payouts in any other year on record. Kansas producers paid about \$13.5 million in premiums, which averaged about \$28 per acre. Figure 4 shows 2025 county-level loss ratios, which represent the ratio of total indemnities to total premiums including the government-paid portion. Loss ratios were highest in southwest and select central Kansas counties; this reflects rainfall outcomes as well as producer-selected coverage ratios and intervals. Individual policy performance may differ from county averages or totals.

### What are typical coverage levels?

Coverage levels can range from 70% to 90%, in 5% increments. Based on 2026 and 2025 average coverage levels, shown at the county level Figures 5 and 6, respectively, most acreage in Kansas is insured at the 85% or 90% level.

### What else should be considered?

- For the 2027 commodity year, the **AFI sign-up deadline is July 15, 2026**, and Aug. 30, 2027, is the premium billing date. You may purchase AFI coverage from a local crop or livestock insurance agent. Find one at <https://www.rma.usda.gov/tools-reports/agent-locator>.
- As of commodity year 2024, producers are **not** required to purchase an AFI policy for all annual forage crops they produce.
- Premiums vary substantially based on location, growing season, coverage level, and productivity factor. Higher premiums reflect a higher likelihood and value of a payout.
- The acreage reporting deadline — the fifth day of the month following the planting period — is important to note. If the acreage isn't used for annual forage or other conditions are not met, then the policy may not "attach," meaning no payouts are made and the producer doesn't pay a premium. Producers using AFI should discuss acreage reporting deadlines with their insurance agents.
- Small grains used for *both* grazing and grain production have a "dual-use option." See the [RMA](#) FAQs for more information. This option is available for growing seasons 1-3 only, and the county base value is adjusted to be

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<sup>2</sup> The 2026 commodity year is still in progress. It refers to AFI policies purchased by the July 15, 2025, deadline with growing seasons that began in September 2025 through August 2026. Because the 2026 commodity year is in progress, any statistics reported here are subject to change.

40% of the full county base value. This lowers the AFI guarantee in terms of the premium and potential payouts. The dual-use option would be used when grazing a crop through the winter and harvesting it for grain in the summer. The producer would also purchase a separate multi-peril crop insurance policy for grain yield (i.e., a revenue protection policy for wheat).

- Separately, multi-peril crop insurance for wheat (small grains) could be “short-rated” or fully grazed out instead of harvested for grain. If this “short-rated” practice is reported before the insurance cutoff date (March 15), it allows for reducing the grain coverage premium. However, no coverage would be applied for grain production. Based on the price of grain and livestock gain, this may be beneficial. *This option applies to the multi-peril policy only, regardless of AFI coverage.*
- Indemnities are based on deviations from normal or average precipitation. If certain months are typically dry, then they would have to be *even drier* to trigger an AFI indemnity.

## Resources

**2026 Annual Forage Webinar:** <https://agmanager.info/news/recent-videos/warm-weather-wednesday-webinar-3-annual-forage-dual-use-option-webinar-slides-and>

**2025 Annual Forage Webinar:** <https://agmanager.info/news/recent-videos/annual-forage-insurance-slides-and-webinar-recording>

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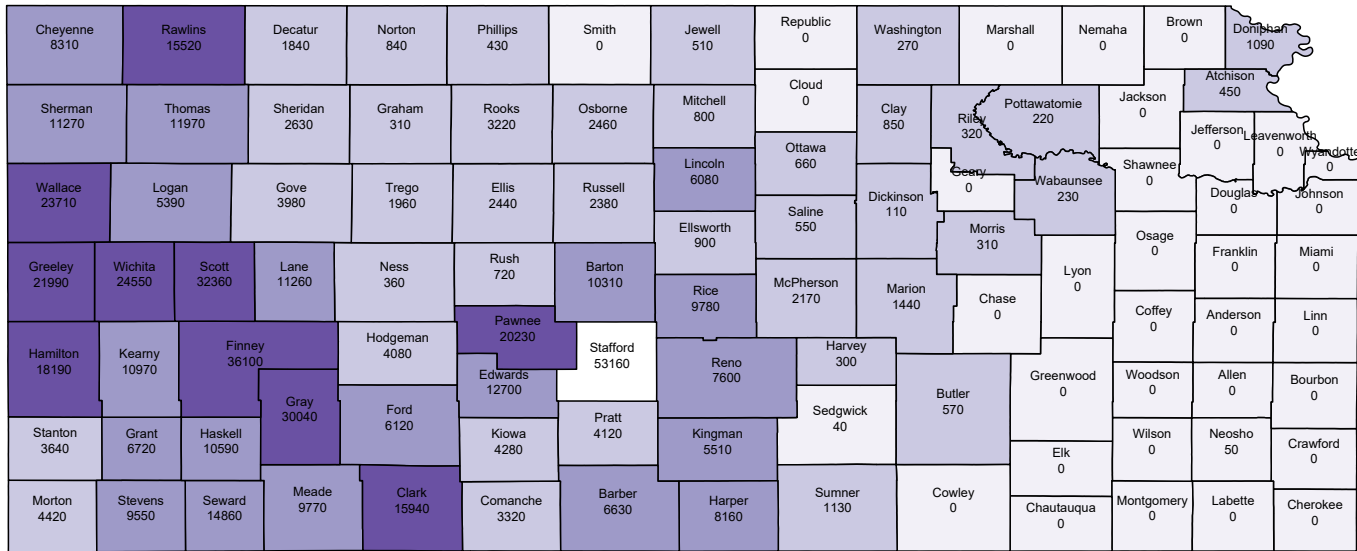
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Figure 1. Acres Enrolled in Annual Forage Insurance in 2026 (Commodity Year)



**Source:** The data used in this map was downloaded on June 10, 2026 from the USDA Risk Management Agency Summary of Business. This is a preliminary estimate only, the 2026 crop year is not complete.

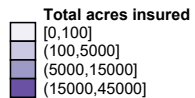
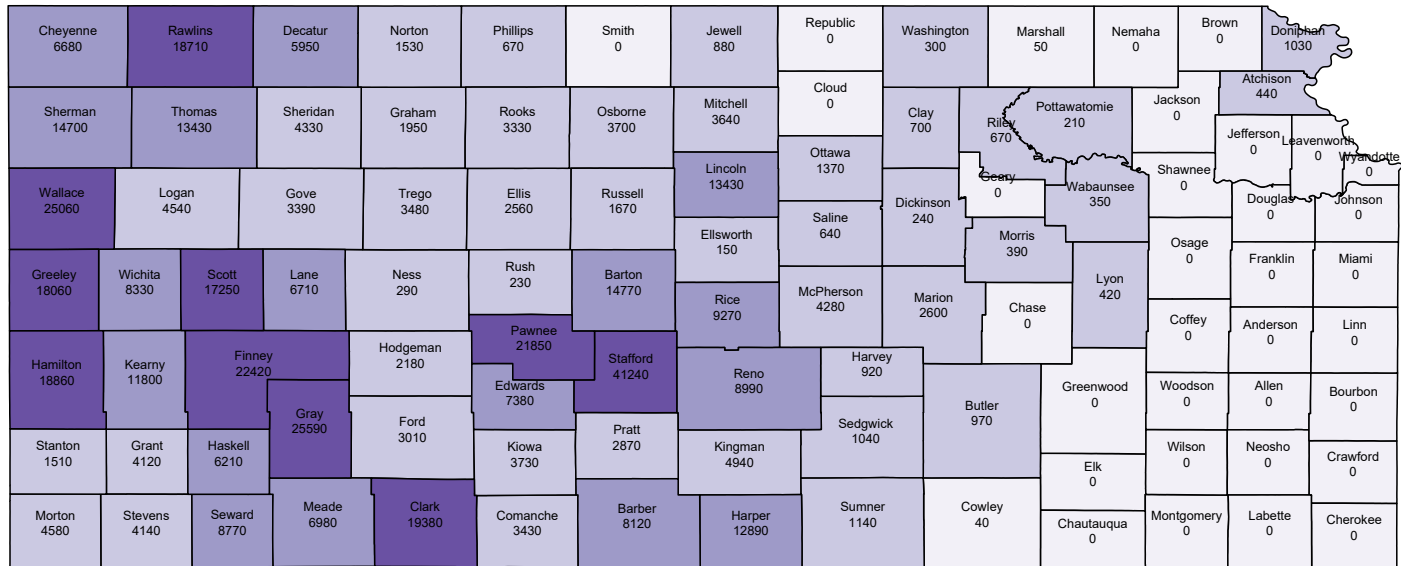


Figure 2. Acres Enrolled in Annual Forage Insurance in 2025 (Commodity Year)



Source: The data used in this map was downloaded on June 10, 2026 from the USDA Risk Management Agency Summary of Business.

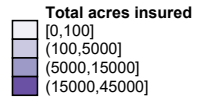
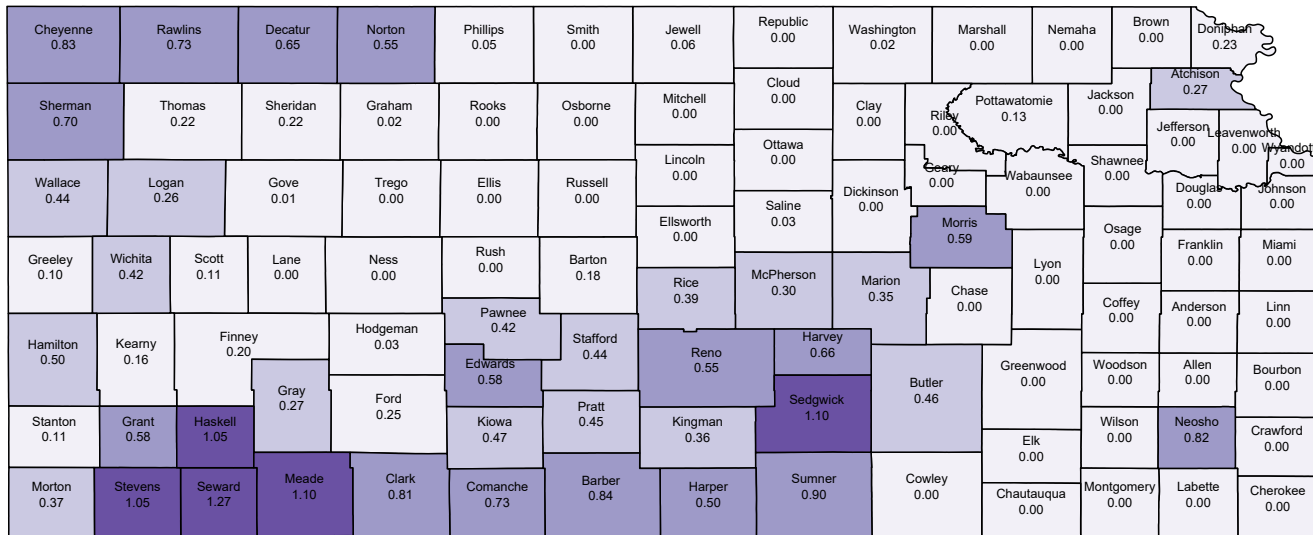


Figure 3. Annual Forage Insurance Loss Ratio for the 2026 Commodity Year



**Note:** The data used in this map was downloaded on June 10, 2026 from the USDA Risk Management Agency Summary of Business. Loss ratio is the ratio of total indemnities to total premium (producer premium plus premium subsidy). Counties reported as zero either had no indemnities or no Annual Forage insurance purchased. This is a preliminary estimate only, the 2026 crop year is not complete.

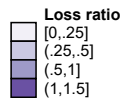
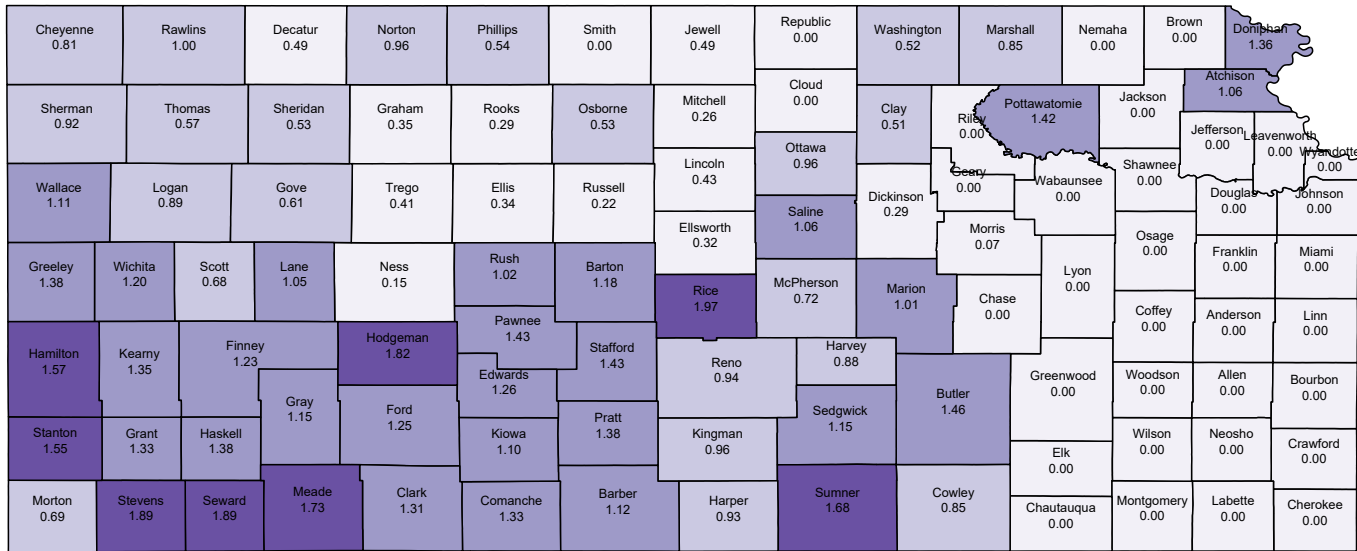


Figure 4. Annual Forage Insurance Loss Ratio for the 2025 Commodity Year



**Note:** The data used in this map was downloaded on June 10, 2026 from the USDA Risk Management Agency Summary of Business. Loss ratio is the ratio of total indemnities to total premium (producer premium plus premium subsidy). Counties reported as zero either had no indemnities or no Annual Forage insurance purchased.

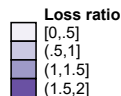
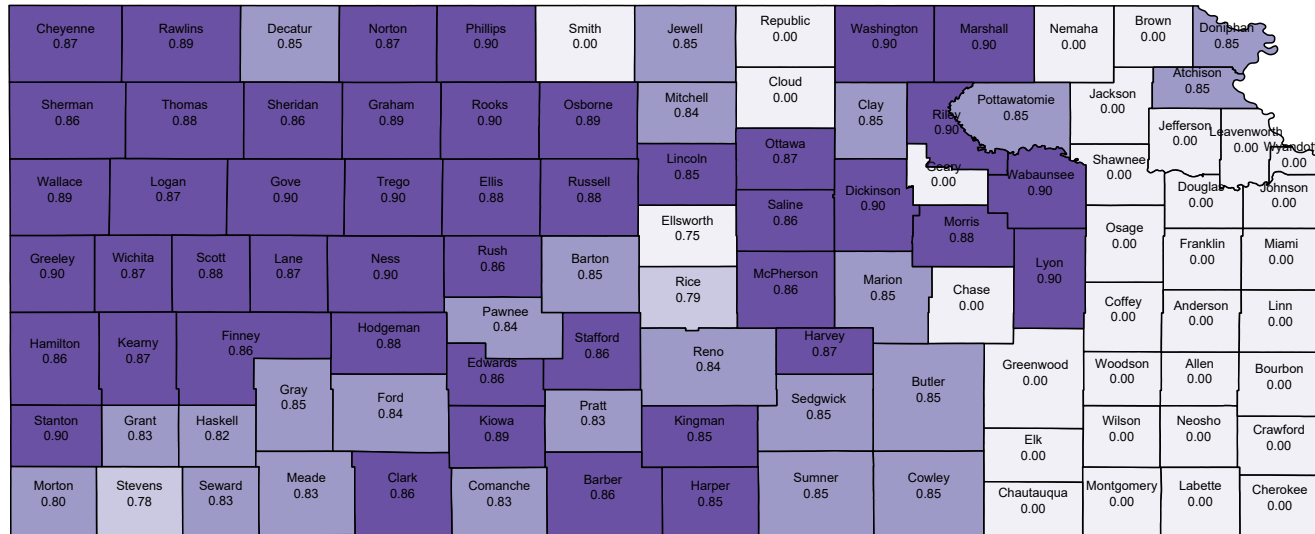


Figure 5. Annual Forage Insurance Average Coverage Level for the 2026 Commodity Year



**Note:** The data used in this map was downloaded on June 10, 2026 from the USDA Risk Management Agency Summary of Business. We report the average-acre weighted coverage level. Counties reported as zero had no Annual Forage Insurance purchased. This is a preliminary estimate only, the 2026 crop year is not complete.

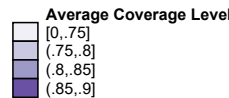
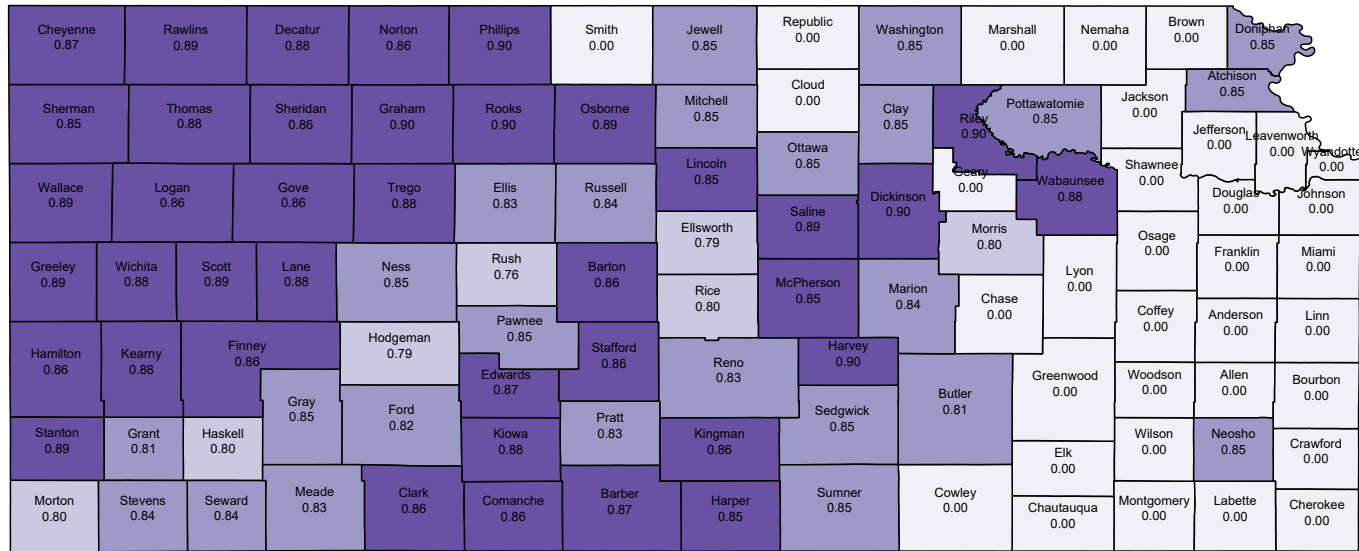


Figure 6. Annual Forage Insurance Average Coverage Level for the 2025 Commodity Year



**Note:** The data used in this map was downloaded on June 10, 2026 from the USDA Risk Management Agency Summary of Business. We report the average-acre weighted coverage level. Counties reported as zero had no Annual Forage Insurance purchased.

