CASE STUDY

CAPTIVE INSURANCE TO SUPPORT HYBRID RYE PRODUCTION



PRODUCTION CHANGE: Adding hybrid rye to crop rotations

FOCUS REGION: Northern Corn Belt

EXISTING INSURANCE OPTIONS:

Hybrid rye producers have limited risk mitigation options. They can continue planting conventionally insured crops, attempt to navigate the uncertain written agreement process offered through the Federal Crop Insurance Program for uninsured crops, or assume greater financial risk by growing new crops without adequate insurance.



INSURANCE GAPS:

Higher yielding hybridized rye is only individually insurable through the written agreement process in the FCIP. Producers report that the written agreement process is administratively burdensome and unappealing for crop insurance agents to sell. As a result, many resilient or emerging crops remain underinsured. Without coverage, farmers bear the full cost of failure, making uninsured diversified crops financially risky. These constraints suppress diversified cropping systems and limit market development.

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PROPOSED SOLUTION:

AGree and partners will design and pilot a private, captive insurance product tailored to hybrid rye and regional conditions, paired with time-limited premium subsidies, market building partnerships, and potential infrastructure investments. The captive insurance program will be seed funded by participating farmers and private investors, allowing farmers to capture potential financial returns of the investment. This private sector approach enables faster deployment, farmer-informed design, and underwriting based on field results. By building markets for hybrid rye and insuring its production, the private sector can fill an insurance gap while serving farmers and informing future federal innovation.



KEY STAKEHOLDERS:

Farmers, insurance providers, hybrid rye seed companies, grant makers, impact investors.

Case study content provided by The AGree Coalition.

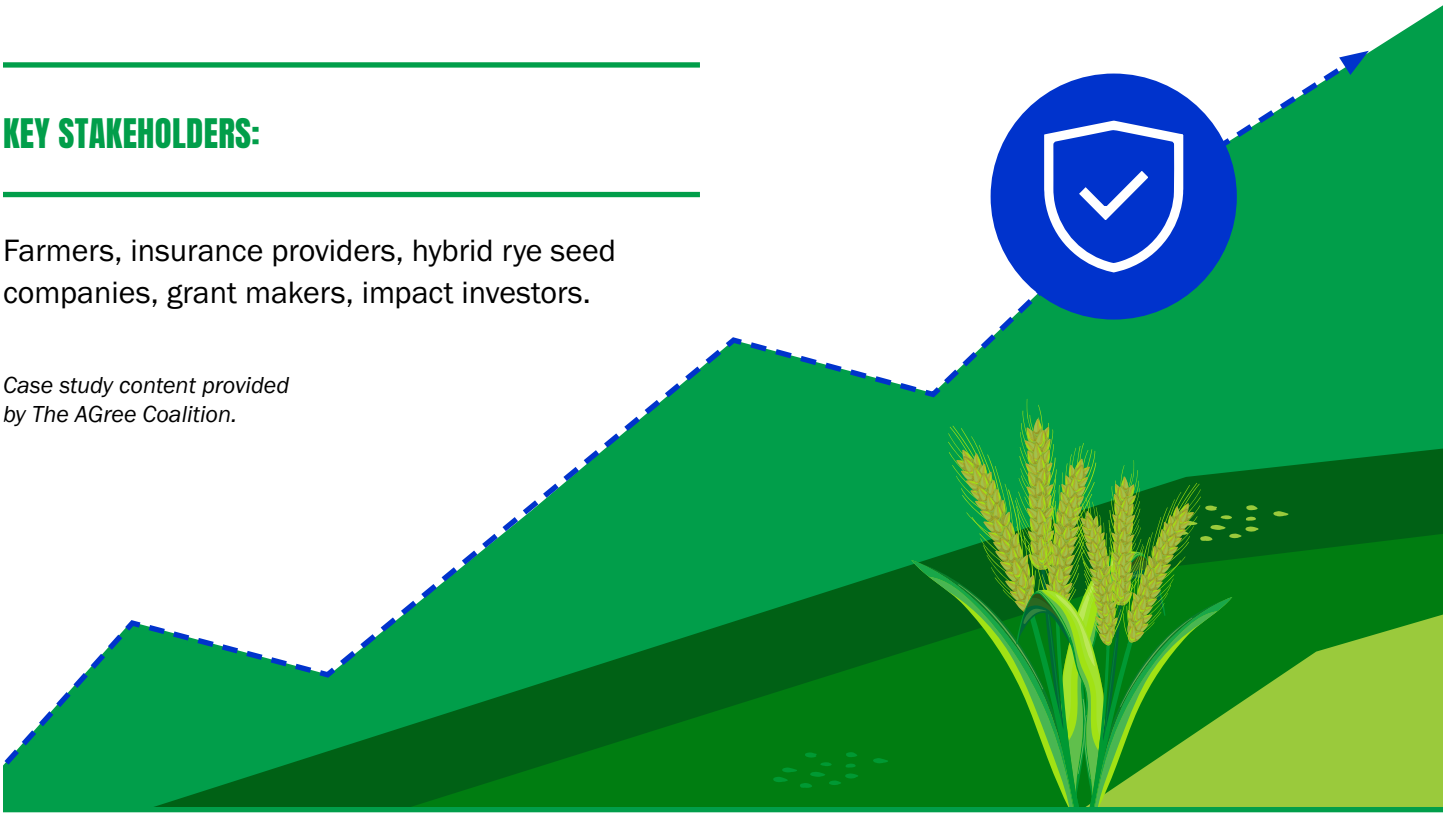
CURRENT STATUS:

Philanthropy and investor engagement.

Planting hybrid rye can improve soil health and water quality while diversifying farm profits. But insurance gaps limit adoption.

PATHWAY TO SCALE:

Successfully building a rye private product and an associated market will provide a model for diverse crops to scale with insurance and market building, with data integrated into the FCIP. By supporting both market development and risk management, this approach allows the private sector to fill a critical insurance gap while informing future federal innovation.



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