

### What About Cotton?

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The 2014 Farm Bill removed upland cotton as a covered commodity and it is no longer eligible for commodity programs, such as the Price Loss Coverage (PLC) or Agriculture Risk Coverage (ARC). Yet, upland cotton base acres became generic base acres in the 2014 legislation.

**Generic base acres** can be planted to any crop and may receive PLC and ARC payments for acres planted to a covered commodity. See a companion information sheet on 'Cotton and Generic Base Acres' for more details.

The Risk Management Agency (RMA) now offers a new crop insurance product for upland cotton base acres, the **Stacked Income Protection Plan (STAX)**. This program provides area-based coverage for up to 20% of expected area revenue, based on planted acres (not generic base).

Loss payments are triggered when cotton area revenue falls below 90% of its expected level. Producers may select a coverage range of 5, 10, 15 or 20%. STAX protection calculation is available at the [RMA website](#). The Federal Government will pay 80% of the premium.

You can purchase STAX through your crop insurance agent, with or without a companion policy. This product stacks on top of traditional crop insurance, and can not overlap. You must choose STAX, Supplemental Coverage Option (SCO), or neither.

Because STAX begins with the 2015 crop, transition payments are provided to cotton producers on farms that had cotton base acres in 2013. The 2014-15 **Cotton Transition Assistance Program (CTAP)** is a temporary program and it will most likely operate only for the 2014 crop year until STAX becomes available.

- **2014 CTAP Payment** = (60% 2013 cotton base acres) x (2013 direct payment yield) x (\$0.09) x (producers share)
- **2015 CTAP Payment** = (35.5% 2013 cotton base acres) x (2013 direct payment yield) x (\$0.09) x (producers share). [Available only where STAX not available].

Cotton producers will receive transition payments while new STAX policies are implemented. Payments are limited to \$40,000 per person or entity, per year. You must have applied for 2014 by October 7, 2014 and must apply for 2015 by **July 31**, 2015.

More details on insurance options can be found in companion information sheets. Please refer to our Information Sheet '#7' on cotton and generic base acres. Stay informed!

Have any questions or concerns? **Contact us!**

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**Visit our website:** 2014 Farm Bill Education Program ([fred.ifas.ufl.edu/FarmBill](http://fred.ifas.ufl.edu/FarmBill))