

# Cotton Insurance Choices

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National Association for Agriculture and Food Policy

**Farm Bill Decision Aid Training**

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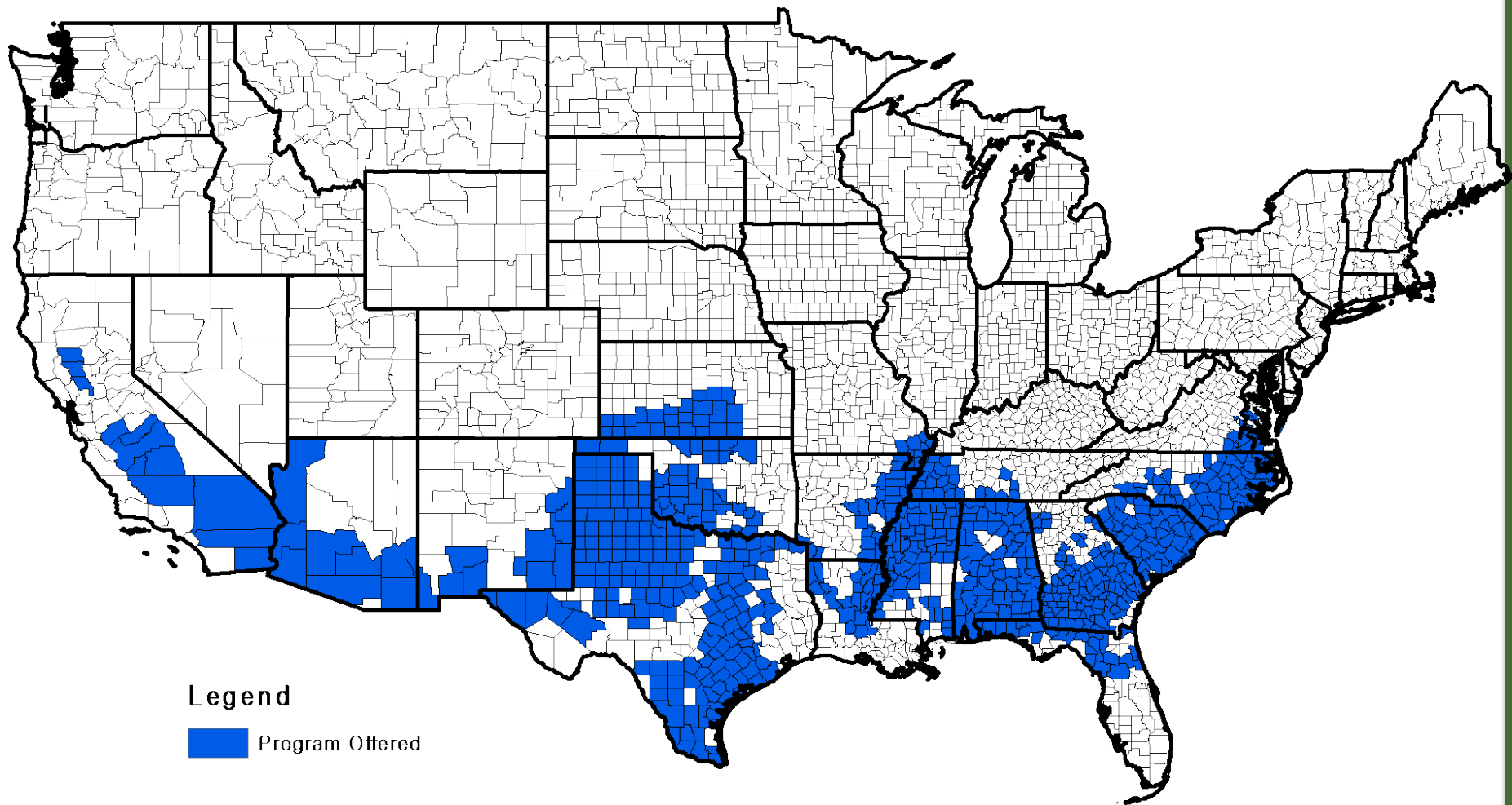
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TEXAS A&M  
**AGRILIFE**  
EXTENSION

**AFPC**



# Crop Year 2015 Stacked Income Protection (STAX) Availability for Cotton

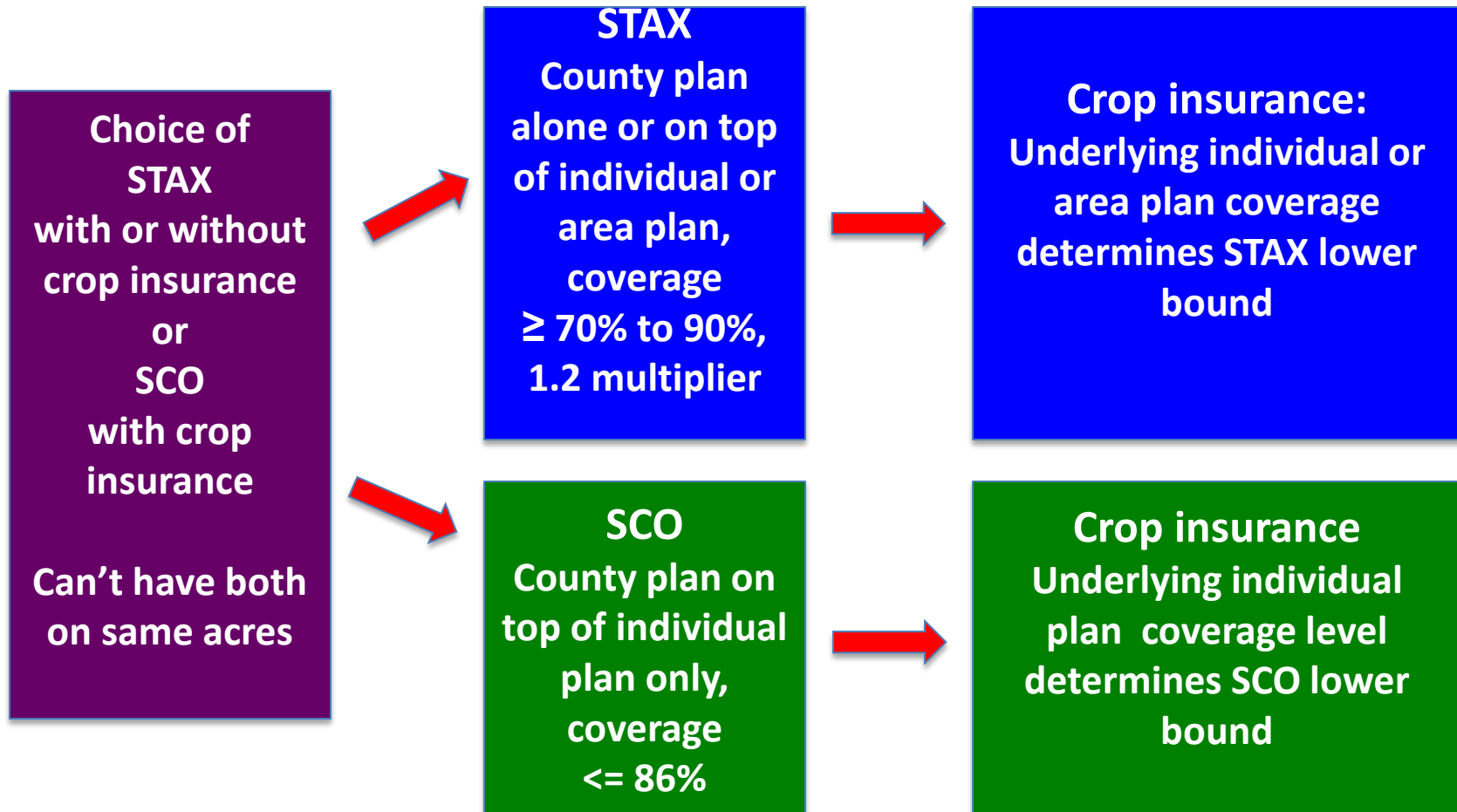


# Stacked Income Protection Plan (STAX)

- Will be available beginning 2015 crop year – so no more CTAP
- An area-wide insurance program only available to upland cotton producers to purchase beginning in 2015
- Covers from 90% of revenue guarantee down to 70% or insurance coverage level (whichever is higher) in 5% increments. 80% premium subsidy and includes protection factor up to 120%
- Revenue guarantee established based off of **expected insurance price** \* expected county yield
- Can be in addition to individual buy-up coverage or used as a stand alone policy
- Differentiates between irrigated and non-irrigated
- **Will need to make Commodity Program Choices on Generic Base**



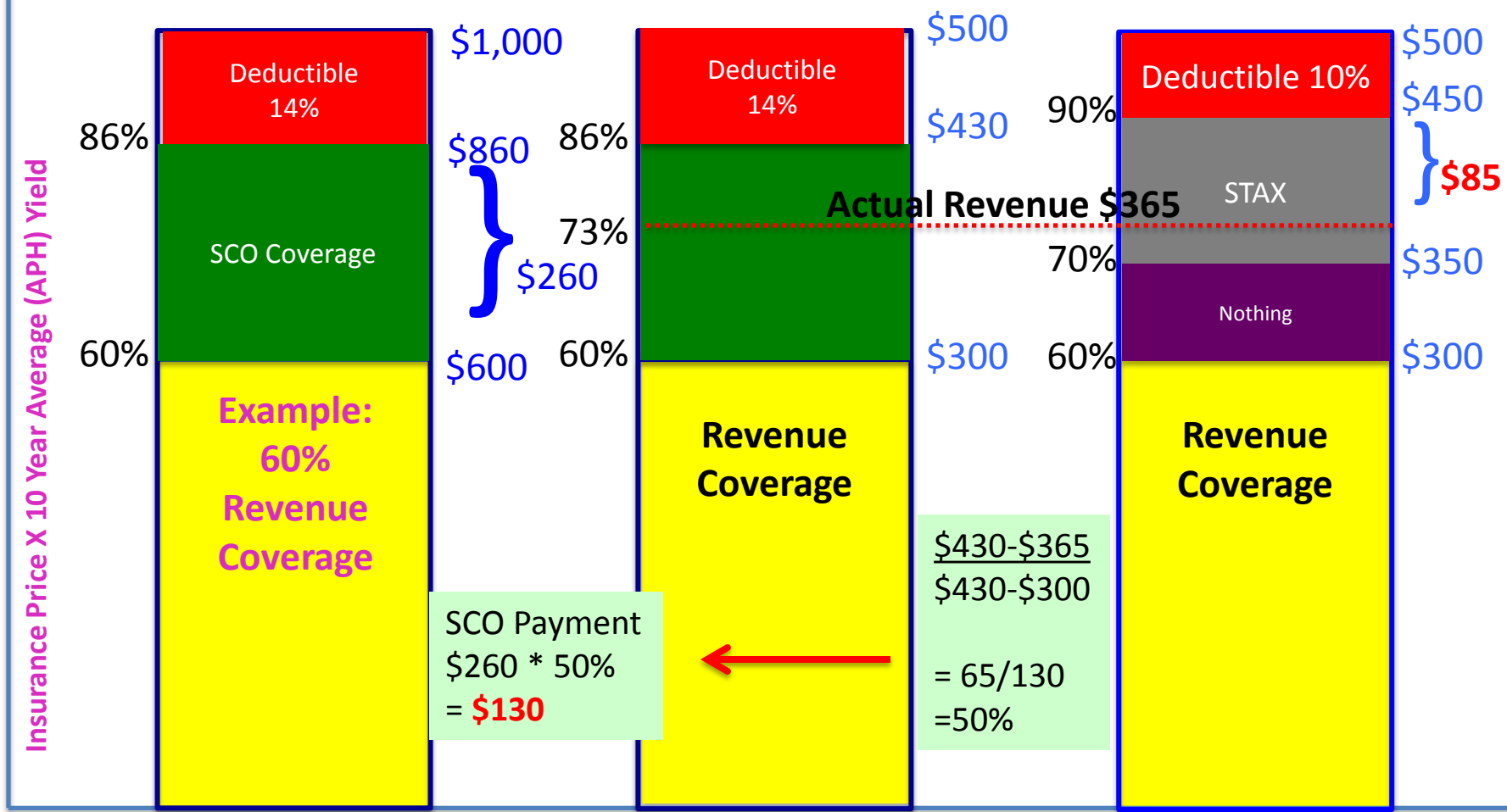
# Flow Chart of Title XI Decisions for Upland Cotton



**Crop Insurance**  
**Expected Revenue**  
 APH = 1000 lbs  
 Crop Insurance Price = \$1/lb

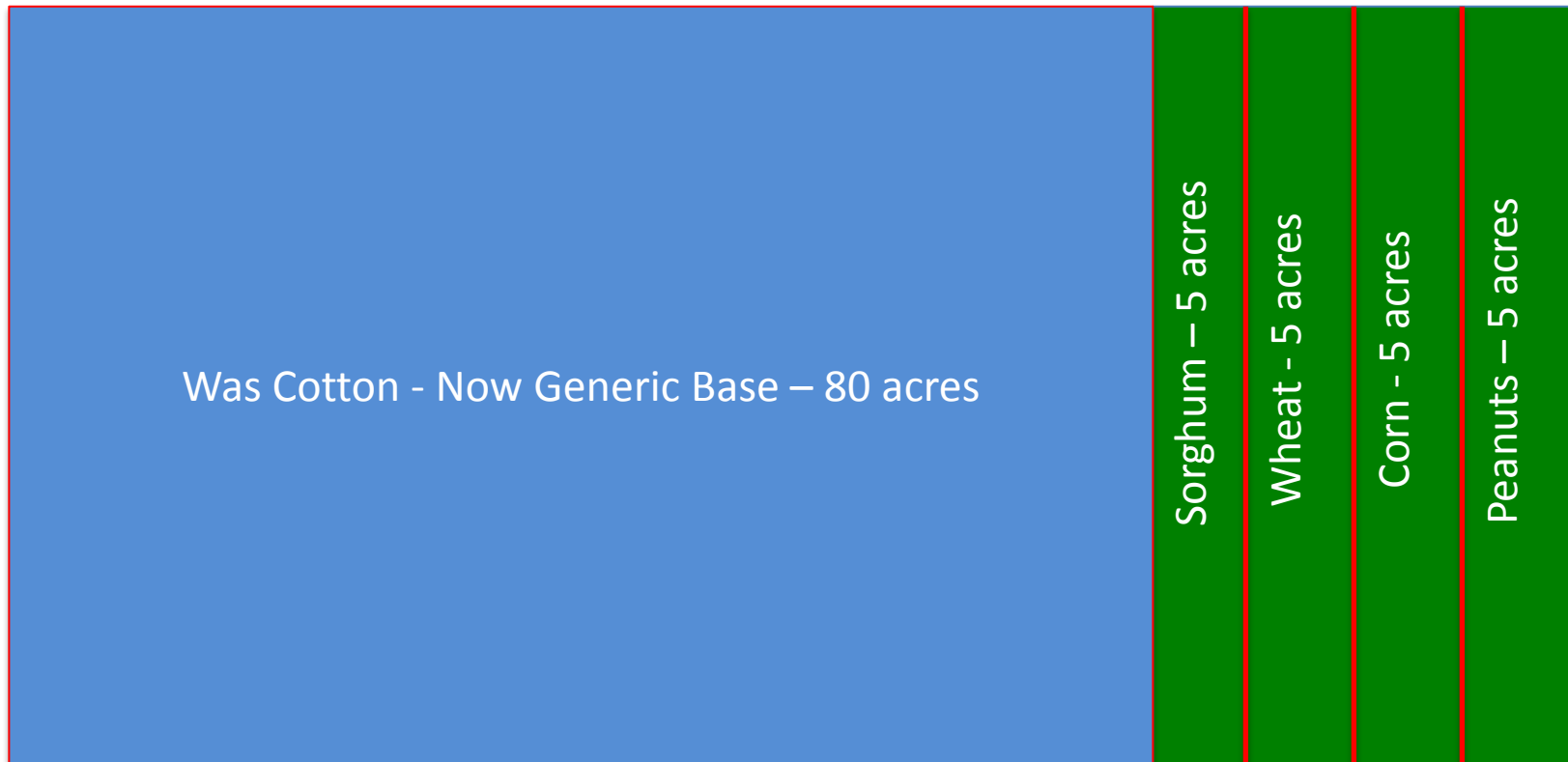
**SCO**  
 Expected Yield = 500 lbs  
 Crop Insurance Price = \$1/lb

**STAX**  
 Expected Yield = 500 lbs  
 Crop Insurance Price = \$1/lb



# Generic Base

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic



# Generic Base

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 50 acres of wheat and 50 acres of sorghum



80 generic  
↙ ↘  
40 and 40

Farmer has protection on 45 acres of sorghum and wheat and 5 acres each of corn and peanuts



# Generic Base

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 100 acres of sorghum



Farmer has protection on 85 acres of sorghum and 5 acres each of wheat, corn and peanuts





# Generic Base

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 100 acres of cotton



Farmer has protection on 5 acres each of sorghum, wheat, corn and peanuts



# Generic Base

100 Acre Farm – Base Acres: 5 each of Sorghum, Wheat, Corn, Peanuts and 80 Generic

If farmer plants 50 acres of sorghum and 50 acres of cotton



Farmer has protection on 55 acres of sorghum and 5 acres each of wheat, corn and peanuts



# NAAFP Decision Aid Tools

## Your Farm Units

FSA #	Farm Name	Crop Practice	
1234	Jones Place	Grain sorghum Non-Irrigated	<a href="#">Edit</a> <a href="#">Yields</a>
1234	Jones Place	Grain Corn Non-Irrigated	<a href="#">Edit</a> <a href="#">Yields</a>
1234	Jones Place	Long Grain Rice Irrigated	<a href="#">Edit</a> <a href="#">Yields</a>
2468	Smith Farm	Long Grain Rice Irrigated	<a href="#">Edit</a> <a href="#">Yields</a>

[+ New Farm Unit](#)



## Available Tools

[Help!](#)

### Yield Update

This tool calculates values for PLC yields using yield histories for your units listed on the left.

### Base Acre Reallocation & PLC/ARC Decision Aid

This tool helps you decide whether to reallocate your base acres and whether to choose PLC, ARC-C, or ARC-I for each farm unit based on your data.

### Farm Bill 2014 Insurance

This tool calculates net revenue for alternative insurance choices available through the 2014 Farm Bill and RMA.

### Generic Base Election Assistance

This tool calculates net returns for alternative crops under PLC and ARC which you could allocate generic base.