MGR-19-007: Stacked Income Protection Plan Reporting and Eligibility for the 2019 Crop Year with respect to Supplemental Coverage Option and Agriculture Risk Coverage /Price loss Coverage

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Date
April 24, 2019
To
All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties
From
Martin R. Barbre, Administrator /s/ Martin R. Barbre
Subject
Stacked Income Protection Plan (STAX) Reporting and Eligibility for the 2019 Crop Year with respect to Supplemental Coverage Option (SCO) and Agriculture Risk Coverage (ARC)/Price loss Coverage (PLC)

Background

The Agriculture Improvement Act of 2018 (2018 Farm Bill) allows producers to make an election of ARC or PLC for each Farm Number in 2019, which will cover the 2019 and 2020 crop years. Enrollment in ARC or PLC will occur after this election. Election or enrollment dates will not begin until after acreage reporting date for cotton producers.

To accommodate these provisions in the 2018 Farm Bill, RMA published MGR-19-003, which states producers who have purchased SCO have until the later of the

acreage reporting date or March 15, 2019, to file an ARC/PLC acreage intention report. Based on this intention report, acres the producer states an intention to have ARC elected will be ineligible for SCO coverage.

STAX cannot be applied to acreage covered by SCO or enrolled in ARC or PLC:

10. Insurable Acreage and Unit Division

(b) In addition to section 9(a)(2) of the CCIP Basic Provisions, STAX will not insure any acreage:

(4) Which is insured by a companion policy and:

(ii) Is insured under the Supplemental Coverage Option, in accordance with section 10(c);

(6) On land identified by a FSA farm number that has been enrolled in ARC or PLC for cotton seed for the crop year.

Producers are currently required to designate which acres will be covered by STAX and which will be covered by SCO not later than the sales closing date:

10. Other Insurance

(c) If you have a companion policy that provides coverage on an individual basis for the crop insured by STAX, and you have elected the Supplemental Coverage Option (SCO) for that policy:

(1) You must designate which acres of the crop in the county will be covered by STAX and which acres will be covered by SCO on or before the sales closing date (the same acreage cannot be covered by both STAX and SCO), as follows:

Producers are also currently required to report acreage that has been enrolled in ARC or PLC no later than the acreage reporting date:

4. Report of Acreage and Production

(f) In addition to section 6(c) of the Basic Provisions, if the crop has been enrolled in ARC or PLC for the crop year on any acreage in the county in which you have a share, your acreage report must include:

(2) The enrollment status in ARC or PLC of each FSA farm number.

RMA notes for the 2019 crop year information required under 10(c)(1) and 4(f)(2) will not be available by the required date stated in the STAX policy.

Action

For the 2019 crop year only:

Producers who purchased STAX and SCO for cotton were not required to designate acres covered by STAX and acres covered by SCO at the sales closing date. Instead, producers must designate this to their agent at the time they file the ARC/PLC crop insurance acreage intention report by the acreage reporting date.

Producers who purchased STAX policies may include whether they intend to enroll a Farm Number in ARC or PLC on the crop insurance acreage intention report. This report will adjust the acreage report by specifying the intended ARC or PLC enrollment by FSA Farm Number. The number of eligible acres on Farms that will not be enrolled in ARC or PLC will be the number of acres insured for STAX regardless of any actual enrollments made with FSA.

If the producer does not file an ARC/PLC crop insurance acreage intention report, then STAX will cover all acres as though the producer did not enroll in ARC or PLC. If the producer does not file an ARC/PLC crop insurance acreage intention report and has both STAX and SCO, then, in lieu of MGR-19-003, STAX will cover all acres as though the producer did not enroll in ARC or PLC.

DISPOSAL DATE:
December 31, 2019.