

Stacked Income Protection Plan (STAX)

What is the Stacked Income Protection Plan (STAX)?

STAX is a crop insurance product for upland cotton and cottonseed that provides coverage for a portion of the expected revenue for the producer's area. Most often, the producer's area will be their county, but may include other counties or practices if data is limited. STAX does not provide payments for replanting or prevented planting and late planting is not available. The Federal government will pay 80 percent of the premium cost for STAX.

Is an upland cotton policy required to purchase STAX?

No. STAX may be purchased on its own, or in conjunction with another cotton policy, including Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion, and any of the Area Risk Protection Policies.

In regard to Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), what is the difference between an election and an enrollment?

For election, all producers with interest in a farm must make a choice between ARC or PLC for the crop, which will apply to all acres on the farm. Once ARC or PLC has been elected for the farm, each producer must annually enroll their respective share to be eligible for payment.

Is eligibility for STAX coverage affected by ARC/PLC enrollment decisions?

Yes. Enrolling a farm with seed cotton in ARC/PLC makes the farm's seed cotton or upland cotton ineligible for STAX coverage.

- **Example 1:** If the producer has a farm with seed cotton base acres, elects and enrolls in ARC or PLC, and plants upland cotton, the producer may not participate in STAX.
- **Example 2:** If the producer has a farm with wheat base acres, elects and enrolls in ARC or PLC, and plants upland cotton, the producer may participate in STAX.
- **Example 3:** If the producer has a farm with seed cotton base acres, elects but does not enroll in ARC or PLC, and plants upland cotton, the producer may participate in STAX.

Does electing ARC cause a farm to be ineligible for STAX? What about PLC?

No. Electing ARC or PLC does not cause a farm to be ineligible for STAX coverage. However, STAX coverage is affected by ARC/PLC enrollment decisions. *Enrolling* seed cotton base on a farm in ARC/PLC makes that farm ineligible for STAX.

Can a producer get STAX coverage on a farm with seed cotton base acres? What if the producer has no seed cotton base acres?

Yes. A farm's upland cotton is eligible for STAX if seed cotton base acres are not enrolled in ARC/PLC for that year. STAX eligibility is not affected by ARC/PLC enrollment on a farm that has no seed cotton base acres or no seed cotton base acres enrolled.

If a producer purchased STAX and decides not to enroll a farm in ARC/PLC for seed cotton for a particular year, can they enroll in ARC/PLC for other commodities on the farm?

Yes. Enrolling commodities other than seed cotton in ARC/PLC will not make the farm's upland cotton ineligible for STAX coverage.

If a producer has more than one farm and chooses not to enroll one of them in ARC/PLC, is that farm eligible for STAX?

Yes. If the producer has purchased STAX, STAX coverage will apply to all acreage on farms in the county that do not have base acres enrolled in seed cotton ARC/PLC (unless those acres are uninsurable for a different reason).

If a producer enrolled in ARC/PLC but does not qualify for ARC/PLC payments due to adjusted gross income (AGI) limits, would the producer be eligible for STAX coverage on farms enrolled in ARC/PLC?

No. Enrolling a farm's seed cotton base acres in ARC/PLC makes the farm's upland cotton ineligible for STAX even if the producer is later found to be ineligible for ARC/PLC payments.

If a producer wants to remain eligible for STAX, will they have the flexibility to enroll their other crop base acres (e.g., corn, soybeans, wheat, sorghum, etc.) in ARC/PLC but choose NOT to enroll their seed cotton base acres in ARC/PLC?

Yes. Eligibility for STAX on a farm is NOT impacted by ARC/PLC enrollment for any covered commodity other than seed cotton. As long as the farm does not have seed cotton base acres enrolled in an annual ARC/PLC contract, the farm's upland cotton remains eligible for STAX.

If a producer plants 500 acres of upland cotton on a farm with 200 seed cotton base acres (and those 200 acres are enrolled in

an annual ARC/PLC contract), can STAX coverage be obtained on the remaining 300 acres?

No. Enrolling a farm in seed cotton ARC/PLC makes all upland cotton acreage on that farm ineligible for STAX coverage.

If a producer has corn base acres enrolled in ARC but plants upland cotton, are they eligible to purchase a STAX policy?

Yes. As long as the farm does not have seed cotton base acres enrolled in an annual ARC/PLC contract, the farm remains eligible for STAX.

If a producer does not have seed cotton base acres (or only has unassigned base acres), is the producer eligible for STAX?

Yes. As long as the farm does not have seed cotton base acres enrolled in an annual ARC/PLC contract, the farm's upland cotton remains eligible for STAX.

Can a producer with a partial share choose not to enroll their share in ARC/PLC while other share owners do enroll in ARC/PLC?

No. All producers with a share in a covered commodity must jointly enroll or not enroll in ARC/PLC for each covered commodity. Only enrolled covered commodities on the farm may qualify for ARC/PLC payments.

The Farm Service Agency (FSA) may allow producers to update enrollment (i.e., unenroll) after the acreage reporting date, does that mean the producer can change their mind after they report acreage to unenroll from ARC/PLC to be eligible for STAX?

No. Making a decision to unenroll at FSA after the acreage reporting date is will not make those acres eligible for STAX. For STAX, producers are held to what is elected and enrolled and reported for crop insurance purposes.

If a producer purchases STAX, when and how does the producer report which farms have been elected and enrolled in ARC/PLC?

Farms in which a producer has a share and that are enrolled in ARC/PLC must be reported on the producer's acreage report. If it is discovered that a producer has incorrectly reported acreage as insurable under STAX and the correct information leads to acreage being determined ineligible for STAX, that acreage will not be eligible for any STAX indemnity and the producer will still be required to pay 60 percent of the premium due.

If a producer wants to enroll in ARC/PLC for seed cotton but already has STAX, will there be any penalties for changing enrollment?

Producers may enroll acres of seed cotton in ARC or PLC; however, those acres will not be eligible for STAX payments. If the producer enrolls acres after the acreage reporting date, those acres would not have been correctly reported on the producer's acreage report and the producer must still pay 60 percent of the premium as a penalty. There is no option to revise an acreage report. Moreover, producers will not have the opportunity to reverse that decision, even if STAX would have paid more.

When will STAX and ARC/PLC payment amounts be determined and released to the public?

USDA expects STAX payments for the 2026 crop year to be announced by Summer of 2027. USDA expects ARC/PLC payments for the 2026 crop year to be announced by Fall of 2027.

Does this mean producers can get a payment from both STAX and ARC/PLC?

No, the law does not allow producers to receive benefits from both.

If a producer chooses to enroll new acres of seed cotton in ARC or PLC after the acreage reporting date and loses eligibility for STAX payments, how does this impact any coverage under the Hurricane Insurance Protection - Wind Index Endorsement?

If a producer's STAX coverage changes due to enrollment in either the ARC or PLC program, the Hurricane Coverage Range will not increase unless the coverage change is reported to the insurance company by the acreage reporting date.