



Cotton Transition Assistance Program (CTAP)

BACKGROUND

CTAP, created by the 2014 Farm Bill, provides interim payments to cotton producers during the 2015 crop year in counties where the new Stacked Income Protection Plan (STAX), is not available. STAX is a new insurance product also created by the 2014 Farm Bill.

While CTAP is administered by U.S. Department of Agriculture's (USDA's) Farm Service Agency (FSA), STAX is administered by the USDA's Risk Management Agency (RMA). Information on STAX can be found on the RMA website at www.rma.usda.gov.

For the 2015 crop year, CTAP is based on a farm's 2013 adjusted cotton base acres effective under the 2008 Farm Bill.

CTAP payments will be made available to eligible 2015 producers who apply and meet all eligibility requirements and whose farms are physically located in counties where STAX is not available.

Under CTAP, there is no requirement that producers plant cotton in order to be eligible for payment; however, eligible producers must have adequate share in enough cropland acres to cover their claimed interest in cotton base acres on the CTAP application (form CCC-957).

ELIGIBILITY REQUIREMENTS

To be eligible for CTAP, owners, operators, landlords, tenants and sharecroppers must apply and designate their share by signing form CCC-957. A producer signing form CCC-957 acknowledges and agrees to:

- Comply with highly erodible land conservation and wetland conservation requirements on all their land;
- Comply with average adjusted gross income

limitation provisions;

- Be considered actively engaged in farming;
- Devote acreage equal to the cotton base acreage to an agricultural or conserving use;
- Effectively control noxious weeds on the farm according to sound agricultural practices;
- File an acreage report with respect to all crops and all cropland on the farm;
- Notify FSA when there is a transfer of or change of interest of a producer.

CTAP APPLICATION PERIOD

The application period will begin July 6, 2015, and end Sept. 30, 2015.

MAXIMUM PAYMENT AMOUNTS

CTAP payments for the 2015 program year are limited to \$40,000 per person or legal entity. The limitation is applied by attributing both the amounts received directly by entities and persons and indirect amounts received through entities. CTAP applications approved before Oct. 1 are subject to congressionally mandated automatic reductions of 7.3 percent for the 2015 crop year. The Budget Control Act of 2011 requires USDA to implement these reductions to program payments.

ADJUSTED GROSS INCOME(AGI)

Persons or legal entities whose average adjusted gross income exceeds \$900,000 are not eligible for CTAP payments. The years used to calculate AGI for 2015 CTAP are the 2011, 2012 and 2013 tax years.

CTAP PAYMENTS

CTAP payments will be issued Oct. 2015.

For crop year 2015, in counties where STAX is not available, CTAP payments are calculated by multiplying:

- 36.5 percent of the farm's upland cotton base acres (generic base) times;
- The farm's direct yield for upland cotton times;
- \$0.09 times;
- The producer's share on the approved application.

The following is an example for 2015 CTAP payment in a county for which STAX is not available:

*100 upland cotton base acres x 36.5 percent =
36.5 payment acres*

*36.5 payment acres x 750 lb. direct payment
yield x .09 = \$2,464*

CTAP payments are not based on producers' current plantings of cotton acres, but instead are calculated using the base acres and the direct payment yield of upland cotton established on the farm.

PLANTING FLEXIBILITY PROVISIONS

CTAP payment acres (upland cotton base acres) are not impacted by cropland that is planted to fruit and vegetables (FAV's) and wild rice.

FOR MORE INFORMATION

Further information on CTAP is available at local FSA offices or on FSA's website at www.fsa.usda.gov. Visit <http://offices.usda.gov> to locate the nearest FSA office or service center.

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