MGR-19-028

View PDF

Date

November 25, 2019

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator

Subject

Stacked Income Protection Plan (STAX) Policy Changes Effective for 2020 and Succeeding Crop Years

Background

The Agriculture Risk Protection (ARC) and Price Loss Coverage (PLC) programs administered by the Farm Service Agency (FSA) allow for annual enrollment. In accordance with the Federal Crop Insurance Act (Act), acreage enrolled in ARC or PLC cannot be covered under STAX and acreage with ARC elected cannot be covered under the Supplemental Coverage Option (SCO). In June of 2019 the Federal Crop Insurance Corporation (FCIC) released a revised SCO policy for the 2020 crop year containing provisions relating to acreage reporting when producers are participating in ARC or PLC. To comply with the Act and conform with other FCIC programs, FCIC is updating the STAX policy with provisions like those in SCO.

Action

Beginning with the 2020 crop year, producers who have purchased STAX will be required to annually report acres that have been, or will be, enrolled in ARC or PLC on their acreage report. Producers who later enroll acreage in ARC or PLC that was

not enrolled in either program, or who have misidentified acres enrolled in ARC or PLC, will be ineligible for a STAX indemnity on such acreage due to the prohibition on STAX coverage on acreage enrolled in ARC or PLC. Producers will owe 60% of the premium due on affected acres.

In addition to the reporting requirements above, FCIC is modifying the STAX policy to clarify the use of crop insurance data as the primary data source when determining expected and final area yields for the STAX program.

The STAX Crop Provisions (20-STAX-0021) will be available by close of business today on the RMA website at www.rma.usda.gov.

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

DISPOSAL DATE:
December 31, 2020