

OA-21-002

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Date

March 4, 2021

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Acting Administrator /s/ Richard H. Flournoy

Subject

Clarification of Stacked Income Protection Plan (STAX) Insurable Acres

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 with seed cotton base enrolled in ARC or PLC cannot be covered under STAX. Accordingly, the STAX policy states acres are uninsurable if they “have been enrolled” in ARC or PLC.

The FSA has a deadline for ARC or PLC election and enrollment through March 15 of the crop year. FSA will allow the withdrawal of enrollment through September 30 of the crop year. Recently, the Risk Management Agency (RMA) has received questions asking if a producer is eligible for STAX if they enroll in ARC or PLC by March 15 and then later withdraws their enrollment before the acreage reporting date.

Action

RMA is clarifying the insurability of seed cotton base acres under STAX when such acreage has been enrolled in ARC or PLC for the crop year. Producers will be held to

the enrollment selection they made at FSA as of March 15, regardless of whether they later withdraw from ARC or PLC. FSA will provide RMA with ARC and PLC cotton enrollment data soon after March 15, which will also be provided to Approved Insurance Providers, as applicable, to process STAX policies. Seed cotton base acres that have enrolled in ARC or PLC will be uninsurable for STAX purposes.

DISPOSAL DATE:

Until modified or rescinded