

Family Farming and Cotton in the 2014 Farm Bill 2015 Special Order of Business

When Congress passed the Agricultural Act of 2014, it eliminated a number of commodity programs. As a result of these cuts, cotton is no longer a covered commodity. Instead, the STAX (Stacked Income Protection Plan) program was implemented. This is a huge concern for our cotton farmers, their bankers, and the rural communities.

We strongly oppose the STAX program. While this program is subsidized at 80%, this is a shallow loss program that, according to many economists, is unaffordable. While STAX is a stand-alone insurance program, it may not overlap the underlying insurance coverage.

We strongly encourage Congress to set a flat rate of 67% for insurance subsidies regardless of the coverage level. Currently, the percent of subsidies are drastically decreased when the coverage levels exceed 65%.

National Farmers Union recommends loan rates to be no lower than the cost of production.

While the current Farm Bill did not eliminate base acres, the cotton base was converted to "generic base." As a result, cotton does not qualify for programs such as Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC). The money that was put into this program shall be used for PLC and ARC programs that cotton shall be eligible. We believe that cotton should be a covered commodity.