

Program Benefits for Arkansas Producers: Recent NCC Farm Policy Accomplishments Deliver Benefits Through Income Support & Risk Management Programs

During the past five years, the National Cotton Council (NCC) has worked diligently with Congress and the Administration to return upland cotton as a covered commodity in Title I of the Farm Bill, to help offset the negative impact of the trade conflict with China, and to help offset the devastating impacts of the COVID-19 pandemic. Additionally, the Council worked with Congress and the Administration to strengthen risk management through crop insurance products. Amending the 2014 Farm Bill to add Seed Cotton for the 2018 crop was a major accomplishment and led to its continuation in the 2018 Farm Bill. Cotton-heavy counties received substantial Market Facilitation Program (MFP) payments due to the damage to U.S. cotton from China retaliatory tariffs. Protecting the Seed Cotton program and cotton crop insurance programs will be major priorities in the next Congress and in preparation for the next farm bill debate. Working to resolve the damaging tariff issues and the impacts of the COVID-19 pandemic remain high priorities for the 2020 crop year.

While it is difficult to precisely quantify these program benefits, Table 1 provides an overview of benefits from Gin

Cost Share (GCS), MFP, PLC, CFAP and crop insurance programs.

From 2015-2020, total payments of \$344 million from FSA-delivered income support programs equated to average annual payments of \$54 per bale for Arkansas producers. The marketing loan program has also provided substantial benefits in recent years. In addition to these programs, Arkansas producers have received \$4M in average annual STAX benefits for 2015-2019; and \$8M in average annual 2015-2019 multi-peril crop insurance benefits.

In these challenging economic times and with continuing production uncertainties, the NCC has helped to shore up producer income protection along with maintaining risk management programs for cotton producers. To maintain our legislative and administrative accomplishments, the NCC must continue to maintain and increase its membership base. Your membership dues will make a difference in the NCC's ability to effectively represent the U.S. cotton industry on a wide range of issues.

Table 1. Estimated Farm Program Benefits for Arkansas Producers

Program (Crop Year)	Average Payments per Acre	Total Payments
GCS (2015)	\$56/planted acre	\$10.2 million
GCS (2016)	\$30/planted acre	\$10.3 million
MFP (2018)	\$68/harvested acre	\$33 million
MFP (2019)	\$104/planted acre	\$65 million
PLC (2018)	\$38/base acre	\$33 million
PLC (2019)	\$107/base acre	\$92 million
PLC (2020)	\$52/base acre	\$44 million
CFAP (2019)	\$42/harvested acre	\$25 million
CFAP (2020)	\$60/planted acre	\$31 million
STAX (2015-2019 average)		
Premium Subsidy	\$36/insured acre	\$3 million
Net Indemnity	\$15/insured acre	\$1 million
RP/YP (2015-2019 average)		
Premium Subsidy	\$14/insured acre	\$5 million
Net Indemnity	\$8/insured acre	\$3 million

*MFP estimated payments based on USDA payment rates and NCC estimated acreage and yields.

**PLC estimated payments based on USDA actual and projected prices.

***CFAP estimated payments based on USDA payment data.



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