

2022/23 Farm Program Choice **ARC VS PLC**

- ARC vs PLC
- Enroll by March 15
- PLC payment very unlikely for 2022/23 crop year
- No payment unless 2022/23 NASS MYA price < \$0.69/lb
- Current Dec 22 NY Futures Price = \$1.04/lb
- NASS MYA price generally 6-10 cents below NY futures or \$0.94-
- to trigger a payment (could be an option for TX) ARC – Without a large price decline, actual county yields need to be significantly below benchmark yields.

2022/23 PLC Payment Calculator

				Illustration of Seed Cotton PLC Payment per Base Acre*	of Seed	Cotton	PLC Payn	nent per	Base Acre	*				
Reference Price	\$0.367		Lint Pymt Yield	nt Yield	800		Seed Co	Seed Cotton Pymt Yield	nt Yield	1,920	Seed	Seed Cotton Floor	Floor	\$0.25
	•					Cotto	Cottonseed MYA		Price (\$/Ton)					
Lint MYA Price (\$/Lb)	\$150	\$160	\$170	\$180	\$190	\$200	\$210	\$220	\$230	\$240	\$250	\$260	\$270	\$280
\$0.65	\$68	\$63	\$59	\$54	\$50	\$45	\$40	\$36	\$31	\$27	\$22	\$17	\$13	\$8
\$0.66	\$61	\$56	\$52	\$47	\$43	\$38	\$33	\$29	\$24	\$19	\$15	\$10	\$6	\$1
\$0.67	\$54	\$49	\$45	\$40	\$35	\$31	\$26	\$22	\$17	\$12	\$8	\$3	\$0	\$0
\$0.68	\$47	\$42	\$38	\$33	\$28	\$24	\$19	\$14	\$10	\$ 5	\$1	\$0	\$0	\$0
\$0.69	\$40	\$35	\$30	\$26	\$21	\$17	\$12	\$7	\$3	\$0	\$0	\$0	\$0	\$0
\$0.70	\$33	\$28	\$23	\$19	\$14	\$9	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0.71	\$25	\$21	\$16	\$12	\$7	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	ŞO
\$0.72	\$18	\$14	\$9	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	ŞO
\$0.73	\$11	\$7	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0.74	\$4	ŝo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0.75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	şo
\$0.76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Şo
\$0.77	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	ŞO	\$0

STAX/SCO/ECO Area Insurance Policy

SIAX

- Not eligible for ARC or PLC
- 80% premium subsidy
- 90-70% coverage (or lower coverage amounts available)
- With or without underlying policy

SCO

- Not eligible for ARC
- Must have underlying insurance policy
- 65% premium subsidy
- 86% individual policy coverage
- Liability based on Farm APH yield (could be higher than county yield)

ECO

- Eligible for ARC or PLC unless enrolled in SCO
- 44% premium subsidy for revenue plans (51% for yield plans)
- 90% or 95% 86% coverage
- Liability based on Farm APH yield (could be higher than county yield)
- Must have underlying policy



2022/23 Price Calculations

- ARC/PLC
- 2022/23 NASS MYA Price
- Aug. 1, 2022 July 31, 2023
- STAX/SCO/ECO

Sales Closing Date	Projected Price (Avg Dec 22 NY Futures)	Harvest Price (Avg Dec 22 NY Futures)
Jan. 31, 2022	\$0.93	Sept. 1 – Sept. 30
Feb. 28, 2022	Jan. 15 — Feb. 14 (\$1.01)	Oct. 1 – Oct. 31
Mar. 15, 2022	Feb. 1 – Feb. 28 (\$1.04)	Oct. 1 – Oct. 31



SCO & ECO Coverage

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75%	86%	90%
	0	0,

Deductible (no coverage)

Deductible (ECO Band)

Deductible (SCO Band)

ECO Coverage (90% to 86%) SCO Coverage (86% to 75%)

Individual Coverage (RP, RP-HPE, or YP (75% coverage level)

Farm-Level

0%

County-Level



STAX Coverage

0%		75%		90%	100%
	Individual Coverage (RP, RP-HPE, or YP (75% coverage level)		Deductible (STAX Band)	Deductible (no coverage)	
			STA		

AX Coverage (90% to 75%)

Farm-Level

County-Level



2022/23 STAX vs. SCO/ECO: Example 1

	Expected	Harvest
Price	\$1.00	\$0.80 (20% price decline)
County Yield	900 lbs/acre	900 lbs/acre (0% yield loss)
County Revenue	\$900	\$720 (20% revenue loss)

75% RP	STAX	SCO	95% ECO	90% ECO	SCO+ECO	-ECO
Coverage Level	90%	86%	95%	90%	95%	90%
Coverage Range	15% (90-75)	11% (86-75)	9% (95-86)	4% (90-86)	20% (95-75)	15% (90-75)
Max Indemnity	\$162	\$99	\$81	\$36	\$180	\$135
Actual Indemnity	\$108	\$54	\$81	\$36	\$135	\$90
Producer Premium	\$17	\$16	\$30	\$15	\$46	\$31
Net Indemnity	\$91	\$38	\$51	\$21	\$89	\$59
						COMMENDATION OF STREET, TO SECURE OF STREET,

2022/23 STAX vs. SCO/ECO: Example 2

	Expected	Harvest
Price	\$1.00	\$0.80 (20% price decline)
County Yield	900 lbs/acre	855 lbs/acre (5% yield loss)
County Revenue	\$900	\$684 (20% revenue loss)

Net Indemnity	Producer Premium	Actual Indemnity	Max Indemnity	Coverage Range	Coverage Level	75% RP
\$134	\$17	\$151	\$162	15% (90-75)	90%	STAX
\$74	\$16	\$90	\$99	11% (86-75)	86%	sco
\$51	\$30	\$81	\$81	9% (95-86)	95%	95% ECO
\$21	\$15	\$36	\$36	4% (90-86)	90%	90% ECO
\$125	\$46	\$171	\$180	20% (95-75)	95%	SCO+ECO
\$95	\$31	\$126	\$135	15% (90-75)	90%	+ECO