



Cotton Transition Assistance Program (CTAP) Fact Sheet

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- CTAP is identified as a temporary program that provides payments to producers on a farm for which cotton base acres were in existence as of September 30, 2013.
 - This program is designed to be a 'transition' for cotton producers between the previous direct and counter-cyclical payment programs and the new STAX program, which is authorized to begin in the 2015 crop year.
 - Enrollment in CTAP begins on August 11, 2014 and ends October 7, 2014.
 - For CTAP applications that are received prior to October 1, 2014, payments will be subject to a congressionally-mandated budget reduction of 7.2% for the 2014 crop year. Application approved after this date will be subject to the required 7.3% reduction for the 2015 crop year (USDA FSA, 2014).
 - Applications for CTAP are independent of any election and participation in the ARC or PLC program. CTAP is decoupled from ARC or PLC program participation.
 - It is possible for cotton base acres eligible for CTAP to also qualify for eligible generic base acres for ARC and PLC (Federal Register, 2014).
 - It is noted that a producer will need to separately elect and enroll in ARC or PLC to be eligible for those benefits.
 - Likewise, a person or legal entity that enrolls and elects ARC or PLC and who do not file an application for 2014 or 2015 CTAP in accordance with this rule will not be paid for 2014 or 2015 CTAP, even if those acres were eligible for CTAP (Federal Register, 2014).
 - For example, suppose a farm has 500 acres of cotton base (as of September 30, 2013) and elects to participate in the CTAP program for 2014. The farm has a payment yield history of 850 pounds. The CTAP payment calculation is presented in the description below.

The transition assistance rate of \$0.09 per pound can be multiplied by the 60% identified in the legislation in order to determine the transition payment rate made per base acre. This results in a CTAP rate of \$0.054 per pound. Recall, that the farm in question has a payment yield of 850 pounds. This equates to a CTAP of \$45.90 per cotton base acre, obtained by the payment rate of \$0.054 per pound multiplied by the 850 pound yield history. The total CTAP payment to this farm with 500 acres of cotton base for the 2014 crop year is \$22,950. However, this is subject to the budget sequestration rate of 7.2%. Meaning, that the total CTAP payment would be reduced by this sequestered rate of \$1,652.40 to equal \$21,297.60.

- CTAP payments are subject to a \$40,000 per person (or legal entity) payment limitation. This is not applied toward the \$125,000 Title I payment limitation.
- Parishes that are eligible for CTAP include:
 - Caddo, Bossier, Morehouse, Natchitoches, Ouachita, Caldwell, Rapides, Grant, Red River, DeSoto, Richland, Webster, Claiborne, Bienville, West Carroll, Avoyelles, Catahoula, LaSalle, Concordia, East Carroll, Franklin, Madison, Tensas, Acadia, Evangeline, St. Landry, Ascension, East/West Feliciana, East/West Baton Rouge, Point Coupee, Washington, St. Tammany, and Iberville.

References

Agricultural Act of 2014. Public Law 113-79. 113th Congress. February 7, 2014.

Federal Register. Vol. 79, No. 153, (ppg. 46335-46348). Friday, August 8, 2014.

USDA FSA. New Release: “Cotton Transition Assistance Program Enrollment Begins Next Week”.
USDA FSA Release No. 0136.14. August 7, 2014.



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