

**June 6, 2016**

## **Cotton Ginning Cost-Share (CGCS) Program Fact Sheet**

### **Overview**

The Cotton Ginning Cost-Share (CGCS) program provides cost-share assistance payments to Upland and ELS cotton producers with a share in the 2015 cotton crop. The CGCS program was established under the statutory authority of the Commodity Credit Corporation Charter Act and is under the administration of the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA).

The sign-up period for the CGCS program is **June 20, 2016 through Aug. 5, 2016**.

The CGCS program is a program that provides cotton producers with cost-share payments for their cotton ginning costs based on their share of 2015 cotton plantings.

Through the CGCS program, eligible producers can receive a one-time cost share payment, which is based on a producer's share of 2015 cotton acres reported to FSA multiplied by a payment rate equal to 40 percent of the average ginning cost for each production region. The regional payment rates are as follows:

- \$47.44 for the Southeast (AL, FL, GA, NC, SC, VA);
- \$56.26 for the Mid-South (AR, IL, KY, LA, MS, MO, TN);
- \$36.97 for the Southwest (KS, OK, TX); and
- \$97.41 for the West (AZ, CA, NM).

For example, a Southwest cotton producer who reported 100 acres planted to cotton and has a 100 percent stake in the production, would receive a CGCS program payment of \$3,697.

**Calculation:** CGCS Program Cost Share Payment = acres x share x cost share rate  
\$3,697 = 100 x 100 % x \$36.97 (Southwest)

All CGCS program payments are based on the acreage reporting the cotton producer filed at their local FSA service center.

### **Limitations**

The CGCS program only applies to cotton producers who have an interest/share in 2015 cotton acres as reported to FSA county offices on form FSA-578. Cost share payments are capped at \$40,000 per individual or entity. CGCS program payments do not count against the 2014 Farm Bill payment limitations.

## **Eligibility**

To be eligible for a CGCS program payment, each applicant is required to be a person or legal entity who was actively engaged in farming in 2015 and who complies with requirements including, but not limited to, those pertaining to highly erodible land conservation and wetland conservation provisions, commonly referred to as the conservation compliance provisions.

A producer's 3-year average adjusted gross income may not exceed \$900,000 in order to be eligible CGCS payments.

## **Where to File the Application**

FSA announced that county offices will be mailing a pre-filled form to every cotton producer who had a share of the 2015 crop indicating the certified acreage (planted and failed). If the producer agrees with the acreage, the signed form should be returned to the county office either in person, by FAX or by email. Any disputed acreage must be settled in person at the county office. **It is important to note that forms must be received in the county offices and acreage disputes settled no later than August 5, 2016. There will be no extension of the deadline.**

Payments will be made periodically as signup takes place with expected payments to begin in early July.

## **For More Information**

For more information about the CGCS program, visit [www.fsa.usda.gov/cgcs](http://www.fsa.usda.gov/cgcs) or contact your local FSA office. To find your local FSA office, visit <http://offices.usda.gov>.

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