



### Cotton Ginning Cost-Share (CGCS) Program

#### OVERVIEW

The Cotton Ginning Cost-Share (CGCS) program provides cost-share assistance payments to 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 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 Texas 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

CGCS program applications can be submitted to FSA either in person, by FAX or by email.

#### 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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