

United States Department of Agriculture	May 15, 2017								
Farm and Foreign Agricultural	INFORMATIONAL MEMORANDUM: PM-17-028								
Services	TO:	All Approved Insurance Providers							
Risk Management Agency		All Risk Management Agency Field Offices All Other Interested Parties							
Beacon Facility	FROM:	Richard H. Flournoy /s/Richard H. Flournoy							
Mail Stop 0801 P.O. Box 419205		Deputy Administrator							
Kansas City, MO 64141-6205	SUBJECT:	2017 Price B for Cotton Quality Adjustment							

#### **BACKGROUND:**

In accordance with the Special Provisions statement in lieu of section 10(d)(1) of the Upland and ELS Cotton Crop Provisions, Price B will be established by adding premiums or discounts associated with the predominant cotton quality characteristics, as determined by the Farm Service Agency, to the Upland and ELS Cotton National Average Loan Rate. The predominant quality characteristics of cotton in each state are determined from the most recent three years of Agricultural Marketing Service cotton classing data.

#### ACTION:

Approved Insurance Providers must use the applicable Price B for quality adjustment purposes from the attached Upland and ELS Cotton Quality tables for the 2017 crop year.

#### **DISPOSAL DATE:**

December 31, 2017

State AL	Color 31	Leaf	Staple		Strength 29		Uniformity 82		Mike 4.8		Extraneous Matter None		2017 Upland Cotton NALR		Price B
		0.0375		+	0.0010	+	0.0005	+	0	+	0	+	\$0.4949	=	\$0.5339
State AZ	Color 31	Leaf	Staple		Strength 30		Uniformity 81		Mike		Extraneous Matter None		2017 Upland Cotton NALR		Price B
		0.0375		+	0.0030	+	0	+	0	+	0	+	\$0.4949	=	\$0.5354
State AR	Color 31	Leaf	Staple		Strength 32		Uniformity 82		Mike 4.6		Extraneous Matter None		2017 Upland Cotton		Price B
	51	4 0.0260	57	+	0.0050	+	0.0005	+	4.0 0	+	0	+	NALR \$0.4949	=	\$0.5264
State CA	Color 11 & 21	Leaf 1-2 0.0520	Staple	+	Strength 34 0.0060	+	Uniformity 82 0.0005	+	Mike 4.4 0	+	Extraneous Matter None 0	+	2017 Upland Cotton NALR \$0.4949	=	<b>Price B</b> \$0.5534
State FL	Color 31	Leaf 3 0.0375	Staple	+	Strength 29 0.0010	+	Uniformity 82 0.0005	+	Mike 4.8 0	+	Extraneous Matter None 0	+	2017 Upland Cotton NALR \$0.4949	=	Price B \$0.5339
State GA	Color 31	Leaf 3 0.0375	Staple 36		Strength 29 0.0010		Uniformity 82 0.0005		Mike 4.8 0		Extraneous Matter None 0		2017 Upland Cotton NALR \$0.4949	_	<b>Price B</b> \$0.5339
State KS	Color 11 & 21	Leaf 3 0.0285	Staple	+	0.0010 Strength 29 0.0010	+	Uniformity 80 0	+	Mike 3.9 0.0010	+	Extraneous Matter None 0	+	2017 Upland Cotton NALR \$0.4949	=	\$0.5359 Price B \$0.5254

# 2017 Upland Cotton Price B by State

State LA	Color 31	Leaf	Staple		Strength 30		Uniformity 82		Mike		Extraneous Matter None		2017 Upland Cotton NALR		Price B
		0.0375		<b>4</b> +	0.0030	+	0.0005	+	-0.0230	+	0	+	\$0.4949	=	\$0.5129
State MS	Color 31	Leaf 4	Staple 37		Strength 32		Uniformity 82		Mike 4.9		Extraneous Matter None		2017 Upland Cotton NALR		Price B
		0.0260		+	0.0050	+	0.0005	+	0	+	0	+	\$0.4949	=	\$0.5264
State MO	Color 31	Leaf	Staple		Strength 31		Uniformity 82		Mike		Extraneous Matter None		2017 Upland Cotton		Price B
	51	0.0405	57	l +	0.0050	+	0.0005	+	4.0	+	0	+	NALR \$0.4949	=	\$0.5409
		0.0403		I	0.0050		0.0005	I	0	I	0	1	Ψ0.+/+/		ψ <b>0.3</b> +07
State	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter		2017 Upland Cotton		Price B
NM	11 & 21	1-2	37		30		81		4.3		None		NALR		
		0.0520		+	0.0030	+	0	+	0	+	0	+	\$0.4949	=	\$0.5499
State NC	Color 31	Leaf	Staple		Strength 29		Uniformity 82		Mike		Extraneous Matter None		2017 Upland Cotton NALR		Price B
		0.0255		+	0.0010	+	0.0005	+	0	+	0	+	\$0.4949	=	\$0.5219
State OK	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter		2017 Upland Cotton		Price B
	11 & 21	1-2	36	<b>I</b> .	31		81		4.1	Ι.	None		NALR		\$0.5479
State SC	Color 41	0.0470 Leaf	Staple	+	0.0050 Strength 29	+	0 Uniformity 82	+	0.0010 Mike 4.7	+	0 Extraneous Matter None	+	\$0.4949 2017 Upland Cotton NALR	=	Price B
	1	0.0185	50	I +	0.0010	+	0.0005	+	0	+	0	+	\$0.4949	=	\$0.5149
L	I	0.0105		I	0.0010	1	0.0005	1	0	1	U	I	$\psi 0.777$	—	φ0.51-7

# 2017 Upland Cotton Price B by State

State TN	Color 31	Leaf <u>3</u> 0.0375	Staple 36	+	Strength 31 0.0050	+	Uniformity 82 0.0005	+	Mike 4.7 0	+	Extraneous Matter None 0	+	2017 Upland Cotton NALR \$0.4949	Ξ	<b>Price B</b> \$0.5379
State TX	Color 31	Leaf 3 0.0255	Staple	+	Strength 30 0.0030	+	Uniformity 81 0	+	Mike 4.3 0	+	Extraneous Matter None 0	+	2017 Upland Cotton NALR \$0.4949	=	<b>Price B</b> \$0.5234
State VA	Color 31	Leaf 3 0.0375	Staple	+	Strength 29 0.0010	+	Uniformity 82 0.0005	+	Mike 4.6 0	+	Extraneous Matter None 0	+	2017 Upland Cotton NALR \$0.4949	=	Price B \$0.5339

# 2017 Upland Cotton Price B by State

State AZ	Color Grade 02	Leaf 2 0.811	Staple 48 & Longer 0	+	Strength 42 0	+	Mike 3.8 0	+	Extraneous Matter None 0		Price B \$0.8110	2017 ELS Cotton NALR \$0.7977
State CA	Color Grade 01	Leaf 2 0.813	Staple 48 & Longer	+	Strength 45 & Above 0	+	Mike 4.0 0	+	Extraneous Matter None 0	=	<b>Price B</b> \$0.8135	2017 ELS Cotton NALR \$0.7977
State NM	Grade Color 02	Leaf 2 0.811	Staple 48 & Longer 0	+	Strength 40 0	+	Mike 4.3 0	+	Extraneous Matter None 0	=	<b>Price B</b> \$0.8110	2017 ELS Cotton NALR \$0.7977
State TX	Color Grade 02	Leaf 2 0.811	Staple 48 & Longer 0	+	Strength 42 0	+	Mike 4.0 0	+	Extraneous Matter None 0	=	<b>Price B</b> \$0.8110	2017 ELS Cotton NALR \$0.7977

# 2017 ELS Cotton Price B by State