

| United States<br>Department of<br>Agriculture | May 15, 2017                        |  |  |  |  |  |  |  |  |
|---|-------------------------------------|--|--|--|--|--|--|--|--|
| Farm and Foreign<br>Agricultural              | INFORMATIONAL MEMORANDUM: PM-17-028 |  |  |  |  |  |  |  |  |
| Services                                      | TO:                                 | All Approved Insurance Providers   |  |  |  |  |  |  |  |
| Risk<br>Management<br>Agency                  |                                     | All Risk Management Agency Field Offices<br>All Other Interested Parties |  |  |  |  |  |  |  |
| Beacon Facility                               | FROM:                               | Richard H. Flournoy /s/Richard H. Flournoy                               |  |  |  |  |  |  |  |
| Mail Stop 0801<br>P.O. Box 419205             |                                     | Deputy Administrator   |  |  |  |  |  |  |  |
| Kansas City,<br>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<br>AL | Color<br>31      | Leaf                  | Staple       |   | Strength 29                        |   | Uniformity<br>82           |   | Mike<br>4.8      |   | Extraneous<br>Matter<br>None      |   | 2017<br>Upland<br>Cotton<br>NALR             |   | Price B                         |
|-------------|------------------|-----------------------|--------------|---|------------------------------------|---|----------------------------|---|------------------|---|-----------------------------------|---|--|---|---------------------------------|
|             |                  | 0.0375                |              | + | 0.0010                             | + | 0.0005                     | + | 0                | + | 0                                 | + | \$0.4949                                     | = | \$0.5339                        |
| State<br>AZ | Color<br>31      | Leaf                  | Staple       |   | Strength<br>30                     |   | Uniformity<br>81           |   | Mike             |   | Extraneous<br>Matter<br>None      |   | 2017<br>Upland<br>Cotton<br>NALR             |   | Price B                         |
|             |                  | 0.0375                |              | + | 0.0030                             | + | 0                          | + | 0                | + | 0                                 | + | \$0.4949                                     | = | \$0.5354                        |
| State<br>AR | Color<br>31      | Leaf                  | Staple       |   | Strength 32                        |   | Uniformity<br>82           |   | Mike<br>4.6      |   | Extraneous<br>Matter<br>None      |   | 2017<br>Upland<br>Cotton                     |   | Price B                         |
|             | 51               | 4 0.0260              | 57           | + | 0.0050                             | + | 0.0005                     | + | 4.0<br>0         | + | 0                                 | + | NALR<br>\$0.4949                             | = | \$0.5264                        |
| State<br>CA | Color<br>11 & 21 | Leaf<br>1-2<br>0.0520 | Staple       | + | Strength<br>34<br>0.0060           | + | Uniformity<br>82<br>0.0005 | + | Mike<br>4.4<br>0 | + | Extraneous<br>Matter<br>None<br>0 | + | 2017<br>Upland<br>Cotton<br>NALR<br>\$0.4949 | = | <b>Price B</b><br>\$0.5534      |
| State<br>FL | Color<br>31      | Leaf<br>3<br>0.0375   | Staple       | + | Strength<br>29<br>0.0010           | + | Uniformity<br>82<br>0.0005 | + | Mike<br>4.8<br>0 | + | Extraneous<br>Matter<br>None<br>0 | + | 2017<br>Upland<br>Cotton<br>NALR<br>\$0.4949 | = | Price B<br>\$0.5339             |
| State<br>GA | Color<br>31      | Leaf<br>3<br>0.0375   | Staple<br>36 |   | Strength<br>29<br>0.0010           |   | Uniformity<br>82<br>0.0005 |   | Mike<br>4.8<br>0 |   | Extraneous<br>Matter<br>None<br>0 |   | 2017<br>Upland<br>Cotton<br>NALR<br>\$0.4949 | _ | <b>Price B</b><br>\$0.5339      |
| State<br>KS | Color<br>11 & 21 | Leaf<br>3<br>0.0285   | Staple       | + | 0.0010<br>Strength<br>29<br>0.0010 | + | Uniformity<br>80<br>0      | + | Mike 3.9 0.0010  | + | Extraneous<br>Matter<br>None<br>0 | + | 2017<br>Upland<br>Cotton<br>NALR<br>\$0.4949 | = | \$0.5359<br>Price B<br>\$0.5254 |

# 2017 Upland Cotton Price B by State

| State<br>LA | Color<br>31 | Leaf           | Staple    |            | Strength 30              |   | Uniformity<br>82      |   | Mike                  |    | Extraneous<br>Matter<br>None      |   | 2017<br>Upland<br>Cotton<br>NALR             |   | Price B          |
|-------------|-------------|----------------|-----------|------------|--------------------------|---|-----------------------|---|-----------------------|----|-----------------------------------|---|--|---|------------------|
|             |             | 0.0375         |           | <b>4</b> + | 0.0030                   | + | 0.0005                | + | -0.0230               | +  | 0                                 | + | \$0.4949                                     | = | \$0.5129         |
| State<br>MS | Color<br>31 | Leaf<br>4      | Staple 37 |            | Strength<br>32           |   | Uniformity<br>82      |   | Mike<br>4.9           |    | Extraneous<br>Matter<br>None      |   | 2017<br>Upland<br>Cotton<br>NALR             |   | Price B          |
|             |             | 0.0260         |           | +          | 0.0050                   | + | 0.0005                | + | 0                     | +  | 0                                 | + | \$0.4949                                     | = | \$0.5264         |
| State<br>MO | Color<br>31 | Leaf           | Staple    |            | Strength 31              |   | Uniformity<br>82      |   | Mike                  |    | Extraneous<br>Matter<br>None      |   | 2017<br>Upland<br>Cotton                     |   | Price B          |
|             | 51          | 0.0405         | 57        | l<br>+     | 0.0050                   | + | 0.0005                | + | 4.0                   | +  | 0                                 | + | NALR<br>\$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<br>Matter              |   | 2017<br>Upland<br>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<br>NC | Color<br>31 | Leaf           | Staple    |            | Strength 29              |   | Uniformity<br>82      |   | Mike                  |    | Extraneous<br>Matter<br>None      |   | 2017<br>Upland<br>Cotton<br>NALR             |   | Price B          |
|             |             | 0.0255         |           | +          | 0.0010                   | + | 0.0005                | + | 0                     | +  | 0                                 | + | \$0.4949                                     | = | \$0.5219         |
| State<br>OK | Color       | Leaf           | Staple    |            | Strength                 |   | Uniformity            |   | Mike                  |    | Extraneous<br>Matter              |   | 2017<br>Upland<br>Cotton                     |   | Price B          |
|             | 11 & 21     | 1-2            | 36        | <b>I</b> . | 31                       |   | 81                    |   | 4.1                   | Ι. | None                              |   | NALR   |   | \$0.5479         |
| State<br>SC | Color<br>41 | 0.0470<br>Leaf | Staple    | +          | 0.0050<br>Strength<br>29 | + | 0<br>Uniformity<br>82 | + | 0.0010<br>Mike<br>4.7 | +  | 0<br>Extraneous<br>Matter<br>None | + | \$0.4949<br>2017<br>Upland<br>Cotton<br>NALR | = | Price B          |
|             | 1           | 0.0185         | 50        | I<br>+     | 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<br>TN | Color<br>31 | Leaf<br><u>3</u><br>0.0375 | Staple 36 | + | Strength<br>31<br>0.0050 | + | Uniformity<br>82<br>0.0005 | + | Mike<br>4.7<br>0 | + | Extraneous<br>Matter<br>None<br>0 | + | 2017<br>Upland<br>Cotton<br>NALR<br>\$0.4949 | Ξ | <b>Price B</b><br>\$0.5379 |
|-------------|-------------|----------------------------|-----------|---|--------------------------|---|----------------------------|---|------------------|---|-----------------------------------|---|--|---|----------------------------|
| State<br>TX | Color<br>31 | Leaf<br>3<br>0.0255        | Staple    | + | Strength<br>30<br>0.0030 | + | Uniformity<br>81<br>0      | + | Mike<br>4.3<br>0 | + | Extraneous<br>Matter<br>None<br>0 | + | 2017<br>Upland<br>Cotton<br>NALR<br>\$0.4949 | = | <b>Price B</b><br>\$0.5234 |
| State<br>VA | Color<br>31 | Leaf<br>3<br>0.0375        | Staple    | + | Strength<br>29<br>0.0010 | + | Uniformity<br>82<br>0.0005 | + | Mike<br>4.6<br>0 | + | Extraneous<br>Matter<br>None<br>0 | + | 2017<br>Upland<br>Cotton<br>NALR<br>\$0.4949 | = | Price B<br>\$0.5339        |

# 2017 Upland Cotton Price B by State

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

# 2017 ELS Cotton Price B by State