



United States Department of Agriculture
Risk Management Agency

March 2010

2010 COMMODITY INSURANCE FACT SHEET

Cotton/APH Plan

Arkansas, Louisiana, Mississippi and Tennessee

Crop Insured

The crop insured will be cotton planted for harvest as cotton lint and for which premium rates are provided by an actuarial table. In counties for which premium rates are not available, cotton may be insurable by written agreement if specific criteria are met.

When a skip-row planting pattern is utilized, the acreage insured will be only the land occupied by the rows of cotton.

Counties Available

See your crop insurance agent for a listing of eligible counties.

Causes of Loss

Adverse weather conditions
Earthquake
Failure of the irrigation water supply if applicable, due to an unavoidable cause of loss occurring within the insurance period
Fire
Insects*
Plant disease*
Volcanic eruption
Wildlife

All specified causes of loss must be due to a naturally occurring event.
*But not damage due to insufficient or improper application of pest or disease control measures.

Insurance Period

Coverage usually begins when the crop is planted and ends at the earliest of:

1. Total destruction of the crop;
2. Harvest of the cotton;
3. Final adjustment of a loss;
4. Abandonment of the crop; or
5. December 10, 2010

Reporting Requirement

You must timely report to your agent all acres of the crop in the county in which you have a share.

Important Dates

Sales Closing (AR, LA, MS)	February 28, 2010
Sales Closing (TN)	March 15, 2010
Cancellation Date (AR, LA, MS)	February 28, 2010
Cancellation Date (TN)	March 15, 2010
Final Planting Date (AR, LA, MS)	May 25, 2010
Final Planting Date (TN)	May 20, 2010
Acreage Report Date (ALL)	July 15, 2010

Definitions

Catastrophic Coverage (CAT): A plan of insurance established by FCIC that provides coverage comparable to a level for a single crop that is equal to 50 percent of the approved yield indemnified at 55 percent of the established price.

Production Guarantee - Number of pounds guaranteed per acre determined by multiplying your average yield (based on your production records) times the coverage level percentage you elect.

Price Election - Price of compensation per pound in case of loss.

Written Agreement: A document that alters designated terms of an additional coverage policy and that is authorized under the basic provisions, the crop provisions, or the special provisions for the insured crop.

Coverage Levels and Premium Subsidies

Catastrophic Coverage: 50 percent of your average yield and 55 percent of the established price.

Additional Coverage: 50, 55, 60, 65, 70, 75, 80, 85 percent of your average yield and up to 100 percent of the price election.

Premium Subsidies: Varies based on coverage level.

Replant Provisions

No replant payment is available.

Loss Example –Cotton Annual Production History Plan (APH)

(Based on APH yield of 700 pounds per acre, 75-percent coverage level, \$.56 price election, 100-percent share and one basic unit.)

700	pounds per acre average yield (APH)
x .75	coverage level
525	pounds per acre guarantee
- 300	pounds per acre actually produced
225	pounds per acre loss
x \$.56	price election
\$126.00	gross indemnity per acre
- 10.00	estimated premium per acre (Varies by county)
\$116.00	net indemnity per acre

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