

Raleigh Regional Office — Raleigh, NC

Revised January 2014

Cotton

North Carolina and Virginia

Crop Insured

All upland cotton grown in the county on insurable acreage may be insured if:

- Premium rates are provided;
- You have a share; and
- Planted for harvest as lint or seed.

Insurance coverage for cotton seed is available with the Cotton Seed Endorsement.

Causes of Loss

You are protected from the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; and
- Wildlife.

Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the crop is planted. Coverage ends with the earliest occurrence of one of the following:

- December 31;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop; or
- Total destruction of the crop.

Important Dates

Sales Closing Date - NC February 28, 2014
 Sales Closing Date - VA March 15, 2014
 Final Planting Date May 25, 2014
 Acreage Reporting Date July 15, 2014

Reporting Requirements

File a report of planted acreage to your crop insurance

agent by the acreage reporting date established for your county. Since acreage reporting dates vary by crop and county, consult your agent or for more information see:

www.rma.usda.gov/tools/

Duties in the Event of Damage or Loss

- Protect the crop from further damage by providing sufficient care;
- Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and
- Leave representative samples intact for each field of the damaged unit.

Coverage Levels and Premium Subsidies

The premium subsidy percentages and available coverage levels are shown below. Your share of the premium is 100 percent minus the subsidy amount.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$300.

Price Elections

Commodity Exchange Price Provisions (CEPP) contain information necessary to derive the projected price and the harvest price for the insured crop. The projected price is used to calculate the premium, replant payment and any prevented planting payment. The harvest price is used to value production-to-count under the Revenue Protection Plan and the Revenue Protection with Harvest Price Exclusion Plan. The CEPP includes the price discovery period, release dates, board of trade used, and other pricing information. Talk to your agent or visit:

www.rma.usda.gov/tools/pricediscovery.html.

Coverage Options

- **Yield Protection Plan** provides protection against production losses.
- **Revenue Protection Plan** provides protection against loss of revenue due to production loss, price decline or increase, or combination of both.
- **Revenue Protection with Harvest Price Exclusion Plan** provides revenue protection based on the projected price only.
- **Trend Adjusted (TA) Yield Option** adjusts yields in actual production history (APH) databases to reflect county yield increases over time. Trend adjustments are made on each eligible yield within a qualifying APH database based on county historical yield trends, as shown in the county actuarial documents. Check with your insurance agent for available TA practices.
- **Area Risk Protection Insurance (ARPI)** plans are based on county production losses and do not consider individual farm yield performance and revenue. It is possible that your farm may experience reduced revenue or reduced yield and not receive a loss payment under ARPI:
- **Area Yield Protection** covers loss of yield due to a county level production loss.
- **Area Revenue Protection with Harvest Price Exclusion** covers loss of revenue due to a county level production loss, price decline, or a combination of both.
- **Area Revenue Protection** covers against loss of revenue due to a county level production loss, price decline, or combination of both. It also provides revenue protection if the harvest price is greater than the projected price.

Cottonseed (Pilot) Endorsement

This optional endorsement provides coverage for loss of cottonseed yield using a conversion of cotton lint production. Interested producers should contact a crop insurance agent for further information.

Late and Prevented Planting

These provisions provide protection on acreage planted after the final planting date or that cannot be planted. Talk to a crop insurance agent for details.

Loss Example

Assume cotton with an approved yield of 800 bushels per acre, 75-percent coverage level, \$0.81 projected price, \$0.83 harvest price, and 200 bushels produced.

<u>Yield Protection</u>		<u>Revenue Protection</u>	
800	Approved yield per acre	800	
x 0.75	Coverage level	x 0.75	
600	Acre guarantee	600	
x \$0.81	Projected price	x \$0.81	
\$486.00	Insurance guarantee	\$486.00	
200	Bushels produced	200	
x \$0.81	Harvest price	x \$0.83	
\$162.00	Production-to-count value	\$166.00	
\$486.00	Insurance guarantee	\$486.00	
- \$162.00	Production-to-count value	- \$166.00	
\$324.00	Indemnity/acre	\$320.00	

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: www3.rma.usda.gov/apps/agents/.

Contact Us

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