SUMMARY OF CHANGES FOR THE CRC COTTON CROP PROVISIONS
(98-CRC-021)

The following is a brief description of changes to the CRC Crop Provisions that will be effective for the 1998 crop year. Please refer to the Crop Provisions for more complete information.

- The CRC Crop Provisions have been modified to accommodate changes made to the Multiple Peril Crop Insurance Basic Provisions of the Common Crop Insurance Policy. These modifications may include, but are not limited to:
  
  (a) Removal of some definitions now contained in the CRC Basic Provisions.
  
  (b) Removal of unit division provisions since provisions previously contained in section 2 regarding unit division requirements and unit structure by section, section equivalent, FSA farm serial number, and irrigated and non-irrigated practices, have been moved from the CRC Crop Provisions to the CRC Basic Provisions; and
  
  (c) Modification of late and prevented planting provisions.

- The definition of “planted acreage” clarifies that the yield conversion factor applied to non-irrigated skip-row cotton acreage will not be used if the land between the rows of cotton is planted to any other spring-planted crop.

- Section 4 changes the cancellation and termination dates from February 15 to January 15 in Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.
CROP REVENUE COVERAGE INSURANCE POLICY
COTTON CROP PROVISIONS

This is a risk management program. This risk management tool will be reinsured under the authority provided by section 508 (h) of the Federal Crop Insurance Act. If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Special Provisions; (2) these Crop Provisions; and (3) the Basic Provisions with (1) controlling (2), etc.

1. Definitions
Calculating Revenue - The production to count multiplied by the Harvest Price.
Cotton - Varieties identified as American Upland Cotton.
Growth area - A geographic area designated by the Secretary of Agriculture for the purpose of reporting cotton prices.
Harvest - The removal of the seed cotton from the open cotton boll, or the severance of the open cotton boll from the stalk by either manual or mechanical means.
Mature cotton - Cotton that can be harvested either manually or mechanically.
Planted acreage - In addition to the definition contained in the Basic Provisions, cotton must be planted in rows, unless otherwise provided by the Special Provisions or actuarial documents. The yield conversion factor normally applied to non-irrigated skip-row cotton acreage will not be used if the land between the rows of cotton is planted to any other spring planted crop.
Prevented Planting Guarantee - The Prevented Planting Guarantee for such acreage will be that percentage of the Final Guarantee for timely planted acres as set forth in section 11(b).
Skip-row - A planting pattern that:
(1) Consists of alternating rows of cotton and fallow land or land planted to another crop the previous fall; and
(2) Qualifies as a skip-row planting pattern as defined by the Farm Service Agency (FSA) or a successor agency.

2. Coverage Level, Price Percentage, and Approved Yield for Determining Final Guarantee and Indemnity
In addition to the requirements of section 4 of the Basic Provisions all the insurable acreage of each crop in the county insured as cotton under this policy will have the same coverage level and price percentage elections.

3. Contract Changes
In accordance with Section 5 of the Basic Provisions, the contract change date is December 31 preceding the cancellation date.

4. Cancellation and Termination Dates
In accordance with section 3(h) of the Basic Provisions, the cancellation and termination dates are:

<table>
<thead>
<tr>
<th>State and County</th>
<th>Cancellation and Termination Dates</th>
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<tbody>
<tr>
<td>Val Verde, Edwards, Kerr,</td>
<td>January 15</td>
</tr>
<tr>
<td>Kendall, Bexar, Wilson,</td>
<td></td>
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<tr>
<td>Karnes, Goliad, Victoria, and Jackson</td>
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<tr>
<td>Counties, Texas, and all Texas</td>
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<td>counties lying south thereof.</td>
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<td>Alabama; Arizona; Arkansas;</td>
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<td>California; Florida; Georgia;</td>
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<td>Louisiana; Mississippi; Nevada;</td>
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<tr>
<td>North Carolina; South Carolina;</td>
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<tr>
<td>El Paso, Hudspeth, Culberson,</td>
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<td>Reeves, Loving, Winkler, Ector,</td>
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<tr>
<td>Upton, Reagan, Sterling, Coke,</td>
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<tr>
<td>Tom Green, Concho, McLulloch,</td>
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<td>San Saba, Mills, Hamilton, Bosque,</td>
<td></td>
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</tbody>
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5. Insured Crop
In accordance with section 9 of the Basic Provisions, the crop insured will be all the cotton lint in the county for which premium rates are provided by the actuarial documents:
(a) In which you have a share; and
(b) That is not (unless allowed by the Special Provisions):
(1) Colored cotton lint;
(2) Planted into an established grass or legume;
(3) Interplanted with another spring planted crop;
(4) Grown on acreage from which a hay crop was harvested in the same calendar year unless the acreage is irrigated; or
(5) Grown on acreage on which a small grain crop reached the heading stage in the same calendar year unless the acreage is irrigated or adequate measures are taken to terminate the small grain crop prior to heading and less than 50 percent of the small grain plants reach the heading stage.

6. Insurable Acreage
In addition to the provisions of section 10 of the Basic Provisions:
(a) The acreage insured will be only the land occupied by the rows of cotton when a skip row planting pattern is utilized; and
(b) Any acreage of the insured crop damaged before the final planting date, to the extent that a majority of producers in the area would not normally further care for the crop, must be replanted unless we agree that it is not practical to replant.

7. Insurance Period
(a) In lieu of section 12(b)(2) of the Basic Provisions, insurance will end upon the removal of the cotton from the field.
(b) In accordance with the provisions under section 12 of the Basic Provisions, the calendar date for the end of the insurance period is the date immediately following planting as follows:
(1) September 30 in Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.
(2) January 31 in Arizona, California, New Mexico, Oklahoma, and all other Texas counties; and
(3) December 31 in all other states.

8. Causes of Loss
In accordance with the provisions of section 13 of the Basic Provisions, insurance is provided only against an unavoidable loss of revenue due to the following causes of loss which occur within the insurance period:
(a) Adverse weather conditions;
(b) Fire;
9. Duties in the Event of Damage or Loss

(a) In addition to your duties under section 15 of the Basic Provisions, in the event of damage or loss:

(1) The cotton stalks must remain intact for our inspection; and

(2) If you initially discover damage to the insured crop within 15 days of harvest, or during harvest, you must leave representative samples of the unharvested crop in the field for our inspection. The samples must be at least 10 feet wide and extend the entire length of each field in the unit.

(b) The stalks must not be destroyed, and required samples must not be harvested, until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed and written notice of probable loss given to us.

10. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide records of production:

(1) For any optional unit, we will combine all optional units for which acceptable records of production were not provided; or

(2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

(b) In the event of loss or damage covered by this policy, we will settle your claim by:

(1) Multiplying the insured acreage of the crop by the Final Guarantee:

(2) Subtracting the Calculated Revenue from the result of section 10(b)(1); and

(3) Multiplying the result of 10(b)(2) by your share.

(c) The total production (in pounds) to count from all insurable acreage on the unit will include:

(1) All appraised production as follows:

   (i) Not less than that amount of production that when multiplied by the Harvest Price equals the Final Guarantee for the acreage:

      (A) That is abandoned;

      (B) Put to another use without our consent;

      (C) Damaged solely by uninsured causes;

      (D) For which you fail to provide records of production that are acceptable to us; or

      (E) On which the cotton stalks are destroyed, in violation of section 9;

   (ii) Production lost due to uninsured causes;

   (iii) Unharvested production (mature unharvested production of white cotton may be adjusted for quality deficiencies in accordance with section 10(d)); and

   (iv) Potential production on insured acreage you want to put to another use or you wish to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end if you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:

      (A) If you do not elect to continue to care for the crop we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for,