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Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Administration and
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Division

FCIC-25090 (12-2007)
FCIC-25090-1 (11-2008)
FCIC-25090-2 (11-2009)

AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK 2010 and Succeeding Crop Years

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 25090 (12-2007) 25090-1 (11-2008) 25090-2 (11-2009)
SUBJECT: AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK 2010 AND SUCCEEDING CROP YEARS	OPI: Product Administration And Standards Division
	APPROVED: DATE: /s/ Tim B. Witt November 12, 2009 Deputy Administrator, Product Management

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2010 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: See changes or additions in text which have been **highlighted**. Three stars (***) identify where information has been removed.

Changes for the Crop Year 2010 (FCIC-25090-2) issued NOVEMBER 2009:

- A. **Subsection 6 B (1):** Added procedures to delay appraisals as specified in PAR. 85 C (1) of the LAM when insufficient soil moisture has affected seed emergence; or for any other reason specified in PAR. 85 C of the LAM.
- B. **Subsection 6 B (2) (b) 2:** Clarified procedures to require measuring skips between live plants for cotton planted as two narrow rows in a single bed of normal row width when skips occur directly across from each other in the two narrow rows.
- C. **Subsection 6 B (3) (c) 1:** Added referenced item.
- D. **Subsection 8 A (3):** Updated procedures regarding Privacy Act and Non-Discrimination statements with standard language.
- E. **Subsection 8 D:** Revised procedures to clarify that stalk inspections are required for a production loss but not revenue only loss.

AUP & ELS COTTON LOSS ADJUSTMENT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

F. **Subsection 9 A (3):** Updated procedures regarding Privacy Act and Non-Discrimination statements with standard language.

Control Chart For: AUP & ELS Cotton Loss Adjustment Standards Handbook							
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number	
Remove	1-2		15-18		12-2007	FCIC-25090	
			31-32		12-2007	FCIC-25090	
			49-52		12-2007	FCIC-25090	
Insert	1-2		15-18		11-2009	FCIC-25090-2	
			31-32		11-2009	FCIC-25090-2	
			49-52		11-2009	FCIC-25090-2	
Current Index	1-2	1-4	1-2		11-2009	FCIC-25090-2	
			3-6		12-2007	FCIC-25090	
			7-14		11-2008	FCIC-25090-1	
			15-18		12-2007	FCIC-25090	
			19-30		11-2009	FCIC-25090-2	
			31-32		12-2007	FCIC-25090	
			33-48		11-2009	FCIC-25090-2	
			49-52		12-2007	FCIC-25090	
			53-68		11-2009	FCIC-25090-2	
					69-84	12-2007	FCIC-25090
					85-90	11-2008	FCIC-25090-1
	91-119	12-2007	FCIC-25090				

6. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information on appraisal methods for **AUP** and **ELS** cotton.

Appraisal Method...	Use...
Stand Reduction Method	for planted acreage with no emerged seeds and from emergence until plants are classified in the Mature Stage.
Hail Damage Method	from V1 Stage until plants are classified in the Mature Stage.
Boll Count Method	from Mature Stage until harvest.

B. STAND REDUCTION METHOD

Use the Stand Reduction Method to appraise damage that occurs in the following stages of growth for **AUP** and **ELS** cotton.

IF the average stage of growth is identified as ...	USE the Stand Reduction Method to appraise...
Emergence through VC Stage (and planted acreage with no emerged seeds)	ALL damage that causes stand reduction or results in no emerged seeds, including plants destroyed by hail .
V1 through R12+ Stage for AUP or V1 through R16+ Stage for ELS	ANY stand reduction. If plant destruction has occurred from hail , use the Stand Reduction Method with the applicable Hail Damage Method (vegetative or reproductive).

Use the Boll Count Method after all bolls are “set” that will contribute to the ultimate yield to appraise damage from hail or damage that results in stand reduction.

(1) Scheduling Appraisals

Delay appraisals:

- (a) At least seven days for **AUP** cotton and at least 14 days for **ELS** cotton after the date of **hail** damage or blowing sand.
- (b) As specified in PAR. 85 C (1) of the LAM when insufficient soil moisture has affected seed emergence; or
- (c) For any other reason specified in PAR. 85 C of the LAM.

(2) Row Width and Sampling

There are two methods of measuring a representative sample area based on how the cotton is planted and the determined row width.

(a) First, determine how the cotton is planted:

- 1 two-narrow rows planted in a single bed of normal row width;
- 2 single rows; or
- 3 drilled rows or other narrow row planting methods for UNRC.

(b) Second, determine row width:

- 1 Measure the row width using the instructions in section 5C.
- 2 Select, from the chart below, the applicable representative sample method based on how the cotton is planted and the average row width measured.

IF the AUP or ELS cotton is planted...	THEN consider as...	AND select each representative sample as...
as two narrow rows, in a single bed of normal row width	one row	100-feet and measure the skips* between “ live ”** plants.
as single rows, with row spacings 16 inches or more apart (including drilled rows or other narrow row planting methods for UNRC)	separate rows	100-feet and measure the skips between “ live ”** plants.
with a drill or other narrow row planting methods for UNRC with row spacings less than 16 inches apart	UNRC	one square yard and count the number of “ live ”** plants.

*When skips occur directly across from each other in the two narrow rows

**“Live” plants are plants that are not damaged or are damaged but are expected to recover and contribute lint cotton to the ultimate yield at the time of harvest.

(c) Select the required number of representative samples using the instructions in section 5B.

(3) 100-Feet of Row Sample Method - Combined Length of Skips

Using a measuring tape marked in tenths, measure a row or combinations of rows comprising 100-feet and then measure the skips between “**live**”** plants.

(a) Defining a Skip

A skip is the space between “**live**”** plants within the row which exceed the standard space as shown in the chart below.

(b) Determine if the AUP cotton is a picker or stripper type cultivar. Refer to Definitions of AUP Picker cotton and AUP Stripper cotton in EXHIBIT 1.

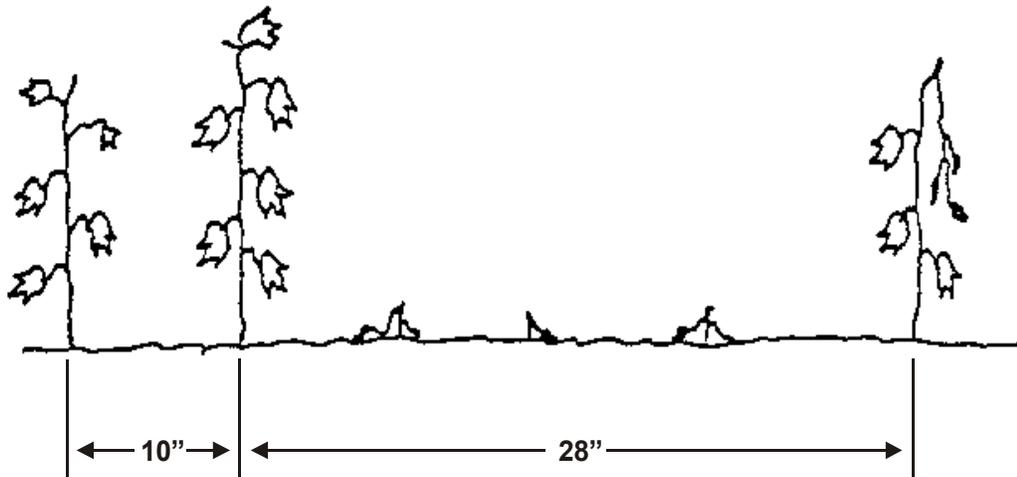
Select the skip based on the plant cultivar characteristics NOT the method of harvesting.

An AUP skip is the space between “live” plants within the row of more than...	An ELS skip is the space between “live” plants within the row of more than...
12 inches for cotton grown in Mississippi Delta Gumbo soil.	12 inches for cotton grown in Arizona and California.
10 inches for picker cotton grown in Arizona, Imperial and Riverside Counties of California, New Mexico, Oklahoma and the Texas High Plains.	10 inches for cotton grown in New Mexico and Texas.
6 inches for stripper cotton.	
16 inches for hill dropped cotton.	
14 inches for all other cotton.	

(c) Measuring a Skip

- 1 Determine the **AUP** or **ELS** standard plant spacing **within** the row; e.g., 12, 10 inches, etc., from section 6B(3)(a) **and (b)**.
- 2 Using a measuring tape marked in inches, measure the total distance between “**live**” plants within the sample row.
- 3 Subtract the standard plant spacing from the total distance measured between existing “**live**” plants. The result is the “**net length**” of the skip.

EXAMPLE: 10" plant spacing within a row:



Distance between existing plants	28"
Less: One standard 10-inch space	<u>10</u> "
“Net Length” of the skip	18"

- 4 Compute the combined length of **all** skips by adding the “**net length**” of **all** skips within the 100-foot sample.

- 5 Convert the result to feet and tenths by dividing by 12 and rounding to the nearest tenth of a foot.

EXAMPLE: Total combined length of all skips = 218" ÷ 12 = 18.2 ft.

- 6 Record results for each representative sample in Part I - Sample Determinations, Stand Reduction - Combined Length of Skips in 100-feet of Row of the appraisal worksheet.
- 7 Compute the pounds per acre appraisal using the instructions in Part I - Sample Determinations - Stand Reduction, 100-Feet of Row Sample Method - Combined Length of Skips in Appraisal Worksheet Entries and Completion Procedures of section 8.

(4) One Square Yard Sample Method (UNRC) - Plants Per Square Yard

- (a) Measure one square yard for each representative sample.
- (b) Count the number of **“live”*** **plants** in each representative sample.

***“Live” plants** are plants that are not damaged or are damaged but are expected to recover and contribute lint cotton to the ultimate yield at the time of harvest.

- (c) Record the results for each representative sample in Part I - Sample Determinations, Plants Per Square Yard of the appraisal worksheet.
- (d) Compute the pounds per acre appraisal using the instructions in Part I - Sample Determinations, Stand Reduction Method for the One Square Yard Sample Method of section 8.

C. HAIL DAMAGE METHOD

Use the Hail Damage Method to appraise any hail damage that occurs in the following stages of growth for **AUP** or **ELS** cotton.

IF the average stage of growth is identified as...	USE the...
V1 through V6 Stage	Stand Reduction Method with the Hail Damage Method for Vegetative Stages.
R1 through R12+ Stage for AUP or R1 through R16+ Stage for ELS	Stand Reduction Method with the Hail Damage Method for Reproductive Stages.

Use the Boll Count Method after all bolls are “set” that will contribute to the ultimate yield to appraise damage from hail.

7. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established modifications included in this handbook. Refer to the LAM for additional information.

8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. APPRAISAL WORKSHEET FORM STANDARDS

- (1) The entry items in subsection C are the minimum requirements for the Cotton Appraisal Worksheets for all harvested and unharvested appraisals. All of these entry items are “Substantive” (i.e., they are required.)
- (2) Appraisal Worksheet Completion Instructions. The completion instructions for the required entry items on the Appraisal Worksheet in the following subsections are “Substantive” (i.e., they are required.)
- (3) The Privacy Act and Non-Discrimination Statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements are not shown on the example form in this exhibit. The current **Non-Discrimination Statement and Privacy Act Statement** can be found on the RMA website at **<http://www.rma.usda.gov/regs/required.html>** or successor website.
- (4) Refer to the DSSH for other crop insurance form requirements (e.g., font point size, etc.).

B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION PROCEDURES

- (1) Include the AIP’s name in the appraisal worksheet title if not preprinted on the AIP’s worksheet or when a worksheet entry is not provided.
- (2) Include the claim number on the appraisal worksheet (when required by the AIP), when a worksheet entry is not provided.
- (3) Separate appraisal worksheets are required for each unit appraised, and for each field or subfield that have a differing base (APH) yield or farming practice. Refer to section 5B for sampling requirements.

Standard appraisal worksheet items are numbered consecutively in section 8C. An example appraisal worksheet is also provided to illustrate how to complete all entries, except the last three items on the appraisal worksheet.

C. WORKSHEET ENTRIES AND COMPLETION PROCEDURES

Verify or make the following entries:

Item

No.

Information Required

Company: Name of AIP, if not preprinted on the worksheet (Company Name).

Claim No.: Claim number as assigned by the AIP.

1. **Insured's Name:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy Number:** Insured's assigned policy number.
3. **Unit Number:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
4. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim is filed.
5. **Field Number:** Field or subfield identification symbol.
6. **Loc./Farm Number:** FSA Farm Serial Number (FSN). If an FSN is not available, enter the location, section, township, and range or other appropriate identifier.
7. **Stage of Growth:** Identify the stage of growth on the date of damage. Refer to section 5D(2) for **AUP** cotton or 5D(3) for **ELS** cotton.
8. **No. Acres:** Number of determined acres, to tenths, in the field or subfield being appraised.

STAND REDUCTION METHOD

Refer to Selecting Representative Samples and Stages of Growth section 5, and section 6B for the Stand Reduction Method appraisal instructions.

Part I - Sample Determinations - Stand Reduction

One Square Yard Sample Method - Plants Per Square Yard

9. **Plants Per Square Yard:** Record the number of “live” plants counted in each selected representative sample.

Total: Add the number of “live” plants counted in **all** samples to determine the Total Plants Per Square Yard counted.

APPRAISAL WORKSHEET EXAMPLES
BOLL COUNT METHOD - ELS (short form)

Company Any Company **Claim No.** XXXXXX

For Illustration Purposes ONLY APPRAISAL WORKSHEET COTTON	1 Insured's Name	2 Policy Number	3 Unit Number	4 Crop Year
	I. M. Insured	XXXXXXX	00100	YYYY
	5 Field Number	6 Loc./Farm Number		7 Stage of Growth
	A	430		Mature
				8 No. Acres
				6.0

SAMPLE NO.	STAND REDUCTION				VEGETATIVE STAGES	REPRODUCTIVE STAGES				
	9	10	11	12	13	14	15	16	17	18
	Plants Per Square Yard		Combined Length of Skips in 100 Ft. of Row		Gross Percent Partially Destroyed	No. of Bolls Remaining	Gross Destroyed (30 Plant Test)	Percent Limbs Destroyed	Percent Bolls Destroyed	Percent Locks Destroyed
1						86				
2						64				
3						54				
4						24				
5										
6										
7										
8										
9										
10										
11										
12										
TOTAL		Percent Crop Remaining		Percent Crop Remaining		228				
AVERAGE						57				

Use long form when hail damage occurs to AUP or ELS cotton in the vegetative stages (V1 and above) or reproductive stages (R1 and above).

PART II - COMPUTATIONS - STAND REDUCTION (Only) METHOD			
APPRAISED PRODUCTION	44 Average Percent Crop Remaining	45 Yield Per Acre	46 Pounds Per Acre
		X	=

PART IV - BOLL COUNT METHOD - REPRODUCTION STAGES			
APPRAISED PRODUCTION	55 Average Number of Bolls Remaining	56 Number of Bolls Per Pound Factor	57 Pounds Per Acre
	57	÷ 4	= 14

69 Remarks
 38-inch row spacing

This form example does not illustrate all required entry items (e.g., signatures, etc.)

D. COTTON STALK INSPECTIONS

These instructions provide information on inspections of cotton stalks which is required in the event of damage or loss (**production loss, but not revenue only loss**) as stated in the Cotton Crop Provisions and section 3F of this handbook.

- (1) Cotton stalk inspections are performed after harvest of the unit is complete and written notice of probable loss is given to the AIP. Harvest is considered complete when either the insured or AIP determines the final harvest is done.
- (2) Select the required number of representative samples using the instructions in subsection 5B.
- (3) If excessive cotton lint production is determined to remain on the stalks or in the field(s) after harvest due to improper harvest of the cotton, or due to malfunctioning or improperly adjusted harvest equipment, rather than due to an insured cause of loss:
 - (a) Measure three square yards for each representative sample and collect the cotton lint production remaining on the stalks and/or on the ground in each representative sample.
 - (b) Weigh the total cotton production in grams from all samples combined.
 - (c) Divide the total weight by the number of samples taken, to calculate the average number of grams per sample, rounded to the nearest whole gram.
 - (d) Multiply the average number of grams per sample by 3.5 (acreage factor)¹ to determine the gross pounds per acre. Multiply the gross pounds per acre by the percent of turnout from the gin of the last module ginned on the unit to calculate the net lint pounds per-acre uninsured cause appraisal, rounded to whole pounds. Record in the uninsured causes column on the TPC Production Worksheet. Document the cotton stalk inspection in the “Remarks” section of the appraisal worksheet and include the appraisal worksheet in the claim file.

Example: 100 grams per 27 square foot sample area x 3.5 x .20 (percent of turnout) = 70 lbs. per acre
 - (e) Refer to Par. 84 B of the LAM for additional information on verifying harvested production when performing inspections on representative samples of the unharvested crop and on cotton stalks.

9. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES

A. CLAIM FORM STANDARDS

- (1) The entry items in subsection C are the minimum Claim Form (hereafter referred to as “TPC Production Worksheet”) requirements. All of these entry items are considered

¹ Acreage factor: # grams per 27 square foot sample area ÷ 453.59 grams per lb. = # lbs. per 27 square foot sample area ÷ 27 square foot sample area = # lbs. per square foot x 43,560 square foot per acre

“Substantive” (i.e., they are required.)

- (2) Production Worksheet Instructions. The completion instructions for the required entry items on the Production Worksheet in the following subsections are “Substantive” (i.e., they are required.)
- (3) The Privacy Act and Non-Discrimination Statements are required statements that must be printed on the form or provided **to the insured** as a separate document. These statements are not shown in the example form in this exhibit. The current **Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at <http://www.rma.usda.gov/regs/required.html> or successor website.**
- (4) The certification statement required by the current DSSH must be included on the form directly above the insured’s signature block immediately followed by the statement below.

“I understand the certified information on this Production Worksheet will be used to determine my loss, if any, to the above unit. The insurance provider may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation, an agency of the United States, subsidizes and reinsures this crop insurance.”

- (5) Refer to the DSSH for other crop insurance form requirements (e.g., point size of font, etc.)

B. GENERAL INFORMATION FOR FORM ENTRIES AND COMPLETION PROCEDURES

- (1) The TPC Production Worksheet, is a progressive form containing all notices of damage for all preliminary and final inspections on a unit.
- (2) If a TPC Production Worksheet has been prepared on a prior inspection, verify each entry and enter additional information as needed. If a change or correction is necessary, strike out all entries on the line and re-enter correct entries on a new line. The adjuster and insured should initial any line deletions.
- (3) Refer to the LAM for instructions regarding the following:
 - (a) Acreage report errors.
 - (b) Delayed notices or delayed claims.
 - (c) Corrected claims or fire losses (double coverage), and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.
 - (d) Claims involving a Certification Form (when all the acreage on the unit has been appraised to be put to another use or other reasons described in the LAM).
 - (e) “No Indemnity Due” claims (which must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the guarantee).

- (f) Late planting. A late planting period is not applicable to **ELS** cotton. Any **ELS** cotton that is planted after the final planting date will not be insured unless the insured was prevented from planting it by the final planting date.
- (4) Refer to the Prevented Planting Handbook for information on prevented planting.
- (5) The adjuster is responsible for determining if any of the insured's requirements under the notice and claim provisions of the policy have not been met. If they have not, the adjuster should contact the AIP.
- (6) Instructions labeled "**PRELIMINARY**" apply to preliminary inspections only. Instructions labeled "**FINAL**" apply to final inspections only. Instructions not labeled apply to ALL inspections.

C. FORM ENTRIES AND COMPLETION PROCEDURES

Verify or Make the Following Entries:

Item

No. Information Required

1. **Crop/Code #:** Cotton (0021) or ELS Cotton (0022). For **ELS** cotton, **ELS** cotton procedures apply even though all or any part of the unit has been replanted to **AUP** cotton.
2. **Unit #:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g. 00100).
3. **Legal Description:** Section, township, and range number or other legal description that identifies the location of the unit.
4. **Date of Damage:** First three letters of the month during which **MOST** of the insured damage (including progressive damage) occurred for each inspection. Include the **SPECIFIC DATE** where applicable as in the case of hail damage (e.g., AUG 11).
5. **Cause of Damage:** Name of the insured cause(s) of loss for **AUP** or **ELS** cotton listed in the LAM. If it is evident that no indemnity is due, enter "NONE." If an insured cause of loss is coded as "Other," explain in the "Narrative."

Refer to the Basic Provisions and the respective AUP or ELS crop provisions for information pertaining to insured and uninsured causes of loss.

6. **Primary Cause %:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Percent of damage for the cause of damage listed in item 5 above that is determined to be the primary cause of damage, to the nearest whole percent. The primary cause of damage must exceed 50 percent (e.g., 51%). Enter an "X" for the major secondary cause of damage.