SUMMARY OF CHANGES FOR THE COTTON CROP PROVISIONS (17-0021)
(Released November 2016)

The following is a brief description of the changes to the Cotton Crop Provisions that will be effective for the 2017 crop year. Please refer to the Crop Provisions for complete information.

- Section 9 – Revised the provisions to state, at the insurance company's option or if required by FCIC in the Special Provisions, the insured may be required to leave cotton stalks intact.

- Section 10(c) – Revised the provisions in paragraph (c)(1)(i)(E) to include the phrase "if applicable."

- Section 11(b) - Removed the prevented planting coverage level percent specified in the Crop Provisions to specify the percent in the actuarial documents to allow updates as needed.

17-0021
(Released November 2016)

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
COTTON CROP PROVISIONS

1. **Definitions**

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, actuarial documents, or by written agreement. 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.

Production guarantee (per acre) – In lieu of the definition contained in the Basic Provisions, the number of pounds determined by multiplying the approved yield per acre by any applicable yield conversion factor for non-irrigated skip-row planting patterns, and multiplying the result by the coverage level percentage you elect.

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. **Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities**

In addition to the requirements of section 3 of the Basic Provisions, you must elect to insure your cotton with either revenue protection or yield protection by the sales closing date.

3. **Contract Changes**

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

4. **Cancellation and Termination Dates**

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are:

State and County	Cancellation and Termination Dates
Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.	January 31
Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; South Carolina; El Paso, Hudspeth, Culberson, Reeves, Loving, Winkler, Ector, Upton, Reagan, Sterling, Coke, Tom Green, Concho, McCulloch, San Saba, Mills, Hamilton, Bosque, Johnson, Tarrant, Wise, and Cooke Counties, Texas, and all Texas counties lying south and east thereof to and including Terrell, Crocket, Sutton, Kimble, Gillespie, Blanco, Comal, Guadalupe, Gonzales, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas.	February 28
All other Texas counties and all other states.	March 15

5. **Insured Crop**

In accordance with section 8 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 or by written agreement):

(1) Colored cotton lint;

(2) Planted into an established grass or legume; or

(3) Interplanted with another spring planted crop.

6. **Insurable Acreage**

In addition to the provisions of section 9 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 11(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 11 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 12 of the Basic Provisions, insurance is provided only against the following causes of loss which occur within the insurance period:

(a) Adverse weather conditions;

(b) Fire;
(c) Insects, but not damage due to insufficient or improper application of pest control measures;
(d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
(e) Wildlife;
(f) Earthquake;
(g) Volcanic eruption;
(h) Failure of the irrigation water supply due to a cause of loss specified in sections 8(a) through (g) that also occurs during the insurance period; or
(i) For revenue protection, a change in the harvest price from the projected price, unless FCIC can prove the price change was the direct result of an uninsured cause of loss specified in section 12(a) of the Basic Provisions.

9. Duties in the Event of Damage or Loss

(a) In addition to your duties under section 14 of the Basic Provisions, in the event of damage or loss, at our option or if required by FCIC in the Special Provisions, you may be required to leave the cotton stalks intact for our inspection. If applicable, 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.
(b) Representative samples are required in accordance with section 14 of the Basic Provisions.

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 that are acceptable to us for any:
    (1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or
    (2) 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 number of insured acres by your respective:
        (i) Yield protection guarantee (per acre) if you elected yield protection; or
        (ii) Revenue protection guarantee (per acre) if you elected revenue protection;
    (2) Totaling the results of section 10(b)(1)(i) or 10(b)(1)(ii), whichever is applicable;
    (3) Multiplying the production to count by your:
        (i) Projected price if you elected yield protection; or
        (ii) Harvest price if you elected revenue protection;
    (4) Totaling the results of section 10(b)(3)(i) or 10(b)(3)(ii), whichever is applicable;
    (5) Subtracting the result of section 10(b)(4) from the result of section 10(b)(2); and
    (6) Multiplying the result of section 10(b)(5) by your share.

    For example:

    You have 100 percent share in 50 acres of cotton in the unit with a production guarantee (per acre) of 525 pounds, your projected price is $.65, your harvest price is $.70, and your production to count is 25,000 pounds.

    If you elected yield protection:
    (1) 50 acres x (525 pound production guarantee x $.65 projected price) = $17,062.50 value of the production guarantee
    (3) 25,000 pound production to count x $.65 projected price = $16,250.00 value of production to count
    (5) $17,062.50 - $16,250.00 = $812.50
    (6) $812.50 x 1.000 share = $813.00 indemnity; or

    If you elected revenue protection:
    (1) 50 acres x (525 pound production guarantee x $.70 harvest price) = $18,375.00 revenue protection guarantee
    (3) 25,000 pound production to count x $.70 harvest price = $17,500.00 value of the production to count
    (5) $18,375.00 - $17,500.00 = $875.00
    (6) $875.00 x 1.000 share = $875.00 indemnity.
(c) The total production to count (in pounds) from all insurable acreage on the unit will include:
    (1) All appraised production as follows:
        (i) For yield protection, not less than the production guarantee and for revenue protection, not less than the amount of production that when multiplied by the harvest price equals the revenue protection guarantee (per acre) for 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) If applicable, 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 subsection 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, representative samples of the crop in locations acceptable to us (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or you fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count); or

(B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested; and

(2) All harvested production from the insurable acreage, including any mature cotton retrieved from the ground.

(d) Mature white cotton may be adjusted for quality when production has been damaged by insured causes. Such production to count will be reduced if Price A is less than 85 percent of Price B.

(1) Price B is defined as the Upland Cotton National Average Loan Rate determined by FSA, or as specified in the Special Provisions.

(2) Price A is defined as the loan value per pound for the bale determined in accordance with the FSA Schedule of Premiums and Discounts for the applicable crop year, or as specified in the Special Provisions.

(3) If eligible for adjustment, the amount of production to count will be determined by multiplying the number of pounds of such production by the factor derived from dividing Price A by 85 percent of Price B.

(e) Colored cotton lint will not be eligible for quality adjustment.

11. Prevented Planting

(a) In addition to the provisions contained in section 17 of the Basic Provisions, your prevented planting production guarantee will be based on your approved yield without adjustment for skip-row planting patterns.

(b) Your prevented planting coverage will be a percentage specified in the actuarial documents of your production guarantee for timely planted acreage. If you have additional coverage and pay an additional premium, you may increase your prevented planting coverage if such additional coverage is specified in the actuarial documents.