

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



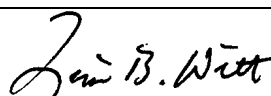
Product
Development
Division

FCIC-25090 (12-2003)
FCIC-25090-1 (11-2004)

AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS

2005 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25090 (12-2003) 25090-1 (11-2004)
SUBJECT: AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK 2005 AND SUCCEEDING CROP YEARS	DATE: November 3, 2004	
	OPI: Product Development Division	
	APPROVED:  Deputy Administrator, Research and Development	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THESE CROPS FOR THE 2005 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2005 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

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

Changes for Crop Year 2005 (FCIC-25090-1) issued NOVEMBER 2004:

- A. Removed all references to “NOTE” from slipsheeted pages of the handbook.
- B. Page 1, section 2 A: Inserted standard verbiage, “and signed by the insured,” to statement regarding distribution of forms.
- C. Page 3, subsection 3 B (3): Changed term “comparable” to “equivalent” to comply with standards.
- D. Page 9, subsection 5 D (2) (b): Corrected figure “57” to “66.5”.
- E. Page 43, subsection 8 B, Appraisal Worksheet Examples, Stand Reduction Method – AUP (short form) One Square Yard Sample Method – Plants Per Square Yard: Changed Unit Number to “00200,” as the previous unit number was not used on the claim form example.
- F. Page 44, subsection 8 B, Appraisal Worksheet Examples, Stand Reduction Method – AUP (short form) 100 Feet of Row Sample Method – Combined Length of Skips: Changed Field Number to “B,” to be consistent with claim form example.
- G. Page 45, subsection 8 B, Appraisal Worksheet Examples, Hail Damage Method – Vegetative Method – AUP (long form): Changed Unit Number to “00200,” as the previous figure was not used on the claim form example. Also corrected tick marks in column 20.

AUP & ELS COTTON LOSS ADJUSTMENT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

- H. Page 46, subsection 8 B, Appraisal Worksheet Examples, Hail Damage Method – Vegetative Method – AUP (long form), column 71: Corrected term “Insured” to “Adjuster.”
- I. Page 47, subsection 8 B, Appraisal Worksheet Examples, Hail Damage Method – Reproductive Stages – AUP (long form): Changed Unit Number to “00200,” as the previous figure was not used on the claim form example. Also corrected tick marks in column 20.
- J. Page 49, subsection 8 B, Appraisal Worksheet Examples, Boll Count Method – AUP (short form): Revised Field Number to be consistent with claim form example.
- K. Page 50, subsection 8 B, Appraisal Worksheet Examples, Boll Count Method – ELS (short form): Revised Field Number to be consistent with claim form example.
- L. Page 54, subsection 9 B, Section I – Acreage Appraised, Production And Adjustments, item A: inserted standard language regarding entries of first and second crop codes.
- M. Page 62, subsection 9 B, Section II - Harvested Production, item A₂: inserted standard language regarding entries of first and second crop codes.
- N. Page 67, subsection 9 B, Claim Form Example (ELS Cotton): Corrected figure in item 16.
- O. Page 72, subsection 10, Table H: Corrected an entry in table to be consistent with table used in Crop-Hail insurance procedures.
- P. Page 75, subsection 10, Table M: Corrected entries in table to be consistent with table used in Crop-Hail insurance procedures.
- Q. Page 76, subsection 10, Table N: Removed entry from table to be consistent with table used in Crop-Hail insurance procedures.
- R. Page 90, subsection 10, Exhibit 4, Table 4: Updated Acres Considered Planted by FSA Table to concur with current Crop Insurance Handbook.
- S. Page 91, subsection 10, Exhibit 5, (2) (A) (1): Added bale listing as one of the documents used to determine cotton values for quality adjustment.
- T. Page 92, subsection 10, Exhibit 5, Cotton Classification Information, A: Replaced verbiage “computer printouts” with more specific verbiage “bale listing.” Also specified that such information must contain a minimum of the information listed in the next section.
- U. Page 92, subsection 10, Exhibit 5, Cotton Classification Information, B: Replaced term “computer-generated printed documents” with “bale listing,” as this term is more specific.
- V. Page 99, subsection 10, Exhibit 5: In Example following step 2, replaced term “computer printout” with “bale listing,” as this term is more specific.

AUP & ELS COTTON LOSS ADJUSTMENT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

- W. Page 104, subsection 10, Exhibit 5, (6), (B), Example: Replaced term “computer printout” with “bale listing,” as this term is more specific.
- X. Page 113, subsection 10, Exhibit 5, (7), (B), Step 1, Example: Replaced term “computer printout” with “bale listing,” as this term is more specific.
- Y. Page 113, subsection 10, Exhibit 5, (7) (B), Step 2, Example: Added “leaf” to the list of items that should be obtained from the actuarial documents to determine price of cotton.

AUP & ELS COTTON LOSS ADJUSTMENT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: AUP & ELS Cotton Loss Adjustment Standards Handbook									
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive No.			
Remove	1-4		1-4		12-2003	FCIC-25090			
			9-10		12-2003	FCIC-25090			
			43-50		12-2003	FCIC-25090			
			53-54		12-2003	FCIC-25090			
			61-62		12-2003	FCIC-25090			
			67-68		12-2003	FCIC-25090			
			71-72		12-2003	FCIC-25090			
			75-76		12-2003	FCIC-25090			
			89-92		12-2003	FCIC-25090			
			99-100		12-2003	FCIC-25090			
			103-104		12-2003	FCIC-25090			
			113-114		12-2003	FCIC-25090			
			Insert	1-6		1-4		11-2004	FCIC-25090-1
						9-10		11-2004	FCIC-25090-1
43-50		11-2004				FCIC-25090-1			
53-54		11-2004				FCIC-25090-1			
61-62		11-2004				FCIC-25090-1			
67-68		11-2004				FCIC-25090-1			
71-72		11-2004				FCIC-25090-1			
75-76		11-2004				FCIC-25090-1			
89-92		11-2004				FCIC-25090-1			
99-100		11-2004				FCIC-25090-1			
103-104		11-2004				FCIC-25090-1			
113-114		11-2004				FCIC-25090-1			
Current Index	1-6	1-4						11-2004	FCIC-25090-1
								12-2003	FCIC-25090
			1-4		11-2004	FCIC-25090-1			
			5-8		12-2003	FCIC-25090			
			9-10		11-2004	FCIC-25090-1			
			11-42		12-2003	FCIC-25090			
			43-50		11-2004	FCIC-25090-1			
			51-52		12-2003	FCIC-25090			
			53-54		11-2004	FCIC-25090-1			
			55-60		12-2003	FCIC-25090			
			61-62		11-2004	FCIC-25090-1			
			63-66		12-2003	FCIC-25090			

AUP & ELS COTTON LOSS ADJUSTMENT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

			67-68		11-2004	FCIC-25090-1
				69-70	12-2003	FCIC-25090
				71-72	11-2004	FCIC-25090-1
				73-74	12-2003	FCIC-25090
				75-76	11-2004	FCIC-25090-1
				77-88	12-2003	FCIC-25090
				89-92	11-2004	FCIC-25090-1
				93-98	12-2003	FCIC-25090
				99-100	11-2004	FCIC-25090-1
				101-102	12-2003	FCIC-25090
				103-104	11-2004	FCIC-25090-1
				105-112	12-2003	FCIC-25090
				113-114	11-2004	FCIC-25090-1
				115-119	12-2003	FCIC-25090

AUP & ELS COTTON LOSS ADJUSTMENT HANDBOOK
SUMMARY OF CHANGES/CONTROL CHART (Continued)

(RESERVED)

1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM).

This handbook identifies the crop-specific procedural requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. These procedures, which include crop appraisal methods and claims completion instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

A. DISTRIBUTION

The following is the minimum distribution of forms completed by the adjuster **(and signed by the insured)** for the loss adjustment inspection:

One legible copy to insured. The original and all remaining copies as instructed by the insurance provider.

It is the insurance providers' responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions that are **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to **AUP** and **ELS** cotton loss adjustment and this handbook, which are not defined in this section, are defined either as they appear in the text or **EXHIBIT 1**.
- (3) Abbreviations:

AMS	Agricultural Marketing Service
AUP	American Upland Cotton
DSCQ	Daily Spot Cotton Quotation
ELS	Extra Long Staple Cotton
HVI	High Volume Instruments
UNR	Ultra-Narrow-Row
UNRC	Ultra-Narrow-Row Cotton

3. INSURANCE CONTRACT INFORMATION

The insurance provider is to determine that the insured has complied with all policy provisions of the insurance contract. **AUP** and **ELS** cotton crop provisions, which are to be considered in this determination include (but are not limited to):

A. INSURABILITY

- (1) The crop insured will be all the cotton lint in the county, in which the insured has a share, for which premium rates are provided by the actuarial documents:
 - (a) That is not (unless allowed by the Special Provisions or by a written agreement):
 - 1 Colored cotton lint (**AUP** only);
 - 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 fifty percent (50%) of the small grain plants reach the heading stage.

Refer to **EXHIBIT 2** for Insurability of Nonirrigated Cotton Grown Under A Conservation Tillage Practice.
- (2) In addition to insurable acreage of the Basic Provisions, the acreage insured will be **ONLY** the land occupied by the rows of cotton when a skip-row planting pattern is utilized.
- (3) 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 the insurance provider agrees that it is not practical to replant. Refer to the LAM for replanting provision issues.
- (4) In lieu of section 11(b)2 of the Basic Provisions, insurance will end upon the removal of the cotton from the field.

B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE

- (1) Optional units.
- (2) Written Agreements.
- (3) Hail and Fire Exclusion provisions (also not applicable if additional coverage is less than 65/100 or **equivalent** coverage).
- (4) High Risk Land Exclusion.

Refer to the CIH and LAM for other provisions or procedures not applicable to CAT.

C. UNIT DIVISION

Refer to the insurance contract for unit provisions. Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

D. QUALITY ADJUSTMENT

The production to count for mature cotton may be reduced as a result of a loss in quality when production has been damaged by insured cause(s). Refer to **EXHIBIT 5** Using the Cotton Classification System for Quality Adjustment.

E. AUP AND ELS INSTRUCTION DESIGNATIONS

Instructions designated **AUP** will apply to American Upland cotton **ONLY**. Instructions designated **ELS** will apply to Extra Long Staple cotton **ONLY**. Undesignated instructions will apply to both **AUP** and **ELS** cotton.

4. REPLANTING PAYMENT PROCEDURES

There currently is no replant payment available for **AUP** or **ELS** cotton. Refer to section 3A(3) for replanting requirements prior to the final planting date.

5. AUP AND ELS COTTON APPRAISALS

A. GENERAL INFORMATION

Potential production will be appraised in accordance with procedures as specified in this handbook and the LAM.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

- (1) Determine the minimum number of required samples for a field or subfield by the field size, average stage of growth, general capabilities of plants to recover, and variability of plant damage within the field or subfield.

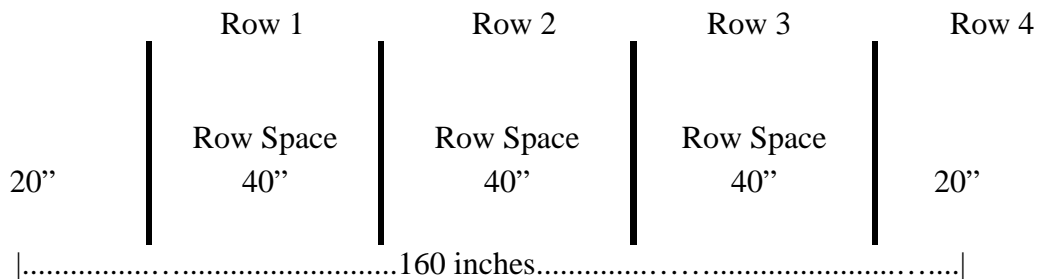
- (2) Split the field into subfields when:
 - (a) variable damage causes the crop potential to appear to be significantly different within the same field, or
 - (b) the insured wishes to destroy part of a field.
- (3) Appraise each subfield separately.
- (4) Take not less than the minimum number (count) of representative samples as required in **TABLE A**.

C. MEASURING ROW WIDTH FOR SAMPLE SELECTION

Use these instructions when the selection of the representative sample is based on row width.

- (1) Use a measuring tape marked in inches or convert a tape marked in tenths, to inches, to measure row width (refer to the LAM for conversion table).
- (2) Measure across **FOUR OR MORE** rows, from the center of the first row space to the center of the fifth row space (or as many rows as needed), and divide the result by the number of rows measured across, to determine an average row width in whole inches.

EXAMPLE:



$$160 \text{ inches} \div 4 \text{ rows} = 40 \text{ inches average row width}$$

- (3) When the planting pattern is a skip-row pattern, measure across the pattern and divide the total distance by the number of rows measured across, to determine “average row width” in whole inches.

R3	3 days	Two fruiting branches should be visible and a square appearing at the leaf axle of the third “R” node.
R4	3 days	The plant is approximately 54 days post emergence. Third “R” internode has elongated ½ inch or more.
R5	3 days	Fourth “R” internode has elongated ½ inch or more. Plant is squaring freely.
R6	3 days	Fifth “R” internode has elongated ½ inch or more.
R7	3 days	Sixth “R” internode has elongated ½ inch or more.
R8	3.5 days	The first white bloom normally appears at this stage on the fruiting branch elongated from the first “R” node. The plant is approximately 66.5 days post emergence.
R9	3.5 days	Eighth “R” internode has elongated ½ inch or more.
R10	3.5 days	Ninth “R” internode has elongated ½ inch or more.
R11	3.5 days	Tenth “R” internode has elongated ½ inch or more.
R12		Bolls are present on fruiting branches attached to first and second “R” nodes.
R12+		The plant now has twelve or more “R” nodes; squares and bolls continue to develop. Plants will be identified as R12+ throughout the remaining growth and development period.

(c) **AUP** Mature Stage

The plant has now “set” **ALL** bolls that will contribute to the ultimate yield. The plant is approximately 110 days post emergence. **Important:** Under certain conditions, this mature stage may be attained **BEFORE** the R12+ stage.

(d) **AUP** Fully Mature Stage

The plant now has **ALL** bolls that will contribute to the ultimate yield at the fully matured (open bolls) stage. The plant is approximately 150-155 days post emergence (90% open bolls).

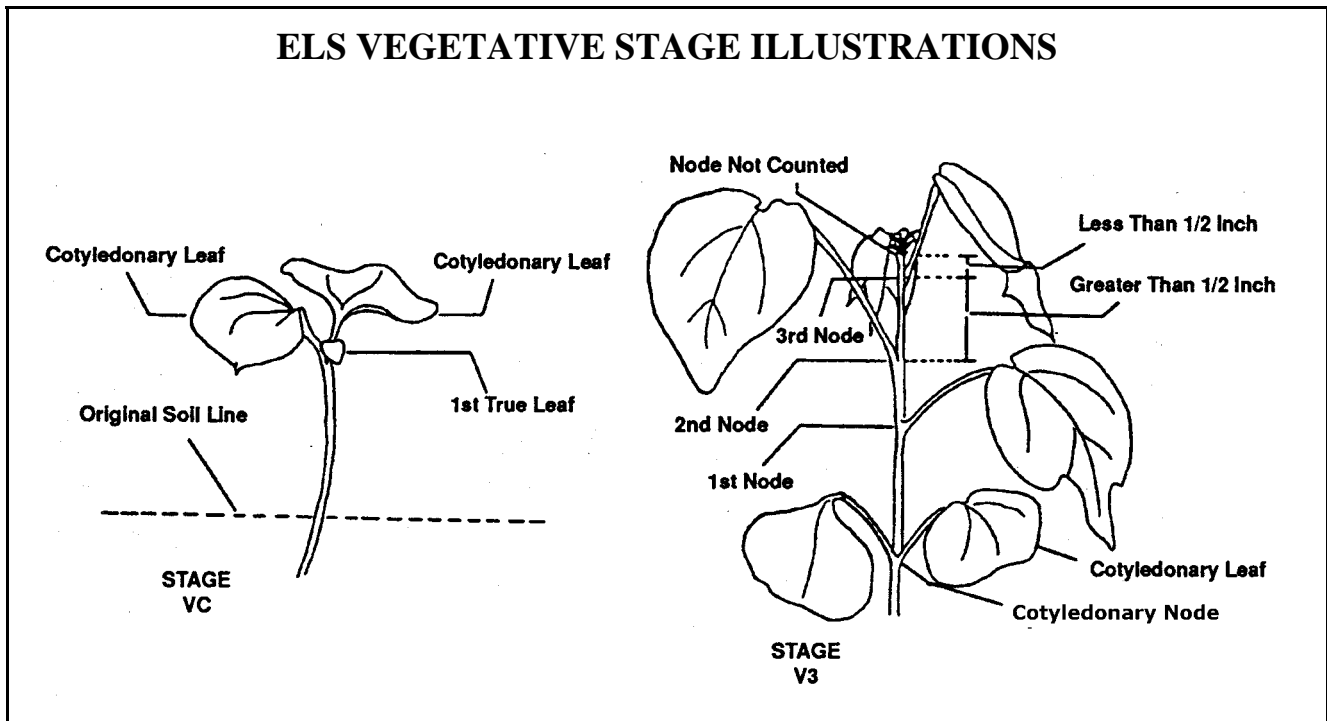
(3) **ELS Cotton Stages of Growth**

Emergence normally occurs 9 to 12 days after planting. At the lowest node (joint) of the cotton stem, two cotyledonary (seedling) leaves are borne on opposite sides of the stem. The cotton plant then develops into two types of branches, vegetative and fruiting. The stages of growth are based on average full-season varieties and are the approximate time required for cotton plants to reach a specific growth stage.

(a) **ELS Vegetative Stages**

A plant is classified as in the “Vegetative Stage” if “squaring” has **NOT** begun. Vegetative stage numbers are preceded by a “V” and are identified as “VC” (emergence) through V6 stages of growth.

- 1 Count the number of nodes above the cotyledonary node beginning at the bottom of the main stem where the two cotyledonary leaves (seed leaves) were attached.
- 2 The last node counted at the top of the plant is the node above which the internode has not elongated as much as ½ inch. At this node, the true leaf is approaching full size and the internode below will be elongated to ½ inch or more.



<u>Stage Number</u>	<u>Average Time Interval</u>	<u>Characteristics</u>
VC	12 days from emergence	Plants are 1 to 3 inches in height; a terminal bud at the junction of cotyledonary stem and main stem.

APPRAISAL WORKSHEET EXAMPLES

STAND REDUCTION METHOD - AUP (short form)

One Square Yard Sample Method – Plants Per Square Yard

Company Any Company

Claim No. XXXXXXX

For Illustration Purposes ONLY APPRAISAL WORKSHEET COTTON	1 Insured's Name		2 Policy Number	3 Unit Number	4 Crop Year
	I. M. Insured		XXXXXXX	00200	YYYY
	5 Field Number	6 Loc./Farm Number		7 Stage of Growth	8 No. Acres
	8	430		V1	39.9

PART I - SAMPLE DETERMINATIONS

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	6									
2	3									
3	0									
4	4									
5										
6										
7										
8										
9										
10										
11										
12										
TOTAL	13	Percent Crop Remaining		Percent Crop Remaining						
AVERAGE	3.3	14.3								

Use long form when hail damage occurs to AUP or ELS cotton.

PART II - COMPUTATIONS - STAND REDUCTION (Only) METHOD

APPRAISED PRODUCTION	44 Average Percent Crop Remaining	45 Yield Per Acre	46 Pounds Per Acre
	.143	X 325	= 46.4 = 46

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
	X		=

69 Remarks

UNRC 15-inch row spacing

70 Insured's Signature	Date	71 Adjuster's Signature/Code Number	Date
I. M. Insured	MM/DD/YYYY	I. M. Adjuster XXXXX	MM/DD/YYYY

APPRAISAL WORKSHEET EXAMPLES
STAND REDUCTION METHOD - AUP (short form)
 100 Feet of Row Sample Method – Combined Length of Skips

Company Any Company **Claim No.** XXXXXXX

For Illustration Purposes ONLY APPRAISAL WORKSHEET COTTON	1 Insured's Name I. M. Insured	2 Policy Number XXXXXXX	3 Unit Number 00100	4 Crop Year YYYY
	5 Field Number B	6 Loc./Farm Number 430	7 Stage of Growth V3	8 No. Acres 10.8

PART I - SAMPLE DETERMINATIONS

SAMPLE NO.	STAND REDUCTION				VEGETATIVE STAGES	REPRODUCTIVE STAGES				
	9 Plants Per Square Yard	10	11 Combined Length of Skips in 100 Ft. of Row	12	13 Gross Percent Partially Destroyed	14 No. of Bolls Remaining	15 Gross Destroyed (30 Plant Test)	16 Percent Limbs Destroyed	17 Percent Bolls Destroyed	18 Percent Locks Destroyed
1			89.7							
2			87.5							
3			74.2							
4			82.9							
5										
6										
7										
8										
9										
10										
11										
12										
TOTAL		Percent Crop Remaining	334.3	Percent Crop Remaining						
AVERAGE			83.6	16.4						

Use long form when hail damage occurs to AUP or ELS cotton.

PART II - COMPUTATIONS - STAND REDUCTION (Only) METHOD

APPRaised PRODUCTION	44 Average Percent Crop Remaining .164	X	45 Yield Per Acre 425	=	46 Pounds Per Acre 69.7 = 70
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PART IV - BOLL COUNT METHOD - REPRODUCTION STAGES

APPRaised PRODUCTION	55 Average Number of Bolls Remaining	X	56 Number of Bolls Per Pound Factor	=	57 Pounds Per Acre
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69 Remarks

30-inch row spacing

70 Insured's Signature I. M. Insured	Date MM/ DD/YYYY	71 Adjuster's Signature/Code Number I. M. Adjuster XXXXX	Date MM/DD/YYYY
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APPRAISAL WORKSHEET EXAMPLES
HAIL DAMAGE METHOD - VEGETATIVE METHOD - AUP (long form)

Company Any Company **Claim No.** XXXXXXX

For Illustration Purposes ONLY	1 Insured's Name I. M. Insured		2 Policy Number XXXXXXX	3 Unit Number 00200	4 Crop Year YYYY
	5 Field Number 10B		6 Loc./Farm Number 430		7 Stage of Growth V5
APPRAISAL WORKSHEET COTTON					

PART I - SAMPLE DETERMINATIONS

SAMPLE NO.	STAND REDUCTION				VEGETATIVE STAGES	REPRODUCTIVE STAGES				
	9 Plants Per Square Yard	10	11 Combined Length of Skips in 100 Ft. of Row	12	13 Gross Percent Partially Destroyed	14 No. of Bolls Remaining	15 Gross Destroyed (30 Plant Test)	16 Percent Limbs Destroyed	17 Percent Bolls Destroyed	18 Percent Locks Destroyed
1			58.2		23.7					
2			56.8		19.7					
3			61.0		20.7					
4										
TOTAL		Percent Crop Remaining	176.0	Percent Crop Remaining	64.1					
AVERAGE			58.7	41.3	21.4					

PLANT DAMAGE COMPUTATIONS

SAMPLE NO. 1				SAMPLE NO. 2				SAMPLE NO. 3				SAMPLE NO. 4			
19 Cut-Off Symbol	20 Plants Cut-Off	21 Factor	22 Result	19 Cut-Off Symbol	20 Plants Cut-Off	21 Factor	22 Result	19 Cut-Off Symbol	20 Plants Cut-Off	21 Factor	22 Result	19 Cut-Off Symbol	20 Plants Cut-Off	21 Factor	22 Result
CC	I	50	300	CC		50	250	CC	I	50	300	CC			
C1		40	160	C1		40	160	C1		40	200	C1			
C2		30	150	C2		30	120	C2		30	60				
C3		20	100	C3		20	60	C3		20	60				
23 TOTAL			710	23 TOTAL			590	23 TOTAL			620	23 TOTAL			
24 Total Column		25 Factor	26 % Loss	24 Total Column		25 Factor	26 % Loss	24 Total Column		25 Factor	26 % Loss	24 Total Column		25 Factor	26 % Loss
710		÷ 30	= 23.7	590		÷ 30	= 19.7	620		÷ 30	= 20.7			÷ 30	=
27 Limbs Destroyed		28 % Loss		27 Limbs Destroyed		28 % Loss		27 Limbs Destroyed		28 % Loss		27 Limbs Destroyed		28 % Loss	
		=				=				=				=	
29 Small Bolls		30 Factor	31 % Loss	29 Small Bolls		30 Factor	31 % Loss	29 Small Bolls		30 Factor	31 % Loss	29 Small Bolls		30 Factor	31 % Loss
		X .25	=			X .25	=			X .25	=			X .25	=
32 Large Bolls		33 Factor	34 % Loss	32 Large Bolls		33 Factor	34 % Loss	32 Large Bolls		33 Factor	34 % Loss	32 Large Bolls		33 Factor	34 % Loss
		X .50	=			X .50	=			X .50	=			X .50	=
35 Mature Bolls		36 Factor	37 % Loss	35 Mature Bolls		36 Factor	37 % Loss	35 Mature Bolls		36 Factor	37 % Loss	35 Mature Bolls		36 Factor	37 % Loss
		X 1.00	=			X 1.00	=			X 1.00	=			X 1.00	=
38 Locks Destroyed		39 Locks/Boll	40 Equiv. Bolls	38 Locks Destroyed		39 Locks/Boll	40 Equiv. Bolls	38 Locks Destroyed		39 Locks/Boll	40 Equiv. Bolls	38 Locks Destroyed		39 Locks/Boll	40 Equiv. Bolls
		÷	=			÷	=			÷	=			÷	=
41 Equivalent Bolls		42 Factor	43 % Loss	41 Equivalent Bolls		42 Factor	43 % Loss	41 Equivalent Bolls		42 Factor	43 % Loss	41 Equivalent Bolls		42 Factor	43 % Loss
		X	=			X	=			X	=			X	=

APPRAISAL WORKSHEET EXAMPLES

(Reverse)

HAIL DAMAGE METHOD - VEGETATIVE STAGES - AUP (long form)

PART II - COMPUTATIONS - STAND REDUCTION (ONLY) METHOD									
APPRaised PRODUCTION	44 Average Percent Crop Remaining		45 Yield Per Acre		46 Pounds Per Acre				
	X		=						
PART III - COMPUTATIONS- STAND REDUCTION AND PLANT DAMAGE METHOD - VEGETATIVE STAGES									
APPRaised PRODUCTION	47 Average Percent Crop Remaining	48 Average Gross % Partially Destroyed	49 Net Loss Plant Damage	50 Average Percent Crop Remaining	51 Net Loss Plant Damage	52 Percent Crop Remaining	53 Yield Per Acre	54 Pounds Per Acre	
	.413	X .214	= .088	.413	- .088	= .325	X 603	= 196	
PART IV - BOLL COUNT METHOD - REPRODUCTIVE STAGE									
APPRaised PRODUCTION	55 Average Number of Bolls Remaining		56 Number of Bolls Per Pound Factor		57 Pounds Per Acre				
	÷		=						
PART V - COMPUTATIONS - STAND, PLANT AND BOLL DAMAGE METHODS - REPRODUCTIVE STAGES									
APPRaised PRODUCTION	58 Average Percent Crop Remaining	59 Average Gross Destroyed (30 Plant Test)	60 Average Percent Limbs Destroyed	61 Average Percent Bolls Destroyed	62 Average Percent Locks Destroyed	63 Net Loss Plant Damage			
	X (+	+	+)	=			
	64 Average Percent Crop Remaining	65 Net Loss Plant Damage	66 Percent Crop Remaining	67 Yield Per Acre	68 Pounds Per Acre				
	-	=	X	=					
<p>69 Remarks</p> <p>Picker type cotton planted in 38-inch rows.</p>									
70 Insured's Signature			Date		71 Adjuster's Signature/Code Number			Date	
I. M. Insured			MM/DD/YYYY		I. M. Adjuster XXXXX			MM/DD/YYYY	

**APPRAISAL WORKSHEET EXAMPLES
HAIL DAMAGE METHOD - REPRODUCTIVE STAGES - AUP (long form)**

Company Any Company

Claim No. XXXXXXX

For Illustration Purposes ONLY APPRAISAL WORKSHEET COTTON	1 Insured's Name			2 Policy Number		3 Unit Number		4 Crop YEAR	
	I. M. Insured			XXXXXXX		00200		YYYY	
	5 Field Number		6 Loc./Farm Number			7 Stage of Growth		8 No. Acres	
	C		430			R12+		9.9	

PART I - SAMPLE DETERMINATIONS

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			50.2				37.0	12.0	12.0	1.5
2			50.8				58.5	12.0	11.5	4.0
3			50.1				45.7	9.0	11.0	3.4
4										
TOTAL		Percent Crop Remaining	151.1	Percent Crop Remaining			141.2	33.0	34.5	8.9
AVERAGE			50.4	49.6			47.1	11.0	11.5	3.0

PLANT DAMAGE COMPUTATIONS

SAMPLE NO. 1				SAMPLE NO. 2				SAMPLE NO. 3				SAMPLE NO. 4			
19	20	21	22	19	20	21	22	19	20	21	22	19	20	21	22
Cut-Off Symbol	Plants Cut-Off	Factor	Result	Cut-Off Symbol	Plants Cut-Off	Factor	Result	Cut-Off Symbol	Plants Cut-Off	Factor	Result	Cut-Off Symbol	Plants Cut-Off	Factor	Result
CC	IIII	100	400	CC	III	100	300	CC	III	100	300	CC			
C1				C1				C1	III	100	300	C1			
C3	III	100	300	C2	IIII	100	400	C4	II	100	200				
C7	IIII	75	300	C5	IIII	100	500	C7	III	75	225				
C11	II	45	90	C7	IIII	75	375	C9	II	60	120				
C17	II	10	20	C11	IIII	45	180	C11	IIII	45	225				
23 TOTAL			1110	23 TOTAL			1755	23 TOTAL			1370	23 TOTAL			
24 Total Column		25 Factor	26 % Loss	24 Total Column		25 Factor	26 % Loss	24 Total Column		25 Factor	26 % Loss	24 Total Column		25 Factor	26 % Loss
1110		÷	30 = 37.0	1755		÷	30 = 58.5	1370		÷	30 = 45.7			÷	30 =
27 Limbs Destroyed		28 % Loss		27 Limbs Destroyed		28 % Loss		27 Limbs Destroyed		28 % Loss		27 Limbs Destroyed		28 % Loss	
20		=	12.0	20		=	12.0	15		=	9.0			=	
29 Small Bolls		30 Factor	31 % Loss	29 Small Bolls		30 Factor	31 % Loss	29 Small Bolls		30 Factor	31 % Loss	29 Small Bolls		30 Factor	31 % Loss
24		X	.25 = 6.0	20		X	.25 = 5.0	24		X	.25 = 6.0			X	.25 =
32 Large Bolls		33 Factor	34 % Loss	32 Large Bolls		33 Factor	34 % Loss	32 Large Bolls		33 Factor	34 % Loss	32 Large Bolls		33 Factor	34 % Loss
12		X	.50 = 6.0	13		X	.50 = 6.5	10		X	.50 = 5.0			X	.50 =
35 Mature Bolls		36 Factor	37 % Loss	35 Mature Bolls		36 Factor	37 % Loss	35 Mature Bolls		36 Factor	37 % Loss	35 Mature Bolls		36 Factor	37 % Loss
		X	1.00 =			X	1.00 =			X	1.00 =			X	1.00 =
38 Locks Destroyed		39 Locks/ Boll	40 Equiv. Bolls	38 Locks Destroyed		39 Locks/ Boll	40 Equiv. Bolls	38 Locks Destroyed		39 Locks/ Boll	40 Equiv. Bolls	38 Locks Destroyed		39 Locks/ Boll	40 Equiv. Bolls
15		÷	5 = 3.0	40		÷	5 = 8.0	34		÷	5 = 6.8			÷	=
41 Equivalent Bolls		42 Facto	43 % Loss	41 Equivalent Boll		42 Factor	43 % Loss	41 Equivalent Bolls		42 Facto	43 % Loss	41 Equivalent Bolls		42 Facto	43 % Loss
3.0		X	.50 = 1.5	8.0		X	.50 = 4.0	6.8		X	.50 = 3.4			÷	=

APPRAISAL WORKSHEET EXAMPLES

(Reverse) **HAIL DAMAGE METHOD - REPRODUCTIVE STAGES - AUP (long form)**

PART II - COMPUTATIONS - STAND REDUCTION (ONLY) METHOD										
APPRAISED PRODUCTION	44 Average Percent Crop Remaining	45 Yield Per Acre	46 Pounds Per Acre							
	X		=							
PART III - COMPUTATIONS - STAND REDUCTION AND PLANT DAMAGE METHOD - VEGETATIVE STAGES										
APPRAISED PRODUCTION	47 Average Percent Crop Remaining	48 Average Gross % Partially Destroyed	49 Net Loss Plant Damage	50 Average Percent Crop Remaining	51 Net Loss Plant Damage	52 Percent Crop Remaining	53 Yield Per Acre	54 Pounds Per Acre		
	X		=		=		X	=		
PART IV - BOLL COUNT METHOD - REPRODUCTIVE STAGE										
APPRAISED PRODUCTION	55 Average Number of Bolls Remaining	56 Number of Bolls Per Pound Factor		57 Pounds Per Acre						
		÷		=						
PART V - COMPUTATIONS - STAND, PLANT AND BOLL DAMAGE METHODS - REPRODUCTIVE STAGES										
APPRAISED PRODUCTION	58 Average Percent Crop Remaining	59 Average Gross Destroyed (30 Plant Test)	60 Average Percent Limbs Destroyed	61 Average Percent Bolls Destroyed	62 Average Percent Locks Destroyed	63 Net Loss Plant Damage				
	.496	X (.471	+	.110	+	.115	+	.030) = .360
	64 Average Percent Crop Remaining	65 Net Loss Plant Damage		66 Percent Crop Remaining	67 Yield Per Acre	68 Pounds Per Acre				
	.496	-	.360	=	.136	X	416	=	57	
<p>69 Remarks Factors for item 21 from Table 6.</p> <p style="margin-left: 40px;">AUP Picker - Solid Planted 40 inch rows.</p>										
70 Insured's Signature			Date		71 Adjuster's Signature/Code Number			Date		
I.M. Insured			MM/DD/YYYY		I.M. Adjuster XXXXX			MM/DD/YYYY		

Page 2 of 2

**APPRAISAL WORKSHEET EXAMPLES
BOLL COUNT METHOD - AUP (short form)**

Company Any Company **Claim No.** XXXXXXX

For Illustration Purposes ONLY APPRAISAL WORKSHEET COTTON	1 Insured's Name I. M. Insured		2 Policy Number XXXXXXX		3 Unit Number 00100		4 Crop Year YYYY		
	5 Field Number E		6 Loc./Farm Number 430			7 Stage of Growth Mature		8 No. Acres 9.2	

PART I - SAMPLE DETERMINATIONS

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

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 X	45 Yield Per Acre	46 Pounds Per Acre =
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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 = 19
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69 Remarks

38-inch row spacing

76 bolls ÷ 2.5 factor = 30.4 = 30 lbs.

64 bolls ÷ 3.5 factor = 18.3 = 18 lbs.

54 bolls ÷ 4.5 factor = 12.0 = 12 lbs.

89 bolls ÷ 5.5 factor = 16.2 = 16 lbs.

76 lbs. ÷ 4 samples = 19

70 Insured's Signature I. M. Insured	Date MM/DD/YYYY	71 Adjuster's Signature/Code Number I. M. Adjuster XXXXX	Date MM/DD/YYYY
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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 I. M. Insured	2 Policy Number XXXXXXX	3 Unit Number 00100	4 Crop Year YYYY
	5 Field Number A	6 Loc./Farm Number 430	7 Stage of Growth Mature	8 No. Acres 6.0

PART I - SAMPLE DETERMINATIONS

SAMPLE NO.	STAND REDUCTION				VEGETATIVE STAGES	REPRODUCTIVE STAGES				
	9 Plants Per Square Yard	10	11 Combined Length of Skips in 100 Ft. of Row	12	13 Gross Percent Partially Destroyed	14 No. of Bolls Remaining	15 Gross Destroyed (30 Plant Test)	16 Percent Limbs Destroyed	17 Percent Bolls Destroyed	18 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

70 Insured's Signature I. M. Insured	Date MM/DD/YYYY	71 Adjuster's Signature/Code Number I. M. Adjuster XXXXX	Date MM/DD/YYYY
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12. **Additional Units:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Unit number(s) for ALL non-loss units for the crop at the time of final inspection. A non-loss unit is any unit for which a TPC Production Worksheet has not been completed. Additional non-loss units may be entered on a single TPC Production Worksheet.

If more spaces are needed for non-loss units, enter the unit numbers, identified as “Non-loss Units,” in the Narrative or on an attached Special Report.

13. **Est. Prod. Per Acre:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Estimated yield per acre, in whole pounds, of all non-loss units for the crop at the time of final inspection.

14. **Date(s) Notice of Loss:**

PRELIMINARY:

- a. Date the notice of damage was given for the unit in item 2.
- b. A third preliminary inspection (if needed) requires an additional set of TPC Production Worksheets. Enter the date of notice for a third preliminary inspection in the 1st space of Column 14 on the second set.
- c. Reserve the “Final” space on the first page of the first set of TPC Production Worksheets for the date of notice for the final inspection.
- d. If the inspection is initiated by the insurance provider, enter “Company Insp.” instead of the date.

FINAL: Transfer the last date in the 1st or 2nd space to the FINAL space if a final inspection should be made as a result of the notice. Always enter the complete date of notice (month, day, year) for the FINAL inspection in the FINAL space on the first page of the first set of TPC Production Worksheets. For a delayed notice of loss or delayed claim, refer to the LAM.

15. **Companion Policy(ies):**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.
- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the OTHER person does not, enter “NONE.”
 - (1) If the OTHER person has a multiple-peril crop insurance contract and it can be determined that the SAME insurance provider services it, enter the contract number. Handle these companion policies according to insurance provider instructions.
 - (2) If the OTHER person has a multiple-peril crop insurance contract and a DIFFERENT insurance provider or agent services it, enter the name of the insurance provider and/or agent (and contract number) if known.
 - (3) If unable to verify the existence of a companion contract, enter “Unknown” and contact the insurance provider for further instructions.

Refer to the LAM for further information regarding companion contracts.

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Make separate line entries for varying:

- (1) Rate classes or farming practices;
- (2) APH yields;
- (3) Appraisals;
- (4) Adjustments to appraised mature production (quality);
- (5) Stages or intended use(s) of acreage;
- (6) Shares (e.g., 50 percent and 75 percent share on the same unit); or
- (7) Appraisal for damage due to hail or fire if a Hail and Fire Exclusion is in effect.

Verify or make the following entries:

Item

No. Information Required

- A. **Field ID:** The field identification symbol from a sketch map or an aerial photo. See narrative. In the margin, (or in a separate column), enter the date of inspection for the last line entry of each inspection.

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRIES OF FIRST CROP AND SECOND CROP CODES.

- w. Record any new planting pattern established after the final planting date. Explain the cause of damage and the reason the insured chose to plant in a different planting pattern.
- x. Document any other pertinent information, including any data to support any factors used to calculate the production.

SECTION II - HARVESTED PRODUCTION

GENERAL INFORMATION:

- (1) Include ALL HARVESTED PRODUCTION for **ALL ENTITIES** sharing in the crop. This includes **ALL** cotton retrieved from the ground by the use of a “Rudd” (brand name) or any other method.
- (2) There generally will be **NO** “harvested production” entries in Columns “A₁” through “N” for preliminary inspections.
- (3) If additional lines are necessary, the data may be entered on a continuation sheet.
USE SEPARATE LINES FOR:
 - (a) Separate disposition; e.g., bales, remnants, or unginned cotton.
 - (b) Varying determinations of production; e.g., prices and factors for quality adjustment.
 - (c) Varying shares; e.g., 50% and 75% shares on the same unit.
- (4) If there is harvested production from more than one insured practice and a separate approved APH yield has been established for each, the harvested production also must be entered on separate lines in Columns “A₁” through “N” by practice. If production has been commingled, refer to the LAM.

Verify or make the following entries:

Item

No.

Information Required

- 18. **Date Harvest/Sale Completed: (Used to determine if there is a delayed notice or a delayed claim. Refer to the LAM.)**

PRELIMINARY: MAKE NO ENTRY.

FINAL:

- a. The earlier of the date the ENTIRE acreage on the unit was either:

- (1) harvested,
 - (2) totally destroyed,
 - (3) put to other use,
 - (4) a combination of destroyed, put to other use, or harvested and the cotton (modules) removed from the field (unit), or
 - (5) the calendar date for the end of the insurance period.
- b. If at the time of final inspection (if prior to the end of the insurance period), there is any unharvested insured acreage on the unit that the insured does not intend to harvest; enter “**Incomplete.**”
 - c. If at the time of final inspection (if prior to the end of the insurance period), **none** of the insured acreage on the unit has been harvested, and the insured does not intend to harvest such acreage; enter “**No Harvest.**”
 - d. If the claim involves a Certification Form, enter the date from the Certification Form when the entire unit is put to another use. Refer to the LAM.

19. **Similar Damage:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Check “Yes” or “No.” Check “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other farms in the area. If “No” is checked, explain in the Narrative.

20. **Assignment of Indemnity:** Check “Yes” **only** if an assignment of indemnity is in effect for the crop year; otherwise, check “No.” Refer to the LAM.

21. **Transfer of Right to Indemnity:** Check “Yes” **only** if a transfer of right to indemnity is in effect for the unit for the crop year; otherwise, check “No.” Refer to the LAM.

A₁. **Share:** RECORD ONLY VARYING SHARES on the SAME unit to three decimal places.

A₂. **Field ID:** If only one practice of harvested cotton production is listed in Section I, MAKE NO ENTRY.

If more than one of harvested cotton production is listed in Section I, and a separate approved APH yield exists, indicate for each practice the corresponding Field ID (from Section I, item “A”).

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRIES OF FIRST CROP AND SECOND CROP CODES.

B-E. Name of gin, town, and state where cotton was ginned.

F. **Quota, Non-Quota, Bale No.:** Make separate line entries to show the identification numbers when bales have varying quality adjustment factors, disposition, or share. Combine lines when bales have the same quality adjustment factors, disposition, and share.

CLAIM FORM EXAMPLE (ELS COTTON)

For Illustration Purposes Only
T-P-C PRODUCTION WORKSHEET

1. Crop/Code# ELS Cotton 0022	2. Unit # 00100	3. Legal Description FSN – 215	7. Company Any Company						8. Name of Insured I. M. Insured						
4. Date of Damage Apr 2	5. Cause of Damage Hail	6. Primary Cause % X	7. Agency Any Agency	9. Claim # XXXXXXXX						11. Crop Year YYYY					
12. Additional Units 00200	10. Policy # XXXXXXXX						14. Date(s) Notice of Loss 1 st MM-DD-YYYY 2 nd MM-DD-YYYY Final MM-DD-YYYY								
13. Est. Prod. Per Acre 795	15. Companion Policy(ies)														

SECTION 1 – ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Actuarial									Potential Yield							Stage Guarantee	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Field ID	Prelim Acres	Final Acres	Interest or Share	Risk	Practice	Type Class Variety	Stage	Intended or Final Use	Appraised Potential	Quality Factor	Adjusted Potential	(+) Uninsured Causes	Potential Counted	Value Per Pound	Total Potential to Count (CxNxO)	Per Acre	Total (CxQ)
A		6.0	1.000	R13	002	997	UH	To Plow	14	.6063			8		48	780	4,680
B		10.5	1.000	R13	002	997	H	H								780	8,190
C		90.5	1.000	R13	002	997	H	H								780	70,590
MM/DD																	
16. TOTAL		107.0													48	17. TOTALS 83,460	

NARRATIVE (If more space is needed, attach a Special Report) No inspection, insured replanted to AUP cotton. May 1, YYYY No inspection, Aug. 15, YYYY Line 1 of Section II, AUP cotton with the same values. Line 2 Section II ELS Price B = .9750. All fields measured by wheel, see attached Special Report for calculations. See attached Cotton Quality Adjustment Worksheet for calculations. See attached Special Report for AUP factor calculations for Line 1 of Section I and Section II.

SECTION 2 – HARVESTED PRODUCTION

18. DATE HARVEST/SALE COMPLETED MM/DD/YYYY	19. IS DAMAGE SIMILAR TO OTHER FARMS IN AREA? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	20. ASSIGNMENT OF INDEMNITY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	21. TRANSFER OF RIGHT TO INDEMNITY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	--	---	--

Adjustments to Harvested Production																	
A1	A2	B	C	D	E			F	G	H1	H2	I	J	K	L	M	N
Share Field ID	Row Width	Tracker	Est. Yield	Leaf Quality			Quota (Q), Non-Quota (NQ), or Bale No.	Production	Value Per Pound		Quality Factor (H1 ÷ H2)	Production Not to Count (lbs.)	Production to Count (lbs.)	Value of Production	Value Not to Count	Production/ Value to Count	
				G	F	P			Local Mkt. Price								
				Farmers Gin, Any Town			810-822	5,890	.6820		.6995		4,120			4,120	
				Farmers Gin, Any Town			901-925	12,038	.9750		.6063		7,299			7,299	
				Farmers Gin, Any Town			1011-1101	45,440	.5025				45,440			45,440	
									.8288								

I certify the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured crops. I understand that this Production Worksheet and supporting papers are subject to audit and approval by the company. I understand that this crop insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.

22. Section II Total	56,859
23. Section I Total	48
24. Unit Total	56,907

25. Adjuster's Signature (1 st inspection) I. M. Adjuster	Code # XXXXX	Date MM-DD-YYYY	26. Insured's Signature (1 st inspection) I. M. Insured	Date MM-DD-YYYY
(2 nd inspection)	Code #	Date	(2 nd inspection)	Date
(Final inspection)	Code #	Date	(Final inspection)	Date
I.M. Adjuster	XXXXX	MM-DD-YYYY	I. M. Insured	MM-DD-YYYY

NOTES

TABLE E AUP “PICKER” TYPE COTTON: Reproductive Stages –
Plants Partially Destroyed Factor Chart – **California and Arizona ONLY**

STAGE OF GROWTH	CUT-OFF SYMBOL																		
	CC	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18
R1	60	50	40	30	25	20	15	10											
R2	65	55	45	35	30	25	20	15	10										
R3	70	60	50	40	35	30	25	20	15	10									
R4	75	65	55	45	40	35	30	25	20	15	10								
R5	80	70	60	50	45	40	35	30	25	20	15	10							
R6	90	80	70	60	50	45	40	35	30	25	20	15	10						
R7	100	90	80	70	60	50	45	40	35	30	25	20	15	10					
R8	100	100	90	80	70	60	50	45	40	35	30	25	20	15	10				
R9	100	100	100	100	90	80	60	50	45	40	35	30	25	20	15	15			
R10	100	100	100	100	100	90	70	60	50	45	40	35	30	25	20	15	15		
R11	100	100	100	100	100	100	80	70	60	50	45	40	35	30	25	20	20	15	
R12	100	100	100	100	100	100	80	75	70	60	50	45	40	35	30	25	20	15	15

TABLE F AUP “PICKER” TYPE COTTON: Reproductive Stages – Plants Partially
Destroyed Factor Chart – **ALL States EXCEPT California and Arizona**

STAGE OF GROWTH	CUT-OFF SYMBOL																		
	CC	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18
R1	60	50	40	30	25	20	15	10											
R2	65	55	45	35	30	25	20	15	10										
R3	70	60	50	40	35	30	25	20	15	10									
R4	75	65	55	45	40	35	30	25	20	15	10								
R5	80	70	60	50	45	40	35	30	25	20	15	10							
R6	90	80	70	60	50	45	40	35	30	25	20	15	10						
R7	100	90	80	70	60	50	45	40	35	30	25	20	15	10					
R8	100	100	90	80	70	60	50	45	40	35	30	25	20	15	10				
R9	100	100	100	100	90	80	60	50	45	40	35	30	25	20	15	10			
R10	100	100	100	100	100	90	70	60	50	45	40	35	30	25	20	15	10		
R11	100	100	100	100	100	100	80	70	60	50	45	40	35	30	25	20	15	10	
R12	100	100	100	100	100	100	80	75	70	60	50	45	40	35	30	25	15	10	5

TABLE G AUP “STRIPPER” TYPE COTTON: Reproductive Stages –
Plants Partially Destroyed Factor Chart

STAGE OF GROWTH	CUT-OFF SYMBOL																			
	CC	C1	C2	C3	C4	C5	RR	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	
R1	100	90	80	75	70	65	60	50												
R2	100	100	90	80	75	70	65	55	45											
R3	100	100	100	90	80	75	70	60	50	40										
R4	100	100	100	100	90	80	75	65	55	45	35									
R5	100	100	100	100	100	90	80	70	60	50	40	30								
R6	100	100	100	100	100	100	90	80	65	55	45	35	25							
R7	100	100	100	100	100	100	100	90	80	70	60	50	35	20						
R8	100	100	100	100	100	100	100	90	80	70	60	50	35	20	10					
R9	100	100	100	100	100	100	100	95	85	75	65	50	35	20	10	5				
R10	100	100	100	100	100	100	100	95	85	75	65	50	35	20	10	5	2			
R11	100	100	100	100	100	100	100	95	90	80	70	55	40	25	15	10	5	2		
R12	100	100	100	100	100	100	100	95	90	80	70	55	40	25	15	10	5	2	0	

Stripper Type Cut-off Symbols: RR = cut-off below 1st fruiting limb; R1 = cut-off above 1st fruiting limb; R2 = cut-off above 2nd fruiting limb, etc.

TABLE H AUP “PICKER” TYPE COTTON: Reproductive Stages –
Limbs Destroyed Percent of Loss Chart – **California and Arizona ONLY**

STAGE OF GROWTH	NUMBER LIMBS DESTROYED 10 PLANTS																			
	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
R1	0																			
R2	1	2																		
R3	1	2	5	7																
R4	1	2	5	7	9	11														
R5	1	2	5	7	9	11	13	15												
R6	2	3	5	7	9	11	13	15	17	19										
R7	2	3	5	7	9	11	13	15	17	19	21	23								
R8	2	3	6	8	10	12	14	16	18	20	22	24	26	28						
R9	2	3	6	8	10	12	14	16	18	20	22	24	26	28	30	32				
R10	2	3	6	8	10	12	14	16	18	20	22	24	26	28	31	33	35	37		
R11	2	3	6	8	10	12	15	17	19	21	23	25	27	29	32	34	36	38	40	42
R12	2	4	7	9	11	13	16	18	20	22	24	26	29	31	33	36	38	40	42	44
R12+	3	5	8	10	12	15	17	20	22	25	27	30	32	35	37	40	41	45	47	50

TABLE M ELS TYPE COTTON: ALL Stages – Plants Partially Destroyed Factor Chart

STAGE OF GROWTH	CUT-OFF SYMBOL																						
	CC	C1	C2	C3	C4	C5	RR	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	R16
V1	75	70																					
V2	80	75	65																				
V3	85	80	70	60																			
V4	90	85	75	65	55																		
V5	95	90	80	70	60	50																	
V6	100	95	90	80	70	60	50																
R1	100	95	85	80	75	70	65	55															
R2	100	100	95	85	80	75	70	60	50														
R3	100	100	100	95	85	80	74	65	55	45													
R4	100	100	100	100	95	85	80	70	60	50	40												
R5	100	100	100	100	100	95	85	75	65	55	45	35											
R6	100	100	100	100	100	100	95	85	70	60	50	40	30										
R7	100	100	100	100	100	100	100	93	83	73	63	53	38	23									
R8	100	100	100	100	100	100	100	93	83	73	63	53	38	23	13								
R9	100	100	100	100	100	100	100	95	85	77	67	54	40	25	15	8							
R10	100	100	100	100	100	100	100	95	85	77	67	54	40	25	14	8	5						
R11	100	100	100	100	100	100	100	96	92	82	72	57	42	27	17	10	7	1					
R12	100	100	100	100	100	100	100	96	92	82	72	57	42	27	17	10	7	4	3				
R13	100	100	100	100	100	100	100	97	93	83	73	58	43	29	19	12	9	6	5	2			
R14	100	100	100	100	100	100	100	97	93	83	73	58	43	29	19	12	9	6	5	2	1		
R15	100	100	100	100	100	100	100	98	94	84	74	59	44	30	20	13	10	7	6	3	2	1	
R16	100	100	100	100	100	100	100	99	95	85	75	60	45	30	20	15	10	7	6	3	2	1	0

Cut-off Symbols: C3 = Cut-off above 3rd True Leaf; RR = Cut-off below 1st Fruiting Limb; R1 = Cut-off above 1st Fruiting Limb; R4 = Cut-off above 4th Fruiting Limb, etc.

TABLE N ELS TYPE COTTON: Reproductive Stages – Limbs Destroyed Percent of Loss Chart

STAGE OF GROWTH	NUMBER OF LIMBS DESTROYED – 10 PLANTS																															
	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160
R1	1	30																														
R2	1	26	30	35																												
R3	2	23	27	32	36	***																										
R4	2	18	24	30	36	40	46	50																								
R5	3	15	20	25	30	35	40	45	50	55																						
R6	4	10	17	23	29	33	38	43	48	54	60	65																				
R7	4	7	11	15	20	25	30	35	40	45	51	58	65	72																		
R8	5	7	12	16	21	25	30	35	40	45	51	58	65	72	77	82																
R9	6	7	11	16	20	23	28	33	38	44	50	56	63	70	75	80	84	88														
R10	5	6	10	15	18	22	27	33	38	44	50	55	62	68	73	78	82	86	90	94												
R11	4	5	7	8	13	18	23	28	34	42	48	53	60	67	71	76	80	84	88	92	94	96										
R12	3	4	6	8	13	18	23	28	34	42	48	53	60	67	71	76	80	84	88	92	94	96	97	98								
R13	2	3	5	7	11	16	20	24	30	38	43	50	57	64	68	74	78	82	86	90	92	94	96	97	98	99						
R14	1	2	4	6	10	15	19	22	28	35	41	48	55	62	66	72	76	80	84	88	90	92	94	95	96	97	98	99				
R15	0	1	3	5	9	12	17	20	26	33	38	44	52	60	64	70	74	78	82	86	88	90	92	93	94	96	97	98	99	100		
R16	0	1	2	4	8	10	15	19	25	31	36	43	51	59	62	68	73	77	81	85	87	90	92	93	94	96	97	98	99	99	100	100

TABLE O ELS BOLL FACTORS:

Small Bolls .25 (Bolls are less than ½ mature size.)
 Large Bolls .50 (Bolls are more than ½ mature size.)
 Mature Bolls 1.00 (Bolls are maximum size, of 1 ½ to 2 inches long, low moisture content, carpel walls fully developed.)

EXHIBIT 4
YIELD CONVERSION FACTORS
FOR NONIRRIGATED SKIP-ROW PLANTING PATTERNS

TABLE 3 – These factors apply to Kansas, Oklahoma, and all Texas counties for which **TABLE 2** does not apply. < = less than

Planting Pattern	Yield Conversion Factor
Solid planted (solid drilled-62") or non-qualifying skip-row patterns as determined by FSA.	1.00
1 planted X 1 or more skipped 30" – 35"	1.14
1 planted X 1 or more skipped 36" – 62"	1.28
1 planted (38") X 1 skipped (34")	1.28
1 planted (< 30") X 1 skipped (< 30")	1.00
2 planted X 1 skipped (36" – 62")	1.33
2 planted X 1 skipped (30" – 35")	1.26
2 planted (30" – 62") X 1 skipped (< 30")	1.00
2 planted (30" – 35") X 1 skipped (36" – 62")	1.26
2 planted X 2 or more skipped (36" – 62")	1.50
2 planted X 2 or more skipped (30" – 35")	1.41
2 planted (30" – 34") X 2 skipped (35" – 62")	1.46
2 planted (35" – 62") X 2 skipped (30" – 34")	1.46
3 planted X 1 skipped (36" – 62")	1.31
3 planted X 2 or more skipped (36" – 62")	1.45
3 planted X 1 skipped (30" – 35")	1.20
3 planted X 2 or more skipped (30" – 35")	1.37
4 planted X 1 or more skipped (36" – 62")	1.28
4 planted X 2 or more skipped (36" – 62")	1.40
4 planted X 1 skipped (30" – 35")	1.14
4 planted X 2 or more skipped (30" – 35")	1.33
5 planted X 1 skipped (36" X – 62")	1.14
5 planted X 2 or more skipped (36"-62")	1.34
5 planted X 1 skipped (30" – 35")	1.07
5 planted X 2 or more skipped (30" – 35")	1.27

All other skip row patterns having 6 or more planted rows with 1 or more qualifying skip (fallow) row(s) will have the same factors as those shown in **TABLE 2**.

In some areas, mixed patterns are planted such as 3 X 2, 4 X 1, 2 X 2. To calculate yield conversion factor for these patterns, determine factor for each pattern (3 X 2, 4 X 1, & 2 X 2) and compute a yield conversion factor based on a simple average. If a pattern(s) (within a mixed pattern) does not qualify as a skip-row planting pattern as determined by FSA, 1.00 is used for that pattern.

EXAMPLE: 3 X 2, 4 X 1, 2 X 2 planted in 40" rows

$$\begin{aligned}
 3 \text{ X } 2 &= 1.45 \\
 4 \text{ X } 1 &= 1.28 \\
 2 \text{ X } 2 &= \underline{1.50} \\
 4.23 \div 3 &= 1.41
 \end{aligned}$$

EXHIBIT 4

3. TABLE 4 – ACRES CONSIDERED PLANTED BY FSA TABLE

Cropping Definition	Row Width	Percent Planted to Cotton
1 planted 1 skipped	40 inch	50.00%
1 planted 1 skipped	36 inch	55.56%
1 planted 1 skipped	32 inch	62.50%
1 planted 1 skipped Double at the Turn	36 or 40 inch	55.56%
2 planted 1 skipped	30 to 40 inch	66.67%
2 planted 2 skipped	30 to 40 inch	50.00%
3 planted 1 skipped	30 to 40 inch	75.00%
4 planted 2 skipped	30 to 40 inch	66.67%
6 planted 2 skipped	30 to 40 inch	75.00%
8 planted 1 skipped	30 to 40 inch	88.89%
8 planted 2 skipped	30 to 40 inch	80.00%

For all skip-row cotton (irrigated and non-irrigated), the acreage of cotton will be the planted portion of the field as defined by FSA (See Cotton AUP and ELS Crop Provisions). Contact the applicable county FSA office for the correct percent planted factor for any row widths and planting patterns or varying row widths and planting patterns not listed in this table.

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

1. GENERAL INFORMATION

The term “cotton classification” refers to the application of standardized procedures developed by USDA AMS for measuring those physical attributes of raw cotton that affect the quality of the finished product and/or manufacturing efficiency. The USDA AMS classification system currently consists of determinations of color grade, preparation, leaf grade, and extraneous matter (if any); and High Volume Instrument (HVI) measurements for fiber length, micronaire, strength, color, trash, and length uniformity.

At the gin, cotton fibers are separated from the seed, cleaned to remove plant residue and other foreign material, and pressed into bales of about 500 pounds. A sample of at least 4 ounces (114 grams) is taken from each side of the bale by a licensed sampling agent and delivered by the agent or designated hauler to the USDA AMS classing facility serving the area. Gin and warehouse operators serve as licensed sampling agents and perform this function under USDA supervision.

Classification procedures for American Pima cotton, also referred to as Extra Long Staple, are similar to those for American Upland cotton. Different grade standards are used because the color of American Pima cotton is a deeper yellow than that of Upland. Also, the ginning process for American Pima cotton (roller ginned) is not the same as for Upland (saw ginned). The roller gin process results in an appearance that is not as smooth as that of the saw ginned process.

The USDA AMS, at the request of producers, classes practically all of the cotton grown in the United States. While classification is not mandatory, growers generally find it essential to marketing their crop and for participation in certain USDA programs.

2. DOCUMENTS USED TO DETERMINE VALUES FOR DAMAGED COTTON

A. Documents used to determine cotton values for mature cotton that has been damaged by an insurable cause and qualifies for quality adjustment are the:

(1) **Bale listing;**

(2) Daily Spot Cotton Quotations (DSCQ) issued by the USDA Agricultural Marketing Service; and

(3) Annual Price Summary (for **ELS** cotton only) issued by the National Agricultural Statistics Service.

B. The following information and examples are provided to assist crop insurance personnel in understanding and using the documents for quality adjustment.

(1) **INTERNET ACCESS.** Daily Spot Cotton Quotations are available at on the Internet from the USDA AMS market news reports for cotton at the following address:

<http://www.ams.usda.gov/cotton/mncls/index.htm>.

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

- (2) Under the heading Cotton Prices, select Base, 7MKT Average Quotations, Futures Settlement and Differences. This screen will show the Upland Spot Price Quotations for the 7 Growth Areas. Return to Cotton Prices and select the applicable growth area for the point differences. On a daily basis, AMS publishes the spot quotations for **the previous day**, (e.g., on July 8, 1997, the 07-July-97 quotations are available).
- (3) Daily Spot Cotton Quotations are available on the Internet **for previous days and months** at the following address: www.ams.usda.gov/search/index.htm. Enter, in the query box (e.g., “mp_cn002” without the quotes to find Upland Spot Price Quotations), one of the following:

“mp_cn002” for Upland and American Pima Spot Price Quotations by growth area;
“mp_cn003” for Southeast Upland differences;
“mp_cn004” for North Delta Upland differences;
“mp_cn005” for South Delta Upland differences;
“mp_cn006” for East Texas and Oklahoma Upland differences;
“mp_cn007” for West Texas Upland differences;
“mp_cn008” for Desert Southwest Upland differences;
“mp_cn009” for San Joaquin Valley Upland differences;
“mp_cn011” for Desert Southwest and San Joaquin Valley American Pima differences

- (4) In the “Where to search” box, use the “Entire Site” command. Click on “Find It” and then click on the appropriate date for the quotation data. **ATTENTION:** If you are unable to find the Daily Spot Cotton Quotations for the appropriate date using the information above, contact AMS at area code 901-384-3016.

Point differences are quoted with a minus sign or without. If quoted without a minus sign, the point differences are added instead of subtracted.

COTTON CLASSIFICATION INFORMATION

- A. The AMS classing office provides classification information to producers or their authorized agents through computer-to-computer telecommunications, tapes, diskettes, and computer-generated printed documents. At the gins, adjusters may use the producer’s **bale listing** or the gin-recorded ledgers that **must** contain **a minimum of the information listed in (B) below**.
- B. The following numbered items explain the information provided on the **bale listing** as number codes.
 - (1) **Gin Code Number** (Columns 1-5) – The gin code number is composed of five digits. The first two digits denote the classing office and the last three digits identify the gin.
 - (2) **Gin Bale Number** (Columns 6-12) – The seven-digit bale numbers are assigned by the gin. A bar-coded bale identification tag, preprinted with the gin code number and

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

EXAMPLES A 1-3 shows selected pages of the DSCQ published by the USDA AMS, dated December 6, 2001. Pages are marked in the upper left-hand corner for the applicable growth area point differences. These pages are also marked for the following example, to show how to use the DSCQ sheets for a bale of American Upland cotton eligible for quality adjustment. **The allowable point differences (deductions or additions) for AUP cotton are: color and leaf grade, staple length, micronaire and extraneous matter.** Convert all spot price quotations and point differences to four decimal places for quality adjustment calculations.

STEP 1: Determine price quotation Price “B” and 85 percent of Price “B.”

EXAMPLE: The unit is located in the East Texas-Oklahoma Growth Area. Using the East Texas-Oklahoma Growth Area, color grade 41 leaf 4, staple length 34, the spot price quotation is 33.25 cents (.3325). The .3325 spot price quotation is adjusted to the price quotation (Price B), defined in the Special Provisions as *Strict Low Middling (41) Leaf 4, 1 1/32 inch staple length (33) and 4.1 micronaire (mike)* for the Oklahoma county of Jackson. There is no extraneous matter for this grade.

.3325 = East Texas-Oklahoma Base Spot Price Quotation (See **EXAMPLE A-1**)
- .0150 = deduction (See **EXAMPLE A-2**)
.3175 = Price “B,” color 41 leaf 4, staple length 33, 4.1 mike
X .85
.2699 = 85 percent of Price “B”(“local market price”). Quality adjustment will apply if price quotation Price “A” (“value per pound”) is less.

STEP 2: Determine price quotation Price “A” of each harvested bale.

EXAMPLE: Mature cotton harvested and the following information determined from the insured’s **bale listing**: bale #125, net bale weight 475 pounds, color grade 71 leaf 6, staple length 31, extraneous matter code 12 (bark level 2), 2.8 mike.

.3325 = East Texas-Oklahoma Base Spot Price Quotation
- .0800 = deductions for color grade 71 leaf 6, staple length 31 (See **EXAMPLE A-2**)
.2525
- .0425 = deductions for mike 28 (See **EXAMPLE A-3**)
.2100
- .0475 = deductions for extraneous matter code 12 (bark level 2) (See **EXAMPLE A-3**)
.1625 = Price “A” (“value per pound”). Price “A” is less than .2699 (85 percent of Price “B”); therefore, quality adjustment applies.

STEP 3: Calculating production to count.

Price “A” (“value per pound”) ÷ 85 percent of Price “B” (“local market price”) = Factor (round to 4 decimal places) X Pounds = Production to Count.

.1625 ÷ .2699 = .60207 = .6021 X 475 lbs. = 286.0 = 286 lbs.

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

EXAMPLE A-1

MP_CN002

Memphis, TN Cotton Program, MNB

06-Dec-2001

Spot quotations and differences are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck which includes compression and any brokerage charges. American Pima quotations are FOB warehouse and do not include compression charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per tex and uniformity 81.

STEP 1

UPLAND SPOT PRICE QUOTATIONS

SPOT TRANSACTIONS

Growth Area	Basis		Color 41 Leaf 4 Staple 34 cents/lb.	Color 31 Leaf 3 Staple 35 Cents/lb.	Usable sales provided to Cotton Programs	
	N.Y. Futures Points	Month			Today Bales	Season bales
Southeast	-525	Mar-2002	32.68	34.43	4,100	106,793
North Delta	-525	Mar-2002	32.68	34.18	1,288	95,582
South Delta	-525	Mar-2002	32.68	34.18	2,781	142,744
East TX-OK	-468	Mar-2002	33.25	35.25	628	285,292
West Texas	-468	Mar-2002	33.25	35.00	8,144	410,885
Desert SW	-475	Mar-2002	33.18	37.18	5,677	53,387
SJ Valley	-175	Mar-2002	36.18	43.18	0	31,505
Average	-452	Mar-2002	33.41	36.20	Upland total	
Previous	-454	Mar-2002	32.24	35.02	22,618	1,126,188

AMERICAN PIMA SPOT PRICE QUOTATIONS

	Grade 2 Staple 46	Grade 3 Staple 44	Grade 3 Staple 46	SPOT TRANSACTIONS	
Desert SW	83.00	79.00	80.00	0	4,271
SJ Valley	87.00	82.00	83.00	71	2,092
				AP total	
				71	6,363

NEW YORK FUTURES - CONTRACT NO. 2 2/
COLOR 41 LEAF 4, STAPLE 34, MIKE 35-49,
STRENGTH 22 OR GREATER.

7-MARKET AVERAGE
BASE QUOTATIONS
FOR UPLAND COTTON

Month	Cents per pound			Change	Season high	
	Today	Previous			8/6/2001	38.80
Mar-2002	37.93	36.78	1.15			
May-2002	39.21	38.13	1.08		Season low	
Jul-2002	40.40	39.15	1.25	10/25/2001	25.94	
Oct-2002	42.35	41.25	1.10			
Dec-2002	43.28	42.20	1.08			
Mar-2003	44.55	43.45	1.10			
May-03 2/	46.60	45.40	1.20			
Jul-03 2/	47.60	46.40	1.20			
Oct-03 2/	48.00	46.75	1.25			
				EFFECTIVE	Nov. 29-Dec. 6	
				AWP	26.22	
				CC ADJ.	0.00	
				LDP	25.70	

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

6. CALCULATING PRICE "A" FOR AUP COTTON IN THE SOUTHEAST, NORTH AND SOUTH DELTA GROWTH AREAS ONLY

- A. The AMS may not include premium or discount differences for all color and leaf grades or staple lengths on the DSCQ sheets for the Southeast, North Delta, and South Delta growth areas. If a price quotation (identified as Price "A" in the Cotton Crop Provisions) cannot be determined from the DSCQ sheets, the loss adjustment procedures states that a price quotation is to be obtained from a buyer within the local producing area. However, when Price "A" cannot be obtained from a buyer in these growth areas ONLY, use the following procedure:
1. The premium and discount differences from the DSCQ sheets from the East TX-OK Growth Area; and
 2. The premium and discount differences from the applicable growth area where the cotton was grown.
- B. Refer to the quality adjustment examples: **EXAMPLE B-1** for the Base Spot Price Quotation; **EXAMPLE B-2** for the South Delta Differences; and **EXAMPLE B-3** for the East TX-OK Differences.

STEP 1: There is no change in the current procedure for determining Price "B" and 85 percent of Price "B". (This part of the procedure is included to introduce information that is needed to determine if Price "A" is less than 85 percent of Price "B".)

All discount points are shown in parentheses, and premium points are shown without parentheses.

EXAMPLE: The last bale was delivered to the warehouse on October 12, 2000. Using the South Delta Growth Area, color grade 41 leaf 4, staple length 34, the spot price quotation is 62.36 cents (.6236). The .6236 spot price quotation is adjusted to the price quotation (Price "B"), defined in the Special Provisions as *Strict Low Middling (41) Leaf 4, 1 3/32 inch staple length (35) and 4.5 micronaire (mike) reading* for the Mississippi county of Bolivar.

Extraneous matter for this grade is zero.

.6236 = South Delta Base Spot Price Quotation (See **EXAMPLE B – 1**)
+ .0100 = from the South Delta Differences (See **EXAMPLE B –2**)
.6336 = Price "B", color 41 leaf 4, staple length 35, 4.5 mike
X .85
.5386 = 85 percent of Price "B" ("local market price"). Quality adjustment will apply if price quotation Price "A" ("value per pound") is less than .5386.

STEP 2: Determine Price "A".

- a. Calculate the point differences by **subtracting** the point differences for the actual color/leaf grade and staple length grade 31 from the point differences for staple length grade 32 with the same color/leaf bale grade using the East TX-OK Growth Area differences.

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

EXAMPLE: Mature cotton harvested and the following information determined for bale #125 from the insured's **bale listing**: net bale weight 475 pounds, color grade 51 leaf 4, staple length 31, extraneous matter code 01 (prep level 1), mike 5.1. (See **EXAMPLE B-3**)

- (0.0850) = deduction for color 51 leaf 4, staple length 32 from the East TX-OK Differences
- (0.1025) = deduction for color 51 leaf 4, staple length 31 from the East TX-OK Differences
0.0175 = point differences
- b. Determine, the point differences from the applicable growth area where the cotton was grown (e.g., the South Delta Differences) for the actual bale color, leaf, and staple length grades and subtract the result of item "a".

EXAMPLE: (See **EXAMPLE B-2**)

- (0.0775) = deduction for color 51 leaf 4, staple length 32 from the South Delta Differences
- 0.0175 = point differences from item "a"
(0.0950) = point differences
- c. Determine the point differences from the growth area where the cotton was grown (e.g., the South Delta) for the actual bale extraneous matter grade and add the result of item "b".

EXAMPLE: (See **EXAMPLE B-2**)

- (0.0950) = result from item "b" above
+ (0.0050) = deduction for extraneous matter Prep Level 1, from the South Delta Differences
(0.1000) = point differences
- d. Determine the point differences from the growth area where the cotton was grown (e.g., the South Delta) for the actual bale micronaire grade and add to (or subtract from) item "c" above.

EXAMPLE: (See **EXAMPLE B-2**)

- (0.1000) = result from item "c" above
+ (0.0500) = deduction for mike from the South Delta Differences
(0.1500) = total deductions for the bale (#125)
- e. Add the result of item "d" above to the Growth Area Base Spot Price Quotation determined in **STEP 1**.

EXAMPLE:

- 0.6236 = South Delta Base Spot Price Quotation
+ (0.1500) = total deductions for the bale (#125)
0.4736 = Price "A" (Value Per Pound). Price "A" is less than .5386 (85 percent of Price "B") therefore, quality adjustment applies.

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

Any **AUP** cotton harvested or appraised from acreage **originally planted to ELS cotton** in the same growing season will be reduced by the factor obtained by dividing the price per pound of the **AUP** cotton by the price quotation for **ELS** cotton of the color and leaf grade, staple length, and micronaire reading shown in the actuarial documents. Use the price for the date defined in the **ELS** crop provisions. The price for **AUP** is determined from the Daily Spot Cotton Quotation sheets, **EXAMPLE C 2-3**, using the growth area in which the unit is located. The price for **ELS** cotton of the color and leaf grade, staple length, and micronaire shown in the actuarial documents is determined from the DSCQ.

STEP 1: Determine the **AUP** price of each harvested bale.

EXAMPLE: The unit is located in Texas, El Paso County of the Desert Southwest Growth Area. Using the color grade 41 leaf 4, staple length 34, the spot price quotation is 33.31 cents (.3331). The .3331 price is reduced to determine the price of the harvested bale.

The **AUP** cotton was harvested and the following information determined from a **bale listing**: bale #122, net bale weight 500 pounds, color grade 41 leaf 5, staple length 35, mike 3.6, and extraneous matter code 01 (Prep Level 1).

.3331 = Desert SW Base Spot Quotation (See **EXAMPLE C-2**)
-.0225 = point differences (See **EXAMPLE C-3**)
.3106 = color grade 41 leaf 5, staple length 35
-.0050 = point differences for extraneous matter, none for mike (See **EXAMPLE C-3**)
.3056 = price for **AUP** harvested bale #122

STEP 2: Determine the price for **ELS** of the grade, **leaf**, staple length, and micronaire shown in the actuarial documents.

EXAMPLE: The price for **ELS** cotton is defined in the actuarial documents as grade # 4 leaf 4, 1 3/8 inch staple length (44) and 3.5 micronaire.

.7150 = Grade #4 leaf 4, staple length 44 (See **EXAMPLE C-1, STEP 1**)
-.0000 = no point differences for mike 3.5
.7150 = price for **ELS** as defined in the actuarial documents.

STEP 3: Each **AUP** bale is reduced as follows:

$$.3056 \text{ AUP} \div .7150 \text{ ELS} = .42741 = .4274 \text{ Factor} \times 500 \text{ lbs.} = 213.7 = 214 \text{ lbs.}$$

Any appraisal of **AUP** cotton on acreage **originally planted to ELS cotton** in the same growing season will be reduced by the factor determined in Step 3 (**AUP** value \div **ELS** value = factor). If prices (spot quotations for **AUP** and **ELS**) are not yet available (or none of the **AUP** cotton acreage was harvested), the previous season's average prices for both **AUP** and **ELS** will be used. Determine the previous season's average prices from the Annual Price Summary issued by the National Agricultural Statistics Service. Use the season average prices for the state in which the loss occurred.

EXHIBIT 5

USING THE COTTON CLASSIFICATION SYSTEM FOR QUALITY ADJUSTMENT

EXAMPLE C-1

MP_CN011

7-Jan-2002

American Pima quotations are for cotton equal to the Official Standards, net weight, in mixed lots, uncompressed, FOB warehouse

DESERT SOUTHWEST PIMA DIFFERENCES

SAN JOAQUIN VALLEY PIMA DIFFERENCES

Color	Leaf	Staple		
		44	46	48
1	1	81.50	83.50	84.25
	2	81.25	83.25	84.00
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	-	-	-
2	1	81.25	82.75	83.50
	2	81.25	82.75	83.50
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	-	-	-
3	1	79.25	80.75	81.00
	2	79.25	80.75	81.00
	3	78.25	80.00	80.75
	4	-	-	-
	5	-	-	-
	6	-	-	-
STEP 1 4	1	-	-	-
	2	-	-	-
	3	-	-	-
	4	71.50	72.50	72.50
	5	-	-	-
	6	-	-	-
STEP 2 5	1	-	-	-
	2	-	-	-
	3	-	-	-
	4	-	-	-
	5	62.50	63.00	63.00
	6	-	-	-
6	1	-	-	-
	2	-	-	-
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	50.00	50.00	50.00

Color	Leaf	Staple		
		44	46	48
1	1	82.50	85.50	86.25
	2	82.25	85.25	86.00
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	-	-	-
2	1	82.25	85.00	85.50
	2	82.25	85.00	85.50
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	-	-	-
3	1	81.25	82.75	83.00
	2	81.25	82.75	83.00
	3	81.00	82.00	82.75
	4	-	-	-
	5	-	-	-
	6	-	-	-
4	1	-	-	-
	2	-	-	-
	3	-	-	-
	4	74.00	75.00	75.00
	5	-	-	-
	6	-	-	-
5	1	-	-	-
	2	-	-	-
	3	-	-	-
	4	-	-	-
	5	64.50	65.00	65.00
	6	-	-	-
6	1	-	-	-
	2	-	-	-
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	51.75	52.00	52.00

STEP 2

STEP 2

Mike ranges	Points per pound	Extraneous Matter Level	Diff. Preparation
26 & Below	-1300	1	-250
27-29	-950	2	-850
30-32	-400	Bark, Grass, Sp.twist & other	
33-34	-150	1	-300
35 & Above	0	2	-800

Mike ranges	Points per pound	Extraneous Matter Level	Diff. Preparation
26 & Below	-1300	1	-300
27-29	-900	2	-900
30-32	-350	Bark, Grass, Sp.twist & other	
33-34	-150	1	-300
35 & Above	0	2	-900

\1 Format for Pima spot quotations changed August 1, 2001 to reflect changes in Pima classifications. Pima spot quotations will consist only of the color grades and their corresponding leaf grades until sales of 2001-crop Pima are reported. Pima spot quotations for other color-leaf combinations will be included as sales of those qualities are reported.