

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

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

- The CRC Crop Provisions have been modified to accommodate changes made to the Multiple Peril Crop Insurance Basic Provisions of the Common Crop Insurance Policy. These modifications may include, but are not limited to:
  - (a) Removal of some definitions now contained in the CRC Basic Provisions.
  - (b) Removal of unit division provisions since provisions previously contained in section 2 regarding unit division requirements and unit structure by section, section equivalent, FSA farm serial number, and irrigated and non-irrigated practices, have been moved from the CRC Crop Provisions to the CRC Basic Provisions; and
  - (c) Modification of late and prevented planting provisions.
- The definition of "planted acreage" clarifies that the yield conversion factor applied to non-irrigated skip-row cotton acreage will not be used if the land between the rows of cotton is planted to any other spring-planted crop.
- Section 4 changes the cancellation and termination dates from February 15 to January 15 in Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.

## CROP REVENUE COVERAGE INSURANCE POLICY COTTON CROP PROVISIONS

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

### 1. Definitions

**Calculated Revenue** - The production to count multiplied by the Harvest Price.

**Cotton** - Varieties identified as American Upland Cotton.

**Growth area** - A geographic area designated by the Secretary of Agriculture for the purpose of reporting cotton prices.

**Harvest** - The removal of the seed cotton from the open cotton boll, or the severance of the open cotton boll from the stalk by either manual or mechanical means.

**Mature cotton** - Cotton that can be harvested either manually or mechanically.

**Planted acreage** - In addition to the definition contained in the Basic Provisions, cotton must be planted in rows, unless otherwise provided by the Special Provisions or actuarial documents. The yield conversion factor normally applied to non-irrigated skip-row cotton acreage will not be used if the land between the rows of cotton is planted to any other spring planted crop.

**Prevented Planting Guarantee** - The Prevented Planting Guarantee for such acreage will be that percentage of the Final Guarantee for timely planted acres as set forth in section 11(b).

**Skip-row** - A planting pattern that:

- (1) Consists of alternating rows of cotton and fallow land or land planted to another crop the previous fall; and
- (2) Qualifies as a skip-row planting pattern as defined by the Farm Service Agency (FSA) or a successor agency.

### 2. Coverage Level, Price Percentage, and Approved Yield for Determining Final Guarantee and Indemnity

In addition to the requirements of section 4 of the Basic Provisions all the insurable acreage of each crop in the county insured as cotton under this policy will have the same coverage level and price percentage elections.

### 3. Contract Changes

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

### 4. Cancellation and Termination Dates

In accordance with section 3(h) of the Basic Provisions, the cancellation and termination dates are:

State and County

Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.

Cancellation and Termination Dates

January 15

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 9 of the Basic Provisions, the crop insured will be all the cotton lint, in the county for which premium rates are provided by the actuarial documents:

- (a) In which you have a share; and
- (b) That is not (unless allowed by the Special Provisions):
  - (1) Colored cotton lint;
  - (2) Planted into an established grass or legume;
  - (3) Interplanted with another spring planted crop;
  - (4) Grown on acreage from which a hay crop was harvested in the same calendar year unless the acreage is irrigated; or
  - (5) Grown on acreage on which a small grain crop reached the heading stage in the same calendar year unless the acreage is irrigated or adequate measures are taken to terminate the small grain crop prior to heading and less than 50 percent of the small grain plants reach the heading stage.

### 6. Insurable Acreage

In addition to the provisions of section 10 of the Basic Provisions:

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

### 7. Insurance Period

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

### 8. Causes of Loss

In accordance with the provisions of section 13 of the Basic Provisions, insurance is provided only against an unavoidable loss of revenue due to the following causes of loss which occur within the insurance period:

- (a) Adverse weather conditions;
- (b) Fire;

- (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, if applicable, due to a cause of loss contained in section 8(a) through (g) occurring within the insurance period; or
- (i) A Harvest Price that is less than the Base Price.

**9. Duties in the Event of Damage or Loss**

- (a) In addition to your duties under section 15 of the Basic Provisions, in the event of damage or loss:
  - (1) The cotton stalks must remain intact for our inspection; and
  - (2) If you initially discover damage to the insured crop within 15 days of harvest, or during harvest, you must leave representative samples of the unharvested crop in the field for our inspection. The samples must be at least 10 feet wide and extend the entire length of each field in the unit.
- (b) The stalks must not be destroyed, and required samples must not be harvested, until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed and written notice of probable loss given to us.

**10. Settlement of Claim**

- (a) We will determine your loss on a unit basis. In the event you are unable to provide records of production:
  - (1) For any optional unit, we will combine all optional units for which acceptable records of production were not provided; or
  - (2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.
- (b) In the event of loss or damage covered by this policy, we will settle your claim by:
  - (1) Multiplying the insured acreage of the crop by the Final Guarantee;
  - (2) Subtracting the Calculated Revenue from the result of section 10(b)(1); and
  - (3) Multiplying the result of 10(b)(2) by your share.
 If the result of section 10(b)(3) is greater than zero, an indemnity will be paid. If the result of section 10(b)(3) is less than zero, no indemnity will be due.
- (c) The total production (in pounds) to count from all insurable acreage on the unit will include:
  - (1) All appraised production as follows:
    - (i) Not less than that amount of production that when multiplied by the Harvest Price equals the Final Guarantee for the acreage:
      - (A) That is abandoned;
      - (B) Put to another use without our consent;
      - (C) Damaged solely by uninsured causes;
      - (D) For which you fail to provide records of production that are acceptable to us; or
      - (E) On which the cotton stalks are destroyed, in violation of section 9;
    - (ii) Production lost due to uninsured causes;
    - (iii) Unharvested production (mature unharvested production of white cotton may be adjusted for quality deficiencies in accordance with section 10(d)); and
    - (iv) Potential production on insured acreage you want to put to another use or you wish to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end if you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:
      - (A) If you do not elect to continue to care for the crop we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for,

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 the price quotation for cotton of like quality (price quotation "A") for the applicable growth area is less than 75 percent of price quotation "B." Price quotation "B" is defined as the price quotation for the applicable growth area for cotton of the color and leaf grade, staple length, and micronaire reading designated in the Special Provisions for this purpose. Price quotations "A" and "B" will be the price quotations contained in the Daily Spot Cotton Quotations published by the USDA Agricultural Marketing Service on the date the last bale from the unit is classed. If the date the last bale classed is not available, the price quotations will be determined on the date the last bale from the unit is delivered to the warehouse, as shown on the producer's account summary obtained from the gin. If eligible for adjustment, the amount of production to be counted will be determined by multiplying the number of pounds of such production by the factor derived from dividing price quotation "A" by 75 percent of price quotation "B."
- (e) Colored cotton lint will not be eligible for quality adjustment.

**11. Prevented Planting**

- (a) In addition to the provisions contained in section 18 of the Basic Provisions, your prevented planting Final Guarantee will be based on your approved yield without adjustment for skip-row planting patterns.
- (b) Your prevented planting coverage will be 45 percent of your Final Guarantee for timely planted acreage. If you have limited or additional levels of coverage, as specified in 7 CFR part 400, subpart T, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.