

SUMMARY OF CHANGES FOR THE GROUP RISK INCOME PROTECTION PLAN OF INSURANCE, (06-GRIP-Corn), (06-GRIP-Cotton), (06-GRIP-Soybean), and (06-GRIP-Wheat).

The following is a brief description of significant changes to the Group Risk Income Protection Plan of Insurance (GRIP), Corn Crop Provisions, Cotton Crop Provisions, Soybean Crop Provisions, and Wheat Crop Provisions, effective for the 2006 crop year. Please refer to the Corn Crop Provisions, Cotton Crop Provisions, Soybean Crop Provisions, and Wheat Crop Provisions, for more complete information.

Corn Crop Provisions (06-GRIP-Corn)

Section 1 – Definitions

- Revise the expected and harvest price discovery dates to be consistent with the Crop Revenue Coverage (CRC) Commodity Exchange Endorsement (CEE).

Cotton Crop Provisions (06-GRIP-Cotton)

- Add new crop provisions for the 2006 crop year.

Soybean Crop Provisions (06-GRIP-Soybeans)

Section 1 – Definitions

- Revise the expected and harvest price discovery dates to be consistent with the Crop Revenue Coverage (CRC) Commodity Exchange Endorsement (CEE).

Wheat Crop Provisions (06-GRIP-Wheat)

- Add new crop provisions for the 2006 crop year.
- Add a new GRIP Wheat Mandatory Actuarial Document Endorsement, Commodity Exchange Endorsement, that lists the appropriate price discovery periods, Board of Trade for the state, and the type of wheat insured.



UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
GROUP RISK INCOME PROTECTION
COTTON CROP PROVISIONS

1. Definitions.

Expected price (NYCE) -

For GRIP cotton counties with a cancellation date:

- (a) Of January 31, the December 15 of the pre-harvest year to January 14 of the harvest year's average daily settlement price for the harvest year's New York Cotton Exchange (NYCE) October cotton futures contract rounded to the nearest whole cent. The Base Price will be released as an actuarial document addendum by January 24 of the harvest year.
- (b) Of February 28 or March 15, the January 15 to February 14 harvest year's average daily settlement price for the harvest year's NYCE December cotton futures contract rounded to the nearest whole cent. The Base Price will be released as an actuarial document addendum by February 24 of the harvest year.

Harvest - Removal of the seed cotton from the stalk.

Harvest price (NYCE) -

For GRIP cotton counties with a cancellation date:

- (a) Of January 31, the September harvest year's average daily settlement price for the harvest year's NYCE October cotton futures contract rounded to the nearest whole cent. The Harvest Price cannot be less than the Base Price minus seventy cents (\$0.70), or greater than the Base Price plus seventy cents (\$0.70). The Harvest Price will be released as an actuarial document addendum by October 10 of the harvest year.
- (b) Of February 28 or March 15, the November harvest year's average daily settlement price for the harvest year's NYCE December cotton futures contract rounded to the nearest whole cent. The Harvest Price cannot be less than the Base Price minus seventy cents (\$0.70), or greater than the Base Price plus seventy cents (\$0.70). The Harvest Price will be released as an actuarial document addendum by December 10 of the harvest year.

NASS yield - The yield calculated by dividing the NASS estimate of upland cotton production in the county, by the NASS estimate of the acres of upland cotton in the county, as specified in the actuarial documents. The actuarial documents will specify whether harvested or planted acreage is used to calculate the yield used to establish the expected county yield and calculate revenues.

Planted acreage - Land in which the cotton seed has been placed by a machine appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice. Broadcast and subsequent mechanical incorporation of the cotton seed is not allowed.

2. Crop Insured.

The insured crop will be all upland cotton:

- (a) Grown on insurable acreage in the county or counties listed in the accepted application;
- (b) Properly planted and reported by the acreage reporting date;
- (c) Planted with the intent to be harvested; and
- (d) 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;
 - (3) Interplanted with another spring planted crop;
 - (4) Grown on acreage in 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.

3. Payment.

- (a) A payment will be made only if the county revenue for the insured crop year is less than your trigger revenue.
- (b) County revenues will be determined prior to July 16 following the crop year.
- (c) We will issue any payment to you prior to the August 16 immediately following our determination of the county revenue.
- (d) The payment is equal to the payment calculation factor multiplied by your policy protection for each insured crop practice and type specified in the actuarial documents.
- (e) The payment will not be recalculated even though the NASS yield may be subsequently revised.

4. Program Dates.

STATE AND COUNTY	CANCELLATION AND TERMINATION DATES	CONTRACT CHANGE DATE
Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.	January 15	November 30
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, Crockett, Sutton, Kimble, Gillespie, Blanco, Comal, Guadalupe, Gonzales, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas.	February 28	November 30
All other Texas counties and all other States.	March 15	November 30