

United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation



Product  
Development  
Division

FCIC-25090 (05-1999)

# **AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK 1999 and Succeeding Crop Years**



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

<b>FEDERAL CROP INSURANCE HANDBOOK</b>		<b>NUMBER: 25090</b>
<b>SUBJECT:</b>  <b>AUP &amp; ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK 1999 AND SUCCEEDING CROP YEARS</b>	<b>DATE: May 27, 1999</b>	
	<b>OPI: Product Development Division</b>	
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**THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THESE CROPS FOR THE 1999 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 1999 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 **redlined**. Three stars (\*\*\*) identify information that has been removed.

Removes:

All appraisal deviations from the handbook.

Adds:

1. Procedure for measuring row width for sample selection.
2. Cotton Boll Characteristics and Cotton Boll Illustration in section 5D(4).
3. Procedure to the Boll Count Computations, to cut open immature green and unopened bolls to determine damaged and undamaged locks in section 6D(7).
4. A new short form appraisal worksheet that includes all appraisal methods except for hail damage in the vegetative stages (V1 and above) or reproductive stages (R1 and above) (section 6 appraisal worksheet examples). Also removed columns that are not used and renumbered worksheet.
5. Procedure to determine production to count for harvested unginned cotton in a module and procedure for applying quality adjustment to harvested unginned cotton in a trailer, module, etc., (section 9, Section II, Production (item G) of the production worksheet).

# AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

- 6. Definitions specific to AUP and ELS cotton in Exhibit 1.
- 7. Yield Conversion Factors for Skip-Row Planting Patterns in Exhibit 4.

Clarifies:

- 1. That the Stand Reduction Method is to be used when an insurable cause of damage results in no emerged seeds in section 6B. Appraisals are delayed at least 10 days after the final planting date.
- 2. The wording for drilled cotton to include other narrow row planting methods for ultra narrow row cotton and removed the reference to broadcast.

Revises:

- 1. The predominant boll size (diameter) for immature green and unopened boll from the size of 2 in. thru 2½ in. to the size of **Greater** than 1½ in. but **less** than 2 in. since the bolls of Bt, Round-up Ready, etc., cotton cultivars are smaller.
- 2. Current appraisal worksheet to remove unused columns and renumbered the worksheet.
- 3. Examples for ELS cotton quality adjustment in Exhibit 5. New examples from the Daily Spot Cotton Quotations were added requiring the revision of examples.
- 4. The AUP cotton Harvest Incentive Endorsement, Exhibit 7, to apply for crop year 1999.

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	FCIC-30090 & 30090-1, 30120 & 30120-1 and replace with FCIC-25090					
Current Index	1-2	1-4	1-66	67-74	05-1999	FCIC-25090

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**AUP & ELS COTTON LOSS ADJUSTMENT HANDBOOK**

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# **1. INTRODUCTION**

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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**

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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 for the loss adjustment inspection:

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

**NOTE:** It is the insurance provider's 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:

<b>AMS</b>	Agricultural Marketing Service
<b>AUP</b>	American Upland Cotton
<b>ELS</b>	Extra Long Staple Cotton
<b>UNR</b>	Ultra-Narrow-Row
<b>UNRC</b>	Ultra-Narrow-Row Cotton

### **3. INSURANCE CONTRACT INFORMATION**

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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 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.

**NOTE:** See **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 replanting it is not practical. Refer to the LAM for replanting provision issues.

#### **B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE**

- (1) Optional units.
- (2) Written Agreements.
- (3) Hail and Fire Exclusion provisions (also not applicable to limited coverage).
- (4) High Risk Land Exclusion.
- (5) Harvest Incentive Endorsement (**AUP** only).

## **C. UNIT DIVISION**

See the insurance contract for unit provisions. **NOTE:** 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). See **EXHIBIT 5**, Using the Cotton Classification System for Quality Adjustment procedure.

## **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**

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

## **5. AUP AND ELS COTTON APPRAISALS**

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### **A. GENERAL INFORMATION**

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

### **B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS**

- (1) Determine the 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 be significantly different within the same field, or
  - (b) the insured wishes to destroy part of a field.

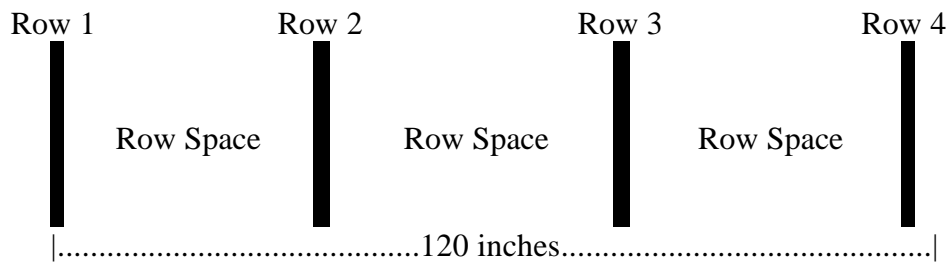
- (3) Appraise each subfield separately.
- (4) Use as many samples as necessary to accurately determine potential production. Minimum sample requirements are shown in section 10, **TABLE A**.

### 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 (see LAM for conversion table).
- (2) Measure across **THREE OR MORE** row spaces, from the center of the first row to the center of the fourth row (or as many rows as needed), and divide the result by the number of row spaces measured across, to determine an average row width in whole inches.

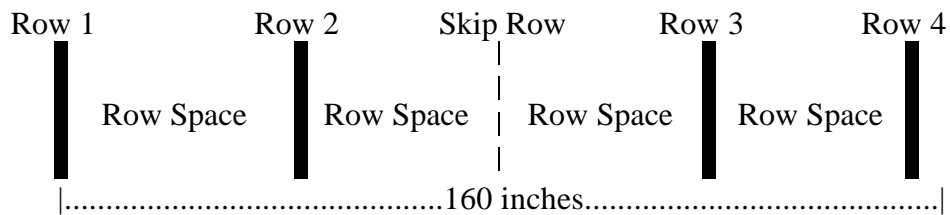
**EXAMPLE:**



$$120 \text{ inches} \div 3 \text{ row spaces} = 40 \text{ inches average row width}$$

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

**EXAMPLE:**



$$160 \text{ inches} \div 4 \text{ row spaces} = 40 \text{ in. average row width}$$

**NOTE:** Caution is required when a planting pattern has varying row widths within the pattern, e.g., two 36” planted rows with a 27” skip. Measure each planted pattern to determine average row width. Use the average of the planted row width to select the single row width for each representative sample.

## D. STAGES OF GROWTH

The **most** important part of **AUP** and **ELS** cotton loss adjustment is to first determine the **stage of growth at the date of damage**.

### (1) Identifying Stages of Growth

- (a) Select at least 10 plants that are representative of the field or subfield, to determine the average stage of growth.
- (b) Use the main stem for stage determinations. The stage of growth is based on 50 percent of the plants **at** or **beyond** a given phase of development. Split acreage into subfields to reflect distinctly different stages of growth.
- (c) Identify the stage of growth at date of damage for all appraisals that have a **specific date of damage**; (e.g., hail). Use the average time intervals to count back the days to the date of damage. For progressive damage (e.g., drought); identify the stage of growth on the date of appraisal.
- (d) Determine the individual plant stage of growth using **AUP** Cotton Stages of Growth in section 5D(2), and **ELS** Cotton Stages of Growth in section 5D(3).

### (2) **AUP** Cotton Stages of Growth

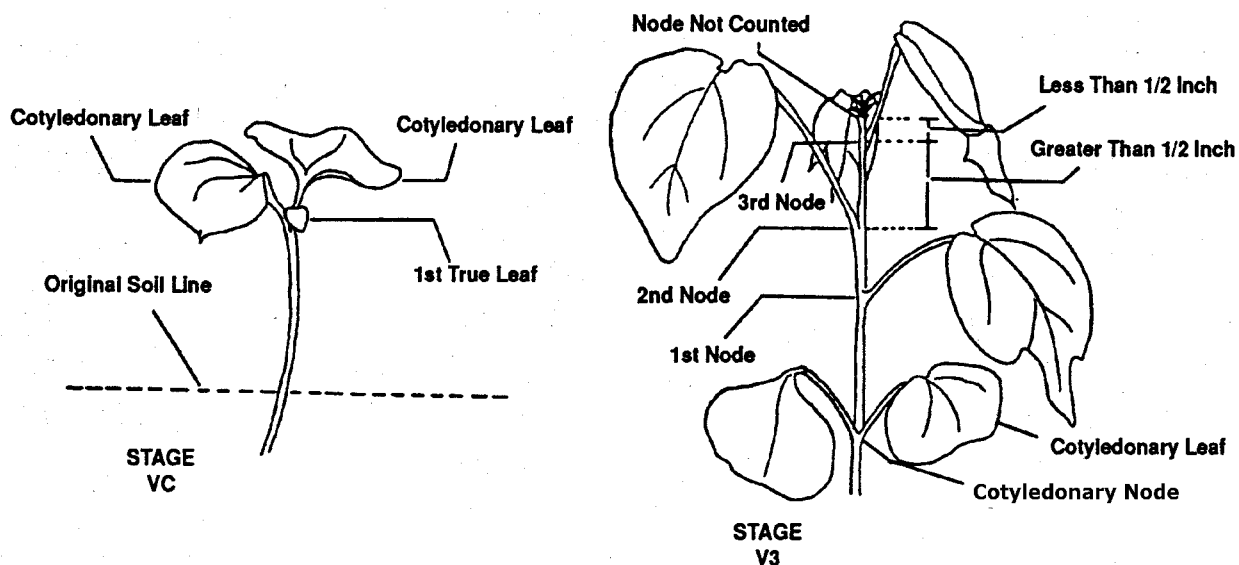
Emergence normally occurs 7 to 10 days after planting. At the lowest node (joint) of the cotton stem, two cotyledonary (seedling) leaves are borne on opposite sides of the stem. The cotton plant then develops into two types of branches, vegetative and fruiting. The stages of growth are based on average full-season varieties and are the approximate time required for cotton plants to reach a specific growth stage.

#### (a) **AUP** Vegetative Stages

A plant is classified as 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.

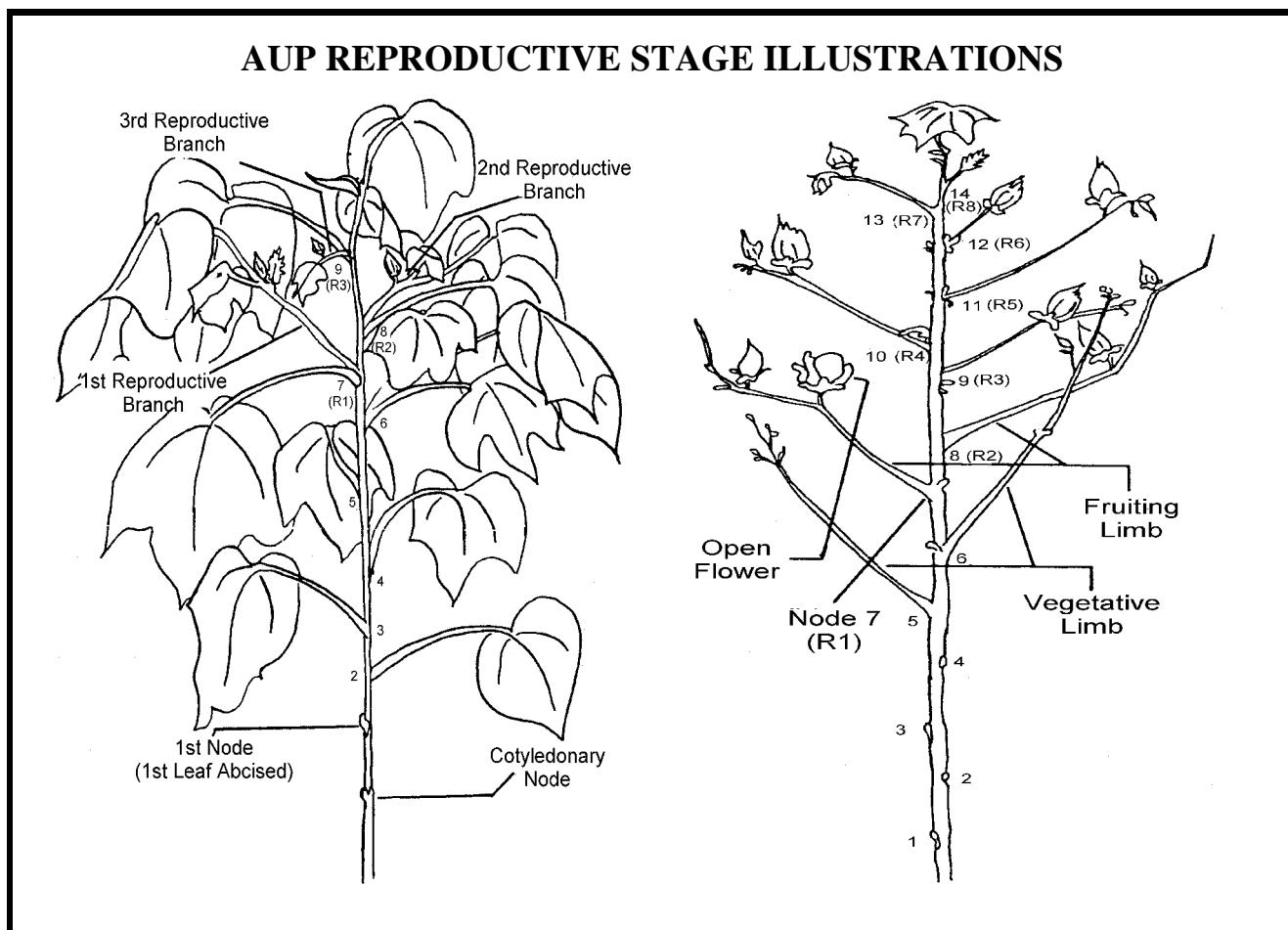
## AUP VEGETATIVE STAGE ILLUSTRATIONS



<u>Stage Number</u>	<u>Average Time Interval</u>	<u>Characteristics</u>
VC	9 days from emergence	Plants are 1 to 3 inches in height; terminal bud located at the junction of cotyledonary stem and main stem.
V1	4 days	Internode above cotyledonary node has elongated $\frac{1}{2}$ inch or more; first true leaf approaching full size; second true leaf developing rapidly and approaching full size near the end of period.
V2	4 days	Second internode has elongated $\frac{1}{2}$ inch or more.
V3	4 days	Third internode has elongated $\frac{1}{2}$ inch or more.
V4	4 days	Fourth internode has elongated $\frac{1}{2}$ inch or more.
V5	4 days	Fifth internode has elongated $\frac{1}{2}$ inch or more.
V6	4 days	Sixth internode has elongated $\frac{1}{2}$ inch or more.

(b) **AUP** Reproductive Stages

A plant is classified as in the “Reproductive Stage” when the first square appears, whether at the 5th, 6th, or 7th node stage. Begin counting the nodes above the cotyledonary node as described in **AUP** Vegetative Stages. Whenever the first square appears, start counting in the reproductive stage. An “R” precedes the number for the Reproductive stages.



<u>Stage Number</u>	<u>Average Time Interval</u>	<u>Characteristics</u>
R1	4 days	The first square may appear on the plant as low as the fifth or as high as the seventh node under certain conditions. The square grows at an average rate of one millimeter per day. The plant is approximately 33 days post emergence.
R2	5 days	The next internode has elongated ½ inch or more. The first fruiting branch is beginning to elongate at the first “R” node. Cotyledonary leaves have shed from the plant.

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 57 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).



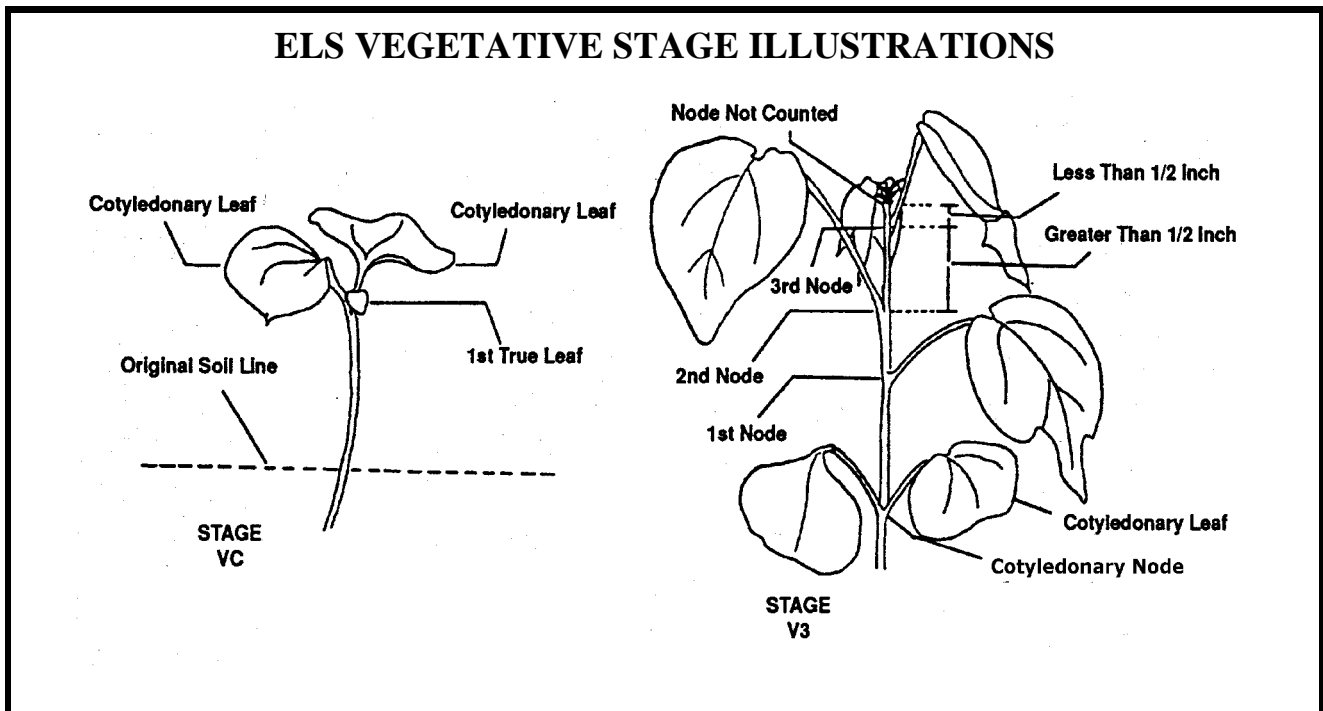
(3) **ELS Cotton Stages of Growth**

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.

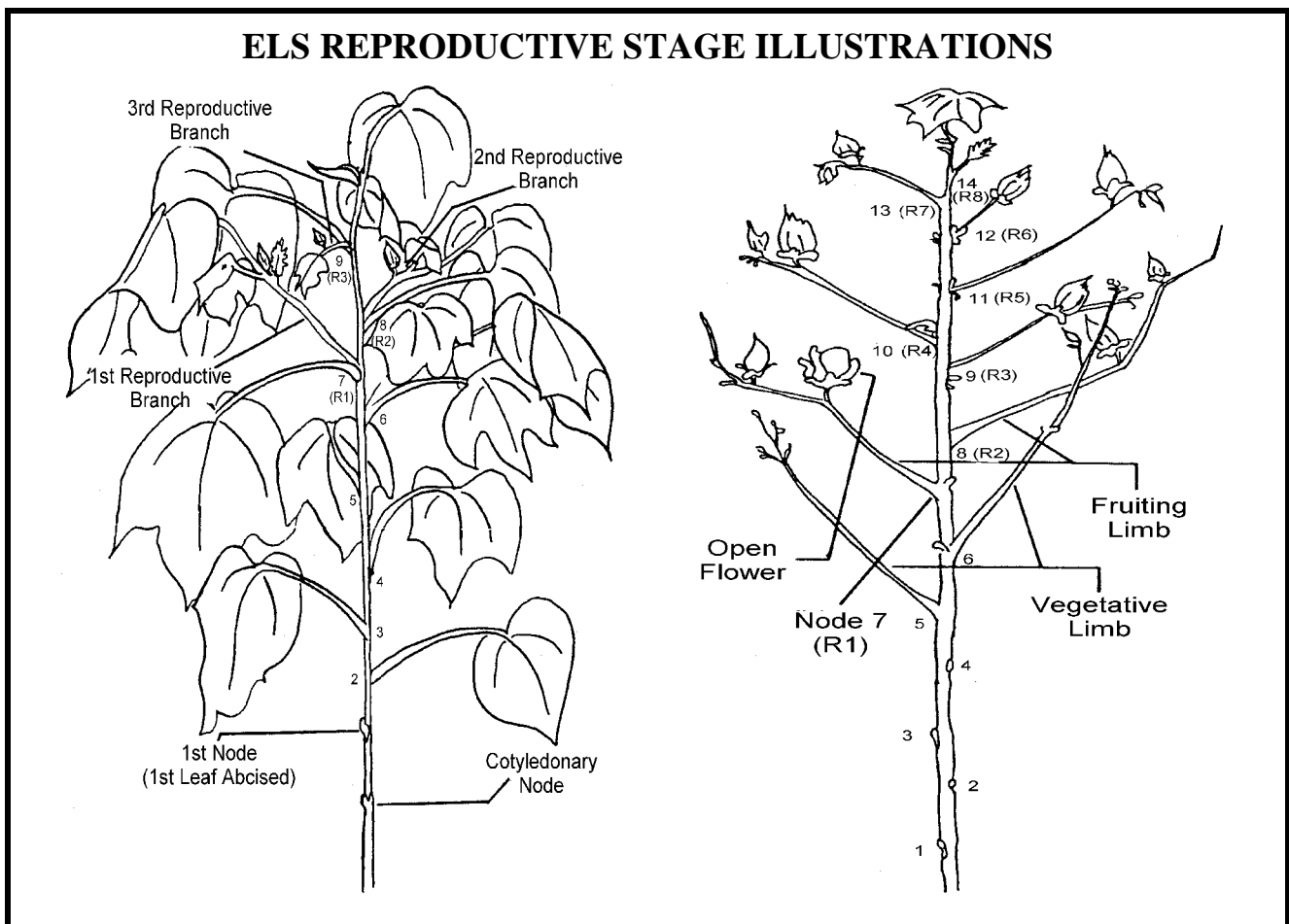


<u>Stage Number</u>	<u>Average Time Interval</u>	<u>Characteristics</u>
VC	12 days from emergence	Plants are 1 to 3 inches in height; a terminal bud at the junction of cotyledonary stem and main stem.

V1	5 days	Internode above cotyledonary node has elongated ½ inch or more; first true leaf approaching full size; second true leaf developing rapidly and approaching full size near the end of period.
V2	5 days	Second internode has elongated ½ inch or more.
V3	5 days	Third internode has elongated ½ inch or more.
V4	5 days	Fourth internode has elongated ½ inch or more.
V5	5 days	Fifth internode has elongated ½ inch or more.
V6	5 days	Sixth internode has elongated ½ inch or more.

(b) **ELS Reproductive Stages**

A plant is classified as in the “Reproductive Stage” when the first square appears, whether at the 5th, 6th, or 7th node stage. Whenever the first square appears, start counting in the reproductive stage. Begin counting the nodes as described in the **ELS Vegetative Stages**. An “R” precedes the number for the Reproductive stages.



<b><u>Stage Number</u></b>	<b><u>Average Time Interval</u></b>	<b><u>Characteristics</u></b>
R1	4 days	The first square may appear on the plant as low as the fifth or as high as the seventh node under certain conditions. The square grows at an average rate of one millimeter per day. The plant is approximately 42 days post emergence.
R2	5 days	The next internode has elongated ½ inch or more. First fruiting branch is beginning to elongate at the first “R” node. Cotyledonary leaves have shed from the plant.
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	4 days	The first yellow bloom normally appears at this stage on the fruiting branch elongated from the first “R” node. The plant is approximately 65 days post emergence.
R9	4 days	Eighth “R” internode has elongated ½ inch or more.
R10	4 days	Ninth “R” internode has elongated ½ inch or more. The first small bolls may be present on fruiting branches attached to the first and second “R” nodes.
R11	4 days	Tenth “R” internode has elongated ½ inch or more.
R12	4 days	Eleventh “R” internode has elongated ½ inch or more.
R13	4 days	Twelfth “R” internode has elongated ½ inch or more. The plant normally has the maximum number of bolls.
R14	4 days	Thirteenth “R” internode has elongated ½ inch or more; bolls continue to develop.
R15	4 days	Fourteenth “R” internode has elongated ½ inch or more; bolls continue to develop.

R16            4 days            Fifteen internodes have developed.

R16+                            The plant now has 16 or more “R” nodes; bolls continue to develop. Plants will be identified as R16+ throughout the remaining growth and development period.

(c) **ELS Mature Stage**

The plant has now “set” **ALL** bolls that will contribute to the ultimate yield. The plant is approximately 150-155 days post emergence. **Important:** Under certain conditions, this mature stage may be attained BEFORE the R16+ stage.

(d) **ELS 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 175-180 days post emergence (90% open bolls).

(4) Cotton Boll Characteristics

(a) A cotton boll will attain full size approximately 25 days after flowering. However, an additional 24 to 40 days are needed for the fibers inside to stretch, thicken, and mature and for the boll to open. Boll development, from open bloom to splitting of a boll requires between 40 to 80 days. Variation in boll development occurs mainly due to temperature.

(b) A mature boll is normally 1½ to 2 inches long with the earliest and latest bolls on the plant being smaller than the mid-season bolls.

(c) Upon maturity, the carpel walls split open at the seam and flare out, exposing the fluffy mass of cotton fibers.

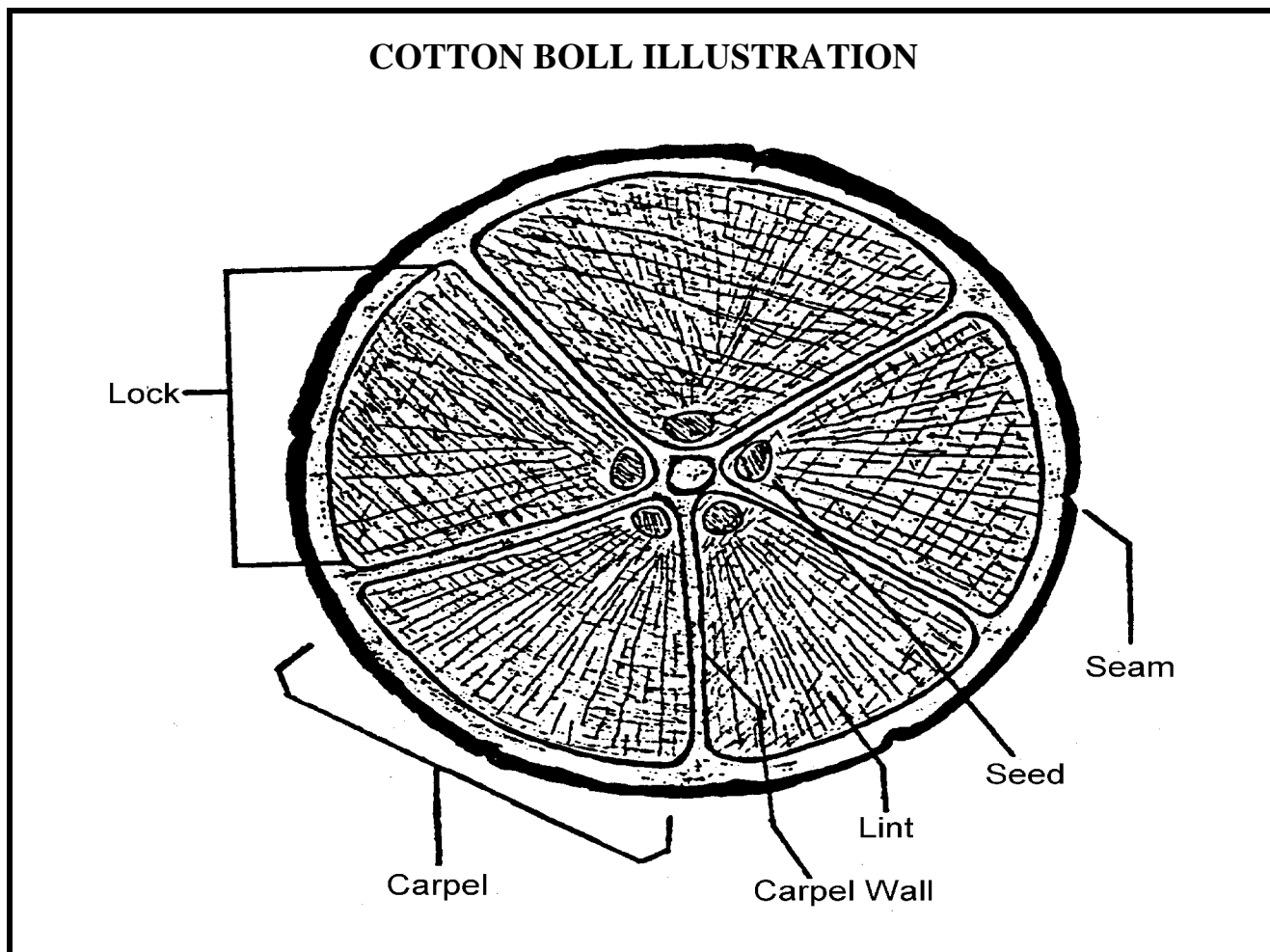
(d) The cotton fibers are slender single-celled hairs that grow out from epidermal cells of the cottonseed.

(e) Cotton fiber growth begins about the time the flower opens and is at full length in 15 to 25 days, when the seeds are also at approximate full size.

(d) After fibers attain their full length, growth continues, but only as a thickening of the cell walls.

(e) **AUP** cotton cultivars usually have four or five locks. **ELS** cotton cultivars usually have three locks. Each lock of a mature cotton boll usually contains seven to nine seeds.

## COTTON BOLL ILLUSTRATION



### (5) Factors Influencing Time Between Stages of Growth

Major factors that influence the development of the cotton plant are variety, soil moisture, temperature, and sunlight. The principal effect of each is summarized as follows:

- (a) Variety. Each variety may have specific characteristics in developmental periods.
- (b) Soil Moisture. Low soil moisture prolongs plant emergence and may shorten the interval between other stages. It also reduces boll size, fiber length and strength, and increases boll drops.
- (c) Temperature. Plant development is normal with day temperature of about 90 degrees Fahrenheit and night temperatures of about 70 degrees Fahrenheit. In general, higher temperatures decrease time intervals and lower temperatures increase the time intervals.
- (d) Sunlight. Cloudy weather retards plant development. Retardation will depend upon the amount and duration of cloudy weather.

## 6. APPRAISAL METHODS

### A. GENERAL INFORMATION

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

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

### B. STAND REDUCTION METHOD

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

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

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

#### (1) Scheduling Appraisals

Delay appraisals at least seven days for **AUP** cotton and at least 14 days for **ELS** cotton after the date of **hail** damage or blowing sand.

#### (2) Row Width and Sampling

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

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

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

(b) Second, determine row width:

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

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

\*NOTE: **“Live”** plants are plants that are capable of recovery and **can timely** contribute lint cotton to the ultimate yield at the time of harvest.

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

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

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

(a) Defining a Skip

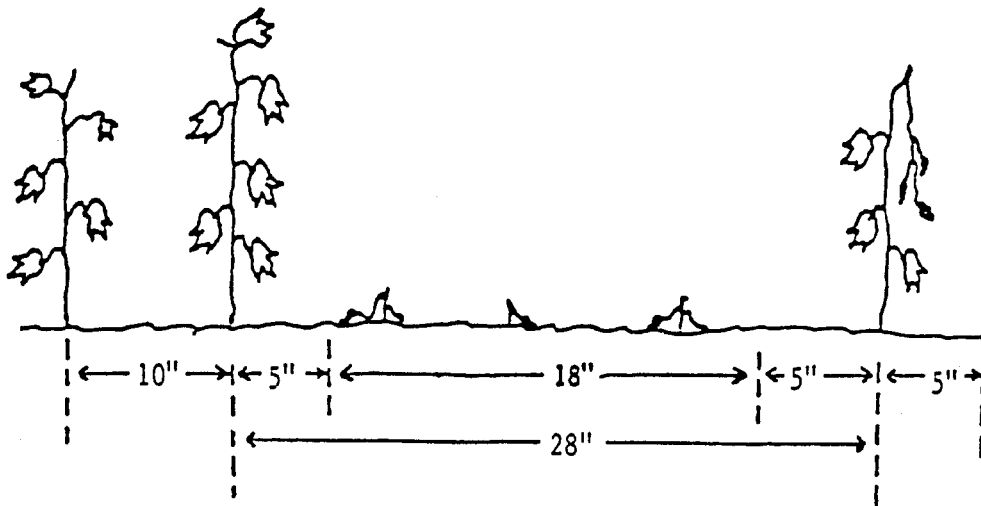
A skip is the space between **“live”** plants within the row which exceed the standard space as shown in the chart below.

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

(b) Measuring a Skip

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

**EXAMPLE:** 10" plant spacing within a row:



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

- 4 Compute the combined length of **all** skips by adding the **“net length”** of **all** skips within the 100-foot sample.
- 5 Convert the result to feet and tenths by dividing by 12 and rounding to the nearest tenth of a foot. **EXAMPLE:** Total combined length of all skips =  $218" \div 12 = 18.2$  ft.
- 6 Record results for each representative sample in Part I - Sample Determinations, Stand Reduction - Combined Length of Skips in 100-feet of Row of the appraisal worksheet.
- 7 Compute the pounds per acre appraisal using the instructions in Part I - Sample Determinations - Stand Reduction, 100-Feet of Row Sample Method - Combined Length of Skips in section 8.



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

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

\* **“Live” plants** are plants that are capable of recovery and **can timely** contribute lint cotton to the ultimate yield at the time of harvest.

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

### C. HAIL DAMAGE METHOD

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

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

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

(1) Scheduling Appraisals

Delay the appraisal at least seven days for **AUP** cotton and at least 14 days for **ELS** cotton after the date of hail damage (also blowing sand). No delay is required if the cotton is in the Fully Mature Stage (open bolls).

(2) Row Width and Sampling

See Row Width and Sampling in the Stand Reduction Method in section 6B(2).

(3) Vegetative Stage Method - From V1 Through V6 Stages

(a) Plants Destroyed

Use the Stand Reduction Method to account for **plants destroyed**. Plants destroyed will include plants that are:

- 1 cut off **below** the cotyledonary node; or
- 2 otherwise killed.

Determine any stand reduction **before** appraising hail damage to **“live” plants partially destroyed**.

(b) Plants Partially Destroyed

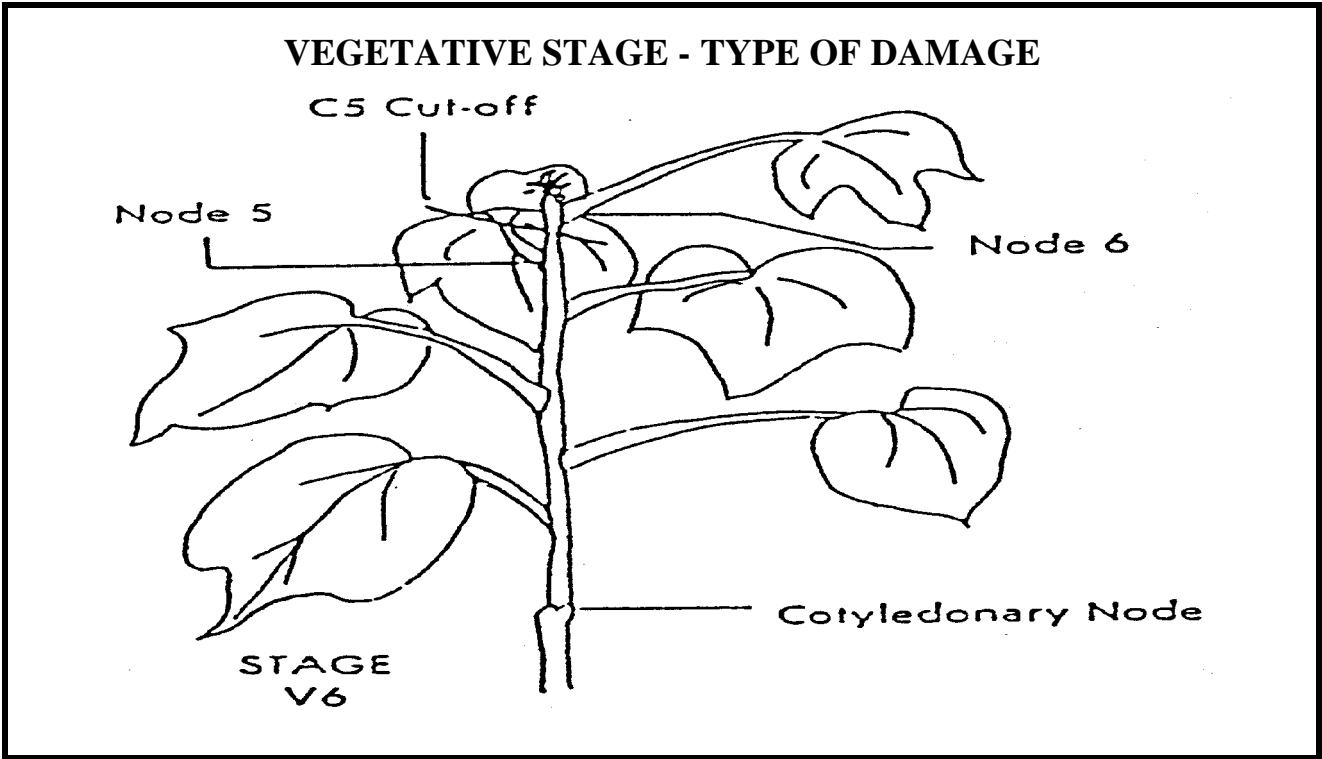
Select 30 consecutive **“live” plants** from the representative sample area (expanded until 30 plants have been selected) used for the Stand Reduction Method.

- 1 Account for hail damage to **“live” plants partially destroyed**. Plants partially destroyed will include plants that are cut off:
  - a **above** the cotyledonary node, or
  - b at the first through sixth node.
- 2 Determine the location of **“cut-off,”** and the **“cut-off” symbol**, for each plant by counting nodes between the cotyledonary node and the “cut off.”

**NOTE:** Plants “cut-off” below the cotyledonary node have already been accounted for in the Stand Reduction Method.

(c) “Cut-off” Symbols

- 1 Designate plants cut off at the internode between the cotyledonary node and node 1 as “CC.”
- 2 Designate plants cut-off at higher internodes, as (C1 through C6) by counting the nodes (node 1, node 2, etc.) between the cotyledonary node and the “cut-off.”
- 3 Designate cut-off symbols as C1, C2, etc., through C6 as shown on the applicable factor chart.



(d) Factor Charts for Plants Partially Destroyed

- 1 Determine if the **AUP** cotton is a “Picker” or “Stripper” type cultivar. See Definitions for **AUP** Picker Cotton and **AUP** Stripper Cotton in **EXHIBIT 1**.
- 2 Select the applicable Plants Partially Destroyed Factor Chart for the type cultivar from section 10, using the instructions below.

**NOTE:** Select the chart based on the plant cultivar characteristics’ **not** the method of harvesting.

<b>IF the cotton is...</b>	<b>USE...</b>
<b>AUP “Picker”</b>	TABLE C
<b>AUP “Stripper”</b>	TABLE D
<b>ELS</b>	TABLE M

- 3 Find the factor for plants cut offs **above** the cotyledonary node through the sixth node from the chart where the **Stage of Growth** at date of damage (horizontal line) intersects the **Cut off Symbol** (vertical line).

(e) Plant Damage Computations

- 1 Record cut off symbols, number of plants cut off and percent of loss factors for Plants Partially Destroyed in Part I - Plant Damage Computations section of the cotton appraisal worksheet.

2 Compute the pounds per acre appraisal using the instructions in the Hail Damage Methods - Vegetative Stages section of section 8.

(4) Reproductive Stage Method - **AUP** From R1 Through R12+ Stages or **ELS** From R1 Through R16+ Stages

(a) Plants Destroyed

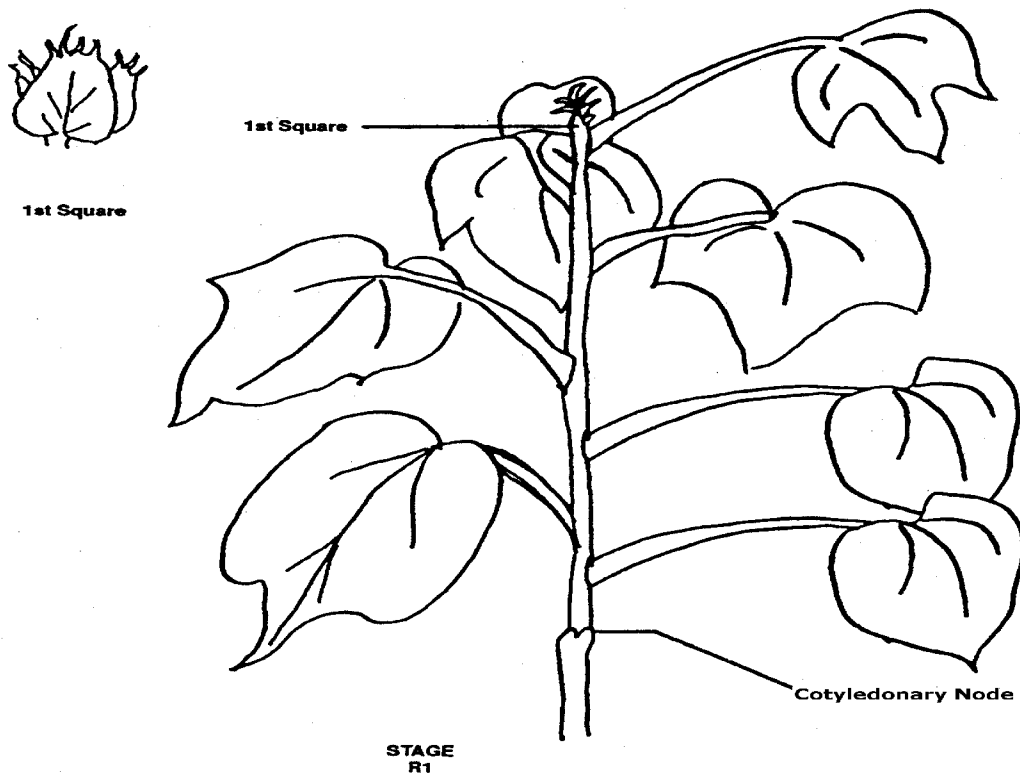
Use the Stand Reduction Method to account for **plants destroyed**. Plants destroyed will include plants that are:

- 1 cut off **below** the cotyledonary node; or
- 2 damaged to the extent that they **cannot timely** recover and contribute lint cotton to the ultimate yield at the time of harvest; i.e., plants stripped of fruiting limbs, containing no squares, blooms or bolls; or
- 3 otherwise killed.

Document, in the Narrative or on a Special Report, your determination that plants are **not** capable of contributing to the ultimate yield at the time of harvest; i.e., the number of days required to grow new fruiting limbs, bloom and produce fully mature bolls. Determine any stand reduction **before** appraising hail damage to **“live” plants**.

**NOTE:** If the plants' capability to timely recover cannot be determined, item 2 above **does not** prohibit the adjuster from considering these plants as **“live” plants partially destroyed** and accounting for plant and boll damage in the Plant Damage Computations section of the appraisal worksheet. However, if these plants have been considered as **plants destroyed** in the Stand Reduction Method, **do not** select these same plants again when determining plant and boll damage for the Plant Damage Computation section.

## REPRODUCTIVE STAGE - 1ST SQUARE IN TERMINAL



A square is the first stage in the cotton boll formation. Squares follow a definite pattern in their development with the first square formed on the lowest reproductive branch of the plant. The leaf next to each square provides food needed for growth and maturity. White blooms will appear later for **AUP** cotton and yellow blooms for **ELS** (see Stages of Growth in section 5D).

### (b) Plants Partially Destroyed

Select 30 consecutive **“live” plants** from representative sample area (expanded until 30 plants have been selected), used for the Stand Reduction Method.

- 1 Account for hail damage to **“live” plants partially destroyed**. Plants partially destroyed will include plants that are cut off:
  - a **above** the cotyledonary node; or
  - b first through eighteenth node.
- 2 Determine location of **“cut off”** and the **“cut off” symbol** for each plant by counting nodes between the cotyledonary node and the “cut off.”

### (c) “Cut off” Symbols for **AUP** Picker-type Cotton

- 1 Designate plants cut off at the internode between the cotyledonary node and node 1, as “CC.”

- 2 Designate plants cut off at higher internodes, as (C1, C2, etc. through C18) by counting the nodes (node 1, node 2, etc.) between cotyledonary node and the cut off.
- 3 Designate cut off symbols as C1, C2, etc., through C18 as shown on the applicable factor chart.

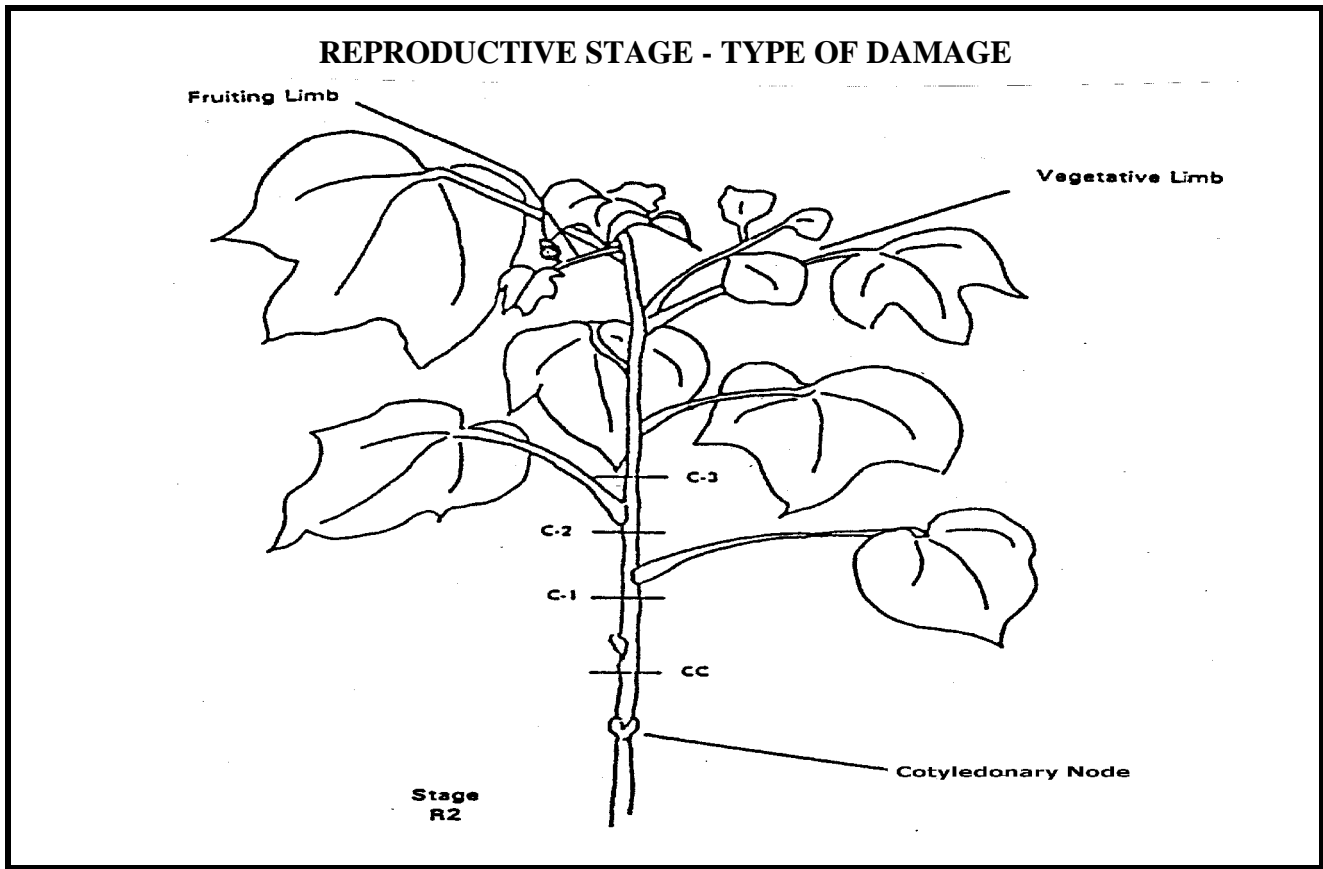
(d) “Cut off” Symbols for **AUP** Stripper-type and **ELS** Cotton

- 1 Designate plants cut off at the internode between the cotyledonary node and node 1, as “CC.”
- 2 Designate plants cut off at higher internodes (C1, C2, etc., through C5), by counting the nodes (node 1, node 2, etc.) between the cotyledonary node and the cut off.
- 3 Designate cut off symbols as RR, R1, etc., through R12 with the cut off below the 1st fruiting limb as follows:

RR = cutoff below 1st fruiting limb;

R1 = cutoff above 1st fruiting limb;

R2 = cutoff above 2nd fruiting limb, etc.



(e) Factor Charts for Plants Partially Destroyed

- 1 Determine if the **AUP** cotton is a “Picker” or “Stripper” type cultivar. See Definitions for **AUP** Picker Cotton and **AUP** Stripper Cotton in **EXHIBIT 1**.
- 2 Select the Plants Partially Destroyed Factor Chart for the type cultivar and the state, if applicable, from section 10 using the instructions below.

**NOTE:** Select the factor chart based on the plant cultivar characteristics’ **NOT** the method of harvesting.

<b>IF the cotton is...</b>	<b>AND the state is...</b>	<b>USE...</b>
<b>AUP “Picker”</b>	California or Arizona	TABLE E
<b>AUP “Picker”</b>	<b>any state except</b> California or Arizona	TABLE F
<b>AUP “Stripper”</b>		TABLE G
<b>ELS</b>		TABLE M

- 3 Find the factor for plants cut off above the cotyledonary node through eighteenth node from the table where the **Stage of Growth** at date of damage (horizontal line) intersects the **Cut Off Symbol** (vertical line).

(f) Counting the Number of Fruiting Limbs Destroyed

- 1 Select every third plant from the 30-plant sample until 10 plants have been selected. Save the sample to account for bolls and locks destroyed.
- 2 Account for hail damage to fruiting limbs by counting the number of **fruiting limbs destroyed**.
- 3 Round the actual number counted to the nearest number divisible by 5.

**EXAMPLE:** 18 fruiting limbs destroyed, rounded to 20; or 17 fruiting limbs destroyed, rounded to 15. Use the rounded figure to select the percent-of-loss for number of limbs destroyed from the applicable chart for **AUP** or **ELS**.

- 4 Select the applicable factor chart for **AUP** or **ELS** using the instructions in item (g) below.

(g) Factor Charts for Number of Fruiting Limbs Destroyed

- 1 Determine if the **AUP** cotton is a “Picker” or “Stripper” type cultivar.
- 2 Select the applicable Number of Limbs Destroyed Percent-of-Loss Chart, from section 10, for the type cultivar and the state using the following instructions.

**NOTE:** Select the factor chart based on the plant cultivar characteristics’ **not** the method of harvesting and, if applicable, the number of plants counted (including both “live” and destroyed plants) in the original stand.

IF the cotton is...	AND the state is...	THEN...	IF the original stand...	USE...
AUP “Picker”	California or Arizona			TABLE H
AUP “Picker”	any state <b>except</b> California or Arizona	Count the plants in 10 feet of sample row to find the original stand.	was 40 plants or less	TABLE I
			exceeded 40 plants	TABLE J
AUP “Stripper”				TABLE K
<b>ELS</b>				TABLE N

- 3 Find the percent-of-loss factor for the rounded Number of Limbs Destroyed from the chart where the **Number of Limbs Destroyed - 10 Plants** line (vertical) intersects the **Stage of Growth** at date of damage (horizontal line) for the sample.

(h) Counting the Number of Bolls and Locks Destroyed

Use the same 10-plant sample (used to determine the number of fruiting limbs destroyed) to account for the number of **bolts and locks destroyed** from hail if bolts have formed and boll damage has occurred.

- 1 Count the number of **small, large, and mature bolts** destroyed from the 10-plant representative sample.
- 2 Sample 5 or more bolts from the 10-plant representative sample to determine the average number of **locks per boll**. See the Cotton Boll Characteristics section 5D(4).
- 3 Cut open green bolts to count the number of locks destroyed.

(i) Plant Damage Computations

- 1 Record cut off symbols, number of plants cut off, number of limbs destroyed, number of small, large, and mature bolts, locks destroyed, and percent-of-loss factors for Plants Partially Destroyed in Part 1 - Plant Damage Computations section of the appraisal worksheet.
- 2 Compute the pounds per acre appraisal using the instructions in the Hail Damage Method - Reproductive Stages of section 8.



## D. BOLL COUNT METHOD

Use this method when plants have reached the Mature Stage, for any type of damage, including hail. Mature Stage is when **ALL** bolls are “set” that will contribute to the ultimate yield.

### (1) Scheduling Appraisals

Delay the appraisal at least seven days for **AUP** cotton and at least **14** days for **ELS** cotton after the date of hail damage in the Mature Stage. No delay is required if the cotton is in the Fully Mature Stage (open bolls).

### (2) Row Width and Sampling

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

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

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

#### (b) Second, determine row width:

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

<b>IF the AUP or ELS cotton is planted...</b>	<b>THEN consider as...</b>	<b>AND select each representative sample as...</b>
as two narrow rows, in a single bed of normal row width	one row	1/100 of an acre for the row width.
as single rows, with row spacings <b>16 inches or more apart</b> (including drilled rows or other narrow row planting methods for UNRC)	separate rows	1/100 of an acre for the row width.
with a drill or other narrow row planting methods for UNRC with row spacings <b>less than 16 inches apart</b>	UNRC	one square yard.

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

- (3) 1/100 of an Acre Sample Method - Number of Bolls Remaining
- (a) Select the single row length for the row width measured for each representative sample from section 10, **TABLE B**.
  - (b) Using a measuring tape marked in tenths, measure a row or combinations of rows comprising 1/100 acre for the average row width.
  - (c) Account for damaged and undamaged bolls using the instructions in Appraising Damaged and Undamaged Bolls for **AUP** in section 6D(5) and for **ELS** in section 6D(6).
- (4) One Square Yard Sample Method - Number of Bolls Remaining
- (a) Measure one square yard for each representative sample.
  - (b) Account for damaged and undamaged bolls using the following instructions in Appraising Damaged and Undamaged Bolls for **AUP** in section 6D(5) and for **ELS** in section 6D(6).
- (5) Appraising Damaged and Undamaged Bolls for **AUP** Cotton

The number of bolls required to produce a pound of lint cotton will vary according to their size. Only after bolls have opened can their ultimate size be determined.

- (a) Measure across the top (diameter) of the OPEN bolls to determine the **predominant boll size** for each representative sample. Apply the **predominant boll size** from the chart in item 6D(5)(d). See **EXCEPTIONS** in item 6D(5)(g).
- (b) Count the number of **undamaged** bolls. Include, in the count:
  - 1 immature green and unopened bolls **ONLY** if they would contribute lint cotton in a **timely** manner to the ultimate yield at the time of harvest (using the **predominant boll size** of 2 inches thru 2½ inches only); and
  - 2 **ONLY** harvestable bolls that can be mechanically harvested by the intended method of harvesting: a picker or a stripper.
- (c) Account for **undamaged locks** from **damaged bolls** using the Boll Count Computations in section 6D(7).
- (d) Select, from the chart below, the **number of bolls per pound factor** (item 56 of the appraisal worksheet) based on the **predominant boll size** and how the cotton is planted.

IF the predominant OPEN boll size (diameter) is...	THEN count the number of bolls per pound of lint cotton as...	AND use the number of bolls per pound factor (item 56 of the appraisal worksheet) for cotton...	
		row-planted, drilled or other narrow row planting methods for UNRC with row spacings 16 inches or more apart of...	drilled or other narrow row planting methods for UNRC with row spacings less than 16 inches apart of...
Greater than 2½ in.	200 bolls	2.0	.04
2 in. thru 2½ in.	250 bolls	2.5	.05
Greater than 1½ in. but less than 2 in. (and immature green and unopened bolls)	350 bolls	3.5	.07
1 inch thru 1½ in.	450 bolls	4.5	.09
Less than 1 inch	550 bolls	5.5	.11

- (e) If the **predominant** boll size is the same for **all** representative samples, record the number of bolls counted for each sample in Part I - Sample Determinations, Number of Bolls Remaining column of the appraisal worksheet.
- (f) Compute the pounds per acre appraisal using the instruction for the Boll Count Method - Reproductive Stage in section 8.
- (g) **EXCEPTIONS:**

- 1 If the **predominant** boll size is **not the same** for **two or more** representative samples, calculate each representative sample separately (in the "Remarks" section of the appraisal worksheet) by:

Determining the total pounds of **all** samples and dividing by the number of samples taken, rounding the results to whole pounds. Record in the Pounds Per Acre column of the appraisal worksheet.

**EXAMPLE:**

Sample 1: 87 bolls ÷ 2.5 factor = 34.8 = 35 lbs.  
 Sample 2: 64 bolls ÷ 3.5 factor = 18.3 = 18 lbs.  
 Sample 3: 54 bolls ÷ 4.5 factor = 12.0 = 12 lbs.  
 Total = 65 lbs.

Appraisal = 65 lbs. ÷ 3 samples = 21.7 = 22 lbs.

- 2 If **adverse weather conditions** cause a wide variation of boll sizes within the representative samples (e.g., the predominant boll size in the sample is less than 1 inch, with a 5.5 boll size factor, and there are also a smaller number of bolls with a 2.5 boll size factor). Using only the predominant factor results in a false appraisal, therefore, compute each boll size factor separately within a representative sample.

Determine the total pounds of **all sizes within the sample**. Add the pounds of **all samples** and divide by the number of samples taken, round the results to whole pounds. Record in the Pounds Per Acre column of the appraisal worksheet.

**EXAMPLE:**

Sample 1: 68 bolls ÷ 2.5 factor = 27.2 = 27 lbs.  
120 bolls ÷ 5.5 factor = 21.8 = 22 lbs.  
Total = 49 lbs.

Sample 2: 79 bolls ÷ 2.5 factor = 31.6 = 32 lbs.  
175 bolls ÷ 5.5 factor = 31.8 = 32 lbs.  
Total = 64 lbs.

Sample 3: 60 bolls ÷ 2.5 factor = 24.0 = 24 lbs.  
145 bolls ÷ 5.5 factor = 26.4 = 26 lbs.  
Total = 50 lbs.

Total of ALL Samples = 49 + 64 + 50 = 163 lbs.  
Appraisal = 163 ÷ 3 samples = 54.3 lbs. = 54 lbs.

(6) Appraising Damaged and Undamaged Bolls for **ELS** cotton

- (a) Account for **damaged and undamaged bolls** using the Boll Count Computations in section 6D(7).
- (b) Include in the Boll Count Computations:
- 1 immature green and unopened bolls, **ONLY** if they would **timely** contribute lint cotton to the ultimate yield at the time of harvest; and
  - 2 **ONLY** harvestable bolls that can be mechanically harvested by the intended method of harvesting, a picker or a stripper.
- (c) Record the results for each selected representative sample in Part I - Sample Determinations, Number of Bolls Remaining on the appraisal worksheet.
- (d) Select, from the chart below, the number of bolls per pound **factor** for the number of bolls per pound of lint cotton based on how the **ELS** cotton is planted.

IF the ELS cotton is planted...	THEN count the number of bolls per pound of lint cotton as...	AND use the number of bolls per pound factor of...
as two narrow rows, in a single bed of normal row width; or as single rows, with row spacings <b>16 inches or more apart</b> (including drilled rows or other narrow row planting methods for UNRC)	400	4
with a drill or other narrow row planting methods for UNRC with row spacings <b>less than 16 inches apart</b>	450	4.5

- (e) Compute the pounds per acre appraisal using the instructions in the Boll Count Method - Reproductive Stage of section 8.

(7) Boll Count Computations

- (a) Pick and separate **damaged** and **undamaged** bolls in the sample. Count the **undamaged** bolls.
- (b) Pick and separate **all undamaged locks** from **damaged bolls**. Count the **undamaged** locks.
- (c) Cut open immature green and unopened bolls to determine **damaged** and **undamaged locks** in the sample. Count the **undamaged** locks.

**NOTE:** Include immature green and unopened bolls **ONLY** if they would contribute lint cotton in a timely manner to the ultimate yield at the time of harvest.

- (d) Determine the average number of locks per boll in the sample, usually four or five locks for **AUP**, and three locks for **ELS**.
- (e) Divide the **undamaged** locks (total of items (b) and (c) above) by the average number of locks per boll, item (d), to arrive at an equivalent number of **undamaged** bolls. Round to a whole number.
- (c) Add the equivalent number of **undamaged** locks, item (e), to the number of **undamaged** bolls, item (a), to arrive at total bolls per sample.

**EXAMPLE:** Using 21 damaged and undamaged bolls with the average number of locks per boll of 4.

15 damaged bolls with 20 undamaged locks  
 $20 \div 4$  locks per boll = 5 equivalent bolls

Undamaged bolls	6
<u>Equivalent bolls</u>	<u>5</u>
Bolls to count	11

## **7. APPRAISAL DEVIATIONS AND MODIFICATIONS**

### **A. DEVIATIONS**

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

### **B. MODIFICATIONS**

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

## **8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

### **A. GENERAL INFORMATION**

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

**NOTE:** Standard appraisal worksheet items are numbered consecutively in subsection B. An example appraisal worksheet is also provided to illustrate how to complete entries.

### **B. WORKSHEET ENTRIES AND COMPLETION INFORMATION**

Verify or make the following entries:

#### **Item**

#### **No. Information Required**

**Company:** Name of company and agency servicing the contract.

**Claim No.:** Claim number as assigned by the insurance provider.

1. **Insured's Name:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.

2. **Policy Number:** Insured's assigned Policy Number.
3. **Unit Number:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
4. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.
5. **Field Number:** Field identification symbol.
6. **Location/Farm Number:** FSA Farm Serial Number. If an FSN is not available, enter the location etc., section, township, and range or other appropriate identifier.
7. **Stage of Growth:** Identify the stage of growth on the date of damage. See section 5D(2) for **AUP** cotton or 5D(3) for **ELS** cotton.
8. **Number of Acres:** Number of determined acres, to tenths, in the field or subfield being appraised.

## **STAND REDUCTION METHOD**

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

### **Part I - Sample Determinations - Stand Reduction**

#### **One Square Yard Sample Method - Plants Per Square Yard**

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

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

**Average:** Divide the **Total** plants counted by the number of samples taken, rounded to tenths, to determine the **Average Plants Per Square Yard** (bottom line of item 9).

10. **Percent Crop Remaining:** Divide the **Average Plants Per Square Yard** (bottom line of item 9) by **23** (standard plant population for drilled or other planting methods for UNRC), equals **Average Percent of Crop Remaining**, rounded to tenths.

If stand reduction is the **ONLY** damage to the unit, sampling is complete at this point. Omit items 13 through 43. Transfer results as a 3-place decimal fraction to **Average Percent Crop Remaining** (item 44) of Part II - Computations - Stand Reduction (ONLY) Method for **all** damage that causes stand reduction (from emergence until mature and for hail damage from emergence through VC stage) and complete items 45 and 46.

**NOTE:** When hail damage occurs in V1 through R12+ stage for **AUP** or V1 through R16+ stage for **ELS**, transfer results to **Average Percent of Crop Remaining** of Part III (item 47) for damage in the Vegetative Stage, or Part V (item 58) for damage in the Reproductive Stage.

### **100 Feet of Row Sample Method - Combined Length of Skips**

11. **Combined Length of Skips in 100 Ft. of Row:** Record the **Combined Length of Skips in 100 Ft. of Row** (in feet, to tenths) of **all** skips for each selected representative sample.

**Total:** Add the **Combined Length of Skips in 100 Ft. of Row** for **all** samples to determine the **Total Combined Length of Skips** (in feet, to tenths).

**Average:** Divide the **Total Combined Length of Skips** for **all** samples by the number of samples taken, (in feet, to tenths) to determine the **Average Combined Length of Skips in 100 Ft. of Row** (bottom line of item 11).

12. **Percent Crop Remaining:** Subtract the **Average Combined Length of Skips in 100 Ft. of Row** (bottom line of item 11) from **100** (length of sample), rounded to tenths, to determine the **Average Percent of Crop Remaining**.

If stand reduction is the **only** damage to the unit, sampling is complete at this point. Omit items 13 through 43. Transfer results as a 3-place decimal fraction to **Average Percent Crop Remaining** (item 44) of Part II - Computations - Stand Reduction (ONLY) Method for **all** damage that causes stand reduction (from emergence until mature, and for hail damage from emergence through VC stage) and complete items 45 and 46.

**NOTE:** When hail occurs in the V1 through R12+ stage for **AUP** or V1 through R16+ for **ELS**, transfer results to **Average Percent Crop Remaining** of Part III (item 47) for damage in the Vegetative Stage, or Part V (item 58) for damage in the Reproductive Stage.

## **HAIL DAMAGE METHOD - VEGETATIVE STAGE DAMAGE**

See Selecting Representative Sample and Stages of Growth section 5, and section 6C for additional instructions. If stand reduction has occurred, complete the applicable Stand Reduction Method first to account for **Plants Destroyed**. Next complete **Plant Damage Computations** (items 19 through 26) to account for hail damage to **“live” plants partially destroyed** and transfer results for each representative sample to **Gross Percent Partially Destroyed** (item 13).

### **Part I - Sample Determinations - Vegetative Stages**

13. **Gross Percent Partially Destroyed:** Result of transferring **% Loss** (item 26) for each representative sample in the **Plant Damage Computations** section.

**Total:** Add the **% Loss** entries for **all** samples, to determine the **Total Gross Percent Partially Destroyed**.



**Average:** Divide the **Total Gross Percent Partially Destroyed** by the number of samples taken, rounded to tenths, to determine the **Average Gross Percent Partially Destroyed** (bottom line of item 13). Omit items 14 through 18 and items 27 through 46.

Transfer results as a 3-place decimal fraction to **Average Gross Percent Partially Destroyed** (item 48) of Part III - Computations - Stand Reduction and Plant Damage Method - Vegetative Stages . Complete items 49 through 54.

## **BOLL COUNT METHOD - REPRODUCTIVE STAGES**

See Selecting Representative Samples and Stages of Growth section 5, and Boll Count Method section 6D for additional instructions. Use this method for any type of damage, including hail (Stand Reduction and Hail Damage Methods are **NOT** used). Omit items 9 through 13.

### **Part I - Sample Determinations - Reproductive Stages**

14. **Number of Bolls Remaining:** Record the **Number of Bolls Remaining** for each representative sample. **NOTE:** For **AUP** cotton record the **Number of Bolls Remaining** when samples have the **SAME Number of Bolls Per Pound Factor** for the **Predominant** boll size. See **Exceptions** in section 6D(5)(g).

**Total:** Add the **Number of Bolls Remaining** entries for **all** samples to determine the **Total Number of Bolls Remaining**.

**Average:** Divide the **Total Number of Bolls Remaining** by the number of samples taken, rounded to tenths, to determine the **Average Number of Bolls Remaining** (bottom line of item 14). Omit items 15 through 54.

Transfer results to **Average Number of Bolls Remaining** (item 55) of Part IV - Boll Count Method - Reproductive Stages and complete items 56 and 57.

## **HAIL DAMAGE METHOD - REPRODUCTIVE STAGE DAMAGE**

See Selecting Representative Samples and Stages of Growth section 5, and Appraisal Methods section 6C for additional instructions. If stand reduction has occurred, complete the applicable Stand Reduction Method first to account for **Plants Destroyed**. Next complete **Plant Damage Computations** (items 19 through 43) to account for hail damage to **“live” plants partially destroyed** and **totally/partially destroyed** fruiting limbs, bolls, and locks.

### **Part I - Sample Determinations - Reproductive Stages**

15. **Gross Destroyed (30 Plant Test):** Result of transferring **% Loss** (item 26) for each representative sample in the **Plant Damage Computations** section.

**Total:** Add the **% Loss** entries for **all** samples to determine the **Total Gross Destroyed (30 Plant Test)**.

**Average:** Divide the **Total Gross Destroyed (30 Plant Test)** by the number of samples taken, rounded to tenths, to determine the **Average Gross Destroyed (30 Plant Test)**.

Transfer results as a 3-place decimal fraction to **Average Gross Destroyed (30 Plant Test)** (item 59) in Part V - Computations - Stand, Plant and Boll Damage Methods - Reproductive Stages.

16. **Percent Limbs Destroyed:** Result of transferring **% Loss** (item 28) for each representative sample in the **Plant Damage Computations** section.

**Total:** Add the **% Loss** entries for **all** samples to determine the **Total Percent Limbs Destroyed**.

**Average:** Divide the **Total Percent Limbs Destroyed** by the number of samples taken, rounded to tenths, to determine the **Average Percent Limbs Destroyed**.

Transfer results as a 3-place decimal fraction to **Average Percent Limbs Destroyed** (item 60) of Part V - Computations - Stand, Plant, and Boll Damage Methods - Reproductive Stages.

17. **Percent Bolls Destroyed:** Result of adding the **% Loss** entries for **Small Bolls** (item 31), **Large Bolls** (item 34), and **Mature Bolls** (item 37) for each representative sample in the **Plant Damage Computations** section.

**Total:** Add **Percent Bolls Destroyed** entries for **all** samples to determine the **Total Percent Bolls Destroyed**.

**Average:** Divide the **Total Percent Bolls Destroyed** by the number of samples taken, rounded to tenths, to determine the **Average Percent Bolls Destroyed**.

Transfer results as a 3-place decimal fraction to **Average Percent Bolls Destroyed** (item 61) of Part V - Computations - Stand, Plant, and Boll Damage Methods - Reproductive Stages.

18. **Percent Locks Destroyed:** Result of transferring **% Loss** (item 43) for each representative sample in the **Plant Damage Computations** section.

**Total:** Add the **% Loss** entries for **all** samples to determine the **Total Percent Locks Destroyed**.

**Average:** Divide the **Total Percent Locks Destroyed** by the number of samples taken, rounded to tenths, to determine the **Average Percent Locks Destroyed**.

Transfer results as a 3-place decimal fraction to **Average Percent Locks Destroyed** (item 62) in Part V - Computations - Stand, Plant, and Boll Damage Methods - Reproductive Stages.

## Part I - Sample Determinations - Plant Damage Computations

For hail damage to Vegetative Stage plants (V1 through V6), complete items 19 through 26. For hail damage to Reproductive Stage plants and bolls (R1 through R12+ for **AUP** and R1 through R16+ for **ELS**), complete items 19 through 43. See section 6C for additional instructions.

19. **Cut-Off Symbol:** Record the **Cut-Off Symbol** for **AUP** or **ELS** cotton (CC, C1, C2, etc., or RR, R1, R2, etc.) that identifies the location of the cut-off for “**Live**” **Plants Partially Destroyed** determined from the 30 consecutive “**live**” plants.
20. **Plants Cut-Off:** Record one mark across from the **Cut-Off Symbol**, entered in item 19, that identifies the location of the **Cut-Off** determined for each cut off plant from the 30 consecutive “**live**” plants.
21. **Factor:** Record the cut-off **Factor** determined for **Plants Partially Destroyed** (cut-off above the cotyledonary node through eighteenth node) from the applicable **AUP** or **ELS** table where the **Stage of Growth** at date of damage (horizontal line) intersects the **Cut-Off Symbol** (vertical line) for plants cut off. For table selection instructions, see Factor Charts for Plants Partially Destroyed in section 6C(3)(d) for vegetative stages and section 6C(4)(e) for reproductive stages.
22. **Result:** Multiply the number of **Plants Cut-Off** (item 20) times the determined **Factor** (item 21).
23. **Total:** Add the **Result** column (item 22) entries. Transfer results to **Total Column** (item 24).
24. **Total Column:** Result of transferring **Total** (item 23).
25. **Factor:** The constant **Factor 30** for the number of consecutive “**live**” plants selected.
26. **% Loss:** Divide the **Total Column** (item 24) by the constant **Factor 30** (item 25), rounding to tenths.

Transfer each representative sample **% Loss** (item 26) results to **Gross Destroyed (30 Plant Test)** (item 15) of Part I - Sample Determinations - Reproductive Stages.

27. **Limbs Destroyed (Fruiting):** Record the actual number of fruiting **Limbs Destroyed** determined from the 10-plant sample selected from the 30-plant sample. See section 6C(4)(f). Save the 10-plant sample to determine boll damage (items 29 through 43).
28. **% Loss:** Record the **Percent of Loss for Limbs Destroyed** selected from the applicable table (for the type cultivar and/or state), where the Number of Limbs Destroyed 10 Plants line (vertical) intersects the Stage of Growth line (horizontal) for each representative sample. For table selection instructions, see Factor Charts for Number of Fruiting Limbs Destroyed in section 6C(4)(g).

Transfer **% Loss** results for each representative sample to **Percent Limbs Destroyed** (item 16) of Part I - Sample Determinations - Reproductive Stages.

### **Boll Damage Computations - Reproductive Stages**

If bolls have formed and boll damage has occurred from hail, use the same 10-plant sample (used to determine the number of fruiting limbs destroyed) to account for **destroyed** bolls and locks. Complete the following items:

29. **Small Bolls:** Result of counting the number of **Small Bolls** destroyed from the 10-plant sample. Small bolls are less than  $\frac{1}{2}$  of mature boll size.
30. **Factor:** Constant **Factor .25** for **Small Bolls**.
31. **% Loss:** Multiply the number of **Small Bolls** destroyed (item 29) times the constant **Factor .25** (item 30), rounding to tenths.
32. **Large Bolls:** Result of counting the number of **Large Bolls** destroyed from the 10-plant sample. Large bolls are  $\frac{1}{2}$  or more of the mature boll size, but not a mature boll.
33. **Factor:** Constant **Factor .50** for **Large Bolls**.
34. **% Loss:** Multiply the number of **Large Bolls** (item 32) times the constant **Factor .50** (item 33), rounding to tenths.
35. **Mature Bolls:** Result of counting the number of **Mature Bolls** destroyed from the 10-plant sample. Mature bolls are maximum size with low moisture content.
36. **Factor:** Constant **Factor 1.00** for **Mature Bolls**.
37. **% Loss:** Multiply the number of **Mature Bolls** destroyed (item 35) times the constant **Factor 1.00** (item 36), rounding to tenths.
38. **Locks Destroyed:** Result of counting the number of **Locks Destroyed**, determined from the 10-plant sample.
39. **Locks Per Boll:** Record the average number of **Locks Per Boll** (usually 4 or 5 for **AUP** or 3 for **ELS** cotton) determined from 10 or more bolls from the 10-plant sample.
40. **Equiv. Bolls:** Divide the number of **Locks Destroyed** (item 38) by the number of **Locks Per Boll** (item 39), rounding to tenths. Transfer results to **Equivalent Bolls** (item 41).
41. **Equivalent Bolls:** Result of transferring entry from **Equiv. Bolls** (item 40).
42. **Factor:** Record the **Factor** selected, from section 10, **TABLE L** for **AUP** cotton and **TABLE O** for **ELS** cotton, that represents the size of the boll (small, large, or mature) converted from **Locks Destroyed** (item 38).

43. **% Loss:** Multiply **Equivalent Bolls** (item 41) times **Factor** (item 42), rounding to tenths .

Transfer **% Loss** results for each representative sample to **Percent Locks Destroyed** (item 18) of Part I - Sample Determinations - Reproductive Stages.

### **Part II - Computations - Stand Reduction (ONLY) Method**

44. **Average Percent Crop Remaining:** Result of transferring **Average Percent Crop Remaining**, converted to a 3-place decimal fraction, from the bottom line of item 10 or item 12 of Part I - Sample Determinations - Stand Reduction.
45. **Yield Per Acre:** Record the appropriate **Yield Per Acre** (maximum appraisal) for the field or subfield. If the acreage is:
- (a) irrigated, non-irrigated solid-planted, or non-irrigated skip-row acreage planted in a pattern that **does not qualify** as a skip-row pattern (as defined by FSA), enter in **whole** pounds, the per acre Approved APH Yield from the APH form.
  - (b) non-irrigated skip-row acreage planted in a pattern that **qualifies** as a skip-row pattern (as defined by FSA), enter in **whole** pounds, the results obtained by multiplying the Approved APH Yield from the APH form times the applicable **Skip-Row Yield Conversion Factor** for the planting pattern and row-width from **EXHIBIT 4**.

**NOTE:** The yield conversion factor will not apply to nonirrigated skip-row cotton acreage if the land between the rows of cotton is planted to any spring planted crop. Cotton acreage interplanted with another spring planted crop is **not** insurable unless allowed by the Special Provisions or a Written Agreement. See section 3A.

46. **Pounds Per Acre:** Multiply the **Average Percent Crop Remaining** (item 44) by the **Yield Per Acre** (item 45), rounding to the nearest **whole** pound.

### **Part III - Computations - Stand Reduction And Plant Damage Method - Vegetative Stages**

47. **Average Percent Crop Remaining:** Result of transferring **Average Percent Crop Remaining**, converted to a 3-place decimal fraction, from the bottom line of item 10 or item 12 of Part I - Sample Determinations - Stand Reduction Method.
48. **Average Gross Percent Partially Destroyed:** Result of transferring **Average Gross Percent Partially Destroyed**, converted to a 3-place decimal fraction, from the bottom line of item 13 of Part I - Sample Determinations - Vegetative Stages.
49. **Net Loss Plant Damage:** Multiply **Average Percent of Crop Remaining** (item 47) times **Average Gross Percent Partially Destroyed** (item 48), rounding to nearest 3-place decimal.
50. **Average Percent Crop Remaining:** Result of transferring entry from **Average Percent Crop Remaining** (item 47).

51. **Net Loss Plant Damage:** Result of transferring entry from **Net Loss Plant Damage** (item 49).
52. **Percent Crop Remaining:** Subtract **Net Loss Plant Damage** (item 51) from **Average Percent Crop Remaining** (item 50).
53. **Yield Per Acre:** Record the appropriate **Yield Per Acre** (maximum appraisal) for the field or subfield. If the acreage is:
- (a) irrigated, non-irrigated solid-planted or non-irrigated skip-row acreage planted in a pattern that **does not qualify** as a skip-row pattern (as defined by FSA), enter in **whole** pounds, the per acre Approved APH Yield from the APH form.
  - (b) non-irrigated skip-row acreage planted in a pattern that **qualifies** as a skip-row pattern (as defined by FSA), enter in **whole** pounds, the result obtained by multiplying the Approved APH Yield from the APH form times the applicable **Skip-row Yield Conversion Factor** for the planting pattern and row-width from **EXHIBIT 4**.
- NOTE:** The yield conversion factor will not apply to nonirrigated skip-row cotton acreage if the land between the rows of cotton is planted to any spring planted crop. Cotton acreage interplanted with another spring planted crop is **not** insurable unless allowed by the Special Provisions or a Written Agreement. See section 3A.
54. **Pounds Per Acre:** Multiply **Percent Crop Remaining** (item 52) times **Yield Per Acre** (item 53) rounding to the nearest **whole** pound.

#### **Part IV - Boll Count Method - Reproductive Stages**

55. **Average Number of Bolls Remaining:** Result of transferring **Average Number of Bolls Remaining**, to tenths, from bottom line of item 18 in Part I - Sample Determinations - Reproductive Stages.
56. **Number Bolls Per Pound Factor:** Record the **Number Bolls Per Pound Factor**, from the chart in Boll Count Appraisal Method section 6D(5)(d) for **AUP** or 6D(6)(d) for **ELS**.
57. **Pounds Per Acre:** Divide **Average Number of Bolls Remaining** (item 55) by the **Number Bolls Per Pound Factor** (item 56), rounding to the nearest whole pound **OR** record the **Pounds Per Acre** appraisal from calculations in the "Remarks" section (omitting items 55 and 56).

#### **Part V - Computations - Stand, Plant, and Boll Damage Methods - Reproductive Stages**

58. **Average Percent Crop Remaining:** Result of transferring **Average Percent Crop Remaining**, converted to a 3-place decimal fraction, from the bottom line of item 10 or item 12 of Part I - Sample Determinations -Stand Reduction.

59. **Average Gross Destroyed (30 Plant Test):** Result of transferring **Average Gross Destroyed (30 Plant Test)**, converted to a 3-place decimal fraction, from bottom line of item 15 of Part I - Sample Determinations - Reproductive Stages.
60. **Average Percent Limbs Destroyed:** Result of transferring **Average Percent Limbs Destroyed**, converted to a 3-place decimal fraction, from bottom line of item 16 of Part I - Sample Determinations - Reproductive Stages.
61. **Average Percent Bolls Destroyed:** Result of transferring **Average Percent Bolls Destroyed**, converted to a 3-place decimal fraction, from bottom line of item 17 of Part I - Sample Determinations - Reproductive Stages.
62. **Average Percent Locks Destroyed:** Result of transferring **Average Percent Locks Destroyed**, converted to a 3-place decimal fraction, from bottom line of item 18 of Part 1 - Sample Determinations - Reproductive Stages.
63. **Net Loss Plant Damage:** Multiply **Average Percent Crop Remaining** (item 58) times the sum of **Average Gross Destroyed (30 Plant Test)** (item 59), **Average Percent Limbs Destroyed** (item 60), **Average Percent Bolls Destroyed** (item 61), and **Average Percent Locks Destroyed** (item 62). Round to the nearest 3-place decimal.
64. **Average Percent Crop Remaining:** Result of transferring **Average Percent of Crop Remaining**, as a 3-place decimal fraction, from item 58.
65. **Net Loss Plant Damage:** Result of transferring **Net Loss Plant Damage**, as a 3-place decimal fraction, from item 63.
66. **Percent Crop Remaining:** Subtract **Net Loss Plant Damage** (item 65) from **Average Percent Crop Remaining** (item 64).
67. **Yield Per Acre:** Record the **Yield Per Acre** (maximum appraisal) for the field or subfield. If the acreage is:
- (a) irrigated, nonirrigated solid-planted or nonqualifying nonirrigated skip-row acreage planted in a pattern that **does not qualify** as a skip-row pattern (as defined by FSA), enter in **whole** pounds, the per acre Approved APH Yield from the APH form.
  - (b) nonirrigated skip-row acreage planted in a pattern that **qualifies** as a skip-row pattern (as defined by FSA), enter in **whole** pounds, the results obtained by multiplying the Approved APH Yield from the APH form times the applicable **Skip-row Yield Conversion Factor** for the planting pattern and row-width from **EXHIBIT 4**.

**NOTE:** The yield conversion factor will not apply to nonirrigated skip-row cotton acreage if the land between the rows of cotton is planted to any spring planted crop. Cotton acreage interplanted with another spring planted crop is **NOT** insurable unless allowed by the Special Provisions or a Written Agreement. See section 3A.

68. **Pounds Per Acre:** Multiply **Percent Crop Remaining** (item 66) times the **Yield Per Acre** (item 67), rounded to **WHOLE** pounds.
69. **Remarks:** Document the following:
- (a) Calculations for the pounds per acre appraisal when the **AUP** predominant boll size is different for each representative sample.
  - (b) Document:
    - 1 the planting pattern and row-widths within the planting pattern for any skip-row planted acreage; or
    - 2 the row-width of any “UNR” planted cotton.
  - (c) Unusual information pertinent to the appraisal.
  - (d) Entries as required by the insurance provider.
  - (e) Calculations for any approved deviation or modification, bulletin number, and date of authorization.
70. **Insured’s Signature and Date:** Insured’s (or insured’s authorized representative’s) signature and date: **BEFORE** obtaining insured’s signature, **REVIEW ALL ENTRIES** on the Appraisal Worksheet **WITH THE INSURED**, particularly explaining codes, etc., which may not be readily understood.
71. **Adjuster’s Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured’s authorized representative) has signed. If the appraisal is performed prior to signature date, document the date of appraisal in the Remarks section of the Appraisal Worksheet (if available); otherwise, document the appraisal date in the Narrative of the TPC Production Worksheet.

**Page Numbers:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).



## STAND REDUCTION METHOD - AUP (short form)

Company Any Company Claim No. XXXXXXX

<b>For Illustration Purposes ONLY</b>  <b>APPRAISAL WORKSHEET COTTON</b>	1 Insured's Name  I. M. Insured		2 Policy Number  XXXXXXX		3 Unit Number  00100		4 Crop Year  YYYY	
	5 Field Number  8		6 Loc/Farm Number  430			7 Stage of Growth  V1		8 No. Acres  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										
<b>TOTAL</b>	13	Percent Crop Remaining		Percent Crop Remaining						
<b>AVERAGE</b>	3.3	14.3								

**NOTE:** 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  .143	X	45 Yield Per Acre  325	=	46 Pounds Per Acre  46.4 = 46
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**PART IV - BOLL COUNT METHOD - REPRODUCTION STAGES**

APPRAISED PRODUCTION	55 Average Bolls Per Sample  X	X	56 Number Bolls Per Pound Factor  =	57 Pounds Per Acre
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69 Remarks

UNRC 15-inch row spacings

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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Page 1 of 1

**STAND REDUCTION METHOD - AUP (short form)**

**Company** Any Company **Claim No.** XXXXXXX

<b>For Illustration Purposes ONLY</b> <b>APPRAISAL WORKSHEET</b> <b>COTTON</b>	1 Insured's Name  I. M. Insured	2 Policy Number  XXXXXXX	3 Unit Number  00100	4 Crop Year  YYYY
	5 Field Number  H	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										
<b>TOTAL</b>		Percent Crop Remaining	334.3	Percent Crop Remaining						
<b>AVERAGE</b>			83.6	16.4						

**NOTE:** 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
	.164	X 425	= 70

**PART IV - BOLL COUNT METHOD - REPRODUCTION STAGES**

APPRAISED PRODUCTION	55 Average Bolls Per Sample	56 Number Bolls Per Pound Factor	57 Pounds Per Acre
		X	=

69 Remarks

30-inch row spacings

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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Page 1 of 1

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

Company Any Company

Claim No. XXXXXXXX

Table with header 'APPRAISAL WORKSHEET COTTON' and fields for Insured's Name, Policy Number, Unit Number, Crop Year, Field Number, Loc/Farm Number, Stage of Growth, and No. Acres.

PART I - SAMPLE DETERMINATIONS

Main table for sample determinations with columns for Sample No., Stand Reduction (9-12), Vegetative Stages (13), and Reproductive Stages (14-18). Includes Total and Average rows.

PLANT DAMAGE COMPUTATIONS

Large table for plant damage computations, organized into columns for Sample No. 1, 2, 3, and 4. Includes rows for Cut-Off Symbol, Factor, Result, and percentage loss calculations for various limb and boll categories.

(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 Percent 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 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 (	+	+	+	) =	
APPRAISED PRODUCTION	64 Average Percent Crop Remaining	65 Net Loss Plant Damage	66 Percent Crop Remaining	67 Yield Per Acre	68 Pounds Per Acre	
	-	=	X	=		

69 Remarks

Picker type cotton planted in 38 inch rows.

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

HAIL DAMAGE METHOD - REPRODUCTIVE METHOD - AUP (long form)

Company Any Company Claim No. XXXXXXXX

For Illustration Purposes ONLY
APPRaisal WORKSHEET COTTON
1 Insured's Name I. M. Insured
2 Policy Number XXXXXXXX
3 Unit Number 00100
4 Crop YEAR YYYY
5 Field Number C
6 Loc/Farm Number 430
7 Stage of Growth R12+
8 No. Acres 9.9

PART I - SAMPLE DETERMINATIONS

Table with columns for SAMPLE NO., STAND REDUCTION (9-12), VEGETATIVE STAGES (13), and REPRODUCTIVE STAGES (14-18). Rows include 1, 2, 3, 4, TOTAL, and AVERAGE.

PLANT DAMAGE COMPUTATIONS

Main table for PLANT DAMAGE COMPUTATIONS, divided into four columns for SAMPLE NO. 1, 2, 3, and 4. Includes rows for Cut-Off Symbol, Factor, Result, Total, Limbs Destroyed, Small Bolls, Large Bolls, Mature Bolls, Locks Destroyed, and Equivalent Bolls.

(Reverse)

### HAIL DAMAGE METHOD - REPRODUCTIVE STAGES - AUP (long form)

<b>PART II - COMPUTATIONS - STAND REDUCTION (ONLY) METHOD</b>								
APPRAISED PRODUCTION	44 Average Percent Crop Remaining	45 Yield Per Acre						
	X	=						
<b>PART III - COMPUTATIONS - STAND REDUCTION AND PLANT DAMAGE METHOD - VEGETATIVE STAGES</b>								
APPRAISED PRODUCTION	47 Average Percent Crop Remaining	48 Average Gross Percent 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	=
<b>PART IV - BOLL COUNT METHOD - REPRODUCTIVE STAGE</b>								
APPRAISED PRODUCTION	55 Average Number Bolls Remaining	56 Number of Bolls Per Pound Factor	57 Pounds Per Acre					
	÷	=						
<b>PART V - COMPUTATIONS - STAND, PLANT AND BOLL DAMAGE METHODS - REPRODUCTIVE STAGES</b>								
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			
69 Remarks      Note: Factors for item 21 from Table 6.								
AUP Picker - Solid Planted 40 inch rows.								
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	

## BOLL COUNT METHOD - AUP (short form)

Company Any Company Claim No. XXXXXXX

<b>APPRAISAL WORKSHEET COTTON</b>	1 Insured's Name  I. M. Insured	2 Policy Number  XXXXXXX	3 Unit Number  00100	4 Crop Year  YYYY
	5 Field Number  9A	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										
<b>TOTAL</b>		Percent Crop Remaining		Percent Crop Remaining						
<b>AVERAGE</b>										

**NOTE:** 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 Bolls Per Sample	56 Number Bolls Per Pound Factor	57 Pounds Per Acre
	÷	=	19

69 Remarks

38-inch row spacings

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	Date  MM - DD - YYYY
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Page 1 of 1

**BOLL COUNT METHOD - ELS (short form)**

**Company** Any Company **Claim No.** XXXXXX

<b>APPRAISAL WORKSHEET COTTON</b>	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  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										
<b>TOTAL</b>		Percent Crop Remaining		Percent Crop Remaining		228				
<b>AVERAGE</b>						57				

**NOTE:** 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 Bolls Per Sample	56 Number Bolls Per Pound Factor	57 Pounds Per Acre
	57	÷ 4	= 14

69 Remarks  
  
38-inch row spacings

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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## **9. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES**

### **A. GENERAL INFORMATION**

- (1) The claim form, (hereafter referred to as “TPC Production Worksheet”) is a progressive form containing all notices of damage for all preliminary and final inspections made on a unit.
- (2) If a TPC Production Worksheet has been prepared on a prior inspection, verify each entry and enter additional information as needed. If a change or correction is necessary, strike out all entries on the line and re-enter correct entries on a new line. The adjuster and insured should initial any line deletions.
- (3) Refer to the LAM for instructions regarding the following:
  - (a) Acreage report errors.
  - (b) Delayed notices or delayed claims.
  - (c) Corrected claims or fire losses (double coverage), and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.
  - (d) Claims involving a Certification Form (when all the acreage in the unit has been appraised to be put to another use or other reasons described in the LAM).
  - (e) “No Indemnity Due” claims (which must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the guarantee).
  - (f) Late and prevented planting. **NOTE:** A late planting period is not applicable to **ELS** cotton. Any **ELS** cotton that is planted after the final planting date will not be insured unless the insured was prevented from planting it by the final planting date.
- (4) The adjuster is responsible for determining if any of the insured’s requirements under the notice and claim provisions have not been complied with. If any have not, the adjuster should contact the insurance provider.
- (5) Instructions labeled “**PRELIMINARY**” apply to preliminary inspections only. Instructions labeled “**FINAL**” apply to final inspections only. Instructions not labeled apply to **ALL** inspections.

## **B. FORM ENTRIES AND COMPLETION INFORMATION**

**Verify or Make the Following Entries:**

### **Item**

### **No.**

### **Information Required**

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

**NOTE:** See the Basic Provisions and the crop provisions for **AUP** or **ELS** for information pertaining to insured and uninsured causes of loss.

6. **Primary Cause %:**

**PRELIMINARY:** MAKE NO ENTRY.

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

7. **Company/Name:** Name of company and agency servicing the contract.
8. **Name of Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
9. **Claim #:** Claim number as assigned by the insurance provider.
10. **Policy #:** Insured's assigned policy number.
11. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.

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.

**NOTE:** 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 item 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 Policies:**

- 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 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 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 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.

**NOTE:** See 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 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.

**B. Preliminary Acres:**

**PRELIMINARY:** The number of acres, to tenths, (include “E” if estimated), for which consent for other use has been given. Determine actual acreage, to tenths, when the boundaries of the appraised acreage may not be determined later.

**FINAL:** MAKE NO ENTRY.

**C. Final Acres:** See the LAM for the definition of acceptable determined acres as used herein.

Determined acres, to tenths (include “E” if estimated), for which consent is given for other use and/or:

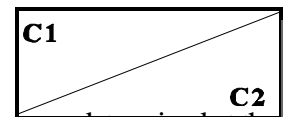
- a. Abandoned;
- b. Put to other use without consent;
- c. Damaged solely by uninsured causes;
- d. For which the insured failed to provide acceptable records of production; or
- e. On which the cotton stalks are destroyed prior to inspection.

**FINAL:** Determined acres to tenths.

**NOTE:** Acreage breakdowns WITHIN a unit may be estimated (enter “E” in front of the acres) if a determination is impractical AND if authorization was received from the insurance provider. Document authorization in the Narrative.

**ACCOUNT FOR ALL ACREAGE IN THE UNIT.** In the event of over-reported acres, handle in accordance with individual insurance provider’s instructions. In the event of under-reported acres, draw a diagonal line in Column “C” as shown.

- C<sub>1</sub> Enter the ACTUAL acres for the field or subfield.
- C<sub>2</sub> Enter the REPORTED acres for the field or subfield.



**D. Interest or Share:** Insured’s interest in the crop to three decimal places as determined at the time of inspection. If shares vary on the same UNIT, use separate line entries.

**E. Risk:** The correct rate class from the actuarial documents. Verify with the Summary of Coverage and if the rate class is found to be incorrect, revise according to the insurance provider’s instructions. See the LAM.

**NOTE:** Unrated land is uninsurable without a written agreement.

**F. Practice:** Three-digit code number entered exactly as specified on the actuarial documents, for the practice carried out by the insured. If “No Practice Specified,” enter the appropriate 3-digit code number from the actuarial documents.

**G. Type/Class/Variety:** Three-digit code number entered exactly as specified on the actuarial documents, for the type grown by the insured. If “No Type Specified,” enter the appropriate 3-digit code number from the actuarial documents.

H. **Stage:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Stage abbreviation as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
--------------	--------------------

“P”	.....Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, stalks destroyed without consent, or for which the insured failed to provide records of production which are acceptable to the insurance provider.
-----	--

“H”	.....Harvested.
-----	-----------------

“UH”	.....Unharvested or put to other use with consent.
------	--

**PREVENTED PLANTING:** See the LAM for proper codes for any eligible prevented planting acreage.

I. **Intended or Final Use:** Use of acreage. Use the following “Intended Use” abbreviations.

<u>USE</u>	<u>EXPLANATION</u>
------------	--------------------

“To soybeans,” etc.	.....Use made of the acreage.
---------------------	-------------------------------

“WOC”	.....Other use without consent.
-------	---------------------------------

“SU”	.....Solely uninsured.
------	------------------------

“ABA”	.....Abandoned without consent.
-------	---------------------------------

“H”	.....Harvested and a claim <b>can</b> be completed at the time of the stalk inspection.
-----	---

“H-Cut Stalks”	.....Harvested and a claim <b>cannot</b> be completed at the time of the stalk inspection.
----------------	--

“UH”	.....Unharvested or put to other use with consent.
------	--

Verify any “Intended Use” entry. If the final use of the acreage was not as indicated, strike out the original line and initial it. Enter all data on a new line showing the correct “Final Use.”

**NOTE:** If at the time of a stalk inspection on harvested acreage, production records for net weight or records for quality adjustment **are not available**, instruct the insured to notify their agent when the records do become available so that the claim can be completed.

**PREVENTED PLANTING:** See the LAM for proper codes for any eligible prevented planting acreage.

- J. **Appraised Potential:** Per-acre appraisal, in whole pounds, of POTENTIAL production for the acreage appraised. See appraisal methods for additional instructions.

**NOTE:** If there is no potential on UH acreage enter "0."

- K. **Quality Factor:**

**FINAL:**

- a. **AUP or ELS: Mature** unharvested appraised production may be adjusted for quality when damaged by insured causes, and a price quotation (value per pound) can be determined from harvested ginned production, from the same unit, that was eligible for quality adjustment. Enter the factor, to four decimal places, of the last bale ginned from the unit as shown in item I of Section II.

**AUP ONLY:** Colored lint cotton is **not** eligible for quality adjustment.

- b. **ELS ONLY:** Any appraisal of **AUP** cotton on acreage **originally planted to ELS cotton** in the same growing season will be reduced by entering the factor, to four decimal places, of the last **AUP** bale ginned from the unit shown in Section II item I.

**NOTE:** If price quotations for **AUP** or **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. Enter the factor, to four decimal places, determined by dividing the **AUP** price by the **ELS** price.

- L. **Adjusted Potential:** Multiply Column J by Column K, rounding to the nearest whole pounds.

- M. **(+) Uninsured Causes:** EXPLAIN IN THE NARRATIVE.

- a. Hail and Fire Exclusion NOT in effect.
- (1) Enter NOT LESS than the insured's production guarantee per acre in whole pounds, for the line, (Refer to production guarantee definition in **EXHIBIT 1**) for any "P" stage acreage.

**NOTE:** On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.

**NOTE:** The crop provisions require a stalk inspection before destruction of stalks. However, upon written authorization from the insurance provider, consent to destroy stalks **without** a stalk inspection may be given to the insured by a phone call or letter.

Document date of consent, your initials and code number in the Narrative.

(2) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of production per acre in WHOLE pounds for any such acreage.

- b. When there is late-planted acreage for **AUP** cotton, the applicable per-acre production guarantee for such acreage is the production guarantee that has been reduced for late-planted acreage.
- c. Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.
- d. Enter the result of adding uninsured cause appraisals to hail and fire exclusion appraisals.

**NOTE:** For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

N. **Potential Counted:** Result of Column L plus Column M.

O. **Value Per Pound:** MAKE NO ENTRY.

P. **Total Potential to Count:** Column “C or C<sub>1</sub>” (**actual** acres) times Column “N”, rounded to whole pounds.

Q. **Per Acre:** Enter the per-acre production guarantee from the insured’s policy after verifying that it is correct for the planting pattern established on the final planting date. See **EXHIBIT 3**, paragraph 3.

R. **Total:** Column “C<sub>2</sub>” (**reported** acres; “C” if acreage is not under-reported) times Column “Q,” rounded to whole pounds.

16. **Total Acres:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL: Total Actual Acres** (Column “C” or [“C<sub>1</sub>” if there are under-reported acres]), to tenths.

**NOTE:** FOR ITEM 17. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, APH YIELDS, PRICE ELECTIONS, ETC., WITHIN THE UNIT, THE TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW INSURANCE PROVIDER INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

17. **Totals:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL: Totals** of Column “P” and Column “R”.



## **NARRATIVE:**

If more space is needed, document on a Special Report, and enter "See Special Report." Attach the Special Report to the Production Worksheet.

- a. If no acreage is released on the unit, enter "No acreage released," adjuster initials, and date.
- b. If notice of damage was given and "No Inspection," is necessary, enter the unit number(s), "No Inspection," date, and adjuster's initials. The insured's signature is not required.
- c. Explain any uninsured causes, unusual or controversial cases.
- d. If there is an appraisal in Section I, item M for uninsured causes due to a hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
- e. Document the actual appraisal date if an appraisal was performed prior to the adjuster's signature date on the appraisal worksheet, and the date of the appraisal is not recorded on the appraisal worksheet.
- f. State that there is "No other fire insurance" when fire damages or destroys the insured crop and if is determined that the insured has no other fire insurance. Also see the LAM.
- g. Explain any errors found on the Summary of Coverage.
- h. Explain any commingled production. See the LAM.
- i. Explain any entry for "Production Not to Count" and/or any production not included in Section II, item J.
- j. Explain a "NO" checked in item 19.
- k. Explain any .0000 quality adjustment factor entered in Section I item K, or Section II item I.
- l. Attach a sketch map or aerial photograph to identify the total unit:
  - (1) If consent is or has been given to put part of the unit to another use;
  - (2) If uninsured causes are present; or
  - (3) For unusual or controversial cases.

**NOTE:** Indicate on aerial photo or sketch map the dispositions of acreage destroyed or put to other use with or without consent.

- m. Explain any difference between inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the TPC Production Worksheet for signature.
- o. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.
- p. Explain the reason for a "No Indemnity Due" claim. "No Indemnity Due" claims are to be distributed in accordance with the insurance provider's instructions.

- q. Explain any delayed notices or delayed claims as instructed in the LAM.
- r. Document any authorized estimated acres shown in Section I, item C as follows: “Line 3 ‘E’ acres authorized by insurance provider MM/DD/YYYY.”
- s. Document the method and calculations used to determine acres for the unit. See the LAM.
- t. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.
- u. Record the name and phone number of the buyer from whom you obtained price quotation “A” for quality adjustment (see **EXHIBIT 6**, Cotton Quality Adjustment Worksheet instructions for **AUP** and **ELS**).
- v. Document Price B from the **AUP** or **ELS** Cotton Quality Adjustment Worksheet.
- w. 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 items A<sub>1</sub> 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 items A<sub>1</sub> through N by practice. If production has been commingled, see 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. See 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. See 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 crop year; otherwise, check “No.” Refer to the LAM.

A<sub>1</sub>.      **Share:** RECORD ONLY VARYING SHARES on the SAME unit to three decimal places.

A<sub>2</sub>. **Field ID:** If only one practice of harvested cotton production is listed in Section I, MAKE NO ENTRY.

If more than one practice 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").

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. Enter "Unginned" for cotton that has been harvested but not ginned. For a remnant, enter "REM."

G. **Production:** Determine the **Net Weight** of all bales, remnants, or unginned cotton on a line basis follows:

- a. For bales of cotton, the **Net Weight** is the **bonded warehouse weight** in which the cotton is sold, and which is also required for placing cotton into the CCC Loan Support program.  
**NOTE:** In some areas, gins own the warehouse which provide the bonded warehouse weight and in other areas gins ship the cotton bales to a warehouse which weigh the bales and issue the bonded weight.

**EXCEPTION:** An exception to using the bonded warehouse weight is that in some areas, a gin may have a purchase contract direct with a mill. In this case, the cotton does **not** go to a warehouse, but direct to a mill. **ONLY** in these situations will gin weights be used. Explain in the narrative that gin weights were used and why and for any other unusual circumstances in which gin weights were used.

- b. For remnants, the **Net Weight** is the gin weight.

**NOTE:** For bales and remnants deduct the weight of bagging and ties unless already deducted at the gin or warehouse.

- c. For small amounts of harvested unginned cotton (not in a module or trailer), determine the **Net Weight** by estimating the gross weight of the unginned cotton, then multiply by the percent of turnout (from the gin) of the last module (or trailer) ginned on the unit = Net Weight (Lbs.) of production.

**EXAMPLE:** 300 lbs. (gross weight estimate) X .15 (percent of turnout) = 45 lbs.

- d. For harvested unginned cotton in a trailer, determine the **Net Weight** of small amounts by using the tare weight of the cotton in the trailer (Lbs.) X the percent of turnout (from the gin) of the last trailer (or module) ginned on the unit = Net Weight (Lbs.) of production.

**EXAMPLE:** 1800 lbs. (tare weight) X .20 (percent of turnout) = 360 lbs.

- e. For harvested unginning cotton in a module, determine the **Net Weight** by measuring the module in feet, to tenths, **after receiving approval** from the insurance provider:

Length X Width X Height X Cubic Foot Factor\* X Percent of Turnout from the most recent module (or trailer) ginned on the unit = Net Weight (Lbs.) of Production

\*Average number of pounds of seed cotton in a cubic foot. For stripper and picker cotton cultivars harvested with a stripper, use a factor of 8.5. For stripper cotton cultivars harvested with a burr extractor stripper, and **AUP** and **ELS** picker cotton cultivars harvested with a picker, use a factor of 11.

**EXAMPLE:** 32ft. X 7.5ft. X 5.5ft. = 1320 X 8.5 factor X 15% turnout = 1683 lbs.

**NOTE:** If no cotton has been ginned nor will be ginned from the unit, use the Average Percent of Turnout, on the date of final inspection, from the gin where the cotton would have been delivered for ginning.

See **Quality Factor** (column I) for quality adjustment procedure for items c, d, and e above. Document, on a Special Report, the calculations used to determine the Net Weight of any unginning cotton in items c, d, or e above. Explain the reason requiring their use and the date of approval from the insurance provider when required.

**Quality Adjustment** - Refer to **EXHIBIT 5** section 5, for American Upland Cotton Quality Adjustment procedure, and **EXHIBIT 5** section 6, for Extra Long Staple Cotton Quality Adjustment procedure for H<sub>1</sub> and H<sub>2</sub> column entries.

H<sub>1</sub>. **Value Per Pound:** Record price quotation A (value per pound), to four decimal places, for production eligible for quality adjustment from the **AUP** or **ELS** Cotton Quality Adjustment Worksheet.

H<sub>2</sub>. **Local Market Price:** Record 75% of price quotation "B" (local market price), to four decimal places, from the **AUP** or **ELS** Cotton Quality Adjustment Worksheet.

I. **Quality Factor:** Divide Column H<sub>1</sub> by Column H<sub>2</sub>, rounded to four decimal places (or enter the factor from the applicable **AUP** or **ELS** Quality Adjustment Worksheet).

**NOTE:** Harvested UNGINNED cotton damaged by insured causes may be adjusted for quality when a price quotation (value per pound) can be determined from harvested ginned production from the same unit that was eligible for quality adjustment. Enter the factor, to four decimal places, of the last bale ginned from the unit to quality adjust unginning production for items c, d, and e of column G.

J. **Production Not to Count (lbs.):** Production NOT to count, to nearest whole pound, WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE, from harvested acreage which has been assessed an appraisal of not less than the production guarantee per acre, or from other sources (e.g., other units or uninsured acreage) in the same module or trailer, or where stalks were destroyed without consent.

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE.  
EXPLAIN ANY "PRODUCTION NOT TO COUNT" IN THE NARRATIVE.

K. **Production to Count (lbs.):**

- a. If quality adjustment **does not** apply, subtract Column K from Column G.
- b. If quality adjustment **does** apply, multiply Column G times Column I, rounding to the nearest whole pounds, then subtract Column J.

L.-M. MAKE NO ENTRY.

N. **Production/Value to Count:** Transfer result from Column K.

**NOTE:** FOR ITEMS 22-24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, APH YIELDS, PRICE ELECTIONS, ETC., WITHIN THE UNIT, THE TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES IN THESE SITUATIONS. MAKE NO ENTRY AND FOLLOW INSURANCE PROVIDER INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

22. **Section II Total:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Total of Column N from Section II.

23. **Section I Total:**
- PRELIMINARY:** MAKE NO ENTRY.
- FINAL:** Total of Column P from Section I.
24. **Unit Total:**
- PRELIMINARY:** MAKE NO ENTRY.
- FINAL:** Total of 22 and 23.
25. **Adjuster's Signature, Code #, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number **ONLY**. The signature and date will be entered **AFTER** the absentee has signed and returned the Production Worksheet.
- NOTE:** Final indemnity inspections should be signed on bottom line.
26. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. **BEFORE** obtaining insured's signature, **REVIEW ALL ENTRIES** on the TPC Production Worksheet **WITH THE INSURED**, particularly explaining codes, etc., that may not be readily understood.
- NOTE:** Final indemnity inspections should be signed on bottom line.
27. **Page Numbers:**
- PRELIMINARY:** Page numbers - "1," "2," etc., at the time of inspection.
- FINAL:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

# AUP COTTON EXAMPLE

For Illustration Purposes Only

## T-P-C PRODUCTION WORKSHEET

1. Crop/Code # Cotton 0021	2. Unit 00100	3. Legal Description 1 - 2N - 3W	7. Company Any Company						8. Name of Insured I. M. Insured										
4. Date of Damage Jun 8			Jul - Aug			Agency						9. Claim # XXXXXXXX		11. Crop Year YYYY					
5. Cause of Damage Hail			Drought			Any Agency						10. Policy # XXXXXXXX							
6. Primary Cause % X			85									14. Date(s) Notice of Loss		1 <sup>st</sup> MM-DD-YYYY		2 <sup>nd</sup> MM-DD-YYYY		Final	
12. Additional Units 00200												15. Companion Policy(ies)							
13. Est. Prod. Per Acre 515																			

### SECTION I - 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 (C x N x O)	Per Acre	Total (C x Q)	
A		9.8	1.000	R05	003	997	P	SU				420	420		4116	420	4116	
B MM/DD	E 11.0	10.8	1.000	R05	003	997	UH	To Soybeans	70		70		70		756	420	4536	
E		9.2	1.000	R05	003	997	UH	UH	19	.9352	18		18		166	420	3864	
F		45.0	1.000	R05	003	997	H	H-Cut Stalks								420	18,900	
D MM/DD		61.0	1.000	R05	003	997	H	H-Cut Stalks								420	25,620	
16. TOTAL		135.8														5,038	17. TOTALS	57,036

NARRATIVE (If more space is needed, attach a Special Report) Field A damaged by herbicide. See Special Report and sketch map for acreage calculations. Field A measured by wheel. Fields B, D, E, and F acreage determined using MPC1 acreage report. Acreage would measure within 5 percent. Production not to count in Section II from Field A. Price B = .6950

### SECTION II - HARVESTED PRODUCTION

18. DATE HARVEST/SALE COMPLETED MM-DD-YYYY	19. IS DAMAGE SIMILAR TO OTHER FARMS IN THE 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
---	--	---	--

Stalk Inspection						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	Tractor	Est. Yield	Leaf Quality			Quota (Q), Non-Quota (NO), or Bale No.	Production	Value Per Pound Local Mkt. Price	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													
Farmers Gin, Any Town						426-455	14,190				970	13,220						13,220	
Farmers Gin, Any Town						708-711	1,894	4875	.9352			1,771						1,771	
Farmers Gin, Any Town						REM	400	5213				400						400	

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, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.

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

22. SECTION II TOTAL 15,391  
 23. SECTION I TOTAL 5,038  
 24. UNIT TOTAL 20,429

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## ELS COTTON EXAMPLE

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 22      Jul 30			Agency						9. Claim # XXXXXXXX			11. Crop Year YYYY		
5. Cause of Damage Hail      Hail			Any Agency						10. Policy # XXXXXXX					
6. Primary Cause % X      100			12. Additional Units 00200						14. Date(s) Notice of Loss MM-DD-YYYY			1st      2nd      Final MM-DD-YYYY      MM-DD-YYYY		
13. Est. Prod. Per Acre 795									15. Companion Policy(ies)					

#### SECTION I - 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 (C x N x O)	Per Acre	Total (C x Q)	
A		6.0	1.000	R13	002	997	UH	To Plow	14	.6871	10		10		60	780	4,680	
B		10.5	1.000	R13	002	997	H	H								780	8,190	
C MM/DD		90.5	1.000	R13	002	997	H	H								780	70,590	
16. TOTAL		107.0														60	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 ELS Cotton Quality Adjustment Worksheet for calculations. See attached Special Report for AUP factor calculations for Line 1 of Section I and Section II.

#### SECTION II - HARVESTED PRODUCTION

18. DATE HARVEST/SALE COMPLETED MM/DD/YYYY				19. IS DAMAGE SIMILAR TO OTHER FARMS IN THE 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					
Stalk Inspection					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	Tractor	Est. Yield	Leaf Quality			Quota (Q), Non-Quota (NO), or Bale No.	Production	Value Per Pound Local Mkt. Price	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											
			Farmers Gin, Any Town				810-822	5,890	6820 9750	.6995		4,120					4,120
			Farmers Gin, Any Town				901-925	12,038	5025 7313	.6871		8,271					8,271
			Farmers Gin, Any Town				1011-1101	45,440				45,440					45,440
22. SECTION II TOTAL																57,831	
23. SECTION I TOTAL																60	
24. UNIT TOTAL																57,891	

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, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.

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

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## 10. REFERENCE MATERIAL

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**TABLE A      MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS**

Acres in Field or Subfield	Minimum No. of Samples
.1 -- 10.0	3
10.1 -- 40.0	4

One additional sample is required for each additional 40.0 acres (or fraction thereof) in the field or subfield.

**TABLE B      SINGLE ROW LENGTH FOR EACH SAMPLE**

<u>Row Width</u>	<u>1/100 Acre</u>
42 inches.....	125 feet
40 inches.....	131 feet
38 inches.....	138 feet
36 inches.....	145 feet
34 inches.....	154 feet
32 inches.....	163 feet
30 inches.....	174 feet
28 inches.....	187 feet
26 inches.....	201 feet
24 inches.....	218 feet
22 inches.....	238 feet
20 inches.....	262 feet
18 inches.....	290 feet
16 inches.....	326 feet

**TABLE C**    **AUP “PICKER” TYPE COTTON:** Vegetative Stages -  
Plants Partially Destroyed Factor Chart

STAGE OF GROWTH	CUT-OFF SYMBOL						
	CC	C1	C2	C3	C4	C5	C6
V1	25	15					
V2	30	25	15				
V3	40	30	20	10			
V4	45	35	25	15	10		
V5	50	40	30	20	15	10	
V6	55	45	35	25	20	15	10

**TABLE D**    **AUP “STRIPPER” TYPE COTTON:** Vegetative Stages -  
Plants Partially Destroyed Factor Chart

STAGE OF GROWTH	CUT-OFF SYMBOL						
	CC	C1	C2	C3	C4	C5	C6
V1	30	20					
V2	40	30	20				
V3	50	40	30	20			
V4	60	50	40	30	20		
V5	70	60	50	45	35	25	
V6	85	75	65	60	50	40	40

**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 = cutoff below 1st fruiting limb; R1 = cutoff above 1st fruiting limb; R2 = cutoff 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	42	45	47	50

**TABLE I AUP "PICKER" TYPE COTTON: Reproductive Stages -**  
**Original Stand 40 Plants or Less In 10 Feet - Limbs Destroyed Percent of Loss Chart - ALL**  
**States EXCEPT California and Arizona**

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
R1	0																							
R2	3	6																						
R3	3	6	8	11																				
R4	3	6	8	11	14	17																		
R5	3	6	8	11	14	17	20	22																
R6	3	6	8	12	15	18	20	23	25	29														
R7	3	6	9	12	15	18	21	24	26	30	32	35												
R8	4	7	9	12	15	19	22	25	27	31	33	36	38	42										
R9	4	7	9	12	16	20	23	27	29	32	34	37	40	44	45	48								
R10	4	7	10	13	17	21	24	28	31	34	36	39	43	46	48	51	53	56						
R11	4	7	10	14	18	22	25	29	32	36	38	42	46	49	52	55	58	62	64	67				
R12	4	7	12	16	20	23	26	30	34	38	41	45	49	53	56	60	64	68	71	75	79	82		
R12+	5	8	13	17	22	25	29	34	37	41	45	49	53	57	62	66	70	74	78	82	86	90	94	98

**TABLE J AUP "PICKER" TYPE COTTON: Reproductive Stages -**  
**Original Stand EXCEEDS 40 Plants in 10 Feet - Limbs Destroyed Percent of Loss Chart -**  
**ALL States EXCEPT California and Arizona**

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
R1	0																							
R2	2	4																						
R3	2	4	6	8																				
R4	2	4	6	8	11	12																		
R5	2	4	6	8	11	12	15	16																
R6	2	4	6	9	12	13	15	17	19	21														
R7	2	4	7	9	12	13	16	17	20	22	23	26												
R8	3	5	7	9	12	12	16	17	20	23	24	27	29	30										
R9	3	5	7	9	12	13	16	18	21	24	25	28	30	32	34	35								
R10	3	5	7	9	12	14	16	19	21	24	26	29	31	33	36	38	39	41						
R11	3	5	7	10	13	15	17	20	22	25	27	30	32	34	37	39	42	44	47	49				
R12	3	6	8	11	14	17	20	22	25	28	31	34	37	39	42	45	48	51	53	56	59	62		
R12+	4	7	9	12	16	19	22	25	28	31	34	37	40	43	47	50	53	56	59	62	65	68	71	74

**TABLE K AUP “STRIPPER” TYPE COTTON:** Reproductive Stages -  
Limbs Destroyed Percent of Loss Chart

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	105	110	115	120
R1	1	2																						
R2	1	2	4	5																				
R3	3	6	9	12	15	18																		
R4	3	6	9	12	15	18	21	24																
R5	4	8	12	16	20	24	28	32	36	40														
R6	4	8	12	16	20	24	28	32	36	40	44	48												
R7	5	10	15	20	25	30	35	40	45	50	55	60	65	70										
R8	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80								
R9	3	5	10	15	20	25	30	35	40	50	56	62	68	75	80	85	88	91						
R10	3	5	10	15	20	25	30	35	40	50	56	62	68	75	80	85	88	91	94	96				
R11	2	4	7	10	15	20	25	30	37	45	52	60	66	72	78	86	90	93	95	97	98	98		
R12	1	4	7	10	15	20	25	30	37	45	52	60	66	72	78	86	90	93	95	97	98	98	99	100

**TABLE L AUP 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 1½ to 2 inches long, low moisture content, carpel walls fully developed.)



**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	75	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	15	8	5							
R11	100	100	100	100	100	100	100	96	92	82	72	57	42	27	17	10	7	4						
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	40																										
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 1/2 mature size.)  
 Large Bolls .50 (Bolls are more than 1/2 mature size.)  
 Mature Bolls 1.00 (Bolls are maximum size, of 1 1/2 to 2 inches long, low moisture content, carpel walls fully developed.)

## EXHIBIT 1

### DEFINITIONS

<b>AUP Cotton</b>	American Upland cotton of a botanical group known as <i>Gossypium hirsutum</i> , native to Mexico and Central America.
<b>AUP “Picker” Cotton</b>	A cotton cultivar with characteristics conducive to efficient picking, a relatively large plant with dispersed fruiting habit, a high yielding cultivar of early-maturing, slightly storm-resistant bolls borne well off the ground on a strong central stem. Harvesting is usually accomplished by a machine-picker with revolving spindles that removes the lint and seeds from open bolls and leaves unopened bolls and empty burrs on the plant. Machine-picking can be used more than once per season to harvest the crop as it progressively matures. Machine-picking can be used on cotton plants of practically any size.
<b>AUP “Stripper” Cotton</b>	A cotton cultivar with characteristics conducive to efficient stripping, a small plant with a fairly compact zone of relatively determinant fruiting habit and either storm-resistant or storm proof bolls. Determinacy is considered necessary because of moisture and temperature factors that limit the effective growing season; storm resistance or storm proofness provides protection to open bolls until the entire crop is matured and ready for once-over harvest by machine-stripper. Stripper harvesting, strips the entire plant of both open and unopened bolls. Therefore, harvesting is a once-over operation after all of the crop is mature. Stripping can be used when conditions are such that plant size is not excessive and the crop matures uniformly and early, and where satisfactory desiccation or defoliation can be achieved either by chemicals or frost.
<b>Bagging and Ties</b>	The wrapping materials used to secure a bale of cotton.
<b>Bale</b>	The cotton lint (that has been separated from the seed in the ginning process) that is tightly compressed into a bale and secured with bagging and ties.
<b>Boll</b>	A fruit of a cotton plant containing seed and lint.
<b>Carpel</b>	Ovary or ovule-bearing structure of the flower bud. A cotton flower contains 3 to 5 carpels, each of which at maturity contain a single lock, and collectively make the boll.
<b>Cotton Module</b>	A bulk cube of cotton compacted by manual or mechanical controls on the module builder. Cotton modules provide temporary storage for unginning cotton that is transported from the field to the gin by a module truck.
<b>Colored Cotton</b>	Cotton lint that grows naturally in dye-free colored bolls (e.g., brown, green, and red) right on the stalk.
<b>Cotton Trailer</b>	Provides temporary storage for unginning cotton for transporting to the gin.

## EXHIBIT 1

<b>Cotyledonary Node</b>	The site to which the cotyledonary leaves (seed leaves) are attached to the plant stem. In all cases, the cotyledonary node will be the bottom-most node of the plant and appear directly opposite each other on the stem.
<b>Cultivar</b>	A group of individual plants within a species that differ in certain characters from others within the species. A contraction of the words “cultivated variety.”
<b>ELS Cotton</b>	A botanical group know as <i>Gossypium barbadense</i> , of early South American origin. Refer also to the ELS Cotton Crop Provisions.
<b>Emergence</b>	Fifty percent (50%) or more of the seedling plants visible above the ground with cotyledonary leaves unfolded.
<b>Ginning</b>	The process of separating the cotton lint (fiber) from the seed, cleaning the lint to remove plant residue and other foreign material. Refer to <b>EXHIBIT 5</b> for additional information.
<b>Hill Dropped</b>	A method of spacing cottonseed in the furrow at the time of planting. Generally, several seeds are dropped together in a “hill” as an alternative to equally spacing seed. Hill dropped seed allow several emerging seedlings to break through the soil crust.
<b>Internode</b>	That part of a stem or branch between two nodes.
<b>Lint</b>	The product separated from the seed in the ginning process.
<b>Lock</b>	The seed and lint in a carpel.
<b>Node</b>	A slightly enlarged place on a stem (joint) from which buds arise and which bear a leaf and/or limb(s) or fruit.
<b>Open Boll</b>	Lint exposed.
<b>Remnant</b>	A portion of a bale weighing less than normal bale weight.
<b>Square</b>	Unopened cotton flower bud together with surrounding bracts.
<b>Stage Code</b>	Code denoting stage of crop growth or period of development at time of loss.
<b>Ultra Narrow Row Cotton</b>	Cotton planted with a grain drill or any other narrow row planting method used to attain the ultra narrow row spacing of 20 inches or less.
<b>Variety</b>	See cultivar.

## EXHIBIT 2

### INSURABILITY OF NONIRRIGATED COTTON GROWN UNDER A CONSERVATION TILLAGE PRACTICE

#### 1. GENERAL INFORMATION

In order to comply with highly erodible land conservation provisions (the sodbuster/swampbuster provisions of the 1990 Farm Bill), the Natural Resources Conservation Service, in cooperation with local soil and water conservation districts, has assisted land users in the development of conservation plans for their farms. In high wind areas, these plans may require that a small grain, usually wheat or rye, be planted during the fall to prevent soil erosion during the winter and spring months. The small grain is then chemically terminated but remains standing between the rows of cotton to reduce wind-caused damage to the cotton seedlings and soil erosion. The small grain should be terminated in the early to mid-boot stage of growth in order to provide maximum erosion reduction and yet not use excessive amounts of soil moisture needed to produce the cotton crop.

Under some conditions, although herbicide practices are properly applied to terminate the small grain crop, the plants may produce seed heads. This may occur when the small grain is stressed and is not sufficiently translocating the herbicide to cause quick termination. The Cotton (**AUP**) and **ELS** Cotton Crop Provisions contain a provision that makes any cotton **uninsurable** that is grown where a small grain crop has reached the heading stage in the same calendar year, unless:

- A. the acreage is irrigated; or
- B. adequate measures are taken to terminate the small grain crop prior to heading (**if nonirrigated**); and
- C. less than fifty percent (50%) of the small grain plants reach the heading stage.

#### 2. STANDARD PROCEDURES FOR A CONSERVATION TILLAGE PRACTICE

- A. Any small grain crop utilized in a conservation tillage practice under a conservation plan developed by the NRCS will not be considered headed out unless fifty percent (50%) or more of the small grain plants have reached the heading stage. If proper herbicide practices are utilized to terminate the small grain crop, this threshold should not be reached. Proper practices include applying recommended amounts of herbicide at a time which, under normal growing conditions, will result in the termination of the small grain plants before plants reach the heading stage.
- B. The land in the insured unit must be covered by a conservation plan which requires this conservation tillage practice. In addition, the small grain acreage must not be reported to the FSA as a crop intended for harvest as grain or be insured under any crop insurance policy.

## **EXHIBIT 2**

C. When the above conservation tillage practice exists and the acreage is ALL or PART of a claim for indemnity, the loss adjuster must document, on a Special Report, the following:  
That;

- (1) A conservation plan requiring the conservation tillage practice be followed is in effect for the crop year;
- (2) The FSA acreage report does not indicate a small grain crop planted for harvest as grain on the acreage;
- (3) The insured does not have an insurance policy in effect for the small grain on the acreage;
- (4) The operator (producer) complied with ALL requirements of the conservation plan, including but not limited to applying a recommended herbicide in the required amounts at the proper stage of growth to achieve vegetative kill before 50 percent or more of the small grain plants reached the heading stage; and
- (5) The actual percentage of small grain plants that have reached the heading stage on the acreage.

Distribution:

One copy to the insured.  
Original attached to the claim.

## EXHIBIT 3

### FSA RULES FOR SKIP-ROW PLANTING PATTERNS

#### 1. GENERAL INFORMATION

From the Definitions section of the Cotton (AUP) and ELS Cotton Crop Provisions, “Skip-row” means a planting pattern that:

- A. Consists of alternating rows of cotton and fallow land or land planted to another crop the previous fall; and
- B. Qualifies as a skip-row planting pattern as defined by the FSA or successor agency.

#### 2. FSA RULES

The rules, from FSA Acreage Compliance Determinations Handbook, for determining the area devoted to the crop for skip-row planting are as follows:

IF the planting pattern is...	AND the distance from plant to plant in the strip is...	THEN...
single rows alternating with idle land (single-wide rows)	less than 64 inches	consider the entire area devoted to the crop.
	64 inches or more	consider 64 inches devoted to the crop.
strips of 2 or more rows alternating with idle land  <b>NOTE:</b> See exceptions below for cotton.	less than 64 inches	consider the entire area devoted to the crop.
	64 inches or more	consider half a row width, but no less than 15 inches beyond the strips of crop, devoted to the crop.
for cotton, strips of 2 or more 30-inch rows alternating with idle land	less than 60 inches	consider the entire area devoted to cotton.
	60 inches or more	consider half a row width, but no less than 15 inches beyond the strips of crop, devoted to cotton.
for cotton, strips of 2 or more 32-inch or wider rows alternating with idle land, where the producer has a history of 32-inch or wider rows (as determined by FSA)	at least 60 but less than 64 inches	the producer has the option to consider:  ! the entire area devoted to cotton  ! half a row width, but no less than 15 inches beyond the strips, devoted to cotton.

## EXHIBIT 3

### 3. VERIFYING ROW-WIDTHS AND PLANTING PATTERNS

Adjusters are **to verify** the insured producer's reported and determined **row widths and planting patterns with the FSA rules** before determining percent of acres planted and that yield conversion factors have been applied correctly to approved yields when completing the claim for indemnity. Use the following information when applying FSA rules.

#### A. EXCEPTIONS for Cotton. **IF the planting pattern is:**

- (1) Strips of 2 or more 30-inch rows alternating with idle land **AND the distance from plant to plant in the strip is 60 inches or more:**
  - (a) Contact the applicable county FSA office for the correct percent planted factor used to determine acres.
  - (b) If the cotton is nonirrigated, and the planting pattern qualifies as a skip-row pattern, apply the yield conversion factor for the state and county from the planting pattern tables in the FCIC Crop Insurance Handbook.
- (2) Strips of 2 or more 32-inch or wider rows alternating with idle land, where the producer has a history of 32-inch or wider rows **AND the distance from plant to plant in the strip is at least 60 but less than 64 inches; FSA determines the producer's history** and the producer selects an option. If the option selected by the producer qualifies as a skip-row pattern:
  - (a) Contact the applicable county FSA office for the correct percent planted factor used to determine acres.
  - (b) If the option selected is a skip-row pattern and the acreage is nonirrigated, apply the applicable yield conversion factor for the state and county from the planting pattern tables in the FCIC Crop Insurance Handbook.

#### B. Nonirrigated and Irrigated Cotton. **IF the insured acreage is:**

- (1) **Nonirrigated cotton** and the skips in **any** skip-row planting pattern **do not meet** the qualifications according to FSA rules as a skip-row pattern **and** the entire area is considered devoted to the crop, **USE a yield conversion factor of 1.00 and the percent planted factor of 1.000.**
- (2) **Irrigated cotton** and the skips in **any** skip-row planting pattern **do not meet** the qualifications according to FSA rules as a skip-row pattern **and** the entire area is considered devoted to the crop, **USE the percent planted factor of 1.000.**



### EXHIBIT 3

**For any acreage that was NOT defined and reported correctly on the acreage report according to FSA rules and this procedure, adjusters are to follow current procedure for revising acreage reports before and after the final acreage reporting date in subparagraph C.**

C. Establishing Planting Patterns Before and After the Final Planting Date

Occasions do occur when an insured initially plants cotton in a skip-row pattern OR a solid planted pattern, the crop is damaged or destroyed and the insured replants to a new (or different) planting pattern. **For acreage report and claim for indemnity purposes, the planting pattern established on the final planting date is used for determining acreage and yield.** Use the following examples and instruction for recording planting patterns OR changes in planting patterns occurring before OR after the final planting date.

(1) **EXAMPLE 1 - Before The Final Planting Date:**

The insured **initially plants** cotton in a skip-row planting pattern of 2 in X 1 out (40-inch rows), the acreage is damaged or destroyed and the insured **replants** acreage in a new planting pattern, solid planted (40-inch rows). On the final planting date, the new planting pattern of solid planted (40-inch rows) is the planting pattern established and is used to determine percent of acres planted and yield.

(2) **EXAMPLE 2 - After The Final Planting Date:**

The insured's cotton planting pattern established and reported on the final planting date was 2 in X 1 out (40-inch rows), the acreage is damaged or destroyed and the insured replants to a new planting pattern of solid planted (40-inch rows). **IF at a later date the insured files a claim for indemnity, the planting pattern established on the final planting date is retained for determining acreage and yield. Adjusters are to record the new planting pattern in the narrative of the claim form and explain.**

(3) **EXAMPLE 3 - Use Of FSA Certified Acres:**

**CAUTION is required** in the use of FSA certified acres to avoid overpayment or underpayment of indemnities. Adjusters are to compare the planting pattern row-width(s) reported for crop insurance purposes with the planting pattern row-width(s) certified at FSA, if available. A planting pattern could have been reported for insurance as a skip-row planting pattern, as in **EXAMPLE 2** above, and certified as solid planted at FSA. Since FSA requires the producer to report the planting pattern established at the time of certification, in this example the producer reported correctly to the insurer and FSA. Adjusters are to explain the reason for the difference in the narrative of the claim form.

### **EXHIBIT 3**

**For any acreage REPLANTED that was NOT defined and reported correctly, according to FSA rules AND the BEFORE or AFTER the final planting date examples above, adjusters are to revise the acreage report to correct the acreage and yield.**

**D. Reporting Acreage and Production for APH**

Acreage and production reported for APH purposes must also be reported according to the applicable FSA rules for skip-row planting patterns for the crop year.

## EXHIBIT 4

### YIELD CONVERSION FACTORS FOR SKIP-ROW PLANTING PATTERNS

#### 1. GENERAL INFORMATION

- A. Acreage determinations and qualifying skip-row planting patterns must agree with the FSA rules in **EXHIBIT 5**.
- B. See **TABLE 4** for Percent Planted Factors for 40-inch and 36-inch row planting patterns.

#### 2. YIELD CONVERSION FACTOR TABLES

**TABLE 1** - Applies to Arkansas, Louisiana, Missouri, and all states east of these states.

**TABLE 2** - Applies to New Mexico, and the following counties in Texas: Baylor, Concho, Runnels, Schleicher, Shackelford, Sutton, Taylor, Throckmorton, Valverde, Wilbarger, and all counties west of these counties.

**TABLE 3** - Applies to Kansas, Oklahoma, and all Texas counties for which **TABLE 2** does not apply.

#### TABLES

**TABLE 1** - These factors apply to Arkansas, Louisiana, Missouri, and all states east of these states.

Planting Pattern <sup>1/</sup>	Yield Conversion Factor
Solid-planted or non-qualifying skip-row patterns	1.00
2 X 1 Skip-row	1.33
2 X 1 Narrow Skip (40-40-24)	1.23
2 X 1 Narrow Skip (38-38-26)	1.25
2 X 2 Skip-row	1.50
2 X pattern with 4 or more fallowed rows (2 X 4, 2 X 6, etc.)	1.67 <sup>2/</sup>
4 X 1 Skip-row	1.20
4 X 2 Skip-row	1.33
4 X 4 Skip-row	1.33 <sup>2/</sup>
6 X 1 Skip-row	1.14
6 X patterns with 2 or more skip-rows	1.20 <sup>2/</sup>
All Other	See calculations below.

<sup>1/</sup> Row widths are equal unless otherwise indicated.

<sup>2/</sup> Factors limited by procedure.

## EXHIBIT 4

Compute yield conversion factors for all other planting patterns as follows:

For planting patterns of unequal row widths within the pattern, or row patterns other than those listed in **TABLE 1**, compute the yield conversion factor as follows:

- A. Divide the width in inches of the area skipped in the pattern (as defined by FSA) by the width in inches of the whole pattern, rounded to 2 decimals.
- B. Add 1.00 to the results obtained in item A.

**EXAMPLE:** 3 X 1 (40" rows) =  $40 \div 160 = .25 + 1.00 = 1.25$

In some areas, mixed patterns are planted such as 4 X 1 X 2 X 1. To calculate the factor for these patterns, determine the factor for each part (4 X 1 and 2 X 1) and compute a weighted factor based on the number of planted rows.

**EXAMPLE:** 4 X 1 X 2 X 1 (40" rows)  
 $4 \times 1 = 40 \div 200 = .20 + 1.00 = 1.20 \times 4 = 4.80$   
 $2 \times 1 = 40 \div 120 = .33 + 1.00 = 1.33 \times 2 = \underline{2.66}$   
 $7.46 \div 6 \text{ rows} = 1.24$

- C. The result of item B must not exceed:
  - (1) 1.67 for any pattern or part of a pattern of 1 planted row or 2 consecutive planted rows alternating with idle land.
  - (2) 1.45 for any pattern or any part of a pattern of 3 consecutive planted rows alternating with idle land.
  - (3) 1.33 for any pattern or part of a pattern of 4 consecutive planted rows alternating with idle land.
  - (4) 1.20 for any pattern or part of a pattern of 5 or 6 consecutive planted rows alternating with idle land.
  - (5) 1.00 for any pattern or a part of a pattern of 7 or more consecutive planted rows alternating with idle land.

**EXHIBIT 4**

**TABLE 2** - These factors apply to New Mexico, and the following counties in Texas: Baylor, Concho, Runnels, Schleicher, Shackelford, Sutton, Taylor, Throckmorton, Valverde, Wilbarger, and all counties west of these counties.

**NOTE:** < = less than

<b>Planting Pattern</b>	<b>Yield Conversion Factor</b>
Solid-planted (solid drilled-62") or nonqualifying skip-row patterns	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 (38") X 1 (34")	1.28
1 (< 30") X 1 (< 30")	1.00
2 X 1 36" - 62"	1.42
2 X 1 30" - 35"	1.26
2 (30" - 62") X 1 (< 30")	1.00
2 (36" - 62") X 1 (30" - 35")	1.26
2 (30" - 35") X 1 (36" - 62")	1.26
2 planted X 2 or more skipped 36" - 62"	1.80
2 planted X 2 or more skipped 30" - 35"	1.60
2 (30" - 35") X 2 (36" - 62")	1.70
2 (36" - 62") X 2 (30" - 35")	1.70
3 X 1 36" - 62"	1.35
3 planted X 2 or more skipped 36" - 62"	1.69
3 X 1 30" - 35"	1.20
3 planted X 2 or more skipped 30" - 35"	1.50
4 X 1 36" - 62"	1.28
4 planted X 2 or more skipped 36" - 62"	1.57
4 X 1 30" - 35"	1.14
4 planted X 2 or more skipped 30" - 35"	1.40
5 X 1 36" - 62"	1.14
5 planted X 2 or more skipped 36" - 62"	1.43

**TABLE 2 continued on page 4.**

## EXHIBIT 4

**TABLE 2 - continued**

Planting Pattern	Yield Conversion Table
5 X 1 30" - 35"	1.07
5 planted X 2 or more skipped 30" - 35"	1.27
6 X 1 30" - 62"	1.00
6 planted X 2 or more skipped 36" - 62"	1.28
6 planted X 2 or more skipped 30" - 35"	1.14
7 X 1 30" - 62"	1.00
7 planted X 2 or more skipped 30" - 62"	1.10
8 X 1 30" - 62"	1.00
8 planted X 2 or more skipped 30" - 62"	1.06
9 planted X 1 or more skipped 30" - 62"	1.00
10 or more planted X 1 or more skipped 30" - 62"	1.00

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.

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

$$3 \text{ X } 2 = 1.69$$

$$4 \text{ X } 1 = 1.28$$

$$2 \text{ X } 2 = \underline{1.80}$$

$$4.77 \div 3 = 1.59$$

## EXHIBIT 4

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

Planting Pattern	Yield Conversion Factor
Solid planted (solid drilled-62") or nonqualifying skip-row patterns	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 (38") X 1 (34")	1.28
1 (< 30") X 1 (< 30")	1.00
2 X 1 36" - 62"	1.33
2 X 1 30" - 35"	1.26
2 (30" - 62") X 1 (< 30")	1.00
2 (30" - 35") X 1 (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 (30" - 34") X 2 (35" - 62")	1.46
2 (35" - 62") X 2 (30" - 34")	1.46
3 X 1 36" - 62"	1.31
3 planted X 2 or more skipped 36" - 62"	1.45
3 X 1 30" - 35"	1.20
3 planted X 2 or more skipped 30" - 35"	1.37
4 X 1 36" - 62"	1.28
4 planted X 2 or more skipped 36" - 62"	1.40
4 X 1 30" - 35"	1.14
4 planted X 2 or more skipped 30" - 35"	1.33
5 X 1 36" X - 62"	1.14
5 planted X 2 or more skipped 36"-62"	1.34
5 X 1 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 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. **EXAMPLE:** 3 X 2, 4 X 1, 2 X 2 planted in 40" rows

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

## EXHIBIT 4

### 3. TABLE 4 - ACRES CONSIDERED PLANTED BY FSA\*

40" Row Planting Patterns	% Planted Factor
1 in 1 out	.8000
1 in 4 out	.3200
1 out 2 in, 1 out 2 in, 1 out 2 in, 1 out	.6000
2 in 1 out	.6667
2 in 1 out, 2 in 2 out	.5714
2 in 1 out, 2 in 4 out	.4444
2 in 1 out, 2 in 2 out, 2 in 4 out	.4615
2 in 1 out, 2 in 1 out, 2 in 2 out	.6000
2 in 1 out, 2 in 1 out, 2 in 4 out	.5000
2 in 2 out	.5000
2 in 2 out, 2 in 2 out, 2 in 4 out	.4286
2 in 2 out, 2 in 3 out	.4444
2 in 2 out, 2 in 4 out	.4000
2 in 4 out	.3333
2 in 8 out	.2000
3 in 1 out	.7500
4 in 1 out	.8000
4 in 2 out	.6667
4 in 4 out	.5000
6 in 2 out	.7500
8 in 1 out	.8889
10 in 2 out	.8333
12 in 4 out	.7500
12 in 1 out	.9231
16 in 1 out	.9412
16 in 2 out	.8889
20 in 1 out	.9524
1 in 1 out (36" Row Planting Pattern)	.8333

\*NOTE: For all skip-row Cotton (irrigated and non-irrigated) this must be the planted portion of the field as defined by FSA (See Cotton AUP and ELS contract 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 the above 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 for measuring those physical attributes of raw cotton that affect the quality of the finished product and/or manufacturing efficiency. The USDA 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 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.

Practically all cotton grown in the United States is classed by the USDA at the request of producers. 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 GRADES AND VALUES

Documents used to determine cotton values when mature cotton has been damaged by an insurable cause and qualifies for quality adjustment are the computer punch cards (grade card), the Daily Spot Cotton Quotations issued by the USDA Agricultural Marketing Service and the Annual Price Summary (for ELS only) issued by the National Agricultural Statistics Service. The following information is provided to assist crop insurance personnel in understanding and using the documents for quality adjustment.

**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/mncs/index.htm>.

Under the heading Cotton Prices, select Base, 7MKT Average Quotations, Futures Settlement and Differences. This screen will show the 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 has the spot quotations for the previous day available, e.g., on July 8, 1997, the 07-July-97 quotations were available.

## EXHIBIT 5

**GRADE CARD INFORMATION.** Most classification information is provided to the cotton industry by telecommunications, computer tapes, and diskettes. Large amounts of data for individual bales are provided on computer punch cards (grade cards), which are both eye and machine readable (e.g., a computer-generated printout). At the gins, adjusters may use the following: grade cards, computer printouts that contain all or part of the grade card information, or gin-recorded ledgers that contain the insured's production records and required information for quality adjustment.

The following numbered items explain information provided on the computer punch card (grade card) as number codes.

- (1) **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** - is a seven-digit number assigned by the gin. A bar-coded bale identification tag, preprinted with the gin code number and gin bale number, is placed between the two halves of the sample for identification purposes. The classing office scans the bar codes to enter the bale identification into its computer prior to classing the sample.
- (3) **Date Classed** - is the date the bale was classed in the classing office.
- (4) **Module, Trailer, or Single** - is a one digit code which indicates whether the sample was out turned as a single bale or from a bale that was module/trailer averaged. Single bale = 0; Module = 1; Trailer = 2.
- (5) **Module/Trailer Number** - is a five digit number which identifies the module/trailer number assigned at the gin.
- (6) **Bales in Module/Trailer** - is a two digit number which identifies the number of bales in the module/trailer that were averaged to determine the value of all the bales in the module/trailer.
- (7) **Producer Account** - is reserved for USDA use.
- (8) **Color Grade** - is a number which refers to an official color grade or a below grade color. Color refers to the gradations of whiteness and yellowness in the cotton. There are 25 official color grades for American Upland cotton, plus five categories of below grade color, as shown in the table below.

## EXHIBIT 5

### COLOR GRADES OF AMERICAN UPLAND COTTON

	WHITE	LIGHT SPOTTED	SPOTTED	TINGED	YELLOW STAINED
Good Middling	11*	12	13	--	--
Strict Middling	21*	22	23*	24	25
Middling	31*	32	33*	34*	35
Strict Low Middling	41*	42	43*	44*	--
Low Middling	51*	52	53*	54*	--
Strict Good Ordinary	61*	62	63*	--	--
Good Ordinary	71*	--	--	--	--
Below Grade	81	82	83	84	85

\*Physical Standards. All others are descriptive.

Special Condition Codes for American Upland Cotton:

96 - Mixture of Upland and Pima; 97 - Fire Damaged; 98 - Water Damaged

**AMERICAN PIMA GRADES** - has six official grades 01, 02, 03, 04, 05, 06, all represented by physical standards, plus below grade 07 which is descriptive.

Special Condition Codes for American Pima Cotton:

93 - Mixture of Pima and Upland; 94 - Fire Damaged; 95 - Water Damaged

- (9) **Length (32nds or 100ths)** - Fiber length (staple length) is reported in both 100ths and 32nds of an inch on the grade card (see conversion chart below). The HVI system measures length in 100ths of an inch. Fiber length is the average length of the longer one-half of the fibers (upper half mean length). It is measured by passing a “beard” of parallel fibers through a sensing point. The beard is formed when fibers from a sample of cotton are grasped by a clamp, then combed and brushed to straighten and parallel the fibers.

Fiber length is largely determined by variety but the cotton plant’s exposure to extreme temperatures, water stress, or nutrient deficiencies may shorten the length.

Starred (\*) lengths represent the staple length as stated on the Special Provisions for quality adjustment.

## EXHIBIT 5

### American Upland Length Conversion Chart

32nds	Inches	32nds	Inches
24 (below 13/16)	.79 & shorter	36 (1 1/8*)	1.11 - 1.13
26 (13/16)	.80 - .85	37 (1 5/32)	1.14 - 1.17
28 (7/8)	.86 - .89	38 (1 3/16)	1.18 - 1.20
29 (29/32)	.90 - .92	39 (1 7/32)	1.21 - 1.23
30 (15/16*)	.93 - .95	40 (1 1/4)	1.24 - 1.26
31 (31/32)	.96 - .98	41 (1 9/32)	1.27 - 1.29
32 (1")	.99 - 1.01	42 (1 5/16)	1.30 - 1.32
33 (1 1/32*)	1.02 - 1.04	43 (1 11/32)	1.33 - 1.35
34 (1 1/16*)	1.05 - 1.07	44 & longer (1 3/8)	1.36 & longer
35 (1 3/32*)	1.08 - 1.10		

A separate chart is used to convert American Pima fiber length from 32nds to 100ths of an inch.

### American Pima Length Conversion Chart

32nds	Inches
40	1.20 & lower
42	1.21 - 1.25
44 (1 3/8*)	1.26 - 1.31
46	1.32 - 1.36
48	1.37 - 1.42
50	1.43 - 1.47
52	1.48 & above

- (10) **Mike** - An airflow instrument is used in the HVI system to measure fiber fineness and maturity. The measurements, commonly referred to as micronaire or “mike” readings, are the same as those that have been provided for many years in cotton classification. Micronaire measurements can be influenced during the growing period by environmental conditions such as moisture, temperature, sunlight, and plant nutrients and extremes in plant or boll population.

**NOTE:** Micronaire readings are expressed with or without a decimal (e.g., 3.5 or 35).

## EXHIBIT 5

### Micronaire Readings for American Pima Range

3.5 and Above  
3.3 - 3.4  
3.0 - 3.2  
2.7 - 2.9  
2.6 and Below

### Relationship of Micronaire Readings to Market Value American Upland

Premium Range  
3.7 - 4.2

3.5 - 3.6 Base Range 4.3 - 4.9

3.4 and below Discount Range 5.0 and up

- (11) **Strength - is NOT included as a part of quality adjustment for insurance purposes.** Strength measurements are made on the same beards of cotton that are used for measuring fiber length. The beard is clamped in two sets of jaws, one-eighth inch apart, and the amount of force required to break the fibers is determined. Fiber strength is largely determined by variety. However, it may be affected by plant nutrient deficiencies and weather.
- (12) **Leaf Grade -** Leaf refers to small particles of the cotton plant's leaf which remain in the cotton lint through the ginning process. Leaf grades are identified by numbers 1 through 7, all represented by physical standards. Leaf grade 8 (below grade) is used to identify samples having more leaf than leaf grade 7.

Leaf content is affected by plant variety, harvesting methods, and harvesting conditions. The amount of leaf remaining in the lint after ginning depends on the amount present in the cotton prior to ginning, and on the type and amount of cleaning and drying equipment used. Even with the most careful harvesting and ginning methods, a small amount of leaf remains in the cotton lint.

## EXHIBIT 5

- (13) **Extraneous Matter** - is any substance in the cotton other than fiber or leaf, such as bark, grass or oil. The amount of extraneous matter in the cotton will be reported as level 1 and level 2, with level 2 indicating the heavier contamination. The code numbers identifying the presence and level of extraneous matter in a sample are as follows:

01 Prep Level 1	41 Oil Level 1
02 Prep Level 2	42 Oil Level 2
11 Bark Level 1	51 Spindle Twist Level 1
12 Bark Level 2	52 Spindle Twist Level 2
21 Grass Level 1	61 Other Level 1
22 Grass Level 2	62 Other Level 2
31 Seed Coat Fragments Level 1	
32 Seed Coat Fragments Level 2	

- (14) **Remarks** - Codes are used to identify special condition cotton. These codes and explanation are on the back side of the grade card. 75 = Other side two or more color grades and/or color groups or one color grade and one color group higher; 76 = Reginned; 77 = Repacked; 91 = Upland ginned on roller gin; 92 = Pima ginned on saw gin.
- (15) **HVI Color Code and Color Quadrant** - This section is **NOT** required for quality adjustment purposes; however, the following information shows how measurements are coded and how they relate to the color of the grade standards. The color of cotton is determined by the degree of reflectance (Rd) and yellowness (+b). Reflectance indicates the degree of color pigmentation. A three-digit color code is used. The color code is determined by locating the point at which the Rd and +b values intersect on a Nickerson-Hunter cotton colorimeter diagram for Upland cotton. The cotton colorimeter diagram is based on current official standards for American Upland cotton. The HVI color code is the same color grade entered in item 8.

A separate chart is used for American Pima cotton. Two digits are shown on the card, the first digit being zero (0). Grade quadrants are not used for American Pima (**ELS**).

The color of cotton fibers can be affected by rainfall, freezes, insects and fungi, and by staining through contact with soil, grass, or the cotton plant's leaf. Color also can be affected by excessive moisture and temperature levels while cotton is being stored, both before and after ginning. As the color of cotton deteriorates due to environmental conditions, the probability for reduced processing efficiency is increased. Color deterioration also affects the ability of fibers to absorb and hold dyes and finishes.

- (16) **HVI Trash Percent Surface** - is not required for quality adjustment purposes.
- (17) **Length Uniformity Percent** - is not required for quality adjustment purposes.

## EXHIBIT 5

- (18) **Upland or Pima** - the one digit code indicates whether the sample is Upland or American Pima. 1 = Upland; 2 = Pima.
- (19) **Record Type** - the one digit code gives the type of record according to the following: 0 = Original; 1 = Review; 3 = Duplicate; 4 = Correction.
- (20) **CCC Loan Premium or Discount Points** - the CCC loan premium or discount points for the identified bale number and crop year.

### 3. AMERICAN UPLAND SPOT MARKETS

This information is provided to designate states and counties located within growth areas listed on the Daily Spot Quotations for American Upland cotton spot price quotations. The following designations are from the code of Federal Regulation 7 CFR Ch.1(1-1-93 Edition) for Agricultural Marketing Service, United States Department of Agriculture.

From §27.93 Bona fide spot markets.

The following markets have been determined, after investigation, and are hereby designated to be bona fide spot markets within the meaning of the act:

Southeastern, North Delta, South Delta, East Texas and Oklahoma, West Texas, Desert Southwest and San Joaquin Valley. Such markets will comprise the following areas:

#### SOUTHEASTERN

All counties in the states of Alabama, Florida, Georgia, North Carolina and South Carolina and all counties in the state of Tennessee east of and including Stewart, Houston, Humphreys, Perry, Wayne and Hardin counties.

**NOTE:** Although not issued as a part of the code of Federal Regulations, Agricultural Marketing Services includes the state of Virginia in the Southeastern spot market.

#### NORTH DELTA

All counties in the states of Arkansas and Missouri and all counties in Tennessee west of and including the counties of Henry, Benton, Henderson, Decatur, Chester and McNairy counties and the Mississippi counties of Alcorn, Benton, Calhoun, Chickasaw, De Soto, Grenada, Itawamba, Lafayette, Lee, Marshall, Monroe, Panola, Pontotoc, Prentiss, Tate, Tippah, Tishomingo, Union and Yalobusha.

#### SOUTH DELTA

All counties in the state of Louisiana and all counties in the state of Mississippi not included in the North Delta market.

## **EXHIBIT 5**

### **EAST TEXAS AND OKLAHOMA**

All counties in the state of Oklahoma and the Texas counties east of and including Montague, Wise, Parker, Erath, Comanche, Mills, San Saba, Mason, Sutton, Edwards, Kinney, Maverick, Webb, Zapata, Star, and Hidalgo counties.

**NOTE:** Although not issued as a part of the code of Federal Regulations, Agricultural Marketing Services includes the state of Kansas in the East Texas and Oklahoma market.

### **WEST TEXAS**

All counties not included in the East Texas, Oklahoma and Desert Southwest Markets and the New Mexico counties of Union, Quay, Curry, Roosevelt, and Lea.

### **DESERT SOUTHWEST**

The Texas counties of Val Verde, Crockett, Terrell, Pecos, Brewster, Presidio, Jeff Davis, Culberson, Hudspeth and El Paso, all New Mexico counties except those included in the West Texas market, all counties in the state of Arizona and the California counties south of and including Riverside and Orange counties.

### **SAN JOAQUIN VALLEY**

All California counties except those included in the Desert Southwest market.

#### **4. EXTRA LONG STAPLE SPOT MARKETS**

The Daily Spot Cotton Quotation for American Pima cotton quotations include two markets, the San Joaquin Valley (California only) and the Desert Southwest for all other areas of the United States that grow American Pima cotton.



## EXHIBIT 5

### 5. AMERICAN UPLAND COTTON QUALITY ADJUSTMENT PROCEDURE

Mature **white** cotton may be adjusted for quality when production has been damaged by insured causes and qualifies for quality adjustment. Production will be reduced if the price quotation for cotton of like quality (price quotation “A”) for the applicable growth area is less than 75% of price quotation “B.”

- A. Price quotation “B” is 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 the county in which the cotton is insured (staple length and micronaire readings vary from county to county).
- B. 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 is 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.

**NOTE:** Colored cotton lint is **NOT** eligible for quality adjustment.

When price quotation “A” for cotton of like quality **cannot** be determined from the Daily Spot Market Quotation sheet, a price quotation may be obtained from a local buyer within the local producing area, however, if a higher price is available from a buyer within a reasonable distance outside the local producing area, this price is to be used. Price quotation “A” obtained from a buyer **MUST** be quoted for the date stated in item 5B above. Document, in the narrative, the name and phone number of the buyer from whom you obtained the price.

**NOTE:** Record, on the AUP Cotton Quality Adjustment Worksheet, the bale weight (in item 12) and the price quotation “A” (Value per Pound) obtained from the buyer (in item 20) and calculate the Factor using instructions for item 21.

## EXHIBIT 5

**EXAMPLES A 1-3** shows selected pages of the Daily Spot Cotton Quotations published by the USDA Agricultural Marketing Service, dated July 7, 1997. Pages are marked in the upper right-hand corner for the applicable growth area point differences. These pages are also marked for the following example, to show how to use the Daily Spot Cotton Quotation sheets for a bale of American Upland cotton eligible for quality adjustment. **The allowable point difference deductions for AUP cotton are: color and leaf grade, staple length, micronaire and extraneous matter.** All price quotations are converted to four decimal places for quality adjustment.

**STEP 1:** Determine price quotation Price “B” and 75 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 69.50 cents (.6950). The .6950 spot price quotation is adjusted to the price quotation (Price B), defined in the Special Provisions as *Strict Low Middling (41) Leaf 4, 1 1/16 inch staple length (34) and 4.5 micronaire (mike) reading* for the Texas county of Hidalgo.

.6950 = East Texas-Oklahoma Base Spot Price Quotation (See **EXAMPLE A-1**)  
- .0000 = deduction (See **EXAMPLE A-2**)  
.6950 = Price “B,” color 41 leaf 4, staple length 34, 4.5 mike  
X .75  
.5213 = 75 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 grade card, computer printout or gin record: bale #125, net bale weight 475 pounds, color grade 71 leaf 6, staple length 31, extraneous matter (bark) level 2, 2.8 mike.

.6950 = East Texas-Oklahoma Base Spot Price Quotation  
- .1150 = deductions for color grade 71 leaf 6, staple length 31 (See **EXAMPLE A-2**)  
.5800  
- .0325 = deductions for extraneous matter (bark) level 2 (See **EXAMPLE A-3**)  
.5475  
- .0600 = deductions for mike 28 (See **EXAMPLE A-3**)  
.4875 = Price “A” (“value per pound”). Price “A” is less than .5213 (75 percent of Price “B”); thus, quality adjustment applies.

**STEP 3:** Calculating production to count.

Price “A” (“value per pound”) ÷ 75 percent of Price “B” (“local market price”) = Factor (round to 4 decimal places) X Pounds = Production to Count.

.4875 ÷ .5213 = .93516 = .9352 x 475 lbs. = 444 lbs.

**EXHIBIT 5**

**EXAMPLE A-1**

Volume 78, No. 233

07-Jul-97

Spot quotations and differences are for cotton equal to the Official Standards, net weight, in mixed lots, compressed, FOB car/truck.

STEP 1		SPOT PRICE QUOTATIONS			SPOT TRANSACTIONS	
N. Y. Futures Growth Areas	Basis Staple 34 1/ Points	Color 41	Color 31	Cotton Division		
		Leaf 4 Staple 35 1/ Cents	Leaf 3 Today Cents	Season Bales	Bales	
Southeast	-250 off Oct '97	70.74	71.74	0	212,557	
North Delta	-200 off Oct '97	71.24	71.99	0	204,954	
South Delta	-200 off Oct '97	71.24	71.99	0	86,775	
East TX-OK	-374 off Oct '97	69.50	71.00	0	210,263	
West Texas	-374 off Oct '97	69.50	71.00	0	1,485,822	
Desert SW	-400 off Oct '97	69.24	72.74	0	108,593	
SJ Valley	-325 off Oct '97	69.99	76.49	0	136,008	
Average	-303 off Oct '97	70.21	72.42	0	3,144,972	
Previous day	-356 off Oct '97	71.54	73.75	7 Market Average Base Quotations		
A week ago	-394 off Oct '97	72.48	74.69	Season high	09/03/96 78.11	
				Season low	11/12/96 68.00	

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

MONTH 2/	TODAY	PREVIOUS DAY	CHANGES FROM	WEEK AGO	July 4-10 ADJUSTED WORLD PRICE 67.34  COARSE COUNT ADJUSTMENT 0.49
	Cents	Cents	PREVIOUS DAY	Cents	
JULY '97	71.00	72.80	-180	73.70	
OCTOBER '97	73.24	75.10	-186	76.42	
DECEMBER '97	73.75	75.80	-205	77.12	
MARCH '98	75.00	77.03	-203	78.35	
MAY '98	75.75	77.58	-183	78.90	
JULY '98	76.30	77.83	-153	79.10	
OCTOBER '98	74.50	75.88	-138	77.20	
DECEMBER '98	73.60	74.80	-120	76.10	
MARCH '99	74.75	75.70	-95	77.00	
MAY '99	75.05	76.05	-100	77.35	

AVERAGE PREMIUMS AND DISCOUNTS - TENDERABLE QUALITIES 3/

	Color					12	22	32
	11	21	31	41	51			
Staple 33								
Leaf 1 & 2	-40	-40	-45	-130	-420	-95	-95	-165
3	-40	-40	-45	-130	-425	-110	-110	-170
4	-115	-115	-120	-140	-445	NOT TENDERABLE		
5	-230	-230	-230	-330	-515	NOT TENDERABLE		
Staple 34								
Leaf 1 & 2	105	105	100	10	-325	40	40	-25
3	105	105	100	10	-330	25	25	-30
4	30	30	25	0	-350	NOT TENDERABLE		
5	-105	-105	-110	-225	-400	NOT TENDERABLE		
Staple 35								
Leaf 1 & 2	155	155	150	50	-315	60	60	-5
3	150	150	150	50	-320	45	45	-10
4	75	75	70	50	-340	NOT TENDERABLE		
5	-91	-91	-96	-211	-390	NOT TENDERABLE		

1/ Base mike and strength. 2/ Settlement prices provided by New York Cotton Exchange. 3/ Southeast, North Delta, South Delta, East Texas-Oklahoma and Desert Southwest.

EXHIBIT 5

EXAMPLE A-2

07-Jul-97		EAST TEXAS-OKLAHOMA DIFFERENCES								
Color	Leaf	Staple								
		26-29	30	31	32	33	34	35	36	37
11 & 21	1-2	-550	-350	-225	-100	-50	125	175	225	225
	3	-550	-350	-225	-100	-50	125	150	200	200
	4	-575	-375	-275	-175	-100	75	100	100	100
	5	-675	-475	-375	-275	-200	-50	-50	-50	-50
	6	-825	-675	-550	-425	-350	-300	-300	-300	-300
	7	-875	-775	-725	-625	-500	-450	-450	-450	-450
	31	1-2	-550	-350	-225	-125	-75	100	150	200
3		-550	-350	-225	-125	-75	100	150	200	200
4		-575	-375	-275	-200	-125	50	75	100	100
5		-675	-475	-375	-275	-200	-75	-75	-75	-75
6		-825	-675	-550	-425	-350	-325	-325	-325	-325
7		-875	-775	-725	-625	-500	-450	-450	-450	-450
STEP 1 41		1-2	-650	-450	-350	-250	-150	50	50	75
	3	-650	-450	-350	-250	-150	50	50	75	75
	4	-650	-475	-400	-275	-175	0	50	50	50
	5	-750	-575	-500	-375	-275	-125	-125	-125	-125
	6	-900	-725	-650	-525	-425	-375	-375	-375	-375
	7	-1025	-950	-925	-825	-650	-650	-650	-650	-650
	51	1-2	-800	-625	-500	-450	-350	-250	-250	-250
3		-800	-625	-500	-450	-350	-250	-250	-250	-250
4		-825	-650	-525	-475	-375	-275	-275	-275	-275
5		-850	-675	-625	-575	-450	-325	-325	-325	-325
6		-975	-875	-850	-825	-675	-650	-650	-650	-650
7		-1100	-1050	-1025	-1000	-900	-875	-875	-875	-875
61		1-2	-1000	-925	-825	-750	-675	-625	-625	-625
	3	-1000	-925	-825	-750	-675	-625	-625	-625	-625
	4	-1000	-925	-900	-825	-725	-675	-675	-675	-675
	5	-1000	-925	-900	-875	-800	-775	-775	-775	-775
	6	-1000	-950	-925	-900	-825	-800	-800	-800	-800
	7	-1150	-1100	-1050	-1025	-925	-925	-925	-925	-925
	STEP 2 71	1-2	-1125	-1075	-1050	-1025	-925	-925	-925	-925
3		-1125	-1075	-1050	-1025	-925	-925	-925	-925	-925
4		-1200	-1175	-1150	-1125	-975	-975	-975	-975	-975
5		-1200	-1175	-1150	-1125	-975	-975	-975	-975	-975
6		-1200	-1175	-1150	-1125	-975	-975	-975	-975	-975
7		-1200	-1175	-1150	-1125	-975	-975	-975	-975	-975
12 & 22		1-2	-575	-400	-250	-150	-75	75	125	150
	3	-575	-400	-250	-150	-75	75	125	150	150
	4	-650	-450	-325	-250	-150	-25	-25	-25	-25
	5	-750	-575	-450	-325	-225	-100	-100	-100	-100
	6	-875	-750	-650	-525	-400	-350	-350	-350	-350
	7	-925	-875	-825	-725	-600	-550	-550	-550	-550
	32	1-2	-625	-425	-275	-175	-125	50	100	100
3		-625	-425	-275	-175	-125	50	100	100	100
4		-675	-500	-350	-300	-175	-50	-50	-50	-50
5		-775	-600	-475	-350	-250	-125	-125	-125	-125
6		-875	-750	-650	-525	-425	-375	-375	-375	-375
7		-925	-900	-850	-750	-625	-550	-550	-550	-550
42		1-2	-750	-525	-400	-325	-175	-75	-75	-50
	3	-750	-525	-425	-350	-225	-100	-100	-75	-75
	4	-775	-575	-450	-425	-275	-125	-125	-125	-125
	5	-850	-650	-550	-475	-350	-250	-250	-250	-250
	6	-975	-800	-700	-600	-550	-500	-500	-500	-500
	7	-1100	-1000	-950	-850	-700	-700	-700	-700	-700
	52	1-2	-825	-675	-575	-550	-375	-325	-325	-325
3		-825	-675	-575	-500	-375	-325	-325	-325	-325
4		-875	-750	-675	-600	-475	-450	-450	-450	-450
5		-950	-800	-750	-700	-525	-500	-500	-500	-500
6		-1075	-1000	-975	-925	-800	-750	-750	-750	-750
7		-1125	-1100	-1075	-1050	-925	-900	-900	-900	-900
62		1-2	-1025	-975	-925	-875	-775	-775	-775	-775
	3	-1025	-975	-925	-875	-775	-775	-775	-775	-775
	4	-1025	-975	-925	-875	-775	-775	-775	-775	-775
	5	-1100	-1075	-1025	-1000	-925	-925	-925	-925	-925
	6	-1100	-1075	-1025	-1000	-925	-925	-925	-925	-925

**EXHIBIT 5  
EXAMPLE A-3**

07-Jul-97

EAST TEXAS-OKLAHOMA (Continued)

Color	Leaf	Staple								
		26-29	30	31	32	33	34	35	36	37
13 & 23	1-2	-725	-575	-450	-375	-225	-200	-200	-200	-200
	3	-750	-575	-475	-400	-275	-250	-250	-250	-250
	4	-800	-650	-600	-550	-400	-375	-375	-375	-375
	5	-900	-825	-800	-775	-625	-600	-600	-600	-600
	6	-1000	-975	-950	-925	-825	-775	-775	-775	-775
	7	-1150	-1125	-1100	-1075	-925	-900	-900	-900	-900
	33	1-2	-775	-650	-500	-425	-275	-250	-250	-250
3		-775	-650	-500	-425	-275	-250	-250	-250	-250
4		-850	-800	-725	-625	-475	-425	-425	-425	-425
5		-925	-850	-800	-800	-675	-625	-625	-625	-625
6		-1025	-1000	-975	-950	-850	-800	-800	-800	-800
7		-1150	-1125	-1100	-1075	-950	-900	-900	-900	-900
43		1-2	-850	-725	-700	-625	-475	-425	-425	-425
	3	-900	-850	-800	-750	-600	-550	-550	-550	-550
	4	-900	-875	-850	-775	-625	-575	-575	-575	-575
	5	-1075	-1050	-1025	-950	-825	-775	-775	-775	-775
	6	-1125	-1100	-1100	-1075	-900	-875	-875	-875	-875
	7	-1225	-1200	-1200	-1150	-1025	-1000	-1000	-1000	-1000
	53	1-2	-900	-900	-875	-825	-675	-650	-650	-650
3		-900	-900	-875	-825	-675	-650	-650	-650	-650
4		-1025	-1025	-1025	-950	-825	-800	-800	-800	-800
5		-1100	-1100	-1100	-1025	-875	-875	-875	-875	-875
6		-1200	-1200	-1200	-1100	-950	-950	-950	-950	-950
7		-1275	-1275	-1275	-1225	-1075	-1075	-1075	-1075	-1075
63		1-2	-1225	-1200	-1175	-1050	-925	-925	-925	-925
	3	-1225	-1200	-1175	-1050	-925	-925	-925	-925	-925
	4	-1225	-1200	-1175	-1100	-975	-975	-975	-975	-975
	5	-1275	-1275	-1275	-1200	-1075	-1075	-1075	-1075	-1075
	6	-1275	-1275	-1275	-1225	-1075	-1075	-1075	-1075	-1075
	34	1-2	-900	-875	-850	-850	-725	-725	-725	-725
3		-900	-875	-850	-850	-725	-725	-725	-725	-725
4		-1050	-975	-950	-950	-850	-850	-850	-850	-850
5		-1100	-1075	-1050	-1050	-925	-925	-925	-925	-925
6		-1175	-1150	-1100	-1100	-975	-975	-975	-975	-975
44		1-2	-1050	-975	-950	-950	-850	-850	-850	-850
	3	-1100	-1050	-1025	-1025	-925	-925	-925	-925	-925
	4	-1100	-1050	-1025	-1025	-925	-925	-925	-925	-925
	5	-1225	-1175	-1150	-1150	-1025	-1025	-1025	-1025	-1025
	6	-1250	-1200	-1175	-1175	-1050	-1050	-1050	-1050	-1050
	54	1-2	-1175	-1125	-1100	-1100	-1000	-1000	-1000	-1000
3		-1175	-1125	-1100	-1100	-1000	-1000	-1000	-1000	-1000
4		-1275	-1225	-1175	-1175	-1075	-1075	-1075	-1075	-1075
5		-1275	-1225	-1175	-1175	-1075	-1075	-1075	-1075	-1075

Mike	
Range	Diff.
24 & Below	-1325
25-26	-1075
27-29	-600
30-32	-250
33-34	-150
35-36	0
37-42	40
43-49	0
50-52	-275
53 & Above	-425

STEP 2  
  
  
  
  
  
  
STEP 1

Strength (grams per tex)	
Range	Diff.
18.5-19.4	-100
19.5-20.4	-100
20.5-21.4	-100
21.5-22.4	-75
22.5-23.4	-75
23.5-25.4	0
25.5-26.4	0
26.5-27.4	0
27.5-28.4	0
28.5-29.4	10
29.5-30.4	20
30.5 & Above	25

Extraneous Matter	
Level	Diff.
Bark	
1	-175
2	-325
Other	
1	-325
2	-500

STEP 2

## EXHIBIT 5

### 6. EXTRA LONG STAPLE COTTON QUALITY ADJUSTMENT PROCEDURE

- A. **For ELS Cotton to be eligible for quality adjustment, ginning must have been completed at a gin using roller equipment.** Qualifying mature **ELS** cotton production, damaged by insured causes, will be reduced if the price quotation for **ELS** cotton of like quality (price quotation “A”) is less than 75% of price quotation “B.”
- (1) Price quotation “B” will be the price quotation for **ELS** cotton of the grade, staple length, and micronaire reading designated in the Special Provisions for the county in which the cotton is insured.
  - (2) Price quotations “A” and “B” will be determined from price quotations contained in the Daily Spot Cotton Quotations sheet published by the USDA Agricultural Marketing Service the week the last bale from the unit is classed. If the date the last bale is classed is not available, the price quotations will be determined the week the last bale from the unit is delivered to the warehouse as shown on the producer's account summary obtained from the gin. In the absence of either price quotation for the applicable week, the price quotations for the nearest prior week for which an **ELS** cotton price quotation was listed for both prices will be used.

**NOTE:** When price quotation “A” for **ELS** cotton of like quality **cannot** be determined from the Daily Spot Cotton Quotations sheet (due to micronaire) a price may be obtained from a local buyer within the local producing area, however if a higher price is available from a buyer within a reasonable distance outside the local producing area, this price is to be used. Price quotation “A” obtained from a buyer **must** be quoted for the date stated in 6A(2) above. Document, in the narrative, the name and phone number of the buyer from whom you obtained the price. Record, on the **ELS** Cotton Quality Adjustment Worksheet, the bale weight (in item 12) and the price quotation “A” (Value Per Pound) obtained from the buyer (in item 16) and calculate the Factor using the instructions for item 17.

- B. Any **AUP** cotton harvested or appraised from acreage **originally planted to ELS cotton** in the same growing season will be reduced by the **factor** (to four decimal places) obtained by dividing the price quotation per pound of the **AUP** cotton by the price quotation for **ELS** cotton of the grade, staple length, and micronaire reading designated in the Special Provisions for this purpose. Price quotations per pound are determined using (1) and (2) below, or if either price quotation for (1) **AUP** or (2) **ELS** are unavailable for the dates as stated, use item (3) below.
- (1) Determine the price quotation per pound of the **AUP** cotton from the Daily Spot Cotton Quotations published by the USDA Agricultural Marketing Service the day the last bale from the unit is classed. If the date the last bale is classed is not available, the price quotations will be determined the date the last bale from the unit is delivered to the warehouse, as shown on the producer's account summary.

## **EXHIBIT 5**

- (2) Determine the price quotation per pound for **ELS** cotton from the Daily Spot Cotton Quotations published by the USDA Agricultural Marketing Service the week the last bale from the unit is classed.
- (3) If either price quotation is unavailable for the dates as stated in (1) or (2) above, the price quotations for the nearest prior date for which price quotation for both the **AUP** and **ELS** cotton are available will be used. If prices are not yet available for the insured crop year, the previous season's average prices will be used. Determine the previous year's season 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

**EXAMPLE B1-3** shows selected pages of the Daily Spot Cotton Quotations published by the USDA Agricultural Marketing Service, dated October 7, 1998. These pages are marked, for the following examples, to show how to use the Daily Spot Cotton Quotations Sheets for a bale of Extra Long Staple cotton or American Upland cotton eligible for quality adjustment under the **ELS** Cotton Crop Provisions. **The allowable spot quotations for ELS cotton are: color grade, staple length, and micronaire.** All price quotations are converted to four decimal places for quality adjustment.

**STEP 1:** Determine price quotation Price “B” and the 75 percent Price “B.”

**EXAMPLE:** The unit is located in Texas, El Paso county of the Desert Southwest Growth Area. The price quotation (Price “B”) for **ELS** cotton is defined in the Special Provisions as *Grade #4, 1 3/8 inch staple length (44) and 3.5 micronaire (mike) reading.*

.9750 = Spot Price Quotation (See **EXAMPLE B-1**)  
- .0000 = deductions  
.9750 = Price “B,” grade 4, staple length 44, mike 35  
x .75  
.7313 = 75 percent of Price “B” (“Local Market Price”). Quality adjustment will apply if price quotation Price “A” (“value per pound”) is less.

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

**EXAMPLE:** Mature **ELS** cotton harvested and the following information determined from gin record: bale #135, net bale weight 490 pounds, grade 5, staple length 46, mike 26. Use the actual price quotation for grade and staple length, and then deduct the points for mike. The deductions for grade and staple length are accounted for in the spot price quotation.

.7325 = price quotation for grade 5, staple length 46 (See **EXAMPLE B-1**)  
- .2300 = deductions for mike 26 (See **EXAMPLE B-1**)  
.5025 = Price “A” (“Value Per Pound”). Price “A” is less than .7313 (75 percent of Price “B”); thus, quality adjustment applies.

**STEP 3:** Calculating production to count:

Price “A” (“Value Per Pound”) ÷ 75 percent of Price “B” (“Local Market Price”) = Factor (rounded to 4 decimal places) X Pounds = Production to Count.

.5025 ÷ .7313 = .6871 X 490 lbs. = 336.7 = 337 lbs.



## EXHIBIT 5

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 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 B 2-3**, using the growth area in which the unit is located. The price for **ELS** cotton of the grade, staple length, and micronaire shown in the actuarial documents is determined from the Daily Spot Cotton Quotations.

**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 68.45 cents (.6845). The .6845 price is reduced to determine the price of the harvested bale.

The **AUP** cotton was harvested and the following information determined from a computer printout: bale #122, net bale weight 500 pounds, color grade 41 leaf 5, staple length 35, extraneous matter (bark) none, 3.6 mike.

.6845 = Desert SW Base Spot Quotation (See **EXAMPLE B-2**)  
-.0025 = deductions (See **EXAMPLE B-3**)  
.6820 = color grade 41 leaf 5, staple length 35  
-.0000 = no deductions for mike 3.6 or extraneous matter (See **EXAMPLE B-3**)  
.6820 = price for **AUP** harvested bale #122

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

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

.9750 = Grade #4, staple length 44 (See **EXAMPLE B-1**, Step 1)  
-.0000 = no deductions for mike 3.5  
.9750 = price for **ELS** defined in the actuarial documents

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

$.6820 \text{ AUP} \div .9750 \text{ ELS} = .69948 = .6995 \text{ Factor} \times 500 \text{ lbs.} = 349.8 = 350 \text{ lbs.}$

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. See **EXAMPLE C** for a selected page from the Annual Price Summary showing the previous season's average prices.

**EXHIBIT 5**

**EXAMPLE B-1**

MP_CN008 07-Oct-98		DESERT SOUTHWEST DIFFERENCES												
Color	Leaf	Staple					Color	Leaf	Staple					
		33	34	35	36	37			33	34	35	36	37	
11 & 21	1-2	175	325	550	560	570	43	1-2	-600	-550	-500	-500	-500	
	3	175	325	550	560	570		3	-600	-550	-525	-525	-525	
	4	-200	-50	275	285	295		4	-700	-650	-625	-625	-625	
	5	-225	-75	250	260	270		5	-1000	-950	-925	-925	-925	
	6	-250	-125	-25	-25	-25		6	-1200	-1150	-1125	-1125	-1125	
	7	-525	-425	-350	-350	-350		7	-1200	-1150	-1125	-1125	-1125	
31	1-2	175	325	550	560	570	53	1-2	-750	-700	-675	-675	-675	
	3	175	325	550	560	570		3	-750	-700	-675	-675	-675	
	4	-200	-50	275	285	295		4	-1050	-1000	-975	-975	-975	
	5	-225	-75	250	260	270		5	-1050	-1000	-975	-975	-975	
	6	-250	-125	-25	-25	-25		6	-1250	-1200	-1175	-1175	-1175	
	7	-525	-425	-350	-350	-350		7	-1250	-1200	-1175	-1175	-1175	

**NOTE:** A portion of the page was removed to show the required information needed for **ELS** quality adjustment.

52	1-2	-600	-550	-500	-500	-500	<table border="1"> <thead> <tr> <th colspan="2">Extraneous Matter</th> </tr> <tr> <th>Level</th> <th>Diff.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>-500</td> </tr> <tr> <td>2</td> <td>-1200</td> </tr> </tbody> </table>	Extraneous Matter		Level	Diff.	1	-500	2	-1200
	Extraneous Matter														
	Level	Diff.													
	1	-500													
	2	-1200													
	3	-600	-550	-500	-500	-500									
	4	-850	-750	-725	-725	-725									
5	-900	-800	-775	-775	-775										
6	-1225	-1125	-1100	-1100	-1100										
7	-1225	-1125	-1100	-1100	-1100										

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

Staple	01	02	Grade 03	STEP 1 04	STEP 2 05	06	Mike ranges	Points per pound
STEP 1 44	104.75	104.50	102.50	97.50	73.25	59.25	26 & Below	STEP 2 -2300
							27-29	-1800
							30-32	-1350
STEP 2 46	105.50	105.25	103.25	98.25	73.25	59.25	33-34	-500
							35 & Above	0 STEP 1

**EXHIBIT 5**

**EXAMPLE B-2**

Volume 80, No. 48

07-Oct-98

Spot quotations and differences are for cotton equal to the Official Standards, net weight, in mixed lots, compressed, FOB car/truck.

**STEP 1**

**SPOT PRICE QUOTATIONS**

**SPOT TRANSACTIONS**

Growth Areas	Basis N. Y. Futures Points	Color 41	Color 31	Cotton Programs	
		Leaf 4 Staple 34 1/ Cents	Leaf 3 Staple 35 1/ Cents	Today Bales	Season Bales
Southeast	-275 off Dec 1998	71.45	71.95	0	909
North Delta	-300 off Dec 1998	71.20	73.20	854	12,770
South Delta	-300 off Dec 1998	71.20	73.20	953	48,085
East TX-OK	-520 off Dec 1998	69.00	69.75	338	26,577
West Texas	-520 off Dec 1998	69.00	69.75	345	11,873
Desert SW	-575 off Dec 1998	68.45	73.95	0	2,850
SJ Valley	375 on Dec 1998	77.95	81.95	0	336
<b>Average</b>	<b>-302 off Dec 1998</b>	<b>71.18</b>	<b>73.39</b>	<b>2,490</b>	<b>103,400</b>
Previous day	-330 off Dec 1998	71.39	73.46	7 Market Average Base Quotations	
A week ago	-330 off Dec 1998	69.88	71.88	Season high	08/24/98 74.19
				Season low	08/03/98 69.07

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

MONTH 2/	TODAY	PREVIOUS DAY	CHANGES FROM	WEEK AGO	OCT 2-7 ADJUSTED WORLD PRICE 49.89  COARSE COUNT ADJUSTMENT 0.00
	Cents	Cents	PREVIOUS DAY	Cents	
OCTOBER 1998	73.20	74.25	-105	71.10	
DECEMBER 1998	74.20	74.69	-49	73.18	
MARCH 1999	72.25	72.92	-67	72.50	
MAY 1999	72.20	73.04	-84	72.70	
JULY 1999	72.60	73.10	-50	73.05	
OCTOBER 1999	71.05	71.45	-40	71.45	
DECEMBER 1999	70.35	70.45	-10	70.78	
MARCH 2000	71.35	71.45	-10	71.75	
MAY 2000	71.80	71.75	5	72.15	
JULY 2000	72.15	72.20	-5	72.55	

AVERAGE PREMIUMS AND DISCOUNTS - TENDERABLE QUALITIES 3/

	Color								
	11	21	31	41	51	12	22	32	
Staple 33									
Leaf 1 & 2	-20	-20	-25	-170	-535	-175	-175	-235	
3	-25	-25	-30	-170	-535	-190	-190	-235	
4	-130	-130	-135	-170	-555	NOT TENDERABLE			
5	-325	-325	-335	-400	-620	NOT TENDERABLE			
Staple 34									
Leaf 1 & 2	160	160	155	0	-415	-15	-15	-85	
3	155	155	150	0	-415	-30	-30	-85	
4	50	50	50	0	-435	NOT TENDERABLE			
5	-200	-200	-205	-290	-495	NOT TENDERABLE			
Staple 35									
Leaf 1 & 2	230	230	225	75	-395	30	30	-40	
3	220	220	215	75	-395	15	15	-40	
4	135	135	135	75	-415	NOT TENDERABLE			
5	-131	-131	-136	-266	-475	NOT TENDERABLE			

1/ Base mike and strength. 2/ Settlement prices provided by New York Cotton Exchange. 3/ Southeast, North Delta, South Delta, East Texas-Oklahoma and Desert Southwest.

MP\_CN002

EXHIBIT 5

EXAMPLE B-3

MP\_CN008  
07-Oct-98

DESERT SOUTHWEST DIFFERENCES

Col or	Leaf	Staple				
		33	34	35	36	37
11 & 21	1-2	175	325	550	560	570
	3	175	325	550	560	570
	4	-200	-50	275	285	295
	5	-225	-75	250	260	270
	6	-250	-125	-25	-25	-25
	7	-525	-425	-350	-350	-350
	31	1-2	175	325	550	560
3		175	325	550	560	570
4		-200	-50	275	285	295
5		-225	-75	250	260	270
6		-250	-125	-25	-25	-25
7		-525	-425	-350	-350	-350
STEP 1 41		1-2	-150	0	225	235
	3	-150	0	225	235	235
	4	-150	0	225	235	235
	5	-175	-125	-25	-25	-25
	6	-425	-300	-200	-200	-200
	7	-825	-725	-650	-650	-650
	51	1-2	-500	-450	-350	-350
3		-500	-450	-350	-350	-350
4		-500	-450	-350	-350	-350
5		-500	-450	-350	-350	-350
6		-575	-525	-450	-450	-450
7		-925	-825	-750	-750	-750
12 & 22		1-2	25	175	400	410
	3	-25	125	350	360	370
	4	-275	-125	100	110	120
	5	-375	-250	-150	-150	-150
	6	-525	-425	-350	-350	-350
	7	-950	-850	-775	-775	-775
	32	1-2	-150	0	225	235
3		-150	0	225	235	245
4		-400	-275	-175	-175	-175
5		-500	-375	-275	-275	-275
6		-625	-525	-450	-450	-450
7		-105	-950	-875	-875	-875
42		1-2	-400	-350	-250	-250
	3	-400	-350	-250	-250	-250
	4	-400	-350	-250	-250	-250
	5	-500	-450	-375	-375	-375
	6	-725	-625	-550	-550	-550
	7	-112	-1025	-950	-950	-950
	52	1-2	-600	-550	-500	-500
3		-600	-550	-500	-500	-500
4		-850	-750	-725	-725	-725
5		-900	-800	-775	-775	-775
6		-1225	-1125	-1100	-1100	-1100
7		-1225	-1125	-1100	-1100	-1100

Col or	Leaf	Staple				
		33	34	35	36	37
43	1-2	-600	-550	-500	-500	-500
	3	-600	-550	-525	-525	-525
	4	-700	-650	-625	-625	-625
	5	-1000	-950	-925	-925	-925
	6	-1200	-1150	-1125	-1125	-1125
	7	-1200	-1150	-1125	-1125	-1125
	53	1-2	-750	-700	-675	-675
3		-750	-700	-675	-675	-675
4		-1050	-1000	-975	-975	-975
5		-1050	-1000	-975	-975	-975
6		-1250	-1200	-1175	-1175	-1175
7		-1250	-1200	-1175	-1175	-1175

Mike	
Range	Di ff.
24 & Below	-1600
25-26	-1400
27-29	-1250
30-32	-700
33-34	-150
35-36	0
37-42	25
43-49	0
50-52	-200
53 & Above	-400

Strength (grams per tex)	
Range	Di ff.
20.5-21.4	-150
21.5-22.4	-100
22.5-23.4	-50
23.5-25.4	0
25.5-26.4	0
26.5-27.4	0
27.5-28.4	0
28.5-29.4	25
29.5-30.4	50
30.5 & Above	75

Extraneous Matter	
Level	Di ff.
1	-500
2	-1200

NOTE: The American Pima quotations were removed from this page to show all of the required information for AUP cotton quality adjustment.

## EXHIBIT 5

### EXAMPLE C

Crops: Marketing Year Average Prices Received, by States,  
and United States, 1996 Revised and 1997 Preliminary, (continued)

State	Corn		Cotton				Cottonseed	
			Pima		Upland			
	1996	1997	1996	1997	1996	1997	1996	1997
	Dollars per Bu		Dollars per Lb				Dollars per Ton	
AL	3.45	2.85			0.709	0.680	113.00	111.00
AZ	3.65	3.30	1.060	0.991	0.697	0.673	155.00	134.00
AR	2.65	2.60			0.707	0.661	116.00	107.00
CA	3.37	3.20	1.070	1.020	0.765	0.737	176.00	174.00
CO	2.76	2.65						
DE	3.10	3.00						
FL	3.80	2.90			0.686	0.650	109.00	120.00
GA	3.58	2.90			0.705	0.702	105.00	108.00
ID	3.25	3.20						
IL	2.79	2.70						
IN	2.78	2.70						
IA	2.60	2.50						
KS	2.83	2.65			0.598	0.619	113.00	115.00
KY	3.00	2.70						
LA	3.50	2.70			0.655	0.660	124.00	110.00
MD	3.05	3.10						
MI	2.66	2.55						
MN	2.47	2.45						
MS	3.30	2.65			0.680	0.652	119.00	106.00
MO	2.77	2.55			0.685	0.687	105.00	111.00
MT	2.60	2.60						
NE	2.64	2.55						
NJ	3.00	2.90						
NM	3.10	2.90	1.090	0.970	0.743	0.680	165.00	134.00
NY	2.98	2.95						
NC	3.43	2.95			0.719	0.670	103.00	114.00
ND	2.43	2.30						
OH	2.75	2.65						
OK	2.90	2.70			0.617	0.619	113.00	106.00
OR	3.19	3.15						
PA	2.99	3.20						
SC	3.55	2.70			0.738	0.705	95.50	108.00
SD	2.31	2.30						
TN	2.90	2.75			0.671	0.655	118.00	115.00
TX	3.19	2.85	1.080	0.936	0.656	0.620	129.00	114.00
UT	3.80	3.10						
VA	3.20	2.60			0.710	0.670	104.00	102.00
WA	3.15	3.10						
WV	3.11	3.00						
WI	2.62	2.50						
WY	2.90	2.80						
Year	United States							
1997	2.60		1.007		0.669		121.00	
1996	2.71		1.070		0.693		126.00	

NOTE: Prices from Internet address:

[http://usda.mannlib.cornell.edu/rep...ural\\_prices\\_annual\\_summary\\_07.23.98](http://usda.mannlib.cornell.edu/rep...ural_prices_annual_summary_07.23.98)



## EXHIBIT 6

### AUP COTTON QUALITY ADJUSTMENT WORKSHEET INSTRUCTIONS

Use this worksheet to calculate the price quotations necessary for the quality adjustment of **AUP** Cotton. The allowable point difference deductions for **AUP** cotton are Color Grade and Leaf Grade, Staple Length, Micronaire and Extraneous Matter. Convert **ALL** price quotations and point difference deductions from the Daily Spot Cotton Quotation (DSCQ) sheet to four decimal places. List each bale separately. Attach worksheets to the Production Worksheet.

Items 8 thru 11 are used to determine Price Quotation "B" and the 75% of Price Quotation "B." Items 16 thru 21 are used to determine Price Quotation "A" of each harvested bale and the factor used to reduce the Net Weight when quality adjustment applies.

<b><u>Item Number</u></b>	<b><u>Information Required</u></b>
1. <b>Insured's Name</b>	Name of the insured.
2. <b>Policy Number</b>	Insured's assigned Policy Number.
3. <b>Unit Number</b>	Five digit unit number from the Summary of Coverage.
4. <b>County</b>	Name of the county in which the cotton is insured.
5. <b>Date of Quotation</b>	Select the price quotations from the DSCQ sheet on the date the last bale is classed. If the date of the last bale classed is not available, select the price quotations from the DSCQ on the date the last bale from the unit is delivered to the warehouse as shown on the producers account summary. Record the date of the DSCQ selected.
6. <b>County Actuarial Quotation</b>	The numeric color and leaf grade, staple length, and micronaire reading designated in the actuarial documents for the county in which the cotton is insured.
7. <b>Growth Area</b>	The designated spot market Growth Area within which the county for the insured cotton is located.
8. <b>Base Spot Price</b>	The Base Spot Price quotation converted to four decimal places, from the DSCQ sheet for the Growth Area listed in Item 7.
9. <b>Deductions</b>	Record the point difference deductions required to arrive at the County Actuarial Quotation Price "B" for color and leaf grade, staple length, and micronaire shown in Item 6.
10. <b>Price B</b>	Subtract the point difference deductions from the Base Spot Price quotation to determine Price Quotation "B."

## EXHIBIT 6

11. **75% of Price B** Multiply Price “B” by .75 to determine 75% of Price “B” (“Local Market Price”). Quality adjustment will apply if Price Quotation “A” (“Value Per Pound”) is less than 75% of Price “B.”
12. **Bale Number** Bale number from grade card, computer printout or gin record.
13. **Net Weight** Net Weight of the bale for the bale number recorded in Item 12. Net Weight is the Bonded Warehouse Weight in which the cotton is sold, and which is required for placing cotton into the Commodity Credit Corporation Loan Support program less the weight of bagging and ties unless already deducted at the gin or warehouse.
14. **Color/Leaf/  
Staple/Mike** Record the numeric color and leaf grade, staple length, and micronaire (mike) from the grade card, computer printout or gin record.
15. **Ex. Matter-Level  
(Bark/Other)** Record the Extraneous Matter as Level 1 or 2 and indicate either as bark or other from the grade card, computer printout or gin record for the bale number listed in Item 12. Example: 1/B = Level 1, Bark, etc.
16. **Base Spot Price** Transfer the Base Spot Price quotation recorded in Item 8.
17. **Color/Leaf/  
Staple Deductions** Record the point difference deductions determined from the DSCQ for the color and leaf grade and staple length recorded in Item 14.
18. **Bark/Other  
Deductions** Record the point difference deductions determined from the DSCQ for the level of bark or other for Extraneous Matter recorded in Item 15.
19. **Mike Deductions** Record the point difference deductions determined from the DSCQ for the mike recorded in Item 14.
20. **Price A** Subtract the point difference deductions recorded in Item 17, 18, and 19 from the Base Spot Price in Item 16 to determine Price Quotation “A” (“Value Per Pound”). If Price “A” is less than 75% of Price “B” in Item 11, quality adjustment applies.
21. **Factor** Divide Price Quotation “A” (“Value Per Pound”) in Item 20 by 75% of Price “B” (“Local Market Price”) in Item 11, rounded to four decimal places, to determine the Factor used to reduce the Net Weight of the bale of cotton shown Item 13.

**Page Numbers** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

Combine net bale weights quality adjusted by the same factor (and share), then record in Production, item G of the Production Worksheet. Transfer Price A to “Value Per Pound” item H<sub>1</sub> and 75% of Price B to “Local Market Price” item H<sub>2</sub>. Calculate the Quality Factor item I, or enter the factor from the worksheet.





## EXHIBIT 6

### ELS COTTON QUALITY ADJUSTMENT WORKSHEET INSTRUCTIONS

Use this worksheet to calculate the price quotations necessary for the quality adjustment of **ELS** Cotton. **ELS** cotton must be roller ginned to be eligible for quality adjustment. The allowable point difference deductions for **ELS** cotton are Grade, Staple Length, and Micronaire. Convert **ALL** price quotations and point difference deductions from the Daily Spot Cotton Quotations (DSCQ) sheet to four decimal places. List each bale separately.

Items 7 thru 10 are used to determine Price Quotation "B" and the 75% of Price Quotation "B." Items 11 thru 17 are used to determine Price Quotation "A" of each harvested bale and the factor used to reduce the Net Weight when quality adjustment applies.

<u>Item Number</u>	<u>Information Required</u>
1. <b>Insured's Name</b>	Name of the insured.
2. <b>Policy Number</b>	Insured's assigned Policy Number.
3. <b>Unit Number</b>	Five digit unit number from the Summary of Coverage.
4. <b>County</b>	Name of the county in which the cotton is insured.
5. <b>Date of Quotation</b>	Select the price quotations from the DSCQ sheet for the week the last bale from the unit is classed. If the date the last bale is classed is not available, the price quotations will be determined from the DSCQ for the week the last bale from the unit is delivered to the warehouse as shown on the producer's account summary obtained from the gin. In the absence of either price quotation for the applicable week, the price quotations from the DSCQ for the nearest prior week for which an <b>ELS</b> cotton price quotation was listed for both prices will be used.
6. <b>County Actuarial Quotation</b>	The numeric color and leaf grade, staple length, and micronaire reading designated in the actuarial documents for the county in which the cotton is insured.
7. <b>Base Spot Price</b>	Record the Base Spot Price quotation from the DSCQ sheet for the County Actuarial quotation of color grade and staple length defined in Item 6, converted to four decimal places.
8. <b>Deductions</b>	Record the point difference deductions required to arrive at Price Quotation "B" for the micronaire listed in Item 6.
9. <b>Price B</b>	Subtract the point difference deductions from the Base Spot Price quotation to determine Price Quotation "B."

## EXHIBIT 6

10. **75% of Price B** Multiply Price Quotation “B” by .75 to determine 75% of Price “B” (“Local Market Price”). Quality adjustment will apply if determined Price Quotation “A” (“Value Per Pound”) is less than 75% of Price “B.”
11. **Bale Number** Bale number from grade card, computer printout or gin record.
12. **Net Weight** Net Weight of the bale for the bale number recorded in Item 11. Net Weight is the Bonded Warehouse Weight in which the cotton is sold, and which is required for placing cotton into the Commodity Credit Corporation Loan Support program less the weight of bagging and ties unless already deducted at the gin or warehouse.
13. **Color/Staple/  
Mike** Record the numeric color grade, staple length, and micronaire (mike) from the grade card, computer printout or gin record.
14. **Price Quotation** Record the actual Price Quotation, to four decimal places, from the DSCQ for the color grade and staple length recorded in Item 13.
15. **Mike Deductions** Record the point difference deductions determined from the DSCQ for the mike recorded in Item 13.
16. **Price A** Subtract the point difference deductions recorded in Item 15 from the Price Quotation in Item 14 to determine Price Quotation “A” (“Value Per Pound”). If Price “A” is less than 75% of Price “B” in Item 10, quality adjustment applies.
17. **Factor** Divide Price Quotation “A” (“Value Per Pound”) in Item 16 by 75% of Price “B” (“Local Market Price”) in Item 10, rounded to four decimal places, to determine the Factor used to reduce the Net Weight of the bale of cotton.

**Page Numbers** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

Combine net bale weights quality adjusted by the same factor (and share), then record in Production, item G of the Production Worksheet. Transfer Price A to “Value Per Pound” item H<sub>1</sub> and 75% of Price B to “Local Market Price” item H<sub>2</sub>. Calculate the Quality Factor item I, or enter the factor from the worksheet.

**EXHIBIT 6**

**EXAMPLE WORKSHEET**

<b>Company Name</b>						
FOR ILLUSTRATION PURPOSES ONLY						
<b>ELS COTTON QUALITY ADJUSTMENT WORKSHEET</b>						
1 Insured's Name				2 Policy Number		3 Unit Number
4 County		5 Date of Price Quotation		6 County Price Quotation		
7 Base Spot Price		8 Deductions	9 Price B	Multiplied by:	10 75% of Price B	
				.75		
11	12	13	14	15	16	17
Bale Number	Net Weight	Color/Staple/Mike	Price Quotation	Mike Deductions	Price A	Factor

## EXHIBIT 7

### HARVEST INCENTIVE ENDORSEMENT

#### 1. ENDORSEMENT PROVISIONS

- A. The endorsement is provided for **AUP** cotton on a pilot basis for the crop year of 1999 and is available **ONLY** in the **Texas** counties identified in the actuarial documents.
- B. If the insured elects the endorsement for the 1999 crop year (on or before the sales closing date), it will continue in force for the 1999 crop year unless the insured or FCIC cancels it on or before the cancellation date contained in the **AUP** Cotton Crop Provisions. The endorsement will be canceled automatically at the end of the insurance date for the 1999 crop year.
- C. The endorsement is **ONLY** available to producers selecting at least the 50 percent coverage level and 100 percent of the market price election price or equivalent amount. This endorsement **WILL NOT** apply to the Catastrophic Risk Protection Endorsement.

#### 2. MODIFICATIONS TO COTTON CROP PROVISIONS

The endorsement modifies the terms and conditions of the **AUP** Cotton Crop Provisions by:

- A. Providing a harvest incentive when production levels fall below the production guarantee. Harvested production-to-count will be reduced by the lesser of:
  - (1) Seven and one-half (7.5) percent of the approved yield (APH) (not to exceed 35 pounds) multiplied by the number of harvested acres; or
  - (2) The difference between the total guarantee for the harvested acres and the harvested production-to-count; or
  - (3) The harvested production-to-count.

**NOTE:** No penalty or incentive applies to appraised unharvested acreage. The appraised production-to-count is used to calculate the total production-to-count for the unit.

- B. Optional units are not available under this endorsement.

See the following four examples showing how the amount of production-to-count on harvested acreage is affected by this endorsement.

#### 3. INSURANCE PROVIDER RESPONSIBILITIES

Insurance Providers are to use the actual harvested production-to-count (before harvest incentive reduction) to compute actual production history approved yields for insured's selecting this endorsement.

**EXHIBIT 7**

**EXAMPLE 1**

**Harvest Incentive Maximum Pounds Per Acre:**

Practice	Approved APH Yield*	Yield Conversion Factor	Approved Yield	7.5% of Approved Yield	Maximum Pounds Per Acre
I	720 lbs.	NA	720 lbs.	54	35
NI	316 lbs.	NA	326 lbs.	24	24

\*NOTE: Approved APH yields are calculated as solid plant yields.

**Production Guarantee for the Unit:**

Irrigated acres: 720 lbs. X .65 Level = 468 lbs. X 80.8 acres = 37,814 lbs.  
 Nonirrigated acres: 316 lbs. X .65 Level = 205 lbs. X 64.2 acres = 13,161 lbs.  
 145.0 = 50,975 lbs.

**Appraised Production-To-Count (APTC):**

Final Acres	Practice	Stage	Appraisal	Total APTC	Guarantee Per Acre
9.8	I	UH	15	147	468
10.0	I	UH	35	350	468
10.0	NI	UH	10	100	205
9.2	NI	UH	5	46	205
45.0	NI	H			205
61.0	I	H			468
145.0				643	

**Harvested Production-To-Count (HPTC):**

Production	Value	Price	Quality Factor	HPTC
13,220				13,220
1,891	.3825	.5381	.7108	1,344
6,624	.5075	.5381	.9431	6,247
710				710
				21,521

**Total Guarantee for Harvested Acres:**

H 45.0 NI acres X 205 lbs. = 9,225 lbs.  
 H 61.0 I acres X 468 lbs. = 28,548 lbs.  
 106.0 acres 37,773 lbs.

**Calculation:** When the total production-to-count (APTC 643 lbs. + HPTC 21,521 lbs. = 22,164 lbs.) is less than the production guarantee for the unit (50,975 lbs.), the harvested production-to-count will be reduced by the smaller of:

**EXHIBIT 7**

**EXAMPLE 1 (Continued)**

1. Seven and one-half (7.5) percent of the approved yield (not to exceed 35 pounds) multiplied by the number of harvested acres (24 lbs. X 45 NI acres = 1,080) plus (35 lbs. X 61 I acres = 2,135 lbs.) = 3,215 lbs.; or
2. The difference between the total guarantee for the harvested acres and the harvested production-to-count (37,773 lbs. - 21,521 lbs. = 16,252); or
3. The harvested production-to-count (21,521 lbs.).

The harvested production-to-count is reduced by smaller of 3,215 lbs. as follows:  
 21,521 lbs. - 3,215 lbs. = 18,306 lbs.

**EXAMPLE 2**

**Harvest Incentive Maximum Pounds Per Acre:**

Practice	Approved APH Yield*	Yield Conversion Factor	Approved Yield	7.5% of Approved Yield	Maximum Pounds Per Acre
NI	365 lbs.	NA	365 lbs.	27	27

\*NOTE: Approved APH yields are calculated as solid plant yields.

**Production Guarantee for the Unit:**

Nonirrigated acres: 365 lbs. X .65 Level = 237 lbs. X 145.0 acres = 34,365 lbs.

**Appraised Production-to-Count (APTC):**

Final Acres	Practice	Stage	Appraisal	Quality Factor	Adjusted Potential	Uninsured Causes	Potential Counted	Total APTC
3.0	NI	P				237	237	711
26.8	NI	UH	15				15	402
9.2	NI	UH	20	.7108	14		14	129
106.0	NI	H						
145.0								1,242

**Harvested Production-to-Count (HPTC):**

Production	Value	Price	Quality Factor	HPTC
8,995				8,995
1,891	.3825	.5381	.7108	1,344
6,624	.5075	.5381	.9431	6,247
310				310
				16,896

**EXHIBIT 7**

**EXAMPLE 2 (continued)**

**Total Guarantee for Harvested Acres:**

H 106 acres X 237 lbs. = 25,122 lbs.

**Calculation:** When the total production-to-count (APTC 1,242 lbs. + HPTC 16,896 lbs. = 18,138 lbs.) is less than the production guarantee for the unit (34,365 lbs.), the harvested production-to-count will be reduced by the smaller of:

1. Seven and one-half (7.5) percent of the producer approved yield (not to exceed 35 pounds) multiplied by the number of harvested acres (27 lbs. X 106 NI acres = 2,862); or
2. The difference between the total guarantee for the harvested acres and the harvested production-to-count (25,122 lbs. - 16,896 lbs. = 8,226 lbs.); or
3. The harvested production-to-count (16,896 lbs.).

The harvested production-to-count is reduced by the smaller of 2,862 lbs. as follows:  
 16,896 lbs. - 2,862 lbs. = 14,034 lbs. reduced HPTC

**EXAMPLE 3**

**Harvest Incentive Maximum Pounds Per Acre:**

Practice	Approved APH Yield*	Yield Conversion Factor	Approved Yield	7.5% of Approved Yield	Maximum Pounds Per Acre
NI	237 lbs.	1.28 (1 in 1 out)	303 lbs.	23	23
NI	237 lbs.	1.42 (2 in 1 out)	337 lbs.	25	25

\*NOTE: Approved APH yields are calculated as solid plant yields.

**Production Guarantee for the Unit:**

Nonirrigated acres: 303 lbs. X .65 Level = 197 lb. X 75.5 acres = 14,874 lbs.

Nonirrigated acres: 337 lbs. X .65 Level = 219 lb. X 70.0 acres = 15,330 lbs.  
 145.5 acres 30,204 lbs.

**Appraised Production-to-Count (APTC):**

Final Acres	Practice	Stage	Appraisal	Total APTC	Guarantee Per Acre
15.0	NI	UH	35	525	197
13.3	NI	UH	39	519	219
10.7	NI	UH	36	385	219
60.5	NI	H			197
46.0	NI	H			219
145.5				1,429	



**EXHIBIT 7**

**EXAMPLE 3 (Continued)**

**Harvested Production-to-Count (HPTC):**

Production	Value	Price	Quality Factor	HPTC
9,220				9,220
1,891	.3825	.5381	.7108	1,344
6,624	.5075	.5381	.9431	6,247
310				310
				17,121

**Total Guarantee for Harvested Acres:**

H 60.5 acres X 197 lbs. = 11,919 lbs.  
H 46.0 acres X 219 lbs. = 10,074 lbs.  
106.5 acres                      21,993 lbs.

**Calculation:** When the total production-to-count (APTC 1,429 lbs. + HPTC 17,121 lbs. = 18,550 lbs.) is less than the production guarantee for the unit (30,204 lbs.), the harvested production-to-count will be reduced by the smallest of:

1. Seven and one-half (7.5) percent of the producer approved yield (not to exceed 35 pounds) multiplied by the number of harvested acres (23 lbs. X 60.5 acres = 1,392 lbs.) plus (25 lbs. X 46.0 = 1,150 lbs.) = 2,542; or
2. The difference between the total guarantee for the harvested acres and the harvested production-to-count (21,993 lbs. - 17,121 = 4,872 lbs.); or
3. The harvested production-to-count (17,121 lbs.).

The harvested production-to-count is reduced by 2,542 lbs. as follows:  
17,121 lbs. - 2,542 lbs. = 14,579 reduced HPTC

**EXAMPLE 4**

**Harvest Incentive Maximum Pounds Per Acre:**

Practice	Approved APH Yield*	Yield Conversion Factor	Approved Yield	7.5% of Approved Yield	Maximum Pounds Per Acre
NI	237 lbs.	1.28 (1 in 1 out)	303 lbs.	23	23
NI	237 lbs.	1.42 (2 in 1 out)	337 lbs.	25	25

\*NOTE: Approved APH yields are calculated as solid plant yields.

**EXHIBIT 7**

**EXAMPLE 4 (Continued)**

**Production Guarantee for the Unit:**

Nonirrigated acres: 303 lbs. X .65 Level = 197 lb. X 80.5 acres = 15,859 lbs.  
 Nonirrigated acres: 337 lbs. X .65 Level = 219 lb. X 70.0 acres = 15,330 lbs.  
 150.5 acres 31,189 lbs.

**Appraised Production-to-Count (APTC)**

Final Acres	Practice	Stage	Appraisal	Total APTC	Guarantee Per Acre
80.5	NI	UH	0	0	303
70.0	NI	UH	0	0	337
150.5				0	

**Total Guarantee for Harvested Acres:**

No acreage harvested.

**Calculation:** When the total production-to-count (APTC & HPTC = 0 lbs.) is less than the production guarantee for the unit (31,189 lbs.), the harvested production-to-count will be reduced by the smallest of:

1. Seven and one-half (7.5) percent of the producer approved yield (not to exceed 35 pounds) multiplied by the number of harvested acres (23 lbs. X 0 acres harvested = 0 lbs.) plus (25 lbs. X 0 acres harvested) = 0 lbs.; or
2. The difference between the total guarantee for the harvested acres and the harvested production-to-count (0 lbs.); or
3. The harvested production-to-count (0 lbs.).

No reduction occurs since there is no harvested production-to-count.