United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK

2017 and Succeeding Crop Years

FCIC-25090 (11-2013)
FCIC-25090-1 (01-2015)
FCIC-25090-2 (11-2016)

RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133

TITLE: AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK	**NUMBER: 25090 25090-1 25090-2**
EFFECTIVE DATE: 2017 and Succeeding Crop Years	**ISSUE DATE: November 29, 2016**
SUBJECT: **Provides procedures and instructions for administering the AUP & ELS Cotton crop insurance program.**	**OPI: Product Administration and Standards Division** **APPROVED:** */s/Richard H. Flournoy* **Deputy Administrator for Product Management**

REASON FOR AMENDMENTS

1. Subparagraphs 1(B) and 1(C): added reference to the GSH.

2. Paragraph 15: updated cotton stalk requirements to coincide with the 2017 crop year cotton crop provisions.

3. Subparagraph 25A: removed specific LAM references.

4. Paragraph 41: updated cotton stalk requirements to coincide with crop year 2017 cotton crop provisions.

5. Paragraph 51: added instructions for instances when the AIP determines the claim is to be denied.

6. Exhibit 1: added acronym for General Standards Handbook (GSH).

7. Exhibit 3: updated the AUP Boll Count and Stand Reduction (100 Feet of Row Sample) Method Appraisal Worksheet examples and the ELS Boll Count Method Appraisal Worksheet example.

8. Exhibit 4, Item 6: modified example.

9. Exhibit 4, Items 19, 30, 37 and 62: updated cotton stalk requirements to coincide with the 2017 crop year cotton crop provisions.

10. Exhibit 4, production worksheet examples: corrected and modified for clarity.

11. Exhibit 11(B)(8): removed "Starred (*) lengths represent the staple length as stated on the SP for Quality Adjustment." This language is no longer applicable. The referenced asterisks have been removed from the corresponding tables.

12. Exhibit 12, Items 9-14: added the instructions, "If a bale listing with FSA Loan Values will be attached to the worksheet, make no entry. Refer to exhibit 11(C)(5)(a)".

AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK

CONTROL CHART

AUP & ELS Cotton Loss Adjustment Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Remove	1-4		1-4			11-2013	FCIC-25090
			11-12			11-2013	FCIC-25090
			27-28			11-2013	FCIC-25090
			29			01-2015	FCIC-25090-1
				1	30	01-2015	FCIC-25090-1
				3	45-46	11-2013	FCIC-25090
				3	49-51	11-2013	FCIC-25090
				4	52-54	11-2013	FCIC-25090
				4	55-58	01-2015	FCIC-25090-1
				4	59-60	11-2013	FCIC-25090
				4	65-66	11-2013	FCIC-25090
				4	69-70	11-2013	FCIC-25090
				11	95-96	11-2013	FCIC-25090
				11	105	01-2015	FCIC-25090-1
				12	106-108	01-2015	FCIC-25090-1
Insert	1-4		1-4			11-2016	FCIC-25090-2
			11-12				
			27-28				
			29				
				1	30		
				3	45-46		
				3	49-51		
				4	52-54		
				4	55-58		
				4	59-60		
				4	65-66		
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Current Index	1-4					11-2016	FCIC-25090-2
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			5-10			11-2013	FCIC-25090
			11-12			11-2016	FCIC-25090-2
			13-26			11-2013	FCIC-25090
			27-29			11-2016	FCIC-25090-2

CONTROL CHART (continued)

AUP & ELS Cotton Loss Adjustment Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Current Index				1	30	11-2016	FCIC-25090-2
				2	31-32	11-2013	FCIC-25090
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				3	35-38	11-2013	FCIC-25090
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				3	47-48	11-2013	FCIC-25090
				3	49-51	11-2016	FCIC-25090-2
				4	52-60	11-2016	FCIC-25090-2
				4	61-64	11-2013	FCIC-25090
				4	65-66	11-2016	FCIC-25090-2
				4	67-68	11-2013	FCIC-25090
				4	69-70	11-2016	FCIC-25090-2
				5	71-73	11-2013	FCIC-25090
				6	74-76	11-2013	FCIC-25090
				7	77-83	11-2013	FCIC-25090
				8	84	11-2013	FCIC-25090
				9	85-86	01-2015	FCIC-25090-1
				10	87-93	11-2013	FCIC-25090
				11	94	11-2013	FCIC-25090
				11	95-96	11-2015	FCIC-25090-2
				11	97-98	11-2013	FCIC-25090
				11	99-100	01-2015	FCIC-25090-1
				11	101-104	11-2013	FCIC-25090
				11	105	11-2016	FCIC-25090-2
				12	106-108	11-2016	FCIC-25090-2

AUP & ELS COTTON LOSS ADJUSTMENT STANDARDS HANDBOOK

FILING INSTRUCTIONS

This handbook replaces the 2014 AUP & ELS Cotton Loss Adjustment Standards Handbook, FCIC-25090-1H (01-2015). This handbook is effective for the 2017 and succeeding crop years and is not retroactive to any 2016 or prior crop year determinations.

PART 1 GENERAL INFORMATION AND RESPONSIBLITIES

1 General Information

A. Purpose and Objective

The RMA-issued loss adjustment standards for this crop are the official standard requirements for adjusting losses in a uniform and timely manner. The RMA-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook located at www.rma.usda.gov/handbooks/25000/index.html.

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, bulletins, or FADs). If amendments are issued for a handbook, the original handbook as amended shall constitute the handbook. A bulletin or FAD can supersede either the original handbook or subsequent amendments.

B. Related Handbooks

The following table identifies handbooks that shall be used in conjunction with this handbook.

Handbook	Relation/Purpose
CIH	Provides overall general underwriting (not crop specific) process.
DSSH	Provides the form standards and procedures for use in the sales and service of crop insurance contracts.
GSH	Provides general crop insurance information.
LAM	Provides overall general loss adjustment (not crop-specific) process.
Cottonseed (If applicable)	The Cottonseed (Pilot) Endorsement Program Insurance Standards Handbook provides the procedures and instructions for administering the cottonseed (pilot) program underwriting standards.

(1) Terms, abbreviations, and definitions general (not crop specific) to loss adjustment are identified in the GSH and the LAM.

(2) Terms, abbreviations, and definitions specific to Cotton loss adjustment and this handbook are in Exhibits 1 and 2, herein.

C. CAT Coverage

Refer to the CIH, GSH and LAM for provisions and procedures not applicable to CAT coverage.

2 AIP Responsibilities

A. Utilization of Standards

All AIPs shall utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

B. Form Distribution

The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or the insured's authorized representative) for the loss adjustment inspection:

(1) One legible copy to the insured; and
(2) The original and all remaining copies as instructed by the AIP.

C. Record Retention

It is the AIP's responsibility to maintain records (documents) as stated in the SRA and described in the LAM.

D. Form Standards

(1) The entry items and completion instructions in Exhibits 3 and 4 are the minimum requirements for the Cotton Appraisal Worksheet and Claim Form (hereafter referred to as "Production Worksheet"). All entry items are "Substantive" (they are required).

(2) The Privacy Act and Non-Discrimination statements are required statements that must be printed on all forms or provided to the insured as a separate document. These statements are not shown on the example form(s) in Exhibits 3 and 4. The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at: http://www.rma.usda.gov/regs/required.html or successor website.

(3) The certification statement required by the current DSSH must be included on the Production Worksheet directly above the insured's signature block immediately followed by the statement below:

"I understand the certified information on this Production Worksheet will be used to determine my loss, if any, to the above unit. The insurance provider may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation, an agency of the United States, subsidizes and reinsures this crop insurance."

(4) Refer to the DSSH for other crop insurance form requirements (such as point size of font, and so forth). The current DSSH can be found on the RMA website at: http://www.rma.usda.gov/handbooks/24000/index.html or successor website.

3-10 (Reserved)

PART 2 POLICY INFORMATION

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

11 Insurability

The following may not be a complete list of insurability requirements. Refer to the BP, Cotton CP, and the SP for a complete list.

(1) The crop insured will be all the cotton lint in the county, in which the insured has a share, for which premium rates are provided by the actuarial documents; and that is not (unless allowed by the SP or by a written agreement):

(a) For AUP Cotton:

(i) Planted into an established grass or legume;
(ii) Interplanted with another spring planted crop; or
(iii) Colored cotton lint

(b) For ELS Cotton:

(i) Planted into an established grass or legume;

(ii) Interplanted with another spring planted crop;

(iii) Grown on acreage from which a hay crop was harvested in the same calendar year unless the acreage is irrigated; or

(iv) 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.

(2) In addition to the provisions of section 9 (Insurable Acreage) of the BP:

(a) The acreage insured will be ONLY the land occupied by the rows of cotton when a skip-row planting pattern is utilized.

(b) Any acreage of the insured crop damaged before the final planting date, to the extent that a majority of producers in the area would not normally further care for the crop, must be replanted unless the AIP agrees that it is not practical to replant. Refer to the LAM for replanting provision issues.

(3) In lieu of section 11(b)2 of the BP, insurance will end upon the removal of the cotton from the field.

12 Unit Division

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

13 Quality Adjustment

The production to count for mature cotton may be reduced as a result of a loss in quality when production has been damaged by insured cause(s). Refer to Exhibit 11 for cotton quality adjustment procedures.

14 AUP & 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.

15 Duties in Event of Damage or Loss

In the event of damage or loss, at the AIP's option or if required in the SP, insureds may be required to leave the cotton stalks intact for the AIP's inspection. If applicable, the stalks must not be destroyed, and required samples must not be harvested, until the earlier of the AIP's inspection or 15 days after harvest of the balance of the unit is completed and written notice of probable loss is given to the AIP.

Important: Representative samples are required in accordance with section 14 of the BP.

16 Replanting Payment Procedures

There is currently no replant payment available for AUP or ELS cotton. Refer to paragraph 11(2)(b) for replanting requirements prior to the final planting date.

17-20 (Reserved)

A. 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; as specified in the LAM when insufficient soil moisture has affected seed emergence; or for any other reason specified in the LAM.

B. 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.

(1) Determine if the cotton is planted in two narrow rows planted in a single bed of normal row width; single rows; or drilled rows or other narrow row planting methods for UNRC.

(2) Determine row width by measuring the row width using the instructions in paragraph 22 and select, from the chart below, the applicable representative sample method based on how the cotton is planted and the average row width measured.

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

* When skips occur directly across from each other in the two narrow rows.

** "Live" plants are plants that are not damaged or are damaged but are expected to recover and contribute lint cotton to the ultimate yield at the time of harvest.

(3) Select the required number of representative samples using the instructions in paragraph 21.

C. 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 skip is the space between "live"** plants within the row which exceed the standard space as shown in the chart below.

C. 100-Feet of Row Sample Method - Combined Length of Skips (continued)

Determine if the AUP cotton is a picker or stripper type cultivar. Refer to Definitions of AUP Picker cotton and AUP Stripper cotton in Exhibit 2.

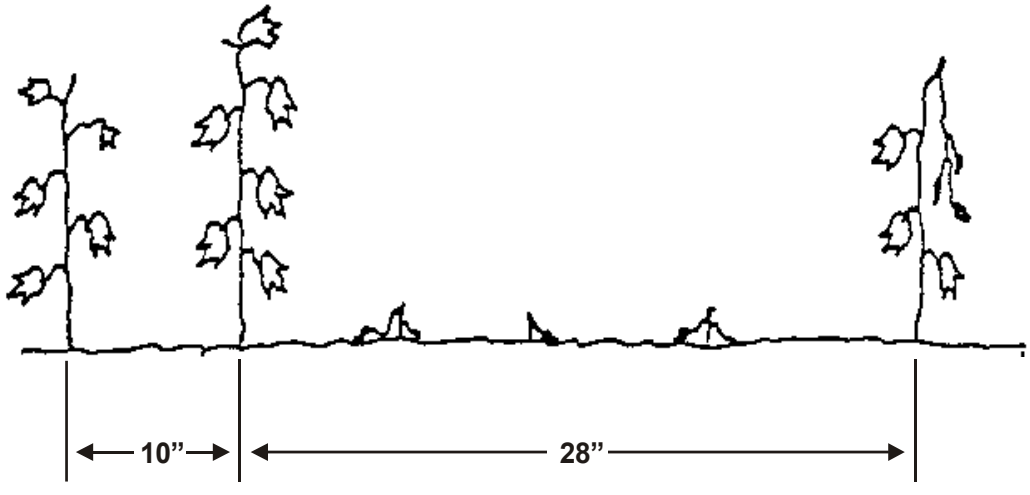
Note: Select the skip based on the plant cultivar characteristics NOT the method of harvesting.

An AUP skip is the space between "live" plants within the row of more than...	**An ELS skip is the space between "live" plants within the row of more than...**
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, Oklahoma 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.	

(1) From the information above, determine the AUP or ELS standard plant spacing within the row; 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.

Example: 10" plant spacing within a row:



(2) Include the claim number on the appraisal worksheet (when required by the AIP), when a worksheet entry is not provided.

(3) Separate appraisal worksheets are required for each unit appraised, and for each field or subfield (applicable to preliminary and final claims) that have a differing base (APH) yield or farming practice. Refer to paragraph 21 for sampling requirements.

(4) Standard appraisal worksheet items are numbered consecutively in Exhibit 3. An example appraisal worksheet is also provided to illustrate how to complete all entries, except the last three items on the appraisal worksheet.

(5) For zero appraisals, refer to the LAM.

30-40 (Reserved)

PART 4 COTTON STALK INSPECTIONS

41 General Information

These instructions provide information on inspections of cotton stalks which may be required in the event of damage or loss (production loss, but not revenue only loss) as stated in the Cotton CP and paragraph 15 of this handbook.

(1) Cotton stalk inspections are performed after harvest of the unit is complete and written notice of probable loss is given to the AIP. Harvest is considered complete when either the insured or AIP determines the final harvest is done.

(2) Select the required number of representative samples using the instructions in paragraph 21.

(3) If excessive cotton lint production is determined to remain on the stalks or in the field(s) after harvest due to improper harvest of the cotton, or due to malfunctioning or improperly adjusted harvest equipment, rather than due to an insured cause of loss:

(a) Measure three square yards for each representative sample and collect the cotton lint production remaining on the stalks and/or on the ground in each representative sample.

(b) Weigh the total cotton production in grams from all samples combined.

(c) Divide the total weight by the number of samples taken, to calculate the average number of grams per sample, rounded to the nearest whole gram.

(d) Multiply the average number of grams per sample by 3.5 (acreage factor)[1] to determine the gross pounds per acre. Multiply the gross pounds per acre by the percent of turnout from the gin of the last module ginned on the unit to calculate the net lint pounds per-acre uninsured cause appraisal, rounded to whole pounds. Record in the uninsured causes column on the Production Worksheet. Document the cotton stalk inspection in the Remarks section of the appraisal worksheet and include the appraisal worksheet in the claim file.

Example: 100 grams per 27 square foot sample area x 3.5 x .20 (percent of turnout) = 70 lbs. per acre

(e) Refer to the LAM for additional information on verifying harvested production when performing inspections on representative samples of the unharvested crop and on cotton stalks.

42-50 (Reserved)

[1] The acreage factor implies that each gram of cotton in 27 square feet equates to 3.5 lbs. per acre. The factor is calculated as follows: # grams per 27 square foot sample area ÷ 453.59 grams per lb. = # lbs. per 27 square foot sample area ÷ 27 square foot sample area = # lbs. per square foot x 43,560 square foot per acre

PART 5 PRODUCTION WORKSHEET

51 General Information for Worksheet Entries and Completion Procedures

(1) The Production Worksheet, is a progressive form containing all notices of damage for all preliminary and final inspections, including "No Indemnity Due" claims, on a unit.

(2) If a 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 on 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 planting. A late planting period is applicable to ELS cotton, if allowed by the SPs. If the SPs do not provide for a late planting period, any ELS cotton that is planted after the final planting date will not be insured unless you were prevented from planting it by the final planting date.

(4) Refer to the Prevented Planting Handbook for information on prevented planting.

(5) The adjuster is responsible for determining if any of the insured's requirements under the notice and claim provisions of the policy have not been met. If they have not, the adjuster should contact the AIP.

(6) Instructions labeled **"PRELIMINARY"** apply to preliminary inspections only. Instructions labeled **"FINAL"** apply to final inspections only. Instructions not labeled apply to ALL inspections.

(7) Standard production worksheet items are numbered consecutively in Exhibit 4. An example production worksheet is also provided to illustrate how to complete item entries.

(8) If the AIP determines the claim is to be DENIED, refer to the LAM for Production Worksheet completion instructions.

Acronyms and Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
AMS	Agricultural Marketing Service
AIP	Approved Insurance Provider
AUP	American Upland Cotton
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook, FCIC-18010
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
ELS	Extra Long Staple Cotton
FCIC	Federal Crop Insurance Corporation
FSA	Farm Service Agency
FSN	Farm Serial Number
GSH	General Standards Handbook; FCIC-18190
HVI	High Volume Instruments
LAM	Loss Adjustment Manual, FCIC-25010
NALR	FSA Cotton National Average Loan Rate
RMA	Risk Management Agency
SP	Special Provisions
UNR	Ultra-Narrow-Row
UNRC	Ultra-Narrow-Row-Cotton

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

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

For Illustration Purposes ONLY APPRAISAL WORKSHEET COTTON	1 Insured's Name I. M. Insured	2 Policy Number XXXXXXX	3 Unit Number 0001-0001BU	4 Crop Year YYYY
	5 Field Number B	6 Loc./Farm Number FSN-430	7 Stage of Growth V3	8 No. Acres 10.8

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			89.7							
2			87.5							
3			74.2							
4			82.9							
5										
6										
7										
8										
9										
10										
11										
12										
TOTAL		Percent Crop Remaining	334.3	Percent Crop Remaining						
AVERAGE			83.6	16.4						

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

PART II - COMPUTATIONS - STAND REDUCTION (Only) METHOD

APPRAISED PRODUCTION	44 Average Percent Crop Remaining		45 Yield Per Acre		46 Pounds Per Acre
	.164	X	425	=	69.7 = 70

PART IV - BOLL COUNT METHOD - REPRODUCTION STAGES

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

69 Remarks

30-inch row spacing

This form example does not illustrate all required entry items (e.g., signatures, etc.)

Form Standards – Appraisal Worksheet (Continued)

HAIL DAMAGE METHOD - VEGETATIVE METHOD - AUP (long form) – Page 1 of 2

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

For Illustration Purposes ONLY	1 Insured's Name	2 Policy Number	3 Unit Number	4 Crop Year
	I. M. Insured	XXXXXXX	0002-0000BU	YYYY
APPRAISAL WORKSHEET COTTON	5 Field Number	6 Loc./Farm Number	7 Stage of Growth	8 No. Acres
	10B	430	V5	10.0

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			58.2		23.7					
2			56.8		19.7					
3			61.0		20.7					
4										
TOTAL		Percent Crop Remaining	176.0	Percent Crop Remaining	64.1					
AVERAGE			58.7	41.3	21.4					

PLANT DAMAGE COMPUTATIONS

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

Form Standards – Appraisal Worksheet (Continued)

HAIL DAMAGE METHOD - REPRODUCTIVE STAGES - AUP (long form) – **Page 2 of 2**

PART II - COMPUTATIONS - STAND REDUCTION (ONLY) METHOD

	44 Average Percent Crop Remaining		45 Yield Per Acre		46 Pounds Per Acre	
APPRAISED PRODUCTION		X		=		

PART III- COMPUTATIONS - STAND REDUCTION AND PLANT DAMAGE METHOD - VEGETATIVE STAGES

	47 Average Percent Crop Remaining		48 Average Gross % Partially Destroyed		49 Net Loss Plant Damage		50 Average Percent Crop Remaining		51 Net Loss Plant Damage		52 Percent Crop Remaining		53 Yield Per Acre		54 Pounds Per Acre
APPRAISED PRODUCTION		X		=				-		=		X		=	

PART IV - BOLL COUNT METHOD - REPRODUCTIVE STAGE

	55 Average Number of Bolls Remaining		56 Number of Bolls Per Pound Factor		57 Pounds Per Acre	
APPRAISED PRODUCTION		÷		=		

PART V - COMPUTATIONS - STAND, PLANT AND BOLL DAMAGE METHODS - REPRODUCTIVE STAGES

	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	
APPRAISED PRODUCTION	.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
APPRAISED PRODUCTION	.496	-	.360	=	.136	X	416	=	57

69 Remarks Factors for item 21 from Table 6.

AUP Picker - Solid Planted 40 inch rows.

This form example does not illustrate all required entry items (e.g., signatures, etc.)

Form Standards – Appraisal Worksheet (Continued)

BOLL COUNT METHOD - AUP (short form)

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

For Illustration Purposes ONLY APPRAISAL WORKSHEET COTTON	1 Insured's Name I. M. Insured	2 Policy Number XXXXXXX	3 Unit Number 0001-0001BU	4 Crop Year YYYY
	5 Field Number E	6 Loc./Farm Number FSN-430	7 Stage of Growth Mature	8 No. Acres 9.2

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						See				
2										
3						Remarks				
4										
5						Section				
6										
7										
8										
9										
10										
11										
12										
TOTAL		Percent Crop Remaining		Percent Crop Remaining						
AVERAGE										

Use long form when hail damage occurs to AUP or ELS cotton in the vegetative stages (V1 and above) or reproductive stages (R1 and above).

PART II - COMPUTATIONS - STAND REDUCTION (Only) METHOD

APPRAISED PRODUCTION	44 Average Percent Crop Remaining		45 Yield Per Acre		46 Pounds Per Acre
		X		=	

PART IV – BOLL COUNT METHOD - REPRODUCTION STAGES

APPRAISED PRODUCTION	55 Average Number of Bolls Remaining		56 Number of Bolls Per Pound Factor		57 Pounds Per Acre
		÷		=	19

69 Remarks

38-inch row spacing

76 bolls ÷ 2.5 factor = 30.4 = 30 lbs.
64 bolls ÷ 3.5 factor = 18.3 = 18 lbs.
54 bolls ÷ 4.5 factor = 12.0 = 12 lbs.
89 bolls ÷ 5.5 factor = 16.2 = 16 lbs.
76 lbs. ÷ 4 samples = 19

This form example does not illustrate all required entry items (e.g., signatures, etc.)

Form Standards – Appraisal Worksheet (Continued)

BOLL COUNT METHOD - ELS (short form)

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

For Illustration Purposes ONLY	1 Insured's Name	2 Policy Number	3 Unit Number	4 Crop Year
	I. M. Insured	XXXXXXX	0002-0001BU	YYYY
APPRAISAL WORKSHEET COTTON	5 Field Number: A	6 Loc./Farm Number: FSN-215	7 Stage of Growth: Mature	8 No. Acres: 6.0

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						86				
2						64				
3						54				
4						24				
5										
6										
7										
8										
9										
10										
11										
12										
TOTAL		Percent Crop Remaining		Percent Crop Remaining		228				
AVERAGE						57				

Use long form when hail damage occurs to AUP or ELS cotton in the vegetative stages (V1 and above) or reproductive stages (R1 and above).

PART II - COMPUTATIONS - STAND REDUCTION (Only) METHOD

	44 Average Percent Crop Remaining		45 Yield Per Acre		46 Pounds Per Acre
APPRAISED PRODUCTION		X		=	

PART IV - BOLL COUNT METHOD – REPRODUCTION STAGES

	55 Average Number of Bolls Remaining		56 Number of Bolls Per Pound Factor		57 Pounds Per Acre
APPRAISED PRODUCTION	57	÷	4	=	14

69 Remarks

38-inch row spacing

This form example does not illustrate all required entry items (e.g., signatures, etc.)

Form Standards – Production Worksheet

Verify and/or make the following entries for each production worksheet element/item number. A completed production worksheet example is at the end of this exhibit. For general form standards and other general information, see subparagraph 2D and paragraph 51.

Element/Item Number	Description
1. Crop/Code #	Cotton (0021) or ELS Cotton (0022). For **ELS** cotton, **ELS** cotton procedures apply even though all or any part of the unit has been replanted to **AUP** cotton.
2. Unit #	Unit number from the Summary of Coverage after it is verified to be correct.
3. Location Description	Land location that identifies the legal description, if available, and the location of the unit (e.g., section, township, and range; FSA Farm Numbers; FSA Common Land Units (CLU) and tract numbers; GPS identifications, or Grid identifications) as applicable for the crop.
4. Date(s) of Damage	First three letters of the month(s) during which the determined insured damage occurred for the inspection and cause(s) of damage listed in item 5 below. If no entry in item 5 below, MAKE NO ENTRY. For progressive damage, enter in chronological order the month that identifies when the majority of the insured damage occurred. Include the SPECIFIC DATE where applicable as in the case of hail damage (e.g., Aug 11). Enter additional dates of damage in the extra spaces, as needed. If more space is needed, document the additional dates of damage in the Narrative (or on a Special Report). Refer to the illustration in item 6 below. If there is no insurable cause of loss, and a no indemnity due claim will be completed, MAKE NO ENTRY.
5. Cause(s) of Damage	Name of the determined insured cause(s) of damage for this crop as listed in the LAM for the date of damage listed in item 4 above for this inspection. If an insured cause(s) of damage is coded as "Other," explain in the Narrative. Enter additional causes of damage in the extra spaces, as needed. If more space is needed, document the additional determined insured causes of damage in the Narrative (or on a Special Report). Refer to the illustration in item 6 below. If it is evident that no indemnity is due, enter "NO INDEMNITY DUE" across the columns in Item 5 (refer to the LAM for more information on no indemnity due claims). If the claim is denied, enter "DC" and refer to the LAM for further instructions.
6. Insured Cause %	**PRELIMINARY**: MAKE NO ENTRY. **FINAL**: Whole percent of damage for the insured cause of damage listed in item 5 above for this inspection. Enter additional "Insured Cause %" in the extra spaces, as needed.

<table>
<tr><th>Element/Item Number</th><th>Description</th></tr>
<tr><td>6. Insured Cause % (continued)</td><td>If additional space is needed, enter the additional determined “Insured Cause %” in the Narrative (or on a Special Report). The total of all “Insured Cause %” including those entered in the Narrative must equal 100%.

If there is no insurable cause of loss, and a no indemnity due claim will be completed, MAKE NO ENTRY.

Example: Entries for items 4-6 and the Narrative, reflecting entries for multiple dates of damage, the corresponding insured causes of damage and insured cause percents:

<table>
<tr><td>4. Date(s) of Damage</td><td>MAY 30</td><td>JUN</td><td>AUG</td></tr>
<tr><td>5. Cause(s) of Damage</td><td>Tornado</td><td>Drought</td><td>Heat</td></tr>
<tr><td>6. Insured Cause %</td><td>20</td><td>25</td><td>45</td></tr>
<tr><td colspan="4">Narrative: Additional date of damage – SEP 5; Cause of Damage – Hail; Insured cause percent – 10%.</td></tr>
</table>
</td></tr>
<tr><td>7. Company/Agency</td><td>Name of company and agency servicing the contract.</td></tr>
<tr><td>8. Name of Insured</td><td>Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.</td></tr>
<tr><td>9. Claim #</td><td>Claim number as assigned by the AIP.</td></tr>
<tr><td>10. Policy #</td><td>Insured’s assigned policy number.</td></tr>
<tr><td>11. Crop Year</td><td>Four-digit crop year, as defined in the policy, for which the claim has been filed.</td></tr>
<tr><td>12. Additional Units</td><td>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 Production Worksheet has not been completed. Additional non-loss units may be entered on a single Production Worksheet.

If more spaces are needed for non-loss units, enter the unit numbers, identified as “Non-loss Units,” in the Narrative or on an attached Special Report.</td></tr>
<tr><td>13. Est. Prod. Per Acre</td><td>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.</td></tr>
<tr><td>14. Date(s) Notice of Loss</td><td>PRELIMINARY:

(1) Date the first or second notice of damage or loss was given for the unit in item 2, in the 1st or 2nd space, as applicable. Enter the complete date (MM/DD/YYYY) for each notice.</td></tr>
</table>

Element/Item Number	Description
14. Date(s) Notice of Loss (continued)	(2) A notice of damage or loss for a third preliminary inspection (if needed) requires an additional set of Production Worksheets. Enter the date of notice for a third preliminary inspection in the 1st space of Column 14 on the second set of Production Worksheets. (3) Reserve the "Final" space on the first page of the first set of Production Worksheets for the date of notice for the final inspection. (4) If the inspection is initiated by the AIP, enter "Company Insp." instead of the date. (5) If the notice does not require an inspection, document as directed in the Narrative instructions. **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 Production Worksheets. For a delayed notice of loss or delayed claim, refer to the LAM.
15. Companion Policy(s)	(1) If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY. (2) In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the OTHER person does not, enter "NONE." (a) If the OTHER person has a multiple-peril crop insurance contract and it can be determined that the SAME AIP services it, enter the contract number. Handle these companion policies according to AIP instructions. (b) If the OTHER person has a multiple-peril crop insurance contract and a DIFFERENT AIP or agent services it, enter the name of the AIP and/or agent (and contract number) if known. (c) If unable to verify the existence of a companion contract, enter "Unknown" and contact the AIP for further instructions. (3) Refer to the LAM for further information regarding companion contracts.

Section I – Determined Acreage Appraised, Production and Adjustments

Make separate line entries for varying:

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

Element/Item Number	Description
16. Field ID	The field identification symbol from a sketch map or an aerial photo. Refer to the Narrative.
17. Multi-Crop Code	**PRELIMINARY AND FINAL**: The applicable two-digit code for first crop and second crop. REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRY OF FIRST CROP AND SECOND CROP CODES.
18. Reported Acres	In the event of over-reported acres, handle in accordance with the individual AIP's instructions. In the event of under-reported acres, enter the reported acres to tenths for the field or sub field. If there are no under-reported acres MAKE NO ENTRY.
19. Determined Acres	Refer to the LAM for the definition of acceptable determined acres used herein. Enter the determined acres to tenths for the field or subfield for which consent is given for other use and/or: (1) Abandoned; (2) Put to other use without consent; (3) Damaged by uninsured causes; (4) On which the cotton stalks are destroyed prior to inspection, if applicable; or (5) For which the insured failed to provide acceptable records of production. Refer to the CIH for determined acres of skip-row planted cotton and ELS cotton. Refer to the LAM for procedures regarding when estimated acres are allowed and documentation requirements. **PRELIMINARY AND FINAL**: Determined acres to tenths. Acreage breakdowns WITHIN a unit or field may be estimated (refer to the LAM) if a determination is impractical. ACCOUNT FOR ALL PLANTED ACREAGE IN THE UNIT.

Form Standards – Production Worksheet (Continued)

Element/Item Number	Description
20. 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.
21. Risk	Three-digit code for the correct "Rate Class" specified on the actuarial documents. If a "Rate Class" or "High Risk Area" is not specified on the actuarial documents, make no entry. Verify with the Summary of Coverage and if the Rate Class is found to be incorrect, revise according to the AIP's instructions. Refer to the LAM. Unrated land is uninsurable without a written agreement.
22. Type	Three-digit code number, entered exactly as specified on the actuarial documents, for the type (or variety) grown by the insured. If "No Type Specified" or "No Variety Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If a type (or variety) is not specified on the actuarial documents, MAKE NO ENTRY.
23. Class	Three-digit code number, entered exactly as specified on the actuarial documents for the class grown by the insured. If "No Class Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If a class is not specified on the actuarial documents, MAKE NO ENTRY.
24. Sub-Class	Three-digit code number, entered exactly as specified on the actuarial documents for the sub-class grown by the insured. If "No Sub-Class Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If a sub-class is not specified on the actuarial documents, MAKE NO ENTRY.
25. Intended Use	Three-digit code number, entered exactly as specified on the actuarial documents for the intended use of the crop grown by the insured. If "No Intended Use Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If an intended use is not specified on the actuarial documents, MAKE NO ENTRY.
26. Irr. Practice	Three-digit code number, entered exactly as specified on the actuarial documents for the irrigated practice carried out by the insured. If "No Irrigated Practice Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If an irrigated practice is not specified on the actuarial documents, MAKE NO ENTRY.

Element/Item Number	Description
27. Cropping Practice	Three-digit code number, entered exactly as specified on the actuarial documents for the cropping practice (or practice) carried out by the insured. If "No Cropping Practice or "No Practice Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If a cropping practice (or practice) is not specified on the actuarial documents, MAKE NO ENTRY.
28. Organic Practice	Three-digit code number, entered exactly as specified on the actuarial documents for the organic practice carried out by the insured. If "No Organic Practice Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If an organic practice is not specified on the actuarial documents, MAKE NO ENTRY.
29. Stage	**PRELIMINARY**: MAKE NO ENTRY. **FINAL**: Stage abbreviation as shown below. **STAGE** **EXPLANATION** "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 AIP. "H".....Harvested. "UH".....Unharvested or put to other use with consent. PREVENTED PLANTING: Refer to the Prevented Planting Handbook for proper codes for any eligible prevented planting acreage. GLEANED ACREAGE: Refer to the LAM for information on gleaning.
30. Use of Acreage	Use the following "Intended Use" abbreviations. **USE** **EXPLANATION** "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 can be completed at the time of the stalk inspection, if applicable. "H-Cut Stalks".....Harvested and a claim cannot be completed at the time of the stalk inspection, if applicable. "UH".....Unharvested.

Element/Item Number	Description
30. Use of Acreage (continued)	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." 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 the claim can be completed. PREVENTED PLANTING: Refer to the Prevented Planting Handbook for proper codes for any eligible prevented planting acreage. GLEANED ACREAGE: Refer to the LAM for information on gleaning.
31. Appraised Potential	Per-acre appraisal, in whole pounds, of POTENTIAL production for the acreage appraised as shown on the appraisal worksheet. Refer to Appraisal Worksheet Entries and Completion Procedures in section 8 for additional instructions. If there is no potential on UH acreage enter "0." Refer to paragraph 85 in the LAM for procedures for documenting zero yield appraisals.
32.-33.	MAKE NO ENTRY
34. Production Pre-QA	**PRELIMINARY AND FINAL:** Result of multiplying column 31 times column 19, round result to nearest whole pound. If no entry in column 31, MAKE NO ENTRY.
35. Quality Factor	**FINAL**: (1) **AUP or ELS**: **Mature** UNHARVESTED APPRAISED production may be adjusted for quality when damaged by insured causes, and a price (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 Column "65" of Section II. **AUP ONLY**: Colored lint cotton is **not** eligible for quality adjustment. (2) **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 as shown in Section II item "65."

Element/Item Number	Description
36. Production Post-QA	**PRELIMINARY AND FINAL**: Result of multiplying column 34 times column 35, rounded to the nearest whole pound. If "no entry" in column 35, transfer entry from column 34.
37. Uninsured Causes	**PRELIMINARY AND FINAL:** Result of per acre appraisal for uninsured causes (taken from appraisal worksheet or other documentation) multiplied by column 19, in whole pounds. Refer to the LAM for information on how to determine uninsured cause appraisals. If no uninsured causes, MAKE NO ENTRY. (1) Hail and Fire exclusion NOT in effect. (a) Enter the result of multiplying column 19 entry by NOT LESS than the insured's production guarantee per acre (Refer to production guarantee (per acre) definition in Exhibit 1) for yield protection or for revenue protection, not less than the amount of production that when multiplied by the harvest price equals the revenue protection guarantee, in pounds, for the line, (calculated by multiplying the elected coverage level percentage times the approved APH yield per acre shown on the APH form) for any "P" stage acreage. (b) If applicable, the cotton stalks must not be destroyed until the earlier of an inspection or 15 days after harvest is completed on the unit and a notice of probable loss is given. However, upon written authorization from the AIP to the adjuster, the adjuster can give the insured consent in writing to destroy stalks without a stalk inspection. The AIP can also give written consent to the insured directly. Such authorization should be done on a case-by-case basis with justification, such as widespread loss in the area. Document date of AIP's authorization, your initials and code number, and the reason(s) for the authorization. A copy of the written authorization will be kept in the claim file. (c) On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production. (d) For acreage that is damaged PARTLY by uninsured causes, enter result of multiplying the APPRAISED UNINSURED loss of production per acre in pounds by column 19 entry for any such acreage.

Element/Item Number	Description
37. Uninsured Causes (continued)	Cotton acreage planted with Bt (gene-altered) seed; e.g., Bollgard™, is insurable with no restrictions. Cotton acreage planted in required Bollgard™ "refuge" areas is insurable. However, any loss of production due to insect damage resulting from compliance with "refuge" insect control requirements will be considered an uninsured cause of loss. The difference in production per acre between the Bt-seeded acres and the "refuge"-(non-Bt)-seeded acres due to insect damage will be considered lost due to an uninsured cause. ("Refuge" areas, are the acreage on which the required number of acres are planted with non-Bt cottonseed.) (2) When there is late-planted acreage, the applicable production guarantee for such acreage is the production guarantee per-acre that has been reduced for late-planted acreage, multiplied by column 19 entry. (3) Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire. (4) Enter the result of adding uninsured cause appraisals to hail and fire exclusion appraisals. (5) For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.
38. Total to Count	Result of adding column 36 and column 37.
39. Total	**PRELIMINARY**: MAKE NO ENTRY. **FINAL**: Total determined acres (column 19), to tenths.
40. Quality	**PRELIMINARY AND FINAL**: Check the applicable quality adjustment (QA) condition affecting the unit's production (refer to Table below). Check the condition that applies to the unit's appraised and harvested production (refer to the CP). **QA Condition** Other None (1) If "Other" is checked, document in the Narrative (or on a Special Report) the cause of the QA condition applicable to the unit's production and the result the QA condition has on the cotton. (e.g., cause is drought stress with the result being low micronaire.) (2) Check "None" if QA does not apply to the unit's production.

Element/Item Number	Description
56. Bu., Ton, Lbs., CWT (continued)	**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. (2) 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. (3) 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. (4) 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.) multiplied by the percent of turnout (from the gin) of the last trailer (or module) ginned on the unit = Net Weight (Lbs.) of production. **Example**: 1,800 lbs. (tare weight) X .20 (percent of turnout) = 360 lbs. (5) For harvested unginned cotton in a traditional rectangular module or round bale/module, determine the Net Weight by measuring the traditional rectangular module or round bale/module in feet, to tenths, after receiving approval from the AIP: Traditional rectangular module: 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

Element/Item Number	Description
56. Bu., Ton, Lbs., CWT (continued)	**Example**: 32ft. X 7.5ft. X 5.5ft. = 1,320 X 8.5 factor X 15% turnout = 1,683 lbs. Round bale/module: Pi X radius^2 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 **Example**: 3.14 X 9 ft. (3^2) X 8ft. X 8.5 factor X 25% turnout = 480 lbs. *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. 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. Refer to **Quality Factor** (Section II, column 65) for quality adjustment procedures for items c, d, and e above. Document, on a Special Report, the calculations used to determine the Net Weight of any unginned cotton in items c, d, or e above. Explain the reason requiring their use and the date of approval from the AIP when required. **Quality Adjustment** – Refer to Exhibit 11 for Cotton Quality Adjustment procedures for 64a and 64b column entries.
57.-60b.	MAKE NO ENTRY
61. Adjusted Production	Transfer the entry from column 56, in whole pounds.
62. Prod. Not to Count	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, and there is also harvested production from such acreage or from other sources (e.g., other units or uninsured acreage) in the same module or trailer, or, if applicable, 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.

Form Standards – Production Worksheet (Continued)

PRODUCTION WORKSHEET (EXAMPLE 1: AUP COTTON)

1. Crop/Code #	2. Unit #	3. Location Description	7. Company / Agency	8. Name of Insured
0021	0001-0001 BU	FSN-430	Any Company / Any Agency	I. M. Insured

4. Date(s) of Damage	Jun	Jul 8			
5. Cause(s) of Damage	Drought	Hail			
6. Insured Cause %	85	15			
12. Additional Units	0002-0001BU				
13. Est. Prod. Per Acre	515				

9. Claim #	11. Crop Year
XXXXXXXX	YYYY
10. Policy #	XXXXXXX

14. Date(s) Notice of Loss	1st MM/DD/YYYY	2nd	Final MM/DD/YYYY

15. Companion Policy(s)

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL

16. Field ID	17. Multi-Crop Code	18. Reported Acres	19. Determined Acres	20. Interest or Share	21. Risk	22. Type	23. Class	24. Sub-Class	25. Intended Use	26. Irr. Practice	27. Cropping Practice	28. Organic Practice	29. Stage	30. Use of Acreage
A	NS		9.8	1.000		997					003		H	H
B	NS		10.8	1.000		997					003		UH	UH
E	NS		9.2	1.000		997					003		UH	UH
		39. TOTAL	29.8											

B. POTENTIAL YIELD

31. Field ID	32a. / 32b. Moisture % / Factor	33. Shell %, Factor, or Value	34. Production Pre QA	35. Quality Factor	36. Production Post QA	37. Uninsured Causes	38. Total to Count
A							
B	70		756		756		756
E	19		175	.8666	152		152
42. TOTALS			931		908		908

40. Quality: TW ☐ KD ☐ Aflatoxin ☐ Vomitoxin ☐ Fumonisin ☐ Garlicky ☐ Dark Roast ☐
Sclerotinia ☐ Ergoty ☐ CoFo ☐ Other ☒ None ☐

41. Mycotoxins exceed FDA, State or other health organization maximum limits. Yes ☐

NARRATIVE (*If more space is needed, attach a Special Report*) Field A measured by wheel. Fields B and E acreage using MPCI acreage report. Acreage would measure within 5 percent. QA factor for Field E determined from harvested ginned production from Field A in Section II. Price B = .5600 (85% of Price B = .4760). Quality damage from drought caused decreased fiber strength. See attached Quality Adjustment Worksheet for calculations.

SECTION II – DETERMINED HARVESTED PRODUCTION

43. Date Harvest Completed MM/DD/YYYY	44. Damage similar to other farms in the area?	45. Assignment of Indemnity	46. Transfer of Right to Indemnity?
	Yes [X] No [ ]	Yes [ ] No [X]	Yes [ ] No [X]

A. MEASUREMENTS

47a. Share / 47b. Field ID	48. Multi-Crop Code	49. Length or Diameter	50. Width	51. Depth	52. Deduction
	NS	Farmers Gin, Any Town			

B. GROSS PRODUCTION

53. Net Cubic Feet	54. Conversion Factor	55. Gross Prod.	56. Bu., Ton, Lbs., Cwt.
		426-455	4,190

C. ADJUSTMENTS TO HARVESTED PRODUCTION

57. Shell/ Sugar Factor	58a. / 58b. FM% / Factor	59a. / 59b. Moisture % / Factor	60a. / 60b. Test WT / Factor	61. Adjusted Production	62. Prod. Not to Count	63. Production Pre-QA	64a. / 64b. Value / Mkt. Price	65. Quality Factor	66. Production to Count
				4,190		4,190	.4125 / .4760	.8666	3,631
			67. TOTAL			4,190			

68. Section II Total	3,631
69. Section I Total	908
70. Unit Total	
71. Allocated Prod.	
72. Total APH Prod.	4,539

This form example does not illustrate all required entry items (e.g., signatures, etc.)

Form Standards – Production Worksheet (Continued)

PRODUCTION WORKSHEET (EXAMPLE 2: ELS COTTON)

1. Crop/Code #	2. Unit #	3. Location Description	7. Company / Agency	8. Name of Insured
0022	0002-0001BU	FSN-215	Any Company / Any Agency	I. M. Insured
4. Date(s) of Damage	Apr 2	Jul 30		9. Claim # XXXXXXXX; 11. Crop Year YYYY
5. Cause(s) of Damage	Hail	Hail		10. Policy # XXXXXXX
6. Insured Cause %	90	10		14. Date(s) Notice of Loss: 1st MM/DD/YYYY; 2nd; Final MM/DD/YYYY
12. Additional Units	0003-0001 BU			15. Companion Policy(s)
13. Est. Prod. Per Acre	795			

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL

16. Field ID	17. Multi-Crop Code	18. Reported Acres	19. Determined Acres	20. Interest or Share	21. Risk	22. Type	23. Class	24. Sub-Class	25. Intended Use	26. Irr. Practice	27. Cropping Practice	28. Organic Practice	29. Stage	30. Use of Acreage
A	NS		6.0	1.000		997					002		UH	To Plow
B	NS		10.5	1.000		997					002		H	H
C	NS		90.5	1.000		997					002		H	H
		39. TOTAL	107.0											

B. POTENTIAL YIELD

31. Field ID	32a. Moisture % / 32b. Factor	33. Shell %, Factor, or Value	34. Production Pre QA	35. Quality Factor	36. Production Post QA	37. Uninsured Causes	38. Total to Count
A	14			84	.9304	78		78
B								
C								
			42. TOTALS	84		78		78

40. Quality: TW ☐ KD ☐ Aflatoxin ☐ Vomitoxin ☐ Fumonisin ☐ Garlicky ☐ Dark Roast ☐ Sclerotinia ☐ Ergoty ☐ CoFo ☐ Other ☒ None ☐

41. Mycotoxins exceed FDA, State or other health organization maximum limits. Yes ☐

NARRATIVE (*If more space is needed, attach a Special Report*) No inspection, insured replanted Field B to AUP cotton. May 1, YYYY No inspection, Aug. 15, YYYY

Line 2 Section II ELS Price B = .8125 (85% of Price B = .6906). All fields measured by wheel, see attached Special Report for calculations. See attached Cotton Quality Adjustment Worksheet for calculations. See attached Special Report for AUP factor calculations for Line 1 of Section II. Quality damage due to excess soil water resulting in reduced micronaire.

SECTION II – DETERMINED HARVESTED PRODUCTION

43. Date Harvest Completed MM/DD/YYYY

44. Damage similar to other farms in the area? Yes ☒ No ☐

45. Assignment of Indemnity Yes ☐ No ☒

46. Transfer of Right to Indemnity? Yes ☐ No ☒

A. MEASUREMENTS

47a. Share / 47b. Field ID	48. Multi-Crop Code	49. Length or Diameter	50. Width	51. Depth	52. Deduction
B	NS	Farmers Gin, Any Town			
C	NS	Farmers Gin, Any Town			

B. GROSS PRODUCTION

53. Net Cubic Feet	54. Conversion Factor	55. Gross Prod.	56. Bu., Ton (Lbs., Cwt.)
		810-822	5,890
		901-925	12,038

C. ADJUSTMENTS TO HARVESTED PRODUCTION

57. Shell/ Sugar Factor	58a. FM% / 58b. Factor	59a. Moisture % / 59b. Factor	60a. Test WT / 60b. Factor	61. Adjusted Production	62. Prod. Not to Count	63. Production Pre-QA	64a. Value / 64b. Mkt. Price	65. Quality Factor	66. Production to Count
				5,890		5,890	.5200 / .7977	.6519	3,840
				12,038		12,038	.6425 / .6906	.9304	11,200
			67. TOTAL			17,928	68. Section II Total		15,040
							69. Section I Total		78
							70. Unit Total		15,118
							71. Allocated Prod.		
							72. Total APH Prod.		15,118

This form example does not illustrate all required entry items (e.g., signatures, etc.)

B. Cotton Classification Information (continued)

(4) **Module, Trailer, or Single Bale** (Column 21) – This one digit code indicates whether the sample was outturned as a single bale or from a bale that was module/trailer averaged. Single bale = 0; Module = 1; Trailer = 2.

(5) **Module/Trailer Number** (Columns 22-26) – A five-digit number identifies the module/trailer number assigned at the gin.

(6) **Bales in Module/Trailer** (Columns 27- 28) – A two-digit number that 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) **Official Color Grade** (Columns 32-33) – A number that refers to an official Upland color grade that appears on the classification record. Certain special condition codes listed below are shown in the color grade columns for Upland and Pima. 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.

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

B. Cotton Classification Information (continued)

(8) **Fiber Length** – 32nds (columns 34-35); 100ths (columns (61– 63) – The HVI system measures length in hundreds of an inch. Fiber length (staple length) is reported in both 32nds and 100ths of an inch on the grade card (refer to conversion chart below).

***

American Upland Length Conversion Chart			
Length 32nds	HVI Length Inches	Length 32nds	HVI Length 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 ¼)	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	
Length 32nds	HVI Length (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

(9) **Micronaire** (Columns 36-37) – An airflow instrument is used in the HVI system to measure fiber fineness. The measurements are commonly referred to as micronaire or "mike" readings. Micronaire readings are expressed with or without a decimal (e.g., 3.5 or 35).

C. Upland and ELS Cotton Quality Adjustment Procedure (continued)

Length Uniformity
2010 Upland Cotton

Uniformity	Points
77.4 & below	-100
77.5 - 78.4	-85
78.5 - 79.4	-75
79.5 - 80.4	0
80.5 - 81.4	0
81.5 - 82.4	0
82.5 - 83.4	20
83.5 - 84.4	30
84.5 - 85.4	40
85.5 & above	50

← Used for uniformity differences, Item 13

Extraneous Matter
2010 Upland Cotton

	Level 1	Level 2
	Points of discounts	
Tex-NM-Oklahoma-KS Bark	-245	-455
Prep. All Locations	-100	-675
Other 1/	-375	-710

1/ Bark in locations other than TX/NM/OK/KS. Extraneous matter other than bark and preparation, in all locations.

Used for extraneous matter differences, Item 14

Form Standards – Cotton Quality Adjustment

Use this worksheet to calculate the prices necessary for the quality adjustment of AUP or ELS cotton.

(1) Convert all FSA loan rate values and point differences to cents per pound. For example, micronaire point -220 becomes -.0220.

(2) Attach completed quality adjustment worksheets to the cotton Production Worksheet.

(3) List each bale separately.

Verify and/or make the following entries for each quality adjustment worksheet element/item number. A completed quality adjustment worksheet example is at the end of this exhibit.

Element/Item Number	Description
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	Unit number from the Summary of Coverage after it is verified to be correct.
4. Crop Year	The crop year applicable to the insured crop.
5a. FSA Cotton NALR	Record the applicable FSA Cotton NALR for the applicable crop year, to four decimal places.
5b. Price B	Record the applicable state Price B in accordance with the SP for the applicable crop year, to four decimal places.
6. 85% of Price B	Multiply Price B (Item 5b) by .85 to determine 85% of Price B. Quality adjustment applies if Price A is less than 85% of Price B.
7. Bale Number	Bale number from computer printout, gin record, or bale listing.
8. Net Weight	Net Weight of the bale for the bale number recorded in Column 7.
9. Color/Leaf/Staple/Mike	Record the numeric grades for color and leaf, staple length, and micronaire (mike) from the computer printout, gin record, or bale listing. If a bale listing with FSA Loan Values will be attached to the worksheet, make no entry. Refer to exhibit 11(C)(5)(a).
10. Color/Leaf/Staple +/– Differences	Record the +/- differences (additions or deductions) determined from the appropriate crop year's (Item 4) FSA Premium and Discount schedule for the color, leaf, and staple length recorded on the computer printout or bale listing (gin recap) for the bale number designated in Column 7. If a bale listing with FSA Loan Values will be attached to the worksheet, make no entry. Refer to exhibit 11(C)(5)(a).

Form Standards – Cotton Quality Adjustment (Continued)

11. Micronaire +/– Differences	Record the +/- differences (additions or deductions) determined from the appropriate crop year's (Item 4) FSA Premium and Discount schedule for the Micronaire recorded on the computer printout or bale listing (gin recap) for the bale number designated in Column 7. If a bale listing with FSA Loan Values will be attached to the worksheet, make no entry. Refer to exhibit 11(C)(5)(a).
12. Strength +/– Differences	Record the +/- differences (additions or deductions) determined from the appropriate crop year's (Item 4) FSA Premium and Discount schedule for the Strength recorded on the computer printout or bale listing (gin recap) for the bale number designated in Column 7. If a bale listing with FSA Loan Values will be attached to the worksheet, make no entry. Refer to exhibit 11(C)(5)(a).
13. Uniformity +/– Differences	Record the +/- differences (additions or deductions) determined from the appropriate crop year's (Item 4) FSA Premium and Discount schedule for the Length Uniformity recorded on the computer printout or bale listing (gin recap) for the bale number designated in Column 7. Length uniformity is not a grading factor for ELS cotton so it is not a quality dimension on which ELS cotton will be measured. If a bale listing with FSA Loan Values will be attached to the worksheet, make no entry. Refer to exhibit 11(C)(5)(a).
14. Ex. Matter +/– Differences	Record the +/- differences (additions or deductions) determined from the appropriate crop year's (Item 4) FSA Premium and Discount schedule for the Extraneous Matter recorded on the computer printout or bale listing (gin recap) for the bale number designated in Column 7. If a bale listing with FSA Loan Values will be attached to the worksheet, make no entry. Refer to exhibit 11(C)(5)(a).
15. Price A	Sum the point differences recorded in Columns 10 thru 14 (may be a negative number), and add to the FSA Cotton NALR recorded in Item 5a to determine Price A. If Price A is determined by the AIP to have a negative or zero value based on the FSA Loan Rate, enter ".0000."
16. Factor	Divide Price A in Column 15 by 85% of Price B in Item 6, rounded to four decimal places, to determine the Factor used to reduce the Net Weight of individual bales of cotton shown in Column 8.
Page Numbers	Page numbers – (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

Important: Combine net bale weights quality adjusted by the same factor (and share), then record in Bu., Ton, Lbs., CWT, Column 56 of the Production Worksheet. Transfer Price A to Value (Column 64a) and 85% of Price B to Mkt. Price (Column 64b) of the Production Worksheet. Calculate the Quality Factor (Column 65) or enter the factor from the worksheet.

Note: This example follows the example in Exhibit 11, C(9).

Company Name
FOR ILLUSTRATION PURPOSES ONLY
COTTON QUALITY ADJUSTMENT WORKSHEET

1. Insured's Name	2. Policy Number	3. Unit Number	4. Crop Year
I. M. Insured	XXXXXXX	0001-0001BU	YYYY

5a. FSA Cotton NALR	5b. Price B	Multiplied by:	6. 85% of Price B
.5200	.5520	.85	.4692

7. Bale Number	8. Net Weight	9. Color/Leaf Staple/Mike/	10. Color/Leaf/Staple +/- Differences	11. Micronaire +/-Differences	12. Strength +/- Differences	13. Uniformity +/- Differences (AUP only)	14. Ex. Matter +/- Differences	15. Price A	16. Factor
024	482	51, 6, 30, 33	-.0740	-.0180	.0025	-.0100	-.0100	.4105	.8749