



# COTTON



## COTTON CROP INSURANCE

### Crop Insurance for Growers

Crop insurance, like any insurance product, can be extremely complicated. We take the complexity out, making it clear, concise, and easy for you to understand. Our responsibility is to provide a customer-first approach to risk management by working to protect against the many risks our clients take in an understandable, common-sense manner.

Through our experience in the industry, we understand the risks cotton growers face. We use this knowledge to design all of our support and educational tools with you in mind.

### Important Dates

- Sales Closing Date - February 28th
- Production Reporting - April 14th
- Final Planting - Dates differ by state and county
- Acreage Reporting - July 15th
- Premium Billing Date - August 15th
- Cancel/Termination - February 28th

### Our Commitment to Excellence

With 40 years of industry experience, we take pride in researching and implementing the latest in technology and risk management services for our clients. Through our commitment to excellence, we have become one of the largest crop insurance agencies in the nation. Our specialized agents and customer service staff look forward to working with you to protect your valuable investment. We work hard to keep you growing. Let us show you how!

*Carden & Associates, Incorporated - We keep you growing...*



# COTTON

## Description of Coverage

### Current Crop Year

COVERED PERILS	Adverse Weather Conditions, Fire, Uncontrollable Insects & Disease, Wildlife, Failure of Irrigation Water Supply (due to a covered loss), Earthquake, Volcanic Eruption
COVERAGE PLAN	<p><b>Revenue Protection</b> The revenue guarantee is based on the APH yield. If the projected price for the insured crop is higher by harvest time, the revenue protection increases accordingly, with no additional premium.</p> <p><b>Revenue Protection with Harvest Price Exclusion</b> The revenue guarantee is based on the APH. However, if the harvest price rises above the projected price, the revenue protection does not increase.</p> <p><b>Yield Protection</b> If the farm's actual yield is less than the guaranteed yield, the yield protection payment is equal to the production deficit multiplied by the price election. These bushels can be insured at a price ranging from 55% to 100% of the projected price set by the USDA.</p>
COVERAGE OPTIONS	50, 55, 60, 65, 70, 75, 80 and 85% of your average yield.
LATE & PREVENTED PLANTING	Prevented planting coverage will be 50% of your production guarantee for timely planted acreage.
REPLANT PROVISION	A replant payment is not available for cotton.
UNIT DIVISION	<p><b>Basic Units</b> A basic insurance unit includes all of your cotton acreage in the county in which you have 100% share.</p> <p><b>Optional Units</b> A basic unit may be divided into optional units by Farm Serial Number (FSN).</p> <p><b>Enterprise Unit</b> Includes all cotton in the county in which you have a share. To qualify for an enterprise unit, you must:</p> <ul style="list-style-type: none"> <li>insure under yield or revenue protection; and</li> <li>have at least two FSN, each having less than 20 acres or 20% of the total acreage; or</li> <li>have one FSN with at least 660 planted acres.</li> </ul>

## Loss Example

### Sample County

#### Yield Protection

Loss occurs when pounds of cotton produced on the unit fall below the production guarantee.

#### Revenue Protection

Loss occurs when the value of production to count is less than the revenue protection guarantee in dollars.

### Loss Scenario

- 100 acre cotton farm
- Average 1,200 pounds per acre
- Crop insurance at 70% coverage level
- Projected price \$0.73 per pound
- Harvest price \$0.68 per pound
- Actual production 400 pounds per acre

#### Yield Protection

$$\begin{array}{r} 1,200 \\ \times 0.70 \\ \hline \end{array}$$

$$\begin{array}{r} 840 \\ \times \$0.73 \\ \hline \end{array}$$

$$\begin{array}{r} \$613.20 \\ \hline \end{array}$$

$$\begin{array}{r} 400 \\ \times \$0.73 \\ \hline \end{array}$$

$$\begin{array}{r} \$292.00 \\ \hline \end{array}$$

$$\begin{array}{r} \$613.20 \\ \hline \end{array}$$

$$\begin{array}{r} - \$292.00 \\ \hline \end{array}$$

$$\begin{array}{r} \$321.20 \\ \hline \end{array}$$

$$\begin{array}{r} \times 100 \\ \hline \end{array}$$

$$\begin{array}{r} \$32,120.00 \\ \hline \end{array}$$

$$\begin{array}{r} \text{Pounds/Acre APH Yield} \\ \text{Coverage Level} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Pounds/Acre Guarantee} \\ \text{Projected Price} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Insurance Guarantee} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Pounds Produced} \\ \text{Projected or Harvest Price} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Production to Count Value} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Insurance Guarantee} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Production to Count Value} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Indemnity/Acre} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Acres Planted} \\ \hline \end{array}$$

$$\begin{array}{r} \text{Total Indemnity} \\ \hline \end{array}$$

#### Revenue Protection

$$\begin{array}{r} 1,200 \\ \times 0.70 \\ \hline \end{array}$$

$$\begin{array}{r} 840 \\ \times \$0.73 \\ \hline \end{array}$$

$$\begin{array}{r} \$613.20 \\ \hline \end{array}$$

$$\begin{array}{r} 400 \\ \times \$0.68 \\ \hline \end{array}$$

$$\begin{array}{r} \$272.00 \\ \hline \end{array}$$

$$\begin{array}{r} \$613.20 \\ \hline \end{array}$$

$$\begin{array}{r} - \$292.00 \\ \hline \end{array}$$

$$\begin{array}{r} \$341.20 \\ \hline \end{array}$$

$$\begin{array}{r} \times 100 \\ \hline \end{array}$$

$$\begin{array}{r} \$34,120.00 \\ \hline \end{array}$$

Contact our agents to insure your cotton today!

888.296.7533 | [info@cardeninsurance.com](mailto:info@cardeninsurance.com)

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