

**COMMODITY EXCHANGE ENDORSEMENT - COTTON**

(This is a Continuous Endorsement)

If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Special Provisions; (2) this Commodity Exchange Endorsement; (3) the Crop Provisions; and (4) the Basic Provisions, with (1) controlling (2), etc.

**How this endorsement affects your coverage:**

- (I) This endorsement is attached to and made a part of your Crop Revenue Coverage (CRC) Cotton crop policy provisions and actuarial documents, subject to the terms and conditions described herein.
- (II) This endorsement specifies how, where, and when commodity prices for your CRC Cotton policy are determined.
- (III) This endorsement defines a **full active trading day** is any day on which there are fifty (50) or more open interest contracts for the appropriate commodity contract specified in the Base Price or Harvest Price definition.
- (IV) This endorsement defines the **Average Daily Settlement Price**, used in the Base Price and Harvest Price, as the sum of all daily settlement prices (established on full active trading days) for the appropriate commodity contract, during the time period specified in the applicable Base Price or Harvest Price definition, then dividing that sum by the total number of full active trading days included in the sum. The average must include at least fifteen (15) days and each day included in the average must be a full active trading day for the contract specified in the applicable Base Price or Harvest Price definition. If there are less than fifteen (15) full active trading days for this commodity contract, during the appropriate month, then as many additional daily settlement prices as necessary, established on full active trading days, for the contract immediately prior to the appropriate commodity contract, during the month specified in the applicable Base Price or Harvest Price definition, will be used until there are fifteen (15) prices from fifteen (15) full active trading days included in the average. If fifteen (15) prices from fifteen (15) full active trading days are not found using either the appropriate commodity contract or the contract immediately prior to the appropriate commodity contract specified in the applicable Base Price definition during the applicable Base Price discovery period, no coverage will be available for that crop or type in the area specified in the applicable Base Price definition. Notice will be provided on the Risk Management Agency website at [www.act.fci.usda.gov](http://www.act.fci.usda.gov) by the date specified in the Base Price definition that such price would have been released. If CRC coverage is not available for the crop year, you may obtain coverage under another plan of insurance available for the crop by making application by the applicable Sales Closing Date. If fifteen (15) prices from fifteen (15) full active trading days are not found using the contract specified in the applicable Harvest Price definition during the applicable Harvest Price discovery period, the Harvest Price will be the Base Price.
- (V) This endorsement defines the Base Price and Harvest Price as shown in Section 1 of the Crop Revenue Coverage Basic Provisions as follows:

**Cotton - New York Cotton Exchange (NYCE) - Counties with a February 28 or March 15 Cancellation Date:**

**Base Price (NYCE)** - The January 15 to February 14 harvest year's average daily settlement price for the harvest year's NYCE December cotton futures contract rounded to the nearest whole cent. The Base Price will be released as an actuarial document addendum by February 24 of the harvest year.

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

**Cotton - NYCE - Counties with a January 31 Cancellation Date:**

**Base Price (NYCE)** - The December 15 of the pre-harvest year to January 14 of the harvest year's average daily settlement price for the harvest year's NYCE October cotton futures contract rounded to the nearest whole cent. The Base Price will be released as an actuarial document addendum by January 24 of the harvest year.

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

**All other terms and conditions of the Policy remain unchanged**