



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Services

Risk  
Management  
Agency

Beacon Facility -  
Mail Stop 0801  
P.O. Box 419205  
Kansas City, MO  
64141-6205

October 28, 2014

**INFORMATIONAL MEMORANDUM: PM-14-050**

**TO:** All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

**FROM:** Tim B. Witt /s/Rodger M. Matthews, for.  
Deputy Administrator

**SUBJECT:** 2015 Crop Year Cotton Futures Contract Change for South Texas  
Counties Covered by the January 31 Sales Closing Date

**BACKGROUND:**

The Risk Management Agency's (RMA) *Commodity Exchange Price Provisions (CEPP)* – *Section II Cotton* document provides definitions, methodologies and specifications for determining projected and harvest prices for our cotton crop insurance programs. The specifications include the commodity exchange, futures contracts and price discovery periods that are to be used to determine the prices. These are listed by sales closing date.

Presently, the InterContinentalExchange (ICE) October cotton contract is assigned for South Texas counties covered by the January 31 sales closing date.

After internal review and consultations with growers and trade sources, RMA concluded the ICE December cotton contract better aligns with the marketing practices of most South Texas cotton growers and merchants. In addition, the December cotton contract is better able to fulfill RMA's open interest requirements when determining sufficient daily settlement trading activity.

Accordingly, the ICE December cotton contract will now be used to determine projected and harvest prices for South Texas counties covered by the January 31 sales closing date. This change will be effective for the 2015 crop year.

**DISPOSAL DATE:**

December 31, 2014