



**United States
Department of
Agriculture**

May 3, 2016

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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

INFORMATIONAL MEMORANDUM: PM-16-024

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

FROM: Thomas W. Worth /s/Thomas W. Worth
Acting Deputy Administrator

SUBJECT: 2016 Price B for Cotton Quality Adjustment

BACKGROUND:

Consistent with the Special Provisions statement in lieu of section 10(d)(1) of the Upland and ELS Cotton Crop Provisions, Price B will be established by adding premiums or discounts associated with the predominant cotton quality characteristics as determined by the Farm Service Agency (FSA) to the Upland and ELS Cotton National Average Loan Rate. The predominant quality characteristics of cotton in each state are determined from the most recent three years of Agricultural Marketing Service cotton classing data.

ACTION:

Approved Insurance Providers must use the applicable Price B for quality adjustment purposes from the attached Upland and ELS Cotton Quality tables for the 2016 crop year.

DISPOSAL DATE:

December 31, 2016

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2016 Upland Cotton Price B by State

State AL	Color	Leaf	Staple	Strength	Uniformity	Mike	Extraneous Matter	2016 Upland Cotton NALR	Price B
	31	3	36	28	82	4.8	None		
	0.0395			+ 0.0000	+ 0.0005	+ 0	+ 0	+ \$0.52	= \$0.5600
State AZ	Color	Leaf	Staple	Strength	Uniformity	Mike	Extraneous Matter	2016 Upland Cotton NALR	Price B
	11 & 21	1-2	36	30	81	4.7	None		
	0.0490			+ 0.0025	+ 0	+ 0	+ 0	+ \$0.52	= \$0.5715
State AR	Color	Leaf	Staple	Strength	Uniformity	Mike	Extraneous Matter	2016 Upland Cotton NALR	Price B
	41	4	37	32	82	4.7	None		
	0.0220			+ 0.0040	+ 0.0005	+ 0	+ 0	+ \$0.52	= \$0.5465
State CA	Color	Leaf	Staple	Strength	Uniformity	Mike	Extraneous Matter	2016 Upland Cotton NALR	Price B
	11 & 21	1-2	37	34	82	4.3	None		
	0.0525			+ 0.0045	+ 0.0005	+ 0	+ 0	+ \$0.52	= \$0.5775
State FL	Color	Leaf	Staple	Strength	Uniformity	Mike	Extraneous Matter	2016 Upland Cotton NALR	Price B
	31	3	36	29	82	4.8	None		
	0.0395			+ 0.0005	+ 0.0005	+ 0	+ 0	+ \$0.52	= \$0.5605
State GA	Color	Leaf	Staple	Strength	Uniformity	Mike	Extraneous Matter	2016 Upland Cotton NALR	Price B
	31	3	36	28	82	4.7	None		
	0.0395			+ 0.0000	+ 0.0005	+ 0	+ 0	+ \$0.52	= \$0.5600
State KS	Color	Leaf	Staple	Strength	Uniformity	Mike	Extraneous Matter	2016 Upland Cotton NALR	Price B
	31	4	35	29	80	4.2	None		
	0.0175			+ 0.0005	+ 0	+ 0.0015	+ 0	+ \$0.52	= \$0.5395

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2016 Upland Cotton Price B by State

State LA	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter	2016 Upland Cotton NALR		Price B
	41	4	36		30		82		4.9		None			
	0.0210				+ 0.0025		+ 0.0005		+ 0		+ 0		+ \$0.52	=
State MS	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter	2016 Upland Cotton NALR		Price B
	41	4	37		31		82		4.8		None			
	0.0220				+ 0.0040		+ 0.0005		+ 0		+ 0		+ \$0.52	=
State MO	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter	2016 Upland Cotton NALR		Price B
	41	4	36		31		82		4.8		None			
	0.0210				+ 0.0040		+ 0.0005		+ 0		+ 0		+ \$0.52	=
State NM	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter	2016 Upland Cotton NALR		Price B
	11 & 21	1-2	37		30		81		4.4		None			
	0.0525				+ 0.0025		+ 0		+ 0		+ 0		+ \$0.52	=
State NC	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter	2016 Upland Cotton NALR		Price B
	41	4	36		29		82		4.6		None			
	0.0210				+ 0.0005		+ 0.0005		+ 0		+ 0		+ \$0.52	=
State OK	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter	2016 Upland Cotton NALR		Price B
	11 & 21	1-2	35		31		81		4.4		None			
	0.0375				+ 0.0040		+ 0		+ 0		+ 0		+ \$0.52	=
State SC	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter	2016 Upland Cotton NALR		Price B
	41	4	36		30		82		4.6		None			
	0.0210				+ 0.0025		+ 0.0005		+ 0		+ 0		+ \$0.52	=

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2016 Upland Cotton Price B by State

State TN	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter		2016 Upland Cotton NALR		Price B
	31	3	36		30		82		4.9		None				
	0.0395				+ 0.0025		+ 0.0005		+ 0		+ 0		+ \$0.52	=	\$0.5625
State TX	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter		2016 Upland Cotton NALR		Price B
	11 & 21	1-2	35		30		81		4.4		None				
	0.0375				+ 0.0025		+ 0		+ 0		+ 0		+ \$0.52	=	\$0.5600
State VA	Color	Leaf	Staple		Strength		Uniformity		Mike		Extraneous Matter		2016 Upland Cotton NALR		Price B
	41	4	36		30		82		4.5		None				
	0.0210				+ 0.0025		+ 0.0005		+ 0		+ 0		+ \$0.52	=	\$0.5440

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2016 ELS Cotton Price B by State

State AZ	Color Grade	Leaf	Staple		Strength		Mike		Extraneous Matter		Price B	2016 ELS Cotton NALR
	02	2	48 & Longer		42		3.9		None			
	0.8125			+	0	+	0	+	0	=	\$0.8125	\$0.7977
State CA	Color Grade	Leaf	Staple		Strength		Mike		Extraneous Matter		Price B	2016 ELS Cotton NALR
	01	2	48 & Longer		45 & Above		4.0		None			
	0.8150			+	0	+	0	+	0	=	\$0.8150	\$0.7977
State NM	Grade Color	Leaf	Staple		Strength		Mike		Extraneous Matter		Price B	2016 ELS Cotton NALR
	02	2	48 & Longer		41		4.3		None			
	0.8125			+	0	+	0	+	0	=	\$0.8125	\$0.7977
State TX	Color Grade	Leaf	Staple		Strength		Mike		Extraneous Matter		Price B	2016 ELS Cotton NALR
	02	2	48 & Longer		42		4.3		None			
	0.8125			+	0	+	0	+	0	=	\$0.8125	\$0.7977