of pressure for some other form of financial assistance.

Comment: One comment received from members of the House of Representatives of the United States Congress stated that most of West Texas has been given a large multiperil rate increase on cotton that producers simply cannot afford. They have been informed that some counties have suffered as much as a 20 percent rate increase for 1996. They stated that the provisions suggest that the primary benefits account for a 6–7 percent rate increase even if the secondary coverage is rejected. The impact analysis estimates the majority of producers will decline the coverage for the alternate crop, opting instead for a reduced premium on the intended crop. They stated that the prevented planting benefits appear to account for at least 13 percent of the 20 percent rate increase. They feel the prevented planting provisions should be modified to allow producers to reject all prevented planting coverage in return for an additional reduction in premium in the amount of the 6–7 percent FCIC claims the primary coverage for prevented planting is worth. They stated that producers cannot afford a premium increase to pay for prevented planting coverage they do not need. In 1995, West Texas experienced a rate increase that was largely absorbed by a 30–42.5 percent increase in subsidy payments. The 1996 rate increase will be borne by producers alone. This increase is an unnecessary burden on the agricultural community.

Response: The rate increase not associated with the 1996 prevented planting program change is necessary to make the cotton crop insurance program actuarially sound. Primary prevented planting benefits account for only 0.2 percent to 0.4 percentage points of premium rate. Therefore, growers opting out of the primary prevented planting coverage would receive a very small credit. FCIC believes that basic prevented planting coverage should remain an integral part of the policy to ensure growers are covered in the event that prevented planting occurs (also see response to comment above).

Comment: Seven comments received from the crop insurance industry and one comment received from FSA recommended amending the definition of prevented planting because: (1) The definition includes reference to ''most producers in the surrounding area'' and the term ''most'' is not defined. As a result there is no way to apply the definition to any particular policyholder when there is a dispute over whether or not planting was actually prevented; (2) The day after the final planting date, a producer could plant a substitute crop and receive a prevented planting benefit; and (3) The provisions must require prevented planting conditions to have to exist through the whole late planting period before any prevented planting payment is due because: (a) Prevented planting should never have been allowed for producers who quit planting by the final planting date and made no effort to plant within the late planting period; (b) allowing the producer to declare prevented planting on the day after the final planting date defeats the purpose of the late planting provision and submits the program to unwarranted risk; (c) the producer may not plant an alternative crop or enter into 0/92 until after the late planting period has expired for the original crop and still collect a prevented planting payment (with the obvious requirement that weather conditions continue to prevent planting in the late planting period); (d) the prevented planting payment payable when an alternative crop is planted must be reduced from that level available if no alternative crop is planted; (e) in no circumstance could the producer switch to an alternative crop prior to the end of the late planting period and still collect a prevented planting payment (they would be free to plant whatever crop they wanted at any time, they just should not expect to collect a prevented planting payment on the original crop if they do not go through the late planting period of the original crop); and (f) moral hazards and abuse are created when producers are allowed to collect a substitute crop immediately after the final planting date. In most cases producers will plant the crop into the late planting period as a normal practice, but now we have created a disincentive to do so.

Response: FCIC agrees that a more definitive term than ''most'' should be used and has replaced it with the term ''majority'' to reflect that more than 50 percent of the producers must have been prevented from planting.

This definition was designed to accommodate extremely varied production areas and farming practices; including those in which growers do not plant after the final planting date and those in which growers often do plant a crop within the late planting period. Some farming areas have relatively short growing seasons which make the prospect of a successful crop doubtful if planted much beyond the final planting date. Other areas have much longer growing seasons and often allow a successful crop to be grown even if planted after the final planting date. In both long and short growing areas, some farming practices, such as the production of silage, allow a grower to plant after the final planting date and still produce an acceptable crop. Changing the definition to require that prevented planting conditions must have existed through the end of the late planting period before any prevented planting coverage would be provided would not accommodate growers who normally do not plant after the final planting date.

FCIC agrees producers should be encouraged to plant their initially intended crop after the final planting date when it is practical to do so. Therefore, FCIC has amended these regulations to specify that prevented planting coverage will not be provided when a producer, prevented from planting the initially intended crop, plants a substitute crop within ten days after the final planting date for the initially intended crop.

Comment: One comment received from the crop insurance industry suggested that FCIC's actuaries re-evaluate: (1) When the late planting period should start (i.e., final planting date); (2) whether the late planting period should be shortened; and (3) whether or not eligibility for a prevented planting payment should trigger at the time that shortened period is exhausted.

Response: These evaluations are on-going. FCIC requests that any person who has data affecting these matters make it available for consideration.

Comment: One comment received from a commodity group stated that they oppose the lower percentage level of insurance guarantee proposed for prevented planted cotton compared to other commodities. They contend the criteria that should be used to determine coverage for prevented planting should be applied consistently among commodities.

Response: Data used by FCIC to determine prevented planting benefits indicated cotton producers incur a larger percentage of total production costs after planting than do producers of corn and other grain crops. Additional post-plant costs incurred by cotton producers include those for pest control and the costs associated with the ginning and handling of cotton. Therefore, no change will be made. FCIC is willing to work with producer groups and other interested parties to review existing data to revise levels of benefits when analyses indicate it is necessary.

Comment: One comment received from the crop insurance industry recommended increasing the standard