



2024 BEST PRACTICES COTTON GINS

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NATIONAL COTTON GINNERS ASSOCIATION

Cotton Gin Insurance Best in Class Questionnaire

The best way to address the cotton insurance issues is by attracting more insurance companies toward wanting to write the accounts for cotton gins. For this to occur, the insurance companies that still write gin coverage must be profitable over the next few years.

Gins must do everything possible to avoid large claims. The way to do this is to have better controls in place to become a best-in-class risk. The questions below have been developed to assist gins in determining whether their gin is implementing programs and processes that insurance companies consider to be best management practices.

Fire Detection and Suppression

- Do you have a spark detection system, such as Argus?
- If so, how many zones do you have? How many detectors do you have?
- Do you have adequate fire extinguishers?
- Does the responding fire department maintain your facility's current fire emergency plan?
- What is the distance to the nearest water supply?

Gin Safety

- Does the gin participate in the Ginners Association Safety Programs?
- How many years have you gone with No Lost Time accidents?
- Do you have a mandatory "NO SMOKING" policy in place?

Module Yard and Gin Premises

- Do you monitor the module yard 24/7 during the season?
- Do you maintain at least 100 feet of clear space between each module yard and from all buildings?
- Do you maintain at least 400 feet of clear space between a module yard and the burr stacker?
- What is the distance between your gin building and your bulk burr storage?

Cottonseed Storage

- Do you store fuzzy cottonseed in a warehouse?
- How do you monitor cottonseed temperatures?
- Is your aeration system properly designed and sized?
- How do you monitor the moisture?
- Do you maintain a daily record of those readings?

Electrical

- What is the age of the electrical distribution system and/or the year of the most recent upgrade?
- What date was the electrical distribution system last inspected by a qualified licensed electrician?
- Is there a surge protector installed for the distribution system?
- Are annual infrared/thermographic scans of the electrical system performed?

Motes

- Are mote bales stored on-site?
- Are mote bales stored inside a warehouse?
- If mote bales are stored outside, do you store them at least 100 feet from any building?

Bale Presses

- What is the age of your bale press?
- How many bales per hour is your bale press rated?
- How many bale cycles (bales produced) since the installation of your bale press?
- For bale presses that have exceeded 400,000 or more cotton bales, have new strain rods been installed?
- Is there a 5-year inspection program for the bale press carried out by the original manufacturer or its authorized representative?
- Have you performed an annual hydraulic fluid analysis?

Bale Storage

- Do you store cotton bales inside of a warehouse?
- If so, are all warehouses separated by at least 100ft of clear space?
- Do the baled cotton warehouses have sprinkler systems, with alarms that meet National Fire Protection Association (NFPA) standards?
- Do the baled cotton warehouses' fire walls and fire doors meet NFPA specifications?

Employees and Vehicles

- Do you use any H2-A employees? If so, are they allowed to drive company vehicles?
- Do you check motor vehicle records of all employees who drive company vehicles and trucks? Moreover, if a driver incurs major violations in his or her driving record, do you still allow that individual to drive?
- Do you have a formalized fleet safety program?
- Do you have formal hiring and training procedures in place for your module truck drivers, bale truck drivers, and/or seed truck drivers?
- If so, do your formal hiring and training procedures include drug testing pre-hire, random, and post-accident for these individual drivers?
- Do you have a vehicle maintenance program in place?
- If so, do you keep safety, service, and repair files in each of your trucks?
- Is vehicle maintenance performed in-house or offsite at a licensed truck repair shop?

Contract Trucking/Hauling

- Are contracts in place with vendors/3rd party? Example: Contract trucking companies while on the premises?
- If so, what are the insurance limits that you require that they must carry?
- Does your contract include a "hold harmless" agreement?
- Does your contract state that you will be named as an additional insured on their policy?
- Do you have a requirement in place that states that, "All truck drivers must always remain in their vehicles?"

NATIONAL COTTON GINNERS ASSOCIATION
Best Practices for Processing Suspect Fire Bales
At Cotton Gins and Cotton Warehouses

There is a necessity for a fire prevention policy between cotton gins and cotton warehouses to minimize the risk of fire hazards in the storing and shipping of lint. These practices should be used when detecting and handling suspect fire bales: where a visible flame was present in the gin, a detection device alerted a risk and was verified by gin staff, an odor of fire was present, or any other flame risk where ignition could be possible is found. These practices are recommended by the Council as a minimum standard when working with insurance companies.

Gin practices for processing suspect fire bales:

- Gin should isolate suspect fire bales from other bales by placing the suspect fire bales in a monitoring location as selected by gin management.
- Gin should isolate a minimum of **two additional** bales before and after the suspect fire bale for a total of five bales including the suspect fire bale, or more bales as determined by gin management.
- Gin should notify warehouse management of any prior cotton loads delivered or in transit associated with the suspect fire bales as determined by gin management.
- Gin should retain suspect fire bales and additional bales for a minimum of **five** days from the date of suspected detection at the gin premise or longer as determined by gin management.

Gin practices for the delivery of suspect fire bales after the monitoring period:

- Gin should clearly mark the bales as suspect fire bales with approved marking materials as provided by the warehouse. Suspected fire bales should be clearly marked with adhesive tags or tape on both sides of each bale. No markings may be added to the exterior of the bale that cannot be removed without risk of damage to the bagging material.
- Gin should identify suspect bales on the appropriate reporting to the warehouse staff.
- Gin agrees that delivery of suspect fire bales is limited to daytime shifts of warehouse operation hours.
- Gin staff should load suspect fire bales to the back of the truck when shipping to aid warehouse staff in identifying suspected fire bales in a mixed load.

Warehouse practices for processing suspect fire bales:

- Warehouse staff should isolate the suspect fire bales on arrival at a designated area.
- Warehouse staff should receive, record the location, and issue warehouse receipts at the warehouse's discretion for the suspected fire bales.
- Warehouse staff should conduct **daily** monitoring of the suspect fire bales and return the bales to inventory after a monitoring period is completed as determined by warehouse management.
- Warehouse staff should remove markings or adhesive tags designating suspect fire bales after the monitoring period is complete.

Gin and Warehouse should each agree to practice and implement these procedures for suspect fire bales and notify each other of any alterations or deviations to agreed-upon practices regarding suspect fire bales before implementing any new practices.

FIRE PACK OR HOT BALES



GIN STOCK FLOATER COVERAGE

Know Your Coverage and Determine Your Limits Needs

- Seed cotton storage yard(s) On the Gin Premises and Approved Off Gin Premises yard(s).
- Baled cotton stored On the Gin Premises.
- Cotton seed storage On the Gin Premises. Coverage is restricted to an overhead storage building, trailer, or van and not exceeds 400 tons in any one storage facility.
- Inbound and Outbound transit on any one trailer, van, truck or conveyance and outbound transit to the first destination within 300 miles.
- Bagging and ties, netting and tarps on the gin premises.
- Personal property of the insured consisting of Fire Fighting Equipment Only.
- Total Aggregate/Policy Limit of Liability for any one loss or series of losses arising from one event or occurrence.
- The policy includes \$45.00/Bale/Ginning Income with \$50,000 Aggregate
- Farm Premises Seed Cotton Storage Yard on each and every farm location based on FSA 578 (Farm Service Agency) Farm Summary per unique Farm and Track Number.
- NO Coverage for Harvesting Equipment Baskets of any description

Know Your and Storage Warranties

STORAGE WARRANTIES:

1. **Gin Premises Seed Cotton Storage Yards Warranty.** This warranty applies to all locations listed on the declarations, supplemental declarations or specific endorsement Storage at other non-listed locations.

It is agreed that any Gin Premises Seed Cotton Storage Yard(s) shall cause all yards in violation with respect to clear space to be considered one yard for the purpose of determining Limit of Liability; Limit shall not exceed **\$ LIMIT SHOWN IN POLICY** or endorsed Limit of Liability.

- a) Seed cotton on Gin Premises Yard(s) and or “Approved Off Gin Premises Yard(s)” shall be stored in a manner that:

Each yard shall be located with no less than 100 feet clear space from:

- (1) any other Seed Cotton Storage Yard;
- (2) any baled cotton storage facility;
- (3) any quarantined cotton;
- (4) any burr and/or trash pile; and
- (5) any other property in the open.
- (6) Each yard shall be located with no less than 40 feet clear space from any building or structure except as provided for in paragraph (a) (2) above

2. **Farm Premises Seed Cotton Storage Warranty.**

It is agreed that any Farm Premises Seed Cotton Storage Yard(s) shall cause all yards in violation with respect to clear space to be considered one yard for the purpose of determining Limit of Liability; limit shall not exceed **\$ LIMIT SHOWN IN POLICY**

Seed cotton stored on **Farm Premises Seed Cotton Storage Yard(s)** on each and every farm location shall be stored as follows:

- (a) Farm Premises Storage Yard(s)

No more than **\$ LIMIT SHOWN IN POLICY** of seed cotton “Modules” shall be stored in any Farm Premises Storage Yard and each Yard will be separated by a clear space of 100 feet from the nearest other yard.

Communicate With Your Farmers/Producers Clearly Their Yard Limits and Spacing Requirements

Example:

Gin Company LLC
PUBLIC GINNING
123 Address
P.O. BOX 1111
CITY, ST ZIP

Phone (XXX) XXX-XXXX

MEMORANDUM

TO: **GIN CUSTOMERS/FARMERS/PRODUCERS - PLEASE NOTICE CAREFULLY, SIGN ONE COPY AND RETURN.**

RE: **ON-FARM COTTON INSURANCE (COVERAGE PER FSA FARM NUMBER) AND ON GIN YARD INSURANCE.**

DATE: **August 1st, 20XX**

Enclosed is our usual summary of insurance coverage that we carry. We have attempted to provide the very best insurance coverage possible for your cotton; however, **we assume no liability or responsibility for damage or loss to cotton that is beyond the terms of our insurance policy.** This fire protection is discussed below. Please take special note of the deductibles that apply. The deductible is the cost to the Grower/Farmer/Producer.

We now carry coverage for windstorm damage whether your cotton is in the field or on the gin premises/yard. There is a \$5,000.00 deductible per occurrence. If you can obtain additional private coverage, we encourage you to do so.

Water damage has been a big issue, and we certainly hope that will not become an issue this year. **Please understand that there is no coverage whatsoever for water damage of any kind, no matter what the source.** We have no insurance companies that will provide any insurance of any type that covers water damage - whether the damage be caused by rain, rising water, defective tarps, etc. The most important thing we can do is tarp the cotton down securely with traditional modules. Be sure that the tarps that you place on the cotton do not have holes or worn places and instruct your employees on how to secure the tarps. Make sure every tarp has either been reconditioned or is new this year. It is your responsibility to ensure that each tarp you put on your modules is in good shape with no rips or tears in it. Because the tarps are used by many customers, they can be damaged. We do our best to isolate damaged tarps at the gin and segregate them for repair at the end of the season. Nevertheless, occasionally, damaged tarps are going to be recycled, tarps may be damaged in transit to your farm, or they may be damaged while being placed on the module. **Please do everything you can to ensure that the tarps on your traditional modules are in good shape.**

PLEASE INSTRUCT YOUR MEN NOT TO TIE THE STRAPS. BUCKLE THEM TIGHT AND THEY WILL HOLD.

In order to prevent any misconceptions, we are giving you a full explanation of the coverage we have in effect. Due to the increased picking capacity that many of us have acquired, it is obvious that we are accumulating more Round Modules in the field than we have in the past and this leads to more exposure for all of us, especially with vandalism running at an all-time high in the area.

We do not have insurance coverage on cotton in your picker basket/harvesting equipment until the module is finished and ready for us to pick up. Also, the **minimum deductible is \$5,000**, and our insurance company would exclude any cotton in the Accumulator or basket. We have no control over this cotton; therefore, it is not our responsibility.

FIRE COVERAGE

Traditional or Round Modules are a different situation. Our biggest concern is about the possibility of a catastrophic fire that might consume several modules while the modules are waiting to be picked up in your field. Therefore, we have fire insurance, which will ensure your modules once they are built and staged on your farm, awaiting pickup by our trucks. This insurance will provide coverage to Traditional or Round modules that are in the field **so long as no single grouping of modules exceeds [\$ Field limit] in value**. In order for a group of modules to be eligible for this **[\$ Field limit]** in coverage, the **[\$ Field limit]** worth of modules must be staged at least 100 feet away from any other grouping of modules. **Please understand that the value of the grouping of modules cannot exceed [\$ Field limit] (no matter how many make up the [\$ Field limit]).**

THE INSURANCE DEDUCTIBLE FOR THIS COVERAGE IS \$5,000 PER OCCURRENCE.

Some Growers/Farmers/Producers carry farm transportation floaters, which have a limit of \$10,000 per loss. This coverage is designed to supplement your coverage in the event of a catastrophic loss, not replace your transportation floater. Please understand your transportation floater is primary, and the coverage is in excess of your transportation floater coverage.

Please remember that the best way to prevent a catastrophic loss of modules is to stage your grouping of traditional or round modules and at least 100 feet between each grouping. This will greatly cut down on the chances that a fire can jump from one module grouping to another - or even from one module to another - and it will afford you coverage, per grouping, subject to the deductible. **Please understand that if you violate the 100-foot rule, you are limited to one (1) grouping** in coverage per violation.

NOTIFICATION

We must be notified immediately in the event of a claim.

I understand the coverage as outlined above:

Signature and Date

GIN STOCK FLOATER STAGING AND **FIRE** PROTOCOL

HAVE WRITTEN FIRE PROTOCOLS MAKE ALL EMPLOYEES KNOW WHAT TO DO.

ON THE GIN PREMISES

Know your **GROUPING LIMIT** then stage your Traditional or Round Modules Yards accordingly:

1. Stage your Modules properly whether they are Traditional or Round Modules. Use Flagging or barrels to mark off your yards ahead of Ginning Time. Have a Plan for your module layout that suits the Gin's needs.
2. Lay your yard out on the Gin Premises with a 100-foot separation between each yard. Please keep clear spaces between Module yards on the premises 100 feet from Gin Building, Seed House, and Trash/burr Pile.
3. Pick a high, preferably flat, smooth, well-draining area so that the modules are easily accessible, stay dry with little or no wicking due to standing water, and the Module Trucks can access them.
4. Do the same for your Off-Gin Premises Approved/Gin Controlled Module Yards with the 100-foot separation between each yard.
5. If possible, have water trucks at Approved Off Gin Premises locations.
6. Have a designated area to isolate hot bales and modules so that in the event they flame up, no other modules or property are at risk.
7. Have one employee responsible for the On-Premises yards watching for hot modules, using other equipment to detect hot modules, or using his sense of smell. They should be responsible for staging the modules according to the Gin's Plan. If a hot module is found, Gin it if possible or move it to your isolation area for hot bales or modules.
8. Round Modules – Staging of round modules for transport in conventional module trucks should be done in sets of four with a gap of six (6) to eight (8) inches should be placed between each Round Module to prevent damage to the wrap when loading; not doing can cause plastic contamination. Also, stacking is allowed, but you will need a logical pattern for this practice, and it requires approval from insurance underwriters.

IN THE EVENT OF A **FIRE Call the Fire Department immediately**

If you have an On-Premises yard fire, have a Plan. Move all equipment and workers upwind and away from other modules. If you have Traditional or Round modules, create a break to separate the good modules from the smoking modules and move them upwind and at least 80' to 100' feet away from the hot modules or smoking modules and isolate these good modules from any other groupings as they have been exposed to fire or may be hot as well. Remember cotton can **burn at temperatures up to 2000 degrees. DO NOT TRY TO MOVE THE SMOKING, SMOKE-SMELLING MODULES!** If you attempt to move these modules, you will only give the hot and smoking module air or oxygen it needs to break out and become a fire. You could burn your equipment and/or, worse, injure the operator of the equipment very badly. **THIS FIRE IS DANGEROUS.** If the Fire Department gets there, share your plan, and try to have them briefed before or prior to the start of the Ginning season.

Fighting an On-Gin Premises Module Yard Fire is dangerous: (Have a Plan!)

1. If possible, try to stage your efforts upwind of the fire. The fire will be very smoky and very hot, and upwind will give you the needed help.
2. DO NOT spray the Modules on fire or smoke directly with high-pressure water streams, as this will only blow the fire off the modules and may cause it to spread to other modules or equipment, thereby creating a larger fire. Ask the Fire Department to Open the Nozzles on the fire hose and spray over the module so the water falls like rain on the module on fire. This will prevent the fire from blowing to other modules and will effectively control and contain the fire. Be mindful of the trap. It is plastic and melts using a high-pressure stream that can blow the burning plastic off the module and onto other surfaces.
3. Start moving the good modules in the next yard that may be downwind of the fire away to another location upwind of the fire. If the wind is too high, try to keep light water on the good yard to prevent it from catching fire.
4. Realize that the idea is to control the fire not put it out all the way. If the fire has fully evolved, you will unlikely put it out, especially if you have winds to contend with. Protect people and property first and try to control the burn. There will never be any salvage on seed cotton modules so take that idea out of your mind and control the fire from spreading to other yards.
5. Once the fire is controlled, you will need to bury what is left. During this process, be mindful of flare-ups and have water handy.

This is an idea of what a fully evolved yard fire looks like:

What Ginners
do not want to
see at the Gin



BEFORE A FIRE: Include your local Fire Department, have them out for a visit, and discuss your Fire Protocols.

GIN STOCK FLOATER STAGING, FIRE PROTOCOL in the FIELD/ FARM

Farmers know your **GROUPING LIMIT**, then stage your modules accordingly:

1. Stage your Traditional or Round Modules properly.
2. Pick a high, preferably flat, smooth, well-draining area in the field so that the modules are easily accessible, stay dry with little or no wicking due to standing water, and the Module Trucks can access the modules even after rain.
3. Traditional Modules—Build a well-formed module that will help resist moisture collection and/or penetration as well as potential loss from wind.
4. Trap the Module—The cover should be pulled as low as possible on the module on both ends. Lower attachment points will help avoid standing water on the surface and make the cover less susceptible to wind damage or removal. When tightening the cover onto the module, pull the snug; do not tie hard knots in the belt or rope. If using tie-downs on the side of the cover, use module twine, not plastic or baler twine.
5. Round Modules—Avoid placing the module on cotton stalks, as the movement of the modules on the stalks can puncture the plastic wrap. Round modules should be staged for transport in conventional module trucks in sets of four. A gap of six (6) to eight (8) inches should be placed between round modules to prevent damage to the wrap when loading; not doing this can cause plastic contamination.

IN THE EVENT OF A FIRE: Call the Gin immediately

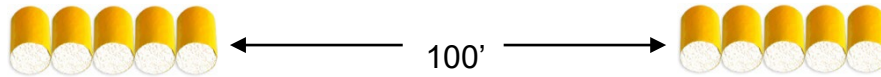
If you are in the field, keep an open eye on your module groups. If you see or smell smoke, **call the Gin immediately**, then locate it. Move all equipment and workers upwind and away from the smoking or the smoke-smelling module(s). If you have round modules and have the equipment in the field, separate the good modules from the smoking modules, and move them upwind and at least 80' to 100' feet away from the hot modules or smoking modules then isolate these good modules from any other groupings as they may be hot as well. Remember cotton can **burn at temperatures up to 2000 degrees**. **DO NOT TRY TO MOVE THE SMOKING or SMOKE SMELLING MODULES!** If you attempt to move these modules, you will only give the hot and smoking module air or oxygen it needs to break out and become a fire. You could burn your equipment or, worse, injure the operator of the equipment very badly. **This fire is dangerous.** If the Fire Department gets there before the Gin, please request the Fire Department follow these tips:

1. DO NOT spray the Modules on fire or smoke directly with high-pressure water streams, as this will only blow the fire off the modules and may cause it to spread to other modules or equipment, thereby creating a larger fire.
2. Ask them to open the nozzles on the fire hose and spray over the module so the water falls like rain on the module on fire. This will prevent the fire from blowing to other modules and will effectively control and contain the fire.
3. Be mindful of the trap. It is plastic and melts using a high-pressure stream that can blow the burning plastic off the module and onto other surfaces.

Farmers, please ride around routinely and check the modules in your fields where they have not been picked up by the Gin. **Please Report all fires to the Gin** as soon as you become aware that you have had a field fire.

SEED COTTON STORAGE YARD EXAMPLE

Farm Premises Seed Cotton Storage Yard(s).



Groups must be separated by 100' clear space. Do not exceed the Policy Limit per group.

IMPORTANT WARRANTY:

A violation of this dollar limit for anyone grouping of modules and/or the clear space warranties of 100 feet will limit the amount of any loss to the limit of liability of one grouping

