



United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Flue-Cured Tobacco

Florida, Georgia, South Carolina

Crop Insured

All of your tobacco in the county, where a premium rate is provided in the actuarial documents, is insurable if:

- You have a share in the crop;
- The tobacco is flue-cured type 13 in South Carolina and flue-cured type 14 in Florida and Georgia;
- The tobacco is not burley tobacco; and
- It is grown on acreage not planted to tobacco in the two previous crop years.

Counties Available

Talk to your insurance agent for a listing of eligible counties.

Causes of Loss

Adverse weather conditions	Insects ²
Earthquake	Plant disease ³
Failure of irrigation water supply ¹	Volcanic eruption
Fire	Wildlife

¹If caused by an insured peril during the insurance period. ²But not damage due to insufficient or improper application of pest control measures. ³But not damage due to insufficient or improper application of disease control measures.

Insurance Period

Coverage begins at transplanting and ends at the earliest of:

- 1) Total destruction of the crop;
- 2) Removal of the tobacco from where it was grown (except for curing, grading or packing);
- 3) Abandonment of the crop;
- 4) Final adjustment of a loss; or
- 5) October 31.

Reporting Requirements

Acreage Report - You must report all acres of the crop, in which you have a share in the county, to your insurance agent by the acreage reporting date.

Notice of Loss—In the event of loss:

- 1) Protect the crop from further damage by providing sufficient care;
- 2) Notify your agent within 72 hours of your initial discovery of damage;
- 3) Maintain representative samples of unharvested tobacco, if required, which are at least 5 feet wide (at least two rows) and extend the entire length of each field in the unit; and
- 4) Leave tobacco stalks and stubble intact until the earlier of the company's written consent to destroy them or 30 days after insurance ends.

Production Report - A production report for the previous crop year is due the earlier of the acreage reporting date or 45 days after the cancellation date.

Important Dates

Sales Closing.....	February 28
Final Planting:	
Type 13.....	May 15
Type 14.....	April 30
Acreage Reporting:	
Florida, Georgia.....	May 15
South Carolina.....	July 15
Premium Billing.....	August 15
Cancellation/Termination.....	March 15

Definitions

Approved Yield—The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that is calculated and approved by your insurance company.

Price Election —The price per pound announced by FCIC each year. Price elections are posted on the RMA Web site at: <http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/>

Production Guarantee —Pounds guaranteed, per acre, determined by multiplying your approved yield by the coverage level percentage you choose.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved yield. For example, an approved yield of 2,000 pounds per acre would result in a guarantee of 1,500 pounds per acre at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. Your share of the premium will be 100 percent minus the subsidy amount. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent. Your premium share is 45 percent of the base premium for basic units (100-55 = 45 percent).

Item	Percentage					
	50	55	60	65	70	75
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the price election. CAT is 100-percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

Insurance Unit

A basic unit includes all your insurable tobacco acreage in the county in which you have a share on the date of planting for the crop year and is identified by a single Farm Service Agency Farm Serial Number (FSN) at the time insurance attaches for the crop year. When a single FSN covers tobacco acreage in more than one county or state or both, one basic unit is allowed and the insurance policy is written in the county issuing the FSN.

Late Planting

For any insured acreage initially planted after the final planting date (FPD), the production guarantee per acre will be reduced as follows:

- 1) One percent per day for the 1st through the 10th day after the FPD; and
- 2) Two percent per day for the 11th through the 15th day after the FPD.

Prevented Planting

Your prevented planting coverage will be 35 percent of your production guarantee for timely planted acreage. Additional prevented planting coverage levels are not available for tobacco.

Loss Example

Assume tobacco with an approved yield of 2,050 pounds per acre, 65-percent coverage level, 100-percent share, 100-percent price election of \$1.75, and a one-acre basic unit. Due to insurable cause of loss, the production to count is 400 pounds.

2,050	Pounds per acre approved yield
<u>x .65</u>	Coverage level percentage
1,333	Pounds guarantee
<u>- 400</u>	Pounds actual production
933	Pounds loss
<u>x \$ 1.75</u>	Price election
\$ 1,633	Indemnity

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA Service Centers and on the RMA web site:

<http://www3.rma.usda.gov/tools/agents/>

Regional Contact

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