

## Valdosta Regional Office — Valdosta, GA

February 2015

# Flue-Cured Tobacco

## Florida, Georgia, South Carolina

### Crop Insured

All of your tobacco is insurable in the county if:

- The actuarial documents provide premium rates;
- It is flue-cured type 13 in South Carolina or flue-cured type 14 in Florida and Georgia;
- It is not burley tobacco; and
- You have a share in the crop.

### Counties Available

See actuarial documents at <http://webapp.rma.usda.gov/apps/actuarialinformationbrowser2015/CropCriteria.aspx> for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Talk to your insurance agent for more details.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Earthquake;
- Failure of irrigation water supply, if caused by an insured peril during the insurance year;
- Fire;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Volcanic eruption; or
- Wildlife.

### Insurance Period

Coverage begins at transplanting and ends with the earliest occurrence of one of the following:

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

### Important Dates

Sales Closing/Cancellation .....	February 28, 2015
Final Planting	
Florida, Georgia .....	April 30, 2015
South Carolina .....	May 15, 2015
Acreage Report	
Florida, Georgia .....	May 15, 2015
South Carolina .....	July 15, 2015
Premium Billing .....	August 15, 2015
Termination .....	March 15, 2016

### 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.

**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.

### Duties in the Event of Damage or Loss

You must perform the following duties in the event of damage or loss:

- Notify your agent within 72 hours of your initial discovery of damage or loss of production, but not later than 15 days after the end of the insurance period;
- Maintain representative samples of unharvested tobacco that are at least 5 feet wide (at least two rows) and extend the entire length of each field in the unit; and
- Leave tobacco stalks and stubble intact until the earlier of the company's written consent to destroy them or 30 days after insurance ends.

### Definitions

**Approved Yield** - The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that your insurance company calculates and approves.

**Price Election** - The price per pound announced by the Federal Crop Insurance Corporation each year. Price elections are posted on the RMA website at:

[webapp.rma.usda.gov/apps/ActuarialInformationBrowser/](http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/).

**Production Guarantee** - Pounds guaranteed, determined by multiplying your approved yield, per acre,

by the coverage level percentage you choose.

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved yield. You may choose one coverage level for all your irrigated acreage in the county and a different coverage level for all your non-irrigated acreage. Crop insurance premiums for basic units 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 choose the 75 percent coverage level, the premium subsidy is 55 percent. Your premium share is 45 percent of the base premium (100 - 55 = 45 percent).

Item	Percent					
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 Risk Protection (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 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 number at the time insurance attaches for the crop year.

### Late Planting

For any insured acreage initially planted after the final planting date, the production guarantee per acre is reduced by:

- One percent per day for the first through the tenth day after the final planting date; and
- Two percent per day for the eleventh through the fifteenth day after the final planting date.

### Prevented Planting

Your prevented planting coverage is 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 \$1.80, and a one-acre basic unit. Due to an insurable cause of loss, the production-to-count is 400 pounds.

2,050	Pounds per acre approved yield
<u>x 0.65</u>	Coverage level percentage
1,333	Pounds guarantee
<u>- 400</u>	Pounds actual production
933	Pounds loss
<u>x \$1.80</u>	Price election
<b>\$1,679</b>	<b>Indemnity due</b>

### 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 website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

### Contact Us

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