

Valdosta Regional Office — Valdosta, GA

January 2016

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 the actuarial documents at <http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/Default.aspx> for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Talk to your crop 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 Date	February 28, 2016
Cancellation Date	March 15, 2016
Final Planting	
Florida, Georgia	April 30, 2016
South Carolina	May 15, 2016
Acreage Report	
Florida, Georgia	May 15, 2016
South Carolina	July 15, 2016
Premium Billing	August 15, 2016
Termination	March 15, 2017

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.

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 set each year.

Price elections are posted on the RMA website at <http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/Default.aspx>.

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 table on page 2. 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.

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.

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 at the time insurance coverage begins 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:

- 1 percent per day for the first through the tenth day after the final planting date; and
- 2 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.

Supplemental Coverage Option (SCO)

This policy endorsement provides additional coverage for a part of your tobacco policy deductible up to the 86-percent coverage level. SCO may be added to individual yield or revenue plans. The coverage is based on your expected crop value. The trigger for a loss is based on an area loss in yield or revenue. Talk to your crop insurance agent for county availability and detailed information on this endorsement.

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
\$1,679	Indemnity due

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.

Contact Us

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