



United States Department of Agriculture
Risk Management Agency

January 2013

2013 COMMODITY INSURANCE FACT SHEET

Burley Tobacco

Indiana Ohio

What crop is insurable?

You can insure burley tobacco:

- grown in the county on insurable acreage,
- for which premium rates are provided,
- in which you have a share, and
- intended for harvest.

When am I protected by insurance?

Coverage begins on the later of:

- the date your application is accepted, or
- the date you plant the tobacco (please refer to definition of planted acreage).

Coverage ends at the earliest of:

- total destruction of the crop,
- removal of the tobacco from the unit where grown except for curing, grading, and packing,
- final adjustment of a loss,
- abandonment of the crop, or
- February 28, 2014.

What am I protected against?

You are protected against the following:

- Adverse weather
- Failure of irrigation water supply
- Fire
- Insect damage and/or plant disease*
- Wildlife

*Unless you have insufficiently or improperly applied pest or disease control measures.

Definitions

Approved APH Yield: An approved actual production history (APH) yield is based on your actual yields or the county's transitional yield ("T" yield) and is used to determine the guarantee.

Catastrophic Coverage (CAT): Pays 50 percent of your average yield and 55 percent of the established price. You pay a \$300 administrative fee per crop per county, regardless of acreage.

Planted acreage: In addition to the definition contained in the Basic Provisions, land in which tobacco seedlings, including hydroponic plants, have been transplanted by hand or machine from the tobacco bed to the field.

What dates should I be aware of?

Sales Closing	March 15
Final Planting.....	June 30
Acreage Reporting.....	July 15
Cancellation.....	March 15

What am I required to report?

You must report all of your burley tobacco acreage, production and any losses, when evident, to your insurance agent.

How much of my premium is subsidized?

Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

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

What price will I get if I have a loss?

Price Election: The price you are paid per pound in the event of a loss, based on the percentage of established price you have selected. Price election percentage choices are 55 percent to 100 percent of the price shown below.

Established Price: \$1.80

How can I insure my acreage?

Basic Unit: A basic unit is all insurable acreage of burley tobacco in the county in which you have a share on the date of planting for the crop year and that is identified by a single Farm Service Agency farm number at the time insurance first attaches for the crop year.

What if I am unable to plant or need to replant?

Late Planting Period: For any insured acreage initially planted after the final planting date (FPD), the approved yield (per acre) will be reduced as follows:

- 1 percent per day for the 1st through the 10th day immediately following the FPD;
- 2 percent per day for the 11th through the 15th day after the FPD.

The premium per acre for late planted acreage will be the same as for timely planted acreage.

Prevented Planting: You may receive a prevented planting payment if you are unable to plant on or before the final planting date because of an insurable cause. Your prevented planting coverage will be 35 percent of your production guarantee for timely planted acreage.

Replant payments **are not available**.

Loss Example

Losses are determined on a unit basis. An indemnity occurs when the pounds harvested falls below the production guarantee. This example assumes 65-percent coverage level, a price election of \$1.80, and an approved APH yield of 3,000 pounds per acre with 100 percent share. The unit makes 500 pounds of harvested tobacco.

	3,000	Pounds approved APH
X	.65	Coverage level
	1,950	Pounds per acre guarantee
X	2	Acres
	3,900	Pounds unit guarantee
X	\$1.80	Price election
	\$7,020	Value of production guarantee
-	\$ 900	Value of pounds harvested
	\$ 6,120	Unit indemnity
X	1.0	Share
	\$ 6,120	Final Indemnity

For APH purposes, the pounds used to determine the value of production will be used to calculate the APH yield for the unit. If there is any Quality Adjustment (QA), the APH will be based on the pounds before applying any QA factor.

Where can I get a policy?

You can buy a crop insurance policy from approved participating insurance agents. You can get a list of agents at any USDA service center or on the RMA web site: <http://www3.rma.usda.gov/apps/agents/>.

Regional Contact

USDA/Risk Management Agency

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