



United States Department of Agriculture
Risk Management Agency

March 2009

2009 COMMODITY INSURANCE FACT SHEET

Burley Tobacco

Missouri

Crop Insured

The crop insured will be all the burley tobacco in the county planted on insurable acreage, for which premium rates are provided, in which you have a share, and intended for harvest.

The Federal Tobacco Marketing Quota Program has been repealed by the American Jobs Creation Act of 2004 and is no longer in effect. An alternative method of establishing the insured poundage quota will be used. Insured poundage quota is established based on actual production history (APH).

As a result of the termination of the tobacco quota program in 2004, tobacco insurance guarantees are no longer based on marketing quotas and farm yields previously established by the Farm Service Agency (FSA). Insurance guarantees are now based on your own actual yields or county transitional yields if you have less than four years of burley yields. FSA records of acreage and production are considered acceptable for use in calculating your approved yield for crop insurance purposes.

Counties Available

Burley tobacco insurance is available in the following Missouri counties: Buchanan, Chariton, Clinton, Howard, and Platte.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of tobacco production history.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Wildlife

¹Natural perils such as hail, excess precipitation, drought, or wind.

²If caused by an insurable peril during the insurance period.

³If due to natural causes.

⁴If proper applications of disease or pest control measures are applied.

Insurance Period

Coverage begins at the time of transplanting and ends at the earliest of:

1. Total destruction of the tobacco on the unit;
2. Weighing-in at tobacco warehouse;
3. Removal of the tobacco from the field where grown except for curing, grading, packing, or immediate delivery to the tobacco warehouse; or
4. End of the insurance period (February 28, 2010).

Reporting Requirements

Acreage Report—You must give a report of all your tobacco acreage in the county by the acreage reporting date.

Important Dates

Sales Closing	March 16, 2009
Final Planting Date.....	June 25, 2009
Acreage Report Date	July 15, 2009
Premium Billing Date	January 1, 2010

Definitions

Approved APH Yield —An approved actual production history (APH) yield is based on your actual yields or the county average yield (transitional or “T” yield) and is used to determine the guarantee.

Effective Poundage Marketing Quota — The pounds obtained by multiplying your approved APH yield per acre by the lower of the reported or insured burley tobacco acreage on the unit.

Harvest - Cutting and removing all insured tobacco from the field in which it was grown.

Coverage Levels and Premium Subsidies

Crop insurance premiums are subsidized as shown.

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

For example, if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium. Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

Price Elections

Established Price for Type 031-Burley: \$1.85/lb.

Insurance Units

Basic Unit: All insurable acreage of burley tobacco, in which you have a share, on land identified by a single FSA farm serial number at the time the insurance attaches.

Replant Provisions

In lieu of the definition in section 1 of the Basic Provisions, performing the cultural practices necessary to replace the tobacco plant, and then replacing the tobacco plant in the insured acreage with the expectation of producing at least the APH yield.

Late Planting

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

1. One percent (1 percent) per day for each acre or portion thereof planted during the 1st through the 10th day immediately following the FPD;
2. Two percent (2 percent) per day for each acre or portion thereof planted during 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

Prevented planting provisions do not apply to burley tobacco.

Loss Example

This example is for burley tobacco and assumes 65-percent coverage level, approved APH yield of 2,200 pounds per acre, and price election of \$1.85.

$$\begin{array}{r} 2,200 \text{ APH yield} \\ \times \text{ .65 coverage level} \\ \hline 1,495 \text{ pounds per acre guarantee} \\ - \text{ 600 pounds per acre produced} \\ \hline 895 \text{ pounds per acre loss} \\ \times \text{ \$1.85 price election} \\ \hline \$1,656 \text{ indemnity per acre} \end{array}$$

*Figures shown are on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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