



United States Department of Agriculture  
Risk Management Agency

August 2010

## 2010 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.

### 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 conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife

<sup>1</sup>Natural perils such as hail, excess precipitation, drought, or wind.

<sup>2</sup>If caused by an insurable peril during the insurance period.

<sup>3</sup>If due to natural causes.

<sup>4</sup>If 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) Removal of the tobacco from the unit where grown except for curing, grading, packing, 3) Abandonment of the crop on the unit, 4) Final adjustment of loss on the unit; or February 28, 2011.

### 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 15, 2010  
Final Planting Date..... June 25, 2010  
Acreage Report Date ..... July 15, 2010  
Premium Billing Date ..... January 1, 2011

### 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.

**Production Guarantee** — Number of pounds guaranteed per acre determined by multiplying your approved yield times the coverage level percentage you select.

### Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your approved yield and are subsidized as follows:

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 (CAT) coverage is 50 percent of your APH yield at 55 percent of the price election. Cat is fully subsidized and there is no premium cost except for a \$300 administrative fee, regardless of acreage.

### Price Elections

Established Price for Type 031-Burley: \$1.75/lb.  
Price elections are posted on the RMA Web site at:  
<http://www3.rma.usda.gov/apps/pricesinquiry/>

## Duties in the Event of Damage or Loss

- If crop damage occurs, give notice within 72 hours of initial discovery of damage.
- Protect the crop from further damage if possible by providing sufficient care.
- If representative samples are required of any unharvested acreage, the strips must be at least 5 feet wide (at least two rows), extending the entire length of the field. Samples must not be harvested or destroyed until after a filed inspection is made.

## Insurance Units

**Basic Unit:** A basic unit is all insurable acreage of an insurable type of 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 FSA farm serial number at the time insurance first attaches under these provisions for the crop year.

## 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 1<sup>st</sup> through the 10<sup>th</sup> day immediately following the FPD;
2. Two percent (2 percent) per day for each acre or portion thereof planted during the 11<sup>th</sup> through the 15<sup>th</sup> day after the FPD.

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

## 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.

## Replant Provisions

No replant payment is available for 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 \$1.75.

$$\begin{array}{r} 2,300 \text{ APH yield} \\ \times .65 \text{ coverage level} \\ \hline 1,495 \text{ pounds per acre guarantee} \\ - 600 \text{ pounds per acre produced} \\ \hline 895 \text{ pounds per acre loss} \\ \times \$1.75 \text{ price election} \\ \hline \$1,566.00 \text{ indemnity per acre} \end{array}$$

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

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