



United States Department of Agriculture
Risk Management Agency

December 2010

2011 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 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) 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, 2012.

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, 2011
Final Planting Date June 25, 2011
Acreage Report Date July 15, 2011
Premium Billing Date January 1, 2012

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:

Subsidy Factor	Percent						
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Basic Unit	1.000	0.67	0.64	0.64	0.59	0.59	0.55

Catastrophic Coverage

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

Price of compensation per bushel in case of loss:
Established Price for Type 031-Burley: \$1.64/lb.

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.

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

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.

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 field inspection is made.

Loss Example

This example is for burley tobacco and assumes 65-percent coverage level, approved APH yield of 2,300 pounds per acre, and price election of \$1.64.

$$\begin{array}{r} 2,300 \text{ APH yield} \\ \times .65 \text{ coverage level} \\ \hline 1,495 \text{ pounds per acre guarantee} \\ - 600 \text{ pounds per acre produced} \\ \hline 895 \text{ pounds per acre loss} \\ \times \$1.64 \text{ price election} \\ \hline \$1,468.00 \text{ indemnity per acre} \end{array}$$

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

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