



United States Department of Agriculture
Risk Management Agency

February
2013

2013 COMMODITY INSURANCE FACT SHEET

Burley Tobacco

Missouri

Crop Insured

Burley tobacco is insurable if:

- It is all the burley tobacco grown in the county on insurable acreage;
- Premium rates are provided, and
- You have a share.

You will be considered to have a share in the insured crop if you retain control of the acreage on which the tobacco is grown and you are at risk of loss.

Burley tobacco is not insurable if:

- It is planted in any manner other than as provided in the definition of “planted acreage” in section 1 of the Tobacco Crop Provisions, unless otherwise provided by the Special Provisions of Insurance or by written agreement; or
- It is damaged before the final planting date to the extent that the majority of producers in the area would normally not further care for the tobacco crop, unless such crop is replanted or we agree that replanting is not practical.

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

Insurance coverage begins on the later of:

- 1) Date we accept your application; or
- 2) Date when the burley tobacco is transplanted.

Insurance coverage 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, and packing;
- 3) Abandonment of the crop on the unit;
- 4) Final adjustment of the loss on the unit; or
- 5) February 28.

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/ Cancellation	March 15
Final Planting Date	June 25
Acreage Report Date	July 15
Premium Billing Date	January 1
End of Insurance	February 28

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.

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.

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

Burley tobacco may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown. 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.

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: \$1.80/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.

Insurance Plans

Common Crop Insurance Policy Basic Provisions (11br) and Tobacco Crop Provisions (10-0071).

APH is the only plan of insurance available for burley tobacco. The production guarantee is based on your individual yield history.

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. In lieu of Section 17(f)(5)(ii) of the Common Crop Insurance Basic Provisions, haying or grazing a cover crop will not impact eligibility for a prevented planting payment provided such action did not contribute to the acreage being prevented from planting.

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 \$1.80.

$$\begin{array}{r} 2,300 \text{ APH yield} \\ \times .65 \text{ coverage level} \\ \hline 1,495 \text{ pounds per acre guarantee} \\ - 600 \text{ pounds per acre produced} \\ \hline 895 \text{ pounds per acre loss} \\ \times \$1.80 \text{ price election} \\ \hline \$1,459.00 \text{ indemnity per acre} \end{array}$$

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

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:

<http://www3.rma.usda.gov/apps/agents/>

Regional Contact

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