

## St. Paul Regional Office — St. Paul, MN

Revised February 2018

# Cigar Binder Tobacco

## Wisconsin

### Crop Insured

You can insure cigar binder tobacco if:

- It is grown on insurable acreage;
- Premium rates are provided; and
- You have a share.

### Counties Available

See counties available in the actuarial documents at

[webapp.rma.usda.gov/apps/actuarialinformationbrowser2018/CropCriteria.aspx](http://webapp.rma.usda.gov/apps/actuarialinformationbrowser2018/CropCriteria.aspx).

The crop may be insurable in other counties by written agreement if specific criteria are met. Contact an insurance agent for more details.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions such as hail, frost, freeze, wind, drought, and excess moisture;
- Failure of irrigation water supply, if caused by an insured cause of loss during the insurance period;
- Fire, if due to natural causes;
- Insects and plant disease, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

### Insurance Period

Insurance coverage begins on the later of:

- Date we accept your application; or
- Date when the tobacco is planted.

Insurance coverage ends at the earliest of:

- Total destruction of the tobacco on the unit;
- 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
- April 30, 2019.

### Important Dates

Sales Closing/Cancellation .....March 15, 2018

Final Planting .....July 10, 2018

End of Late Planting Period ..... July 25, 2018

Acreage Reporting ..... July 15, 2018

Premium Billing .....January 1, 2019

Production Reporting .....April 29, 2019

### Reporting Requirements

**Acreage Report** - You must report all of your cigar binder tobacco acreage in the county by the acreage reporting date.

### Coverage Levels and Premium Subsidies

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.

Coverage Level (percent)		50	55	60	65	70	75
Subsidy Factor	Basic Unit	67	64	64	59	59	55

### Price Election

A price election is the price you are paid per pound if you have a loss. This is based on the percentage of the established price you chose.

Established price ..... \$2.00 per pound

Organic (Certified)..... \$3.50 per pound

### Unit Division

**Basic Unit (BU)** - A basic unit includes all of your insurable tobacco acreage in the county by share arrangement.

### Insurance Plans

**Actual Production History (APH)** - Your production guarantee is based on your yield history. You have a loss when your production falls below your production guarantee.

**Catastrophic Coverage (CAT)** - Covers 50 percent of your APH yield and 55 percent of the projected price.

## Endorsements and Options

**Yield Cup Option** - Prevents your approved APH yield from decreasing by more than 10 percent from the prior year's approved APH yield. A cup will apply to an APH database when your approved APH yield, calculated using other yield measures, is less than 90 percent of the prior year's approved APH yield. It only applies to APH databases with at least one actual or assigned yield and is only available for carryover policies. Beginning with the 2018 crop year, this option is available for an additional premium and will automatically apply to your policy for the 2018 crop year, unless you cancel the option by the crop's cancellation date. This option is continuous and remains in effect unless cancelled. Not available with CAT policies.

## Late and Prevented Planting

**Late Planting Period** - Begins the day after the final planting date and ends 15 days after the final planting date. Your insurance guarantee will be reduced by one percent per day for each day planted after the final planting date. After 15 days, your prevented planting coverage will be 35 percent of your insurance guarantee 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 or within any applicable late planting period because of an insurable cause. Additional prevented planting coverage is not available for tobacco.

## Loss Example

This example assumes a 2,200 pounds per acre APH yield, 65-percent coverage level, 100 percent of the established price, and basic unit coverage.

2,200	Pounds per acre APH yield
x 0.65	Coverage level
1,430	Pounds guarantee
- 1,200	Actual pounds per acre produced
230	Pounds per acre loss
x \$2.00	Price election
<b>\$460.00</b>	<b>Indemnity</b>

Figures shown on a per acre basis. Guarantees and losses paid are on a unit basis. Your premium will be deducted from any indemnity payment. 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 at all USDA service centers and on the RMA website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).

## Contact Us

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