



United States Department of Agriculture
Risk Management Agency

May 2006

2006 COMMODITY INSURANCE FACT SHEET

Burley Tobacco

North Carolina

Crop Insured

For 2006, burley tobacco (Type 031) will be insured as a category B crop. Standard actual production history (APH) procedure, except as otherwise provided for in Section 6, paragraph J(20) of the 2006 Crop Insurance Handbook, will apply to burley tobacco yield determinations.

QUOTA BUY-OUT— Termination of the tobacco quota program has changed the method of calculating burley tobacco insurance guarantees.

- Previous marketing quotas and farm yields established by the Farm Service Agency (FSA) are invalid and not used to determine coverage.
- An approved APH yield will be determined for each farm serial number based on actual or transitional yields following standard procedures.
- FSA records of acreage and production are acceptable for use in calculating approved yields.

Counties Available

Burley tobacco insurance is available in the following counties: Alleghany, Ashe, Avery, Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Swain, Transylvania, Watauga, Yancey. Burley acreage may also be insured in other counties if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

Adverse weather conditions¹
 Fire
 Insects²
 Plant disease²
 Wildlife
 Failure of irrigation water supply³

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

²If proper applications of disease or pest control measures are applied.

³If caused by an insurable peril during the insurance period.

Insurance Period

Coverage begins at the time of transplanting and ends at the earliest of: 1) total destruction of the crop, 2) weighing-in at point of delivery, 3) final adjustment of a claim, 4) removal of the tobacco from the field where grown (except for curing, grading, packing, or immediate delivery to a buying point, or 5) February 28, 2007.

Important Dates

Sales Closing Date.....	March 15, 2006
Final Planting Date.....	June 15, 2006
Acreage Report Date.....	July 15, 2006

Price Election

TYPE	PRICE ELECTION
Type 31 — Burley	\$1.50

Price elections are posted on the RMA website at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

Definitions

Approved Yield— A yield used to determine your guarantee, based on your actual yields (including claim forms and FSA records), county average yields (T-yields), or a combination of both.

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.

Production Report— You must provide a report of your previous year's (such as 2005) tobacco acreage and production to your agent. This report is due by the production reporting date (before April 30, 2006).

Coverage Levels and Premium Subsidies

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

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 fixed at 50 percent of your approved yield and 55 percent of the price election. CAT is 100-percent subsidized with no premium cost to you except for a \$100 administrative fee, regardless of acreage.

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.

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.

Late Planting

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

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

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