



United States Department of Agriculture  
Risk Management Agency

May 2006

## 2006 COMMODITY INSURANCE FACT SHEET

# Burley Tobacco

## Virginia

### 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: Appomattox, Bedford, Bland, Buchanan, Buckingham, Campbell, Charlotte, Cumberland, Dickenson, Grayson, Lee, Prince Edward, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe. 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 conditions<sup>1</sup>  
 Fire  
 Insects<sup>2</sup>  
 Plant disease<sup>2</sup>  
 Wildlife  
 Failure of irrigation water supply<sup>3</sup>

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

<sup>2</sup>If proper applications of disease or pest control measures are applied.

<sup>3</sup>If caused by an insurable peril during the insurance period.

### Insurance Period

Coverage begins at the time of transplanting and ends 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 20, 2006  
 Acreage Report Date..... July 15, 2006

\* Grayson County final planting date is June 15.

### 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 (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 1<sup>st</sup> through the 10<sup>th</sup> day immediately following the FPD;
2. Two 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

Prevented planting provisions do not apply to burley tobacco.

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