



United States Department of Agriculture
Risk Management Agency

August 2010

2010 COMMODITY INSURANCE FACT SHEET

Tobacco (Burley, Flue)

North Carolina

Crop Insured

The tobacco policy covers the following tobacco types in North Carolina:

- Type 31—Burley
- Types 11A, 11B, 12, 13—Flue-cured

Counties Available

Burley insurance is available in: Alleghany, Ashe, Avery, Buncombe, Caswell, Cherokee, Clay, Graham, Granville, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Person, Rockingham, Stokes, Surry, Swain, Transylvania, Watauga, Yadkin, and Yancey.

Flue-cured insurance is available in all counties where the type has historically been grown. 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
 Failure of irrigation water supply²
 Fire
 Insects³
 Plant disease³
 Wildlife

¹Natural perils such as hail, excess precipitation, drought, wind, etc. ²If caused by an insurable peril during the insurance period. ³If proper applications of disease or pest control measures are applied.

Insurance Period

Coverage begins at transplanting and ends at the earlier of: 1) Total destruction of the tobacco on 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 the loss on the unit, or 5) October 31, 2011 for type 13, November 30, 2011 for all other Flue-Cured and February 28, 2011 for Burley.

Important Dates

Sales Closing—Burley... March 15, 2010
 Sales Closing—Flue... February 28, 2010
 Production Report Due—Flue... April 15, 2010
 Production Report Due—Burley... April 30, 2010

Final planting and acreage report dates vary by county and type. Contact a crop insurance agent for specific dates in your county.

Price Election

TYPES	PRICE ELECTION
11A, 11B, 12, 13 Flue-Cured	\$1.75
31 - Burley	\$1.75

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

Definitions

Approved Yield— The average yield per acre based upon your actual production history (APH) and used to determine your production guarantee.

Production Report— 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 options range from 50 to 85 percent of your approved APH yield and are subsidized as follows:

	Percent							
Coverage Level	50	55	60	65	70	75	80*	85*
Premium Subsidy	67	64	64	59	59	55	48	38

Catastrophic (CAT) coverage is 50 percent of your APH yield at 55 percent of the price election. CAT is fully subsidized and there is no premium cost except for a \$300 administrative fee, regardless of acreage.

* The 80/85 coverage levels are available only with enterprise units or if you qualify for only one basic unit.

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.
- If you give notice of damage, you must leave all tobacco stalks and stubble intact until inspected.

Insurance Units

Your insurable acreage is grouped into a unit based on one of the following unit arrangements:

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 under these provisions for the crop year.

Enterprise Unit: An enterprise unit combines all your tobacco acreage in the county, regardless of number of farms or share arrangements into one unit and provides an additional premium discount. There must be two or more separate farm serial numbers to qualify for an enterprise unit.

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 if planted during the 1st through the 10th day immediately following the FPD;
2. Two percent per day if planted during the 11th through the 15th day after the FPD.

The premium amount 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.

Loss Example

This example is for flue-cured tobacco and assumes the 75-percent coverage level, APH yield of 2213 pounds per acre, price election of \$1.75, and one basic unit.

2,213	Producer's APH yield
x .75	Coverage level
1,660	Pounds per acre guarantee
- 660	Pounds per acre harvested
1,000	Pounds per acre loss
x \$1.75	Price election
\$1,750	Indemnity per acre
- 71	Estimated premium per acre
\$1,679	Net indemnity per acre

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