



United States Department of Agriculture  
Risk Management Agency

March 2010

## 2010 COMMODITY INSURANCE FACT SHEET

# Tobacco (Flue, Fire, Dark Air, Burley) Virginia

### Crop Insured

The tobacco policy covers the following tobacco types in Virginia:

- Type 31—Burley
- Type 37—Dark Air
- Type 11A—Flue Cured
- Type 21—Fire Cured

### Counties Available

Burley insurance is available in: Appomattox, Bedford, Bland, Brunswick, Buchanan, Buckingham, Campbell, Charlotte, Cumberland, Dickenson, Grayson, Halifax, Lee, Mecklenburg, Pittsylvania, Prince Edward, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe.

Dark Air insurance is available in: Powhatan.

Fire Cured insurance is available in: Amelia, Appomattox, Bedford, Brunswick, Buckingham, Campbell, Charlotte, Chesterfield, Cumberland, Dinwiddie, Franklin, Greensville, Halifax, Lunenburg, Mecklenburg, Nottoway, Pittsylvania, Powhatan, and Prince Edward.

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 conditions<sup>1</sup>  
 Failure of irrigation water supply<sup>2</sup>  
 Fire  
 Insects<sup>3</sup>  
 Plant disease<sup>3</sup>  
 Wildlife

<sup>1</sup>Natural perils such as hail, excess precipitation, drought, wind, etc. <sup>2</sup>If caused by an insurable peril during the insurance period.

<sup>3</sup>If 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 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) November 30, 2010 for Type 11A, February 28, 2011 for type 31, March 15, 2010 for type 37, and April 15, 2011 for type 21.

### Important Date

Sales Closing.....	March 15, 2010
Final Planting Date.....	June 15 or June 20, 2010
Acreage Reporting Date.....	July 15, 2010

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

### Price Elections

Type	Price Election
Flue-Cured	\$1.75
Fire-Cured	\$2.10
Dark-Air	\$1.50
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 Guarantee**— Number of pounds guaranteed per acre determined by multiplying your approved yield times the coverage level percentage you select.

**Production Report**— A production report for previous crop year is due to your agent before April 30, or a yield will be assigned.

### 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 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.

### 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

**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.

### 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 1<sup>st</sup> through the 10<sup>th</sup> day immediately following the FPD;
2. Two percent per day if planted during the 11<sup>th</sup> through the 15<sup>th</sup> 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 lbs 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
= 60	Estimated premium per acre
<b>\$1,690</b>	<b>Net indemnity per acre</b>

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