

## Raleigh Regional Office — Raleigh, NC

Revised January 2015

# Tobacco (Burley, Flue)

## North Carolina

### Crop Insured

The tobacco policy covers these tobacco types:

- Burley - Type 31; and
- Flue Cured - Types 11A, 11B, 12, 13.

### Counties Available

See North Carolina actuarial documents at:

[webapp.rma.usda.gov/apps/actuarialinformationbrowser2015/CropCriteria.aspx](http://webapp.rma.usda.gov/apps/actuarialinformationbrowser2015/CropCriteria.aspx) for insurable counties. Contact an agent for more details.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; and
- Wildlife.

### Insurance Period

Coverage begins when the crop is planted and ends with the earliest occurrence of one of the following:

- 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 on the unit;
- Abandonment of the crop on the unit; or
- October 31 for Type 13, November 30 for all other Flue Cured, and February 28 for Burley.

### Important Dates

#### Burley

Sales Closing Date ..... March 15, 2015  
Acreage Reporting Date ..... July 15, 2015

#### Flue Cured

Sales Closing Date ..... February 28, 2015  
Acreage Reporting Date ..... July 15, 2015

### Reporting Requirements

File a report of planted acreage to your crop insurance agent by the acreage reporting date established for your county. Since acreage reporting dates vary by crop and county, consult your agent or for more information see: [www.rma.usda.gov/tools/](http://www.rma.usda.gov/tools/).

### Duties in the Event of Damage or Loss

Notice of Loss - If a loss occurs you should:

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

### Price Elections

Prices used to calculate your premium and indemnity.

#### Burley

Established Price ..... \$1.80  
CAT Price ..... \$0.99

#### Flue Cured

Established Price..... \$1.80  
CAT Price ..... \$0.99

## Coverage Levels and Premium Subsidies

Coverage options range from 50 to 85 percent of your approved APH yield. The premium subsidy percentages and available coverage levels are shown below. Your share of the premium is 100 percent minus the subsidy amount.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$300.

## Insurance Units

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

**Basic Unit** - 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 farm serial number at the time insurance attaches under these provisions for the crop year. Premiums are reduced 10 percent for a basic unit.

**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. Premium discounts and additional subsidy apply.

## Late Planting

For insured acreage initially planted after the final planting date, the production guarantee is reduced:

- One percent per day if planted day 1 through 10 after the final planting date; and
- Two percent per day if planted day 11 through 15 after the final planting date. The premium amount for late-planted acreage is the same as for timely planted acreage.

## Prevented Planting

Your prevented planting coverage is 35 percent of your

production guarantee for timely planted acreage. Additional prevented planting coverage levels are not available for tobacco.

## Loss Example

Assume flue-cured tobacco with an APH yield of 2,213 pounds per acre, 75-percent coverage level, and one basic unit.

2,213	APH yield per acre
<u>x 0.75</u>	Coverage level
1,660	Acre guarantee
<u>- 660</u>	Production-to-count
1,000	Loss per acre
<u>x \$1.80</u>	Price election
<b>\$1,800</b>	<b>Indemnity per acre</b>

## 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: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## Contact Us

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