

Raleigh Regional Office — Raleigh, NC

Revised March 2016

Tobacco

Massachusetts

Crop Insured

The tobacco policy covers the following tobacco types in Massachusetts:

- Cigar Binder - Type 51, 52; and
- Cigar Wrapper - Type 61.

Counties Available

Tobacco is insurable in Franklin, Hampden, and Hampshire counties. Tobacco in other counties may be insurable by written agreement if specific criteria are met. Contact a crop insurance 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; or
- Wildlife.

Insurance Period

Coverage begins at transplanting 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;
- Abandonment of the crop on the unit;
- Final adjustment of a loss on the unit; or
- April 30.

Important Dates

Sales Closing Date March 15, 2016
Acreage Reporting Date July 15, 2016

Duties in the Event of Damage or Loss

Notice of Loss - If a loss occurs you should:

- Give notice to your crop insurance agent within 72 hours of initial discovery of damage;
- Protect the crop from further damage by providing sufficient care;
- Leave representative sample strips (at least 2 rows) that are at least 5 feet wide, extending the entire length of the field for unharvested acreage until a field inspection is made; and
- Leave all tobacco stalks and stubble intact until acreage is inspected.

Coverage Levels and Premium Subsidies

Coverage options range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. For example, if you select the 75-percent coverage level, your premium share would be 45 percent of the base premium.

Item	Percent					
	50	55	60	65	70	75
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 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.

Price Elections

Cigar Binder
Established Price \$6.50
CAT Price \$3.58
Cigar Wrapper
Established Price \$21.00
CAT Price \$11.55

Insurance Units

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 begins under these provisions for the crop year. Premiums are reduced 10 percent for a basic unit.

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.

Supplemental Coverage Option (SCO)

SCO is available for Cigar binder tobacco in some counties. If elected, SCO provides additional coverage for a portion of your underlying crop insurance policy deductible.

Yield Exclusion

Actual Production History (APH) Yield Exclusion (YE) is available in some Cigar binder tobacco counties. YE allows you to exclude yields in exceptionally bad years from your production history when calculating yields used to establish your crop insurance coverage.

Loss Example

Assume cigar binder tobacco with an APH yield of 1,800 pounds per acre, 60-percent coverage level, and one basic unit.

1,800	APH Yield per acre
x 0.60	Coverage level
1,080	Acre guarantee
- 580	Production-to-Count
500	Loss per acre
x \$6.50	Price election
\$3,250	Indemnity per acre

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.

Contact Us

USDA/RMA

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