



United States Department of Agriculture  
Risk Management Agency

November 2012

## 2013 COMMODITY INSURANCE FACT SHEET

# Tobacco (Burley, Flue)

## North Carolina

### Crop Insured

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

- 1) Burley: Type 31
- 2) Flue-Cured: Types 11A, 11B, 12, 13

Note: Beginning in 2013, flue-cured tobacco and burley tobacco planted in North Carolina is subject to a crop rotation requirement to be eligible for crop insurance. Tobacco will not be insurable on any acreage on which tobacco was planted in the two previous crop years. For example, a producer who planted tobacco on land in 2011 and 2012 will not be able to insure tobacco on that same land in 2013. Producers should review their cropping history and plan accordingly to ensure that their acreage is eligible for tobacco crop insurance.

### 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 Counties.

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 an 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, freeze, frost, drought, wind, and excess precipitation.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Except for insufficient or improper application of control measures.

### Insurance Period

Coverage begins when the crop is planted and ends at

the earliest 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) Final adjustment of the loss on the unit;
- 4) Abandonment of the crop on the unit; or
- 5) October 31, 2013 for type 13, November 30, 2013 for all other Flue-Cured and February 28, 2014 for Burley.

### Important Dates

	Flue-Cured
Sales Closing Date.....	February 28, 2013
Acreage Reporting Date.....	July 15, 2013

	Burley
Sales Closing Date.....	March 15, 2013
Acreage Reporting Date.....	July 15, 2013

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

### Duties in the Event of Damage or Loss

- 1) If crop damage occurs, give notice within 72 hours of initial discovery of damage;
- 2) Protect the crop from further damage if possible by providing sufficient care;
- 3) 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; and
- 4) If you give notice of damage, you must leave all tobacco stalks and stubble intact until inspected.

### 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:

Item	Percent							
	50	55	60	65	70	75	80	85
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.

### Price Elections

TYPE	PRICE ELECTION
31 Burley	\$1.80
11A/B 12, 13 Flue Cured	\$1.75

### 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 Farm Service Agency farm number at the time insurance first 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 numbers to qualify for an enterprise unit. Premium discounts and additional subsidy apply.

### 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; and
- 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 based on flue-cured tobacco with an approved yield of 2,213 pounds per acre, 75-percent coverage level, and one basic unit.

2,213	Approved Yield per acre
x .75	Coverage level
1,660	Acre guarantee
= 660	Production-to-Count
1,000	Loss per acre
x \$1.75	Price election
\$1,750	Indemnity per acre
= 103	Estimated Premium
<b>\$1,647</b>	<b>Indemnity/Acre</b>

### Regional Contact

#### USDA/Risk Management Agency

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