

PM-20-088

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Date

November 30, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 11/30/2020

Subject

Flue Cured and Burley Tobacco Changes for the 2021 Crop Year

Background

The Risk Management Agency (RMA) is revising the Special Provisions of insurance for the flue cured and burley types of tobacco. The revisions were made based on stakeholder feedback. These changes will help improve the integrity of the program and make it more sustainable going forward. The changes include:

- For flue cured tobacco; RMA will issue separate price elections for contracted and non-contracted tobacco. In addition, quality adjustment will only be available for tobacco grown under contract.
- For burley tobacco; RMA will be adjusting the price per pound and transitional yields for organic burley tobacco in accordance with recent data and contract pricing will no longer be allowed.

Action

The Special Provisions for flue cured tobacco and burley tobacco for the 2021 crop year will be available by close of business today on the RMA website at

www.rma.usda.gov. Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy. Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/tools-reports/agent-locator.

DISPOSAL DATE

December 31, 2021