

# Tobacco Wrapper & Binder Crop Insurance Program

- Crop Provisions – 17-0071 -

## IMPORTANT DATES

Sales Closing Date | March 15<sup>th</sup>  
 Acreage Report Date | July 15<sup>th</sup>  
 Billing Date | January 1<sup>st</sup>

Final Plant Date | June 10<sup>th</sup> (Cigar Wrapper)  
 Final Plant Date | June 30<sup>th</sup> (Cigar Binder)  
 End of Insurance – (Wrapper & Binder) | April 30<sup>th</sup>

## Established Tobacco Prices

	Cigar Binder Type 51	Cigar Wrapper Type 61
Established Price	\$8.75/lb.	\$21.00/lb.
CAT	\$4.82/lb.	\$11.55/lb.

## Coverage Levels & Premium Support

Coverage Level	50/55 (CAT) YP ONLY	50/100	55/100	60/100	65/100	70/100	75/100
Federal Subsidy	100%	67%	64%	64%	59%	59%	55%
Your Portion of Premium	-	33%	36%	36%	41%	41%	45%

\*A \$300 administrative fee is charged for CAT coverage. A \$30 administrative fee is charged buy up coverage.

## Unit Structure Options

	Optional Units (OU)	Basic Unit (BU)
Claims Adjusted By	Not Available on this policy	Individual Farm Serial Numbers, each farm serial number stands on its own in the event of a claim.
Record Keeping Requirements		Grower is required to maintain production records by farm serial number.
Additional Qualification Requirements		Standard policy unit structure. The only unit structure option with CAT.

## Options Available

	Availability	About
Protection Against Production Shortfall	✓	When actual yield falls below your guarantee.
Prevented Planting	✓	35% of the per acre dollar value of planted acres on policy. See Prevented Planting pg.2
Replant	✓	Not available on CAT policies. Payment varies by crop. See Policy
Yield Adjustment Option	✓	If your production falls below 60% of the county T-Yield, your low yield will be replaced with 60% of the T-yield.

## Production Reporting

If production evidence does not match the production certified by you on your production report, assigned yields will apply and optional units (if applicable) will be combined if it is determined that production was over-reported by more than 5% on any database.

## Perils Insured Against

- **Adverse Weather Conditions**
- **Fire**
- **Insects** (but not damage due to insufficient or improper application of pest control measures)
- **Plant Disease** (but not damage due to insufficient or improper application of disease control measures)
- **Wildlife** (unless control measures have not been taken)
- Earthquake, Volcanic Eruption, Failure of Irrigation water supply (if caused by an insured peril that occurs during the insurance period)

## Record Retention

You must retain, and provide upon request:

- Complete records of the planting, replanting, inputs, production, harvesting, and disposition of the insured crop on each unit for three years after the end of the crop year.
- All records used to establish the amount of production you certified on your production reports used to compute your approved yield for three years after the end of the crop year for which you initially certified such records.
- Claims that equal or exceed \$200,000 will require a High Dollar Claim review that will require the above mentioned review of actual production records.

## Settlement of Claim:

If there is a notice of loss filed, you must leave all tobacco stalks and stubble in the unit intact for inspection. The stalks and stubble must not be destroyed until the AIP gives written consent to do so or until 30 days after the end of the insurance period, whichever is earlier. Your loss will be determined on a unit basis. In the event you are unable to provide separate acceptable production records:

(a) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units.

\* Mature tobacco may be adjusted for quality deficiencies when production has been damaged by insurable causes. Production to count will only be adjusted if the average value for damaged tobacco is less than 75 percent of your tobacco price election. See attached Crop Provisions (12. Settlement of Claim) (f).

## Insured Crop

The insured crop will be any of the tobacco types designated in the Special Provisions, in which you have a share that you elect to insure, and for which a premium rate is provided by the actuarial documents. Added land can receive 100% of the county T-Yield:

<b><u>Connecticut:</u></b>	<b><u>Cigar Binder T-Yield</u></b>	<b><u>Cigar Wrapper T-Yield</u></b>
Hartford County	1322 lbs.	1299 lbs.
Tolland County	1652 lbs.	1377 lbs.
<b><u>Massachusetts:</u></b>	<b><u>Cigar Binder T-Yield</u></b>	<b><u>Cigar Wrapper T-Yield</u></b>
Franklin County	942 lbs.	1086 lbs.
Hampden County	1450 lbs.	1207 lbs.
Hampshire County	1223 lbs.	1144 lbs.

## Insurance Period

Acreage must be planted on or before the final planting date (Cigar Wrapper June 10<sup>th</sup> and Cigar Binder June 30<sup>th</sup>). Tobacco that is damaged prior to the final plant date is required to be replanted if replanting is practical. The insurance period ends at the earliest of: (a) Total destruction of the tobacco on the unit; (b) Weighing-in at the tobacco warehouse; (c) Removal of the tobacco from the field where grown except for curing, grading, packing, or immediate delivery to the tobacco warehouse; or April 30<sup>th</sup>.

## Prevented Planting

Prevented planting is the failure to plant the crop with proper equipment by the final plant date. To be eligible for a prevented planting claim the insured must be prevented from planting the insured crop due to an insured cause of loss that was general in the surrounding area which prevented other producers from planting acreage with similar characteristics. Prevented planting acreage must be reported on your insurance acreage report and a Notice of Loss must be submitted timely.

### ★★★ Important - Conservation Compliance ★★★

To be eligible for premium subsidy paid on behalf by FCIC, it is your responsibility to assure you meet all requirements for: (A) Compliance with the conservation provision; and (B) Filing form AD- 1026 prior to January 1, 2020, or successor form, to be properly identified as in compliance with the conservations provisions.

Refer to USDA/FSA/NRCS for details on the conservation compliance requirements.

**This fact sheet is a general overview and should not take the place  
of the Crop Provisions and/or Special Provisions.**

Crop Growers, LLP agents are dedicated to the success of your business through risk management planning. Crop Growers provides a diversified, knowledgeable team of insurance agents who specialize in educating producers on the Federal Crop Insurance program

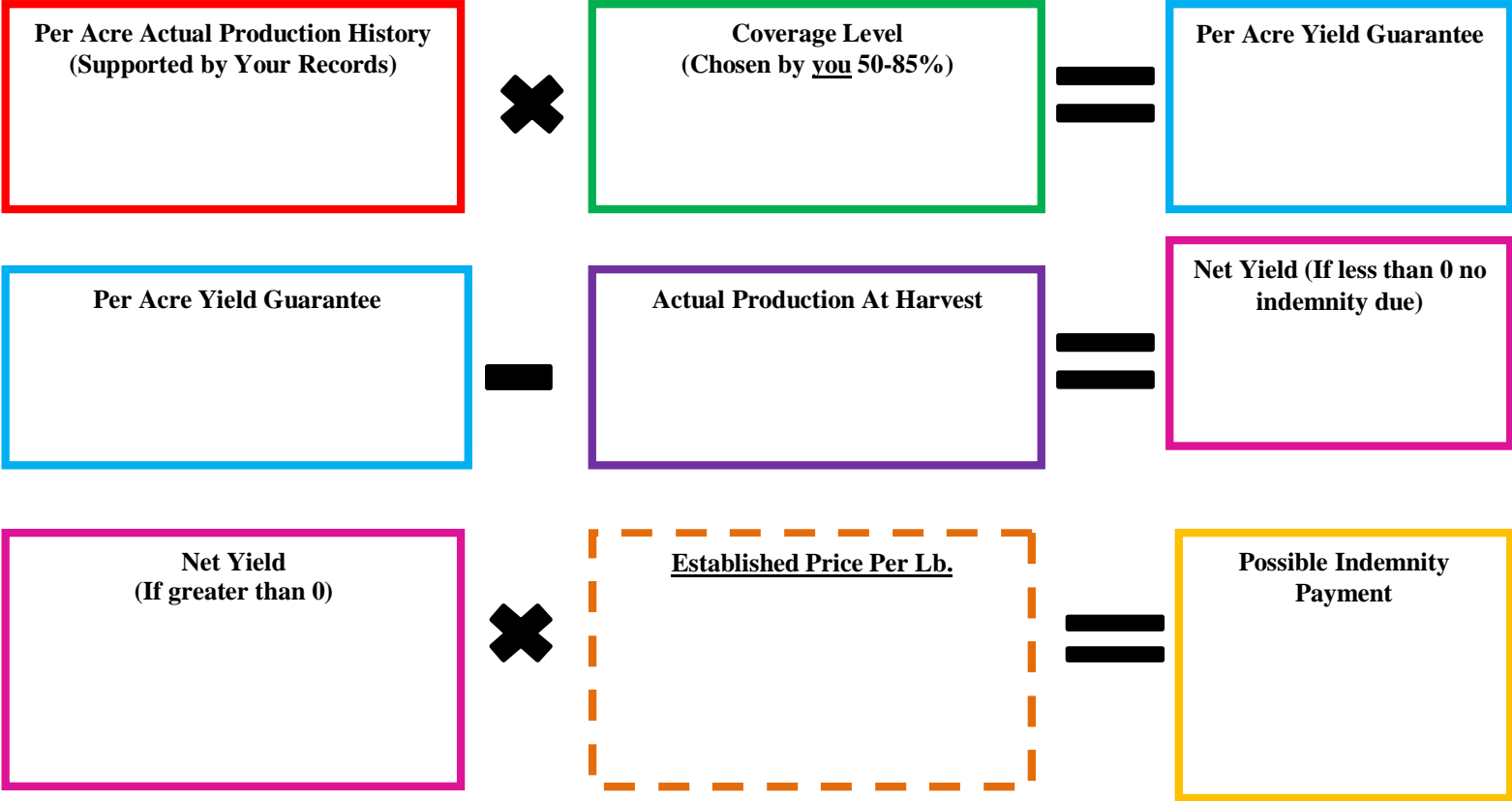
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# CIGAR BINDER | LOSS EXAMPLE



For illustration purposes only. Losses will be adjusted per the Loss Adjustment Manual. Your coverage and guarantees may be different based on your actual coverage level, unit structure, production records and history.