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USDA Makes Improvements to Flue Cured Tobacco Crop Insurance

News Release |

Raleigh, North Carolina

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November 22, 2021

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RALEIGH, N.C., Nov. 22, 2021 — The U.S. Department of Agriculture’s Risk Management Agency (RMA) has announced improvements to the flue cured tobacco crop insurance policy for the 2022 crop year. These improvements were prompted by feedback from producer groups and other industry stakeholders regarding the contracted tobacco features added in 2021. Based on that feedback, RMA is improving the weighted average price calculations and incorporating clarifications regarding acreage reporting and spousal entities.

“We are updating the flue cured tobacco crop insurance program to provide more clarity and flexibilities for farmers,” said Alexander Sereno, Director of RMA’s regional office in Raleigh, North Carolina. “These updates will strengthen the program going into 2022.”

Specific changes include:

- Correct weighted average contract price calculation to ensure the producer's choice of coverage level does not impact their price for insurance purposes;
- Clarify the deadline to submit contracts is the acreage reporting date;
- Allow production agreements to be in the name of either spouse for spousal entities;
- Allow 10% tolerance for over-planting in excess of the contracted production amount and remain eligible for the weighted average price.

Flue cured tobacco producers purchased nearly 1,700 policies to protect more than \$445 million in liabilities in 2021.

Growers are encouraged to visit their crop insurance agent soon to learn specific details for the 2022 crop year.

RMA is authorizing additional flexibilities due to coronavirus while continuing to support producers, working through Approved Insurance Providers (AIPs) to deliver services, including processing policies, claims, and agreements. RMA staff are working with AIPs and other customers by phone, mail and electronically to continue supporting crop insurance coverage for producers. Farmers with crop insurance questions or needs should continue to contact their insurance agents about conducting business remotely (by telephone or email). More information can be found at farmers.gov/coronavirus.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the [RMA Agent Locator](#). Learn more about crop insurance and the modern farm safety net at rma.usda.gov.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

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