



United States  
Department of  
Agriculture

February 18, 2021

Farm Production  
and Conservation

## INFORMATIONAL MEMORANDUM

Risk  
Management  
Agency

**To:** All Approved Insurance Providers writing in the States of  
Kentucky and Tennessee

803 Liberty Road  
Flowood, MS  
39232-9737

**From:** Roddrick Bell, Director /s/ Roddrick Bell  
Jackson Regional Office

P: (601) 965-4771  
F: (601) 965-4517

**Subject:** 2021 Requests for Actuarial Change for Cigar type tobacco.

### Discussion:

The Jackson Regional Office (JRO) has received several questions regarding the insurability of Cigar type tobacco for the 2021CY. All Requests for Actuarial Change must meet the minimum documentation requirements and deadlines as published in the 2021 Written Agreement Handbook (FCIC 24020 (06-2020)). However, a letter from an agricultural expert will not be required.

If all requirements are met, the JRO will offer a “Not Pre-Approved Written Agreement” (Crop Inspection Required) (WAN). The offer will be signed by the JRO pending the outcome of the crop inspection.

It is the decision of the producer to request the type of tobacco that he/she wishes to insure; however, at this time, there is not sufficient data available with which to build actuarially sound offers for Cigar Wrapper or Cigar Binder tobacco (WAH 85D(1)(g)(ix)). If a producer can provide sufficient data showing sold production of Wrapper or Binder tobacco the JRO will take this information into account.

With very few exceptions, all Cigar tobacco grown in the Kentucky/Tennessee area will be contracted with a buyer. As part of minimum documentation, each Request for Actuarial Change is required to document that:

- the crop is commercially grown in the area, and
- a viable marketing outlet is available, or a legal marketing contract is in effect for the crop produced. (WAH 85D(1)(g)(vii)).

We have been made aware of a situation regarding landowners who are issuing a “buying contract” to the lessee of their land, thereby attempting to meet the requirement of a tobacco grower having a buying contract. A contract of this nature is not considered valid

due to the landowner not being a legal marketing outlet. Contracts of this nature will be reviewed on an individual basis.

If you have any questions, please contact:

Terri Lemire @ [Terri.Lemire@USDA.GOV](mailto:Terri.Lemire@USDA.GOV)

Brook Stuart @ [Austin.h.Stuart@USDA.GOV](mailto:Austin.h.Stuart@USDA.GOV)