



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 Illinois, Indiana and Ohio

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From: Brian Frieden, Director /s/
Springfield Regional Office

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

Discussion:

The Springfield Regional Office (SRO) has received several questions regarding the insurability of Cigar type tobacco for the 2021CY, specifically the Connecticut Broadleaf variety. 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)).

Connecticut Broadleaf tobacco can be sold as wrapper, binder, or filler, depending on quality. For crop insurance purposes, these are insurable as separate commodities, Cigar Wrapper Tobacco (0236), Cigar Binder Tobacco (0235), and Cigar Filler Tobacco (0234). When requesting a written agreement, it is the decision of the producer to request the tobacco commodity they wish to insure, however, requests should include all possible commodities if the producer is unsure how their tobacco will be sold at the time the request is made. In our region, we may not have sufficient data available with which to build actuarially sound offers for the higher quality Cigar Wrapper or Cigar Binder tobacco (WAH 85D(1)(g)(ix)). If a request lists more than one tobacco commodity, the SRO will use the information provided with the request, along with other data that may be available to determine which of the requested commodities we can insure.

With very few exceptions, all Cigar tobacco grown in the region will be contracted with a buyer. As part of minimum documentation, each Request for Actuarial Change is required to document (according to the WAH 85D(1)(g)(vii)) 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.

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 the Springfield Regional Office at rsoil@usda.gov.