



United States
Department of
Agriculture

February 16, 2023

Farm Production
and Conservation

INFORMATIONAL MEMORANDUM

Risk
Management
Agency

To: All Approved Insurance Providers writing in the States of North Carolina and Virginia

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From: Alexander Sereno, Director
By William Barnes, Acting Director /s/ William Barnes
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Subject: 2023 Requests for Actuarial Change for Connecticut Broadleaf Tobacco/Cigar Type Tobacco

Discussion:

The Raleigh Regional Office (RO) will offer Written Agreements for Connecticut Broadleaf tobacco/Cigar Type tobacco for the 2023 Crop Year. All Requests for Actuarial Change must meet the minimum documentation requirements and deadlines as published in the 2023 Written Agreement Handbook (WAH). A letter from an agricultural expert is not required for Connecticut Broadleaf tobacco/Cigar Type tobacco.

If all WAH requirements and procedures are met, the Raleigh RO will prepare a "Not Pre-Approved Written Agreement" (Crop Inspection Required) (WAN) for the insured's review and signature. The offer will be signed by the Raleigh RO 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, currently, 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)).

Connecticut Broadleaf tobacco/Cigar Type tobacco grown in the states of North Carolina and Virginia must 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)).

Each Written Agreement (WA) offer will require a Crop Inspection Appraisal (CI appraisal).

WAH, Part 2, Section 4, Paragraph 42

The Approved Insurance Provider (AIP) must perform a CI appraisal in accordance with the procedures listed below:

- (1) The AIP must conduct a CI appraisal of the crop for which a WA is requested to determine the crop's potential yield **by field** for the acreage specified in the WA offer. The CI appraisal must comply with all applicable procedures in the Loss Adjustment Manual (LAM), with the exception that comparisons are made **on a field basis** for WA offers, not on a unit basis. For any field that does not have a potential yield equal to or greater than 90 percent of the yield used to determine the production guarantee or the amount of insurance, the field will not be insurable. (Emphasis added)

Each CI appraisal must include the Farm Number (FN), the Tract Number and the field number of the crop being appraised, along with all other applicable procedures in the LAM.

If you have any questions, please contact:

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