

NEWS RELEASE

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Flue Cured and Burley Tobacco Quality Adjustment and Crop Rotation Requirements

Raleigh, North Carolina, December 12, 2012 – USDA’s Risk Management Agency (RMA) announces quality adjustment changes and a crop rotation requirement for flue cured and burley tobacco beginning with the 2013 crop year.

Quality adjustment factors were modified for the least valuable grades of flue cured and burley tobacco. Producers are no longer required to destroy tobacco assigned these grades to qualify for quality adjustment. Producers can choose to destroy the least valuable graded tobacco resulting in no production to count, or sell it and have twenty percent of that production count toward their insurance guarantee. This allows the producer more flexibility in marketing or disposing of their tobacco while retaining the maximum value of their crop insurance benefits.

Beginning in 2013, flue cured tobacco in all states, and burley tobacco planted in Kentucky, North Carolina, Tennessee, Virginia, and West Virginia are subject to a crop rotation requirement to be eligible for crop insurance. Tobacco will not be insurable on any acreage on which tobacco was planted in the two previous crop years. For example, a producer who planted tobacco on land in 2011 and 2012 will not be able to insure tobacco on that same land in 2013. Producers should review their cropping history and plan accordingly in order to assure that their acreage is eligible for tobacco crop insurance.

Tobacco producers are encouraged to visit with their crop insurance agent to learn specific details for the 2013 crop year. Federal crop insurance policies are sold and delivered solely through private insurance companies and agents. A list of crop insurance agents is available at all USDA Service Centers in the United States or on RMA’s web site at <http://www3.rma.usda.gov/tools/agents/>.

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