



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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INFORMATIONAL MEMORANDUM: IS-12-002

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Michael A. Alston /s/ David L. Miller, for 4/6/2012
Deputy Administrator
for Insurance Services

SUBJECT: Common Land Unit Acreage Reporting Plan

BACKGROUND:

Beginning in the 2010 Reinsurance Year, the Standard Reinsurance Agreement, Appendix III established Common Land Unit (CLU) reporting requirements for Approved Insurance Providers (AIPs). AIPs requested the Risk Management Agency (RMA) clarify these reporting requirements by providing the agency's plan to expand reporting requirements in subsequent reinsurance years. Through several draft iterations and the formulation of an industry workgroup, a plan has been developed for providing direction on the reporting requirements.

ACTION:

The Land Identification Implementation CLU Acreage Reporting Plan through the 2016 Reinsurance Year is attached. RMA appreciates the efforts and input of AIPs and National Crop Insurance Services who assisted in finalizing the attached CLU acreage reporting requirements. As provided in the attached plan, these requirements are designed to serve as our roadmap to the future while recognizing modifications may result as additional program benefits or challenges are identified.

Through our collective efforts and those of the ongoing industry workgroup, we do not expect adverse situations to arise yet AIPs are advised that substantial non-compliance with the reporting requirements issued in Appendix III as a result of this plan may be subject to penalties under Section IV(H) of the Standard Reinsurance Agreement.

DISPOSAL DATE:

December 31, 2012.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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**RMA Land Identification Implementation
(CLU Acreage Reporting Plan)
Reinsurance Years 2010 - 2016**

Purpose

Provide Risk Management Agency's (RMA) plan through the 2016 Reinsurance Year to collect acreage information by the Common Land Unit (CLU).

Background

The United States Department of Agriculture (USDA) has identified a need for a common land identifier to facilitate the standardization and sharing of information between multiple USDA agencies. USDA has established the CLU as the common land identifier to collect USDA program acreage.

RMA believes that acreage location identified by CLU can be used to improve actuarial soundness; enable it to be correlated with other types of data such as soils, slope, elevation or weather; reduce duplicative reporting by the producer; enable the efficient sharing of RMA data with Approved Insurance Providers (AIPs), Farm Service Agency (FSA) and other USDA agencies; reduce program vulnerabilities; and assist with compliance efforts. Realization of the full benefits and program improvements lies in the future; however, to achieve such benefits it is imperative to make progress in obtaining more refined data. Implementation of this plan will require the development or modification of procedures and data processing systems.

In addition, this CLU Acreage Reporting Plan is consistent with USDA's Acreage Crop Reporting and Streamlining Initiative (ACRSI) to achieve commonality in USDA program data. ACRSI objectives include consolidating acreage reporting dates, standardizing commodity names and codes, as well as establishing common business entity types and their identification number requirements. These ongoing initiatives will further enhance USDA's standardization and data sharing capabilities.

Common Land Unit

FSA establishes and maintains a CLU and the associated CLU ID.

The CLU represents the FSA farm, tract, and field number. The ACRSI team developed and recommended the following definition of CLU:

- A CLU is the smallest area of land with the same land classification that has a permanent contiguous boundary. Permanent boundaries may include: field boundaries, fences, rivers, creeks, grass waterways, tree/forest lines or other similar features.

- A CLU can be subdivided or contain subfields that are separated from the balance of the field by a temporary boundary that may change from year to year. Subfields may be established annually and may represent different commodities, cropping patterns, etc. that can be identified by temporary boundaries. The CLU subfields will retain the CLU identifier.
- FSA uses farm, tract, and field numbers to identify acreage on their program documents and acreage reports.
- FSA assigns each farm, tract, and field a unique identifier called the CLU ID. The CLU ID is a globally unique identifier that is system generated, primarily used by automated systems, and generally not known by the producer.

The Comprehensive Information Management System (CIMS) provides AIPs access to State geospatial files of CLUs, used to identify field boundaries approximately every two months for the entire state in which the AIP operates. Additionally, AIPs may electronically request the current year and prior year FSA acreage report information from the FSA Form 578 for their policyholder.

RMA anticipates advancements in geospatial information systems and software that will provide the opportunity to use precision agriculture technology as well as AIP utilization of mapping technologies to facilitate collection of acreage reports by CLU. RMA will work with AIPs, FSA and other USDA agencies to develop procedures and requirements to encourage the use of this technology, as well as to simplify the use of CLUs to reduce the burden on AIPs in reporting acreage by CLU, and the USDA in maintaining the CLUs.

Within the remainder of this document, CLU refers to acreage identified by the FSA farm, tract and field number when referring directly to information received from or provided to the producer.

Requirements:

RMA has confirmed that the Common Crop Insurance Policy Basic Provisions legally support collection of acreage reporting data by CLU from the insured. RMA procedural directives will be revised in accordance with this CLU Reporting Plan, and AIPs will have an opportunity to comment on those modified procedures prior to their issuance.

Beginning with the 2010 reinsurance year, the Standard Reinsurance Agreement Appendix III established CLU reporting requirements for AIPs. The 2010 Appendix III required, and all AIPs met, a minimum CLU acreage reporting requirement of at least 20 percent of the total acreage for Revenue Assurance, Crop Revenue Coverage and Actual Production History plans of insurance. The Appendix III percentage requirement for acreage reporting at a CLU level will continue to increase each year through 2016 when 100 percent of all acreage for applicable plans of insurance will be required to be reported by CLU. Increasing the percentage requirement over several years allows AIPs flexibility to fully integrate CLU reporting to best meet the routine activities of agents, policyholders, AIPs and RMA. AIPs will only be required to submit policy information by CLU when a CLU is available from FSA.

AIPs currently may utilize the following three sources of CLU data to accomplish the CLU reporting requirements outlined herein: CIMS State geospatial files of CLUs which AIPs may incorporate into mapping software; CIMS FSA 578 data by CLU cross-referenced by the AIP to the insured's acreage report by unit; or the insureds may provide their acreage report by FSA farm, tract and field number. Ultimately, all AIPs should strive towards incorporating the geospatial files into their acreage reporting processes, yet the AIP may use alternatives to meet the requirement.

While these requirements are designed to serve as a roadmap to achieve collection of 100 percent of acreage reports for most insurance plans by CLU, modifications to this plan, including collecting acreage reports by CLU for perennial crops, actions by USDA such as Farm Bill Amendments or ACRSI developments may be required. The Policyholder Acceptance and Storage System (PASS) CLU validations will be modified over time to achieve consistency with these broad objectives.

RY 2010 – 2016 CLU Acreage Reporting Requirements

Reinsurance Year	Appendix III Requirement	Producer Requirements
2010	All AIPs reported at least 20% of the total acreage for additional coverage policies under insurance plans 25, 44, and 90 by CLU on the Type 27 record. All acreage, regardless of the insurance plan, reported by CLU on the Type 27 record was included in meeting the 20% acreage requirement.	Insureds voluntarily reported acreage by CLU or the AIP derived the data.

Reinsurance Year	Appendix III Requirement	Producer Requirements
2011	1. All AIPs reported (by the accounting cutoff date in February 2012) at least 35% of the total acreage for additional coverage policies under insurance plans 01, 02, 03 by CLU on the Type 27 record with a Reported Land Identifier Type Code of “C”. All acreage, regardless of the insurance plan reported by CLU on the Type 27 record was included in meeting the 35% acreage requirement.	Insureds voluntarily reported acreage by CLU or the AIP derived the data. Exception: Insureds must report acreage by CLU when required by Written Agreement.

Reinsurance Year	Appendix III Requirement	Producer Requirements
2012	<ol style="list-style-type: none"> 1. By the Accounting Cutoff date in February 2013, each AIP must report 50% of the total acreage for additional coverage policies under insurance plans 01, 02 and 03 by CLU on the Type 27 record with a Reported Land Identifier Type Code “C”. 2. Acreage covered by an accepted Written Agreement must be reported by CLU when required by the Written Agreement. 3. All acreage in a unit containing acreage identified as new breaking or former Conservation Reserve Program (CRP) acreage must be reported by CLU as required by the Crop Insurance Handbook (CIH). 	<p>Insureds may voluntarily report acreage by CLU or the AIP may derive the data.</p> <p>Exception: Insureds must report acreage by CLU:</p> <ol style="list-style-type: none"> 1. When required by Written Agreement; and 2. For units containing new breaking or former CRP acreage as required by the CIH.

	<p>4. Acreage, regardless of the insurance plan, accepted on the Type 27 record with a Land Identifier Type Code of “C” will count towards the 50% acreage requirement.</p> <p>5. The total acreage used to calculate the 50% will be determined using only acreage from the Type 11 for those counties where CIMS has provided complete and valid CLU data in each of the GIS CLU files released from February prior to the RY through December of the RY.</p>	
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Reinsurance Year	Appendix III Requirement	Producer Requirements
2013	<p>1. By the accounting cutoff date in January 2014, each AIP must report 70% of the total acreage for additional coverage policies under insurance plans 01, 02 and 03 by CLU on the Type 27 record with a Reported Land Identifier Type Code of “C”.</p> <p>2. Acreage covered by an accepted Written Agreement must be reported by CLU when required by the Written Agreement.</p> <p>3. All acreage in a unit containing acreage identified as new breaking or former CRP acreage must be reported by CLU as required by the CIH.</p> <p>4. Acreage, regardless of the insurance plan, accepted on the Type 27 record with a Land Identifier Type Code of “C” will count towards the 70% acreage requirement.</p> <p>5. The total acreage used to calculate the 70% will be determined using only acreage from the Type 11 for those counties where CIMS has provided complete and valid CLU data in each of the GIS CLU files released from February prior to the RY through December of the RY.</p>	<p>Insureds may voluntarily report acreage by CLU or the AIP may derive the data.</p> <p>Exception: Insureds must report acreage by CLU:</p> <ol style="list-style-type: none"> 1. When required by Written Agreement; and 2. For units containing new breaking or former CRP acreage as required by the CIH.

Reinsurance Year	Appendix III Requirement	Producer Requirements
2014	<ol style="list-style-type: none"> 1. By the accounting cutoff date in December 2014, each AIP must report 90% of the total acreage reported for insurance plans 01, 02, and 03 (catastrophic and additional coverage) must be reported by CLU on the Type 27 record with a Reported Land Identifier Type Code of "C". 2. Acreage covered by an accepted Written Agreement must be reported by CLU when required by the Written Agreement. 3. All acreage in a unit containing acreage identified as new breaking or former CRP acreage must be reported by CLU as required by the CIH. 4. Acreage, regardless of the insurance plan, accepted on the Type 27 record with a Land Identifier Type Code of "C" will count towards the 90% acreage requirement. 5. The total acreage used to calculate the 90% will be determined using only acreage from the Type 11 for those counties where CIMS has provided complete and valid CLU data in each of the GIS CLU files released from February prior to the RY through December of the RY. 	<p>Insureds may voluntarily report acreage by CLU or the AIP may derive the data.</p> <p>Exception: Insureds must report acreage by CLU:</p> <ol style="list-style-type: none"> 1. When required by Written Agreement; and 2. For units containing new breaking or former CRP acreage as required by the CIH.

Reinsurance Year	Appendix III Requirement	Producer Requirements
2015	<ol style="list-style-type: none"> 1. By the accounting cutoff date in November 2015, each AIP must report 95% of the total acreage reported for all applicable insurance plans and coverage types (e.g. catastrophic, additional), provided in Appendix III, must be reported by CLU on the Type 27 record with a Reported Land Identifier Type Code of "C". 2. Acreage covered by an accepted Written Agreement must be reported 	<p>Insureds may voluntarily report acreage by CLU or the AIP may derive the data.</p> <p>Exception: Insureds must report acreage by CLU:</p> <ol style="list-style-type: none"> 1. When required by Written Agreement; and 2. For units containing new breaking or former CRP

	<p>by CLU when required by the Written Agreement.</p> <p>3. All acreage in a unit containing acreage identified as new breaking or former CRP acreage must be reported by CLU as required by the CIH.</p> <p>4. Acreage, regardless of the insurance plan, accepted on the Type 27 record with a Land Identifier Type Code of “C” will count towards the 95% acreage requirement.</p> <p>5. The total acreage used to calculate the 95% will be determined using only acreage from the Type 11 for those counties where CIMS has provided complete and valid CLU data in each of the GIS CLU files released from February prior to the RY through December of the RY.</p>	<p>acreage as required by the CIH.</p>
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Reinsurance Year	Appendix III Requirement	Producer Requirements
2016	<p>1. Each AIP must report 100% of the total acreage by CLU for all applicable insurance plans and coverage types (e.g. catastrophic, additional), provided in Appendix III, on the Type 27 record with a Reported Land Identifier Type Code of “C”.</p> <p>2. Type 27 records must be submitted with the Type 11 records.</p> <p>3. Acreage, regardless of the insurance plan, accepted on the Type 27 record with a Land Identifier Type Code of “C” will count towards the 100% acreage requirement.</p> <p>4. The total acreage used to calculate the 100% will be determined using only acreage from the Type 11 for those counties where CIMS has provided complete and valid CLU data in each of the GIS CLU files released from February prior to the RY through December of the RY.</p>	<p>CLU data must either be obtained through CIMS or reported by the insured. Insured must certify acreage by CLU for all applicable plans. CLU data must be displayed on the Acreage Report.</p>