



United States
Department of
Agriculture

Risk
Management
Agency

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March 6, 2009

INFORMATIONAL MEMORANDUM: PM-09-014

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

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: Production Reporting Requirements to Qualify for an Enterprise Unit

BACKGROUND:

Section 12011 of the Food, Conservation, and Energy Act of 2008 amended section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)), by agreeing to authorize producers who elect whole-farm (WF) or enterprise units (EU) to receive the same dollar amount of premium subsidy that would have otherwise been paid if they had elected a basic or optional unit for the crop. The Risk Management Agency (RMA) has received questions concerning varying language in the Actual Production History (APH), Crop Revenue Coverage (CRC), and Revenue Assurance (RA) plans of insurance regarding production record requirements to qualify for an EU.

ACTION:

To maintain consistency and equitable treatment between APH, CRC, and RA, a producer who meets the requirements for an EU under the plan of insurance chosen does not have to report or maintain separate production records for each basic or optional unit that comprise the EU for the most recent crop year. Producers are required to report and maintain total acreage and production for the insured crop by practice, type and variety, as applicable.

Note: If producers choose to change their unit structure from an EU to basic or optional units in subsequent crop years, separate records of acreage and production for the most recent crop year for each basic or optional unit must be reported and maintained.

Additionally, for reporting purposes if the producer chooses to provide separate acreage and production reports that would qualify for separate basic or optional units, approved insurance providers (AIPs) must maintain separate APH databases accordingly within an EU. If APH databases on a basic or optional unit basis exist for prior years, but the insured reports total production and acreage during the period of time insured under an EU, AIPs may maintain the basic or optional unit structure (databases) in accordance with procedure in the FCIC 18010-02 Crop Insurance Handbook (CIH), Exhibit 15 paragraph 2.



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And Oversees All Programs Authorized Under
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In subsequent years, if a producer requests to change from an EU to basic or optional units, and has not reported acreage and production records on a basic or optional unit basis for the most recent crop year, the EU reported acreage and production must be divided according to procedure in the CIH, Exhibit 15 paragraph 5. This procedure not only applies to dividing basic or optional units, but also applies when dividing EUs into basic or optional units.

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting/updating information and the disposal date is December 31, 2010.