



United States
Department of
Agriculture

Risk
Management
Agency

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September 25, 2009

INFORMATIONAL MEMORANDUM: PM-09-046

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

FROM: Tim B. Witt */s/Rodger M. Matthews, for*
Deputy Administrator

SUBJECT: Enterprise Units for Revenue Assurance Winter and Spring
Wheat

BACKGROUND:

The Risk Management Agency (RMA) has received questions concerning enterprise units for counties with both winter and spring wheat final planting dates for the Actual Production History (APH), Crop Revenue Coverage (CRC), and Revenue Assurance (RA) plans of insurance.

The APH and CRC plans of insurance specify an enterprise unit will be all insurable acreage of the insured crop in the county. Under the APH or CRC plans of insurance, only one enterprise unit is allowed for both winter and spring wheat.

The RA plan of insurance was privately developed, submitted and approved by the Federal Crop Insurance Corporation Board of Directors under section 508(h) of the Federal Crop Insurance Act. The RA plan of insurance specifies an enterprise unit will consist of all insurable acreage of the insured crop in the county. But, unlike CRC and APH, RA has a unique set of underwriting rules which indicate a producer may have an enterprise unit for both winter wheat and spring wheat, if other qualifications are met. Previously, RMA has interpreted the underwriting rules to permit separate enterprise units for the winter and spring wheat.

ACTION:

Consistent with RMA's prior interpretations, winter and spring wheat can each have a separate enterprise unit under the RA plan of insurance. Under the RA plan of insurance, an insured is not allowed to combine winter and spring wheat units to meet the enterprise unit requirements. Under the APH and CRC plans of insurance, winter wheat and spring wheat acreage will be included in the same



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enterprise unit. The discrepancy in the eligibility for enterprise units will be resolved when RMA publishes the final rule that combines the APH, CRC and RA policies.

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting/updating information and the disposal date is December 31, 2009.