



United States
Department of
Agriculture

October 23, 2012

INFORMATIONAL MEMORANDUM: PM-12-052

Farm and Foreign
Agricultural
Services

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

Risk
Management
Agency

FROM: Tim B. Witt /s/ *Tim B. Witt*
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SUBJECT: Separate Optional Units (OU) for Irrigated (IRR) and Non-Irrigated (NIRR) Practices

BACKGROUND:

The Risk Management Agency has received information that some producers have requested the Farm Service Agency to create new Farm Numbers (FN) so producers can qualify for separate OUs for IRR and NIRR practices.

Section 34 of the Common Crop Insurance Policy Basic Provisions states the following in regard to separate OUs by IRR and NIRR acreage:

(2) In addition to, or instead of, establishing optional units by section, section equivalent or FSA farm serial number, optional units may be based on irrigated and non-irrigated acreage. To qualify as separate irrigated and non-irrigated optional units, the non-irrigated acreage may not continue into the irrigated acreage in the same rows or planting pattern. The irrigated acreage may not extend beyond the point at which the irrigation system can deliver the quantity of water needed to produce the yield on which the guarantee is based, except the corners of a field in which a center-pivot irrigation system is used may be considered as irrigated acreage if the corners of a field in which a center pivot irrigation system is used do not qualify as a separate non-irrigated optional unit. . . .

Section 10B of the Crop Insurance Handbook (CIH) provides instructions for the qualification of separate OUs for IRR and NIRR acreage including an exception for IRR and NIRR OUs for center-pivot irrigation systems that allows a clear and discernible break to be established by:

- (1) Planting end rows either before or after the crop or by cultivating, disking, mowing, etc. (after the crop was planted) between the IRR circle and NIRR corners that must be completed on or before the Acreage Reporting Date; and



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- (2) Identifying the boundaries between the IRR pivot and NIRR corners using precision farming technology.

ACTION:

Separate FN's are not required to establish OUs for IRR and NIRR acreage provided the policy provisions and CIH requirements are met.

This memorandum makes no changes to existing policy and procedural requirements for establishing OUs. Approved Insurance Providers should remind agents during training to follow the procedure in CIH Section 10B to determine whether IRR and NIRR practices qualify for separate OUs.

DISPOSAL:

December 31, 2012