United States Department of Agriculture

Farm and Foreign Agricultural Services

## Risk

Management Agency

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May 20, 2013
INFORMATIONAL MEMORANDUM: PM-13-023

TO: All Approved Insurance Providers<br>All Risk Management Agency Field Offices<br>All Other Interested Parties<br>FROM: $\quad$ Tim B. Witt $/ s /$ Tim B. Witt<br>Deputy Administrator<br>SUBJECT: Representative Sample Areas (RSAs) When Acreage Is Contained In a Center Pivot Irrigation System

## BACKGROUND:

The Risk Management Agency has recently received questions regarding the Loss Adjustment Manual (LAM) Standards Handbook and whether paragraph 88 E (1) (b) $\underline{1} \underline{a}$ requires separate RSAs, and if RSAs can be aggregated to allow for conservation of irrigation water, energy and operating costs when center pivot irrigation systems are involved. Subparagraph 88 E (1) (b) $\underline{1} \underline{a}$, recognizes the need for the insured to be able to economically irrigate and maintain RSAs within a center pivot irrigation system.

## ACTION:

To conserve water and energy to operate the irrigation system, the required number of separate RSA's may be combined into a single RSA within the center pivot irrigation circle. The resulting single RSA must be representative of all acreage in the center pivot irrigated circle. If a single RSA cannot be created that is representative of all the acres in the circle, then separate RSAs are required to be maintained.

The required number of RSA's is based on the number of acres of the insured crop in the field. Each RSA is required to contain the same square footage as if measuring a 10 foot wide strip multiplied by the length of the field (for a circle, the length of the field is the diameter).

EXAMPLE: A 125.7 acre center pivot irrigation circle would require 4 RSAs (1 RSA for the first 10 acres and an additional RSA for each additional 40.0 acres for a total of 4 RSA's) which may be combined into a single RSA.

Separate RSAs are required for the non-irrigated corners of a center pivot irrigation circle and must be separately appraised.

This clarification only applies to the above subparagraph and does not apply to any other subparagraphs within paragraph 88 E (1) (b). For acreage (irrigated or non-irrigated) other than center pivot irrigation acreage, insureds must maintain separate RSAs either 10 feet wide the entire length of the field or the equivalent thereof.

## DISPOSAL DATE:

Until updated in the loss adjustment procedures.

