



United States
Department of
Agriculture

Risk
Management
Agency

Beacon Facility-
Mail Stop 0801
P.O. Box 419205
Kansas City, MO
64141-6205

October 21, 2008

INFORMATIONAL MEMORANDUM: PM-08-057

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: Enterprise and Whole Farm Unit Subsidy Changes

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 adding at the end the following:

(5) *ENTERPRISE AND WHOLE FARM UNITS.—*

(A) *IN GENERAL.—The Corporation may carry out a pilot program under which the Corporation pays a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2).*

(B) *AMOUNT.—The percentage of the premium paid by the Corporation to a policyholder for a policy with an enterprise or whole farm unit under this paragraph shall, to the maximum extent practicable, provide the same dollar amount of premium subsidy per acre that would otherwise have been paid by the Corporation under paragraph (2) if the policyholder had purchased a basic or optional unit for the crop for the crop year.*

(C) *LIMITATION.—The amount of the premium paid by the Corporation under this paragraph may not exceed 80 percent of the total premium for the enterprise or whole farm unit policy.*

ACTION:

Effective for 2009 crop year crops with November 30, 2008 and subsequent contract change dates, subsidy factors for enterprise and whole farm units are presented in the following table and posted on applicable actuarial documents. These subsidy factors apply to crops with Revenue Assurance, Crop Revenue Coverage, and select crop/counties for Actual Production History where enterprise units are available.



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

An Equal Opportunity Employer

Coverage Level	50	55	60	65	70	75	80*	85*
Enterprise Unit Factors*	0.80	0.80	0.80	0.80	0.80	0.77	0.68	0.53
Whole Farm Unit Factors*	n/a	n/a	n/a	0.80	0.80	0.80	0.71	0.56

*Only for those crops and counties where whole farm and enterprise units are available

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and the expiration date is December 31, 2008.