

1005 APH Databases Below BU Level (Continued)

As provided by the policy or approved procedures, APH databases must not be established for acreage that would not qualify for separate OUs for crop/P/T/TMA see Para. 1505. Any liability, premium, and indemnity payments will be based on the BU structure, regardless of any APH databases that may be established below that level.

1006 Commingled Acres and Production

Acres and production prorated between BUs are not acceptable production evidence for BUs. Multi-Purpose Production and Yield Worksheet (commingled production worksheet) cannot be used to prorate acreage and production between BUs.

Exception: If the insured has a loss for the current crop year, the insured is required to maintain production evidence to support the current crop year's unit arrangement as shown on the acreage report. If, at loss time, production is discovered to be commingled between BUs, the production must be apportioned or prorated, as applicable, to the appropriate BU. The apportioned or prorated production is used to process both the current year's claim and the following crop year's production reports.

1007-1020 (Reserved)

Section 2 Optional Units

1021 Availability

Land that would otherwise be one BU may be divided into OUs according to the OU definition contained in the BP, CP and/or SP. OUs are not available for crops insured under CAT. Separate OUs are available for additional coverage policies only and are determined by the following order of precedence.

A. Section

Separate OUs are available for sections. The boundaries of the section must be readily discernible by the AIP without using survey instruments or locating survey markers. See Para. 1073.

B. Section Equivalents

Separate OUs are available for section equivalents in the absence of sections. See Para. 1073 for definitions and examples of a section or section equivalent.

The boundaries of the section or section equivalent must be readily discernible by the AIP without using survey instruments or locating survey markers.

C. Separate FSA FNs

Separate OUs are available by separate FSA FNs in the absence of sections, section equivalents, or other unit division arrangements provided by RMA approved procedures, such as WUA or UDO. Additionally, OUs are available by FSA FNs:

- (1) in areas where survey boundaries are not readily discernible; or
- (2) in Alabama, Arkansas, Florida, Louisiana, and Mississippi for Barley, Corn, Cotton, Grain Sorghum, Oats, Rice, Rye, Soybeans, and Wheat as provided in the SP.

The boundaries of the FSA FNs must be readily discernible by the AIP without using survey instruments or locating survey markers.

D. Written Unit Agreement (WUA)

Separate OUs are available for WUA approved by the RMA RO.

E. Unit Division Option (UDO)

Separate OUs are available by UDO approved by the AIP, where available. UDOs are used to aggregate two or more (any shape) legally identifiable parcels of land into section equivalents for OU division purposes in lieu of FSA FNs see Para. 1074.

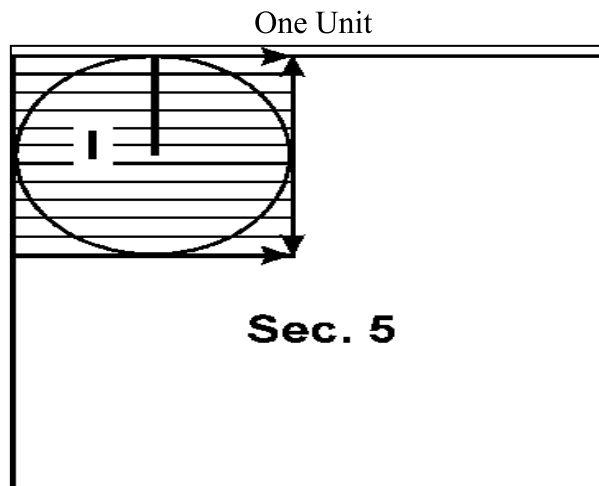
F. IRR and NI Practice

If all the requirements in Para. 1024 are met, separate OUs are available by IRR and NI practices within a single section, section equivalent, FSA FN, WUA, or UDO. OUs by IRR and NI practices cannot be further divided by FAC and NFAC cropping practices.

- (1) To qualify as separate IRR and NI OUs:
 - (a) CP must allow division of OUs by IRR and NI;
 - (b) the NI acreage may not continue into the IRR acreage in the same rows or planting pattern see (2) (c) below for exception; and
 - (c) the IRR 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.

Exception: The NI corners of a field in which a center-pivot irrigation system is used may be considered as IRR acreage if the NI corners of a field in which a center-pivot irrigation system is used do not qualify as a separate NI OU and production from both practices will be used to determine the IRR approved yield. If NI is not insurable for the county/crop, the NI corners cannot be insured as irrigated acreage with the center-pivot irrigation system.

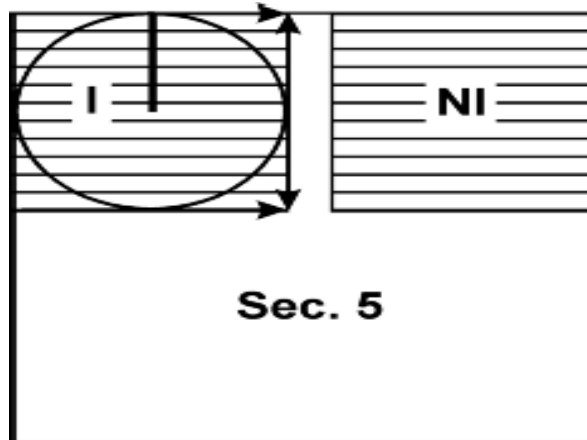
- (2) Additional center pivot instructions:
 - (a) if the crop's planting pattern/rows continue into one or more NI corners of the field and the portion of the field IRR by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is not eligible for a separate optional NI unit see (c) below for exception.



F. IRR and NI Practice (continued)

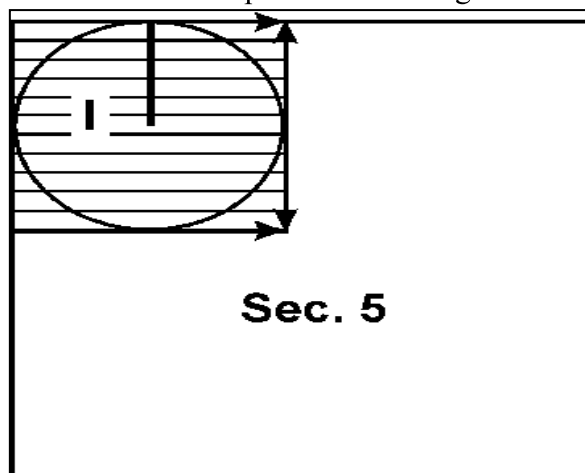
- (b) if the crop's planting pattern/rows continue between the NI corners of the field and the portion of the field IRR by a center pivot irrigation system (circle), but do not extend into other NI acreage in the same section, section equivalent, or FSA FN; other NI acreage can qualify as a separate NI OU if the requirements are met.

May qualify for two units



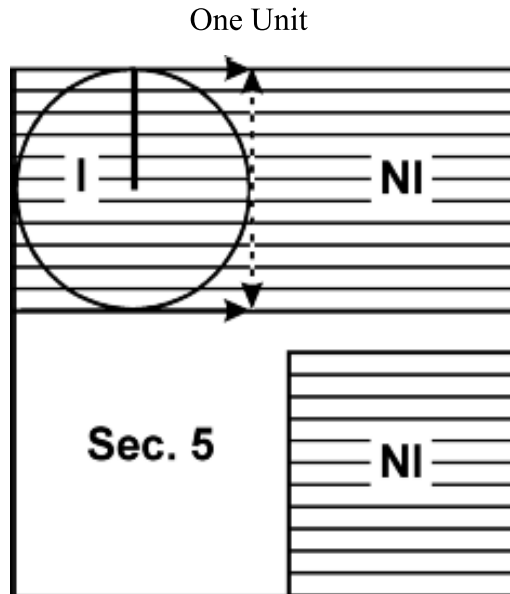
- (c) if the crop's planting pattern/rows continue between the NI corners of the field and the portion of the field IRR by a center pivot irrigation system (circle), the insured has yield monitor data separating IRR production from NI production; and is practicing precision farming techniques.

May qualify for two units using yield monitors
and precision farming



F. IRR and NI Practice (continued)

- (d) if the crop's planting pattern/rows extend beyond intersecting lines drawn at right angles to the radius of a center pivot into other NI acreage of the crop in the same section, section equivalent, FSA FN; the insured is not eligible for a NI OU.

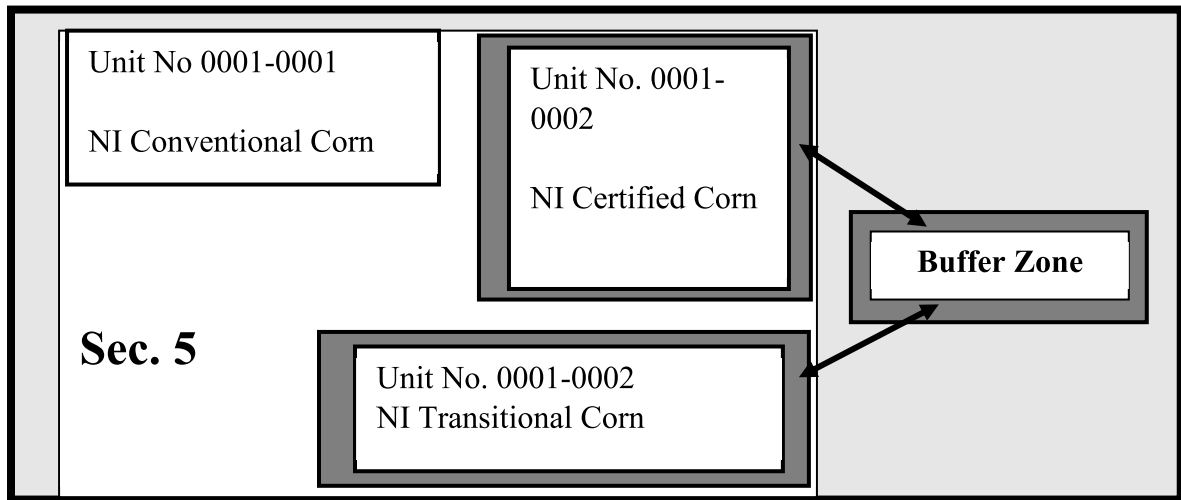


G. Organic Farming Practice

Separate OUs may be established for acreage of the insured crop grown and insured under an organic farming practice in addition to, or instead of, establishing OUs by section, section equivalent or FSA FN, or irrigated and non-irrigated acreage. However, certified organic, transitional and buffer zone acreages do not individually qualify as separate units (would be contained in the same OU). In the example below, there are two possible OUs, unit 0001-0001 (NI conventional acreage) and unit 0001-0002 (NI certified organic and NI transitional acreage). OUs by organic farming practices cannot be further divided by FAC and NFAC cropping practices.

1021 Availability (Continued)

G. Organic Farming Practice (Continued)



H. Following Another Crop (FAC) and Not Following Another Crop (NFAC) Cropping Practices

If allowed in CP and actuarial documents, separate OUs are available by FAC and NFAC cropping practices within a single section, section equivalent, FSA FN, WUA, or UDO, if all the requirements in Para. 1024 are met. Beginning with the 2020 crop year, separate OUs by FAC and NFAC are available for soybeans and grain sorghum. OUs by FAC and NFAC cropping practices cannot be further divided by IRR and NI practices or by organic farming practices.

I. Policy Authorization

Separate OUs are allowed by certain perennial CPs on non-contiguous land. Other CP may allow OUs based on different types or planting periods. Additionally, some crops require authorization in the SP for separate OUs to be applicable.

Example: The Apple CP allow for OUs on non-contiguous land; Dry Beans CP allow OUs by type (e.g., pinto, great northern, etc.); and Tobacco allows OUs by SP authorization.

1022 APH Database Below OU Level

APH databases below the OU level must be maintained by the AIP, if separate P/T/TMA/Other Characteristics are contained on the actuarial documents. As provided by the policy or approved procedures, APH databases must not be established for acreage that does not qualify for separate OUs for crop/P/T/TMA/Other Characteristics. APH databases below the OU/P/T/TMA/Other Characteristics level may only be maintained by the AIP if the criteria in Para. 1505 are met.

The approved APH yield reported must match the corresponding APH database within the OU (e.g., same section). Once APH databases are established they must be maintained with production reports for each APH database required and the AIP must submit them to RMA.

1022 APH Database Below OU Level (Continued)

Any liability, premium and indemnity payments will be based on the OU structure, regardless of any APH databases that may be established below that level based on the criteria in Para. 1505.

1023 Combination of OUs

OUs will be combined into the BU from which they were formed if insured does not comply with the OU requirements.

1024 OU Qualifications

To qualify for an OU, all of the following apply.

A. Acceptable Production Report

Acceptable production reports must be filed for at least the most recent APH crop year in the base period according to the OUs requested for the current crop year. See Para. 1302. The following exceptions apply.

- (1) The insured is a new producer who has not produced the crop, is not providing records from another person sharing in the crop, and intends to keep separate acreage and production records by P/T according to the OU division requirements. See Para. 1731.
- (2) New land or a new P(IRR or NI)/T is added to the operation for the current crop year which meets all OU requirements; and the insured has not produced the crop, is not providing records from another person sharing in the crop on that acreage, and intends to keep separate acreage and production records according to OU provisions.
- (3) A person (or any member of the insured person) has NOT produced or shared in the crop for more than two APH crop years in the county in the last 10 calendar years preceding the current crop year (11 calendar years for crops with a lag year) if a variable T-Yield exception is approved by the RMA RO and the person intends to keep separate acreage and production records according to OU requirements. See Para. 1738.

Inaccurate information on the production report must be corrected, such as: acreage or production on a reported unit; transpositions of numbers; or incorrectly reporting quality adjustment. See LAM to determine any liability adjustment factor.

Reporting a previously unreported unit is not considered a correctable error.

B. Clear and Discernible Break in Planting Pattern

The crop must be planted in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each OU.

1024 OU Qualifications (continued)

B. Clear and Discernible Break in Planting Pattern (Continued)

Exception: If a geographic or topographic feature causes an insured to plant across section/section equivalent lines, the insured may qualify for a WUA see WAH.

Exception: For pears, OUs may either be established in accordance with Para. 1021 and Para. 1024B or by non-contiguous land, but not both. In addition to this requirement, the SP may allow OUs by type. For OUs by type, the requirement that the crop be planted in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each OU are not applicable.

Planted includes the original planting, including any reseeded, or replanting. Cultivating, disking, mowing, etc., between sections, section equivalents, FSA FNs, etc., after planting or harvesting does not qualify the acreage for OUs.

Exception: For center pivot irrigation systems only, planting end rows either before or after planting the crop or cultivating, disking, mowing, etc., after the crop was planted between the IRR acreage and the NI corners of a center pivot system may be used to establish breaks between IRR and NI planting patterns for OU purposes.

Such breaks will be acceptable only if completed on or before the ARD for the crop and are clearly discernible if a subsequent inspection is required during the crop year (appraisal, claim for indemnity, APH review, etc.).

Producers using precision farming technology, identifying the boundaries (between the IRR and NI acreage of the center pivot) and GPS yield monitors that document the production separately, are considered to meet the discernible break requirements between the IRR and NI acreage. See Para. 1021F.

Additionally, if IRR and NI practices are carried out within a single section, section equivalent, or FSA FN, proper planting and fertilization practices must be carried out for each respective practice; and records of harvested production must also be maintained separately for each practice.

1025 Production Evidence

A. Most Recent APH Crop Year

The insured must have acceptable production evidence for the most recent APH crop year of planted acreage and production used to determine the approved APH yield or amount of insurance for each OU.

1025 Production Evidence (continued)

A. Most Recent APH Crop Year (Continued)

If the insured has a loss for the current crop year, the insured is required to maintain production evidence to support the current crop year's unit arrangement as shown on the acreage report. If, at loss time, production is discovered to be commingled between OUs, the units with commingled production must be combined on the current crop year's claim for indemnity. However, the acreage and production history are continued to be maintained separately unless combined according to Para. 1085.

For the subsequent crop year (the claim record must be used for APH), the insured will not qualify for OUs on the combined unit.

B. Prior APH Crop Years

When a new insured is unable to provide separate acceptable production reports on an OU basis for APH crop years prior to the most recent APH crop year but provides acceptable records of acreage by unit and production for each BU by P/T, production for OUs within a BU may be determined on a prorated basis (except for OUs determined by P/T), and applied to OUs with planted acres.

When a new insured is unable to provide acceptable production reports or records of planted acreage of the crop to prorate the production for OUs, such years are not acceptable for APH purposes when OUs are requested.

Example: 100 acres, 150 acres, and 50 acres were planted on units 0001-0001, 0001-0003 and 0001-0005 respectively. The insured has records of 37,500 bu. total production, $37,500 \div 300 = 125$ bushels per acre.

For unit 0001-0001: 12,500 (100 acres x 125 bu.), 100.0 acres and "PA"125 bu. are entered on the APH database in the Total Production, Acres, and Yield columns respectively.

For unplanted units 0001-0002 and 0001-0004, 0.0 is entered in the acres column and "Z" in the yield column.

The insured is eligible for five OUs.

C. Subsequent Crop Years

If OUs are desired, acceptable production reports must be filed for each OU.

Acceptable production evidence such as; farm management records for Category B APH crops, must indicate planted acres and production for each OU and account for all planted acreage and total production. This evidence must be available for each subsequent APH crop year.

1025 Production Evidence (continued)

C. Subsequent Crop Years (Continued)

Acres and production submitted to qualify for OUs for the previous crop year may not be combined into a BU (or OU) and then prorated if the insured wishes to continue to qualify for OUs. For additional limitations for combining OUs, refer to Part 13 Section 7.

1026 Assigned Yields

Assigned yields will apply, per Para. 1600 for unit(s) of the crop that do not have loss claim records and OUs will be combined into the BU from which they were formed if:

- (1) acceptable production reports are not provided;
- (2) production reports are provided with one or more units not reported; or
- (3) production reports are provided, however, acceptable production evidence is not maintained or available. See Part 14 for acceptable production evidence.

When assigned yields are used for the most recent crop year of the base period, OU provisions do not apply for the crop/county. OUs will be combined at the time of loss adjustment if the insured failed to meet any provision required to qualify for OUs. BUs cannot be further divided into OUs at the time of loss adjustment.

Situations in (1)-(3) above are not correctable for the current year after the PRD. However; these situations may be corrected in subsequent years prior to the PRD. See Para. 1600.

1027 Determining OUs

OUs are determined on or before the ARD, provided production reports were properly reported on an OU basis on or before the PRD. However, OUs may be changed to BUs on or before the ARD at insured's discretion. OUs may be converted to BUs after the ARD if the AIP determines the requirements for OUs are not met.

1028-1030 (Reserved)
