

1031 Availability (Continued)

If the insured does not separately designate on an Application or Policy Change Form which irrigation practice they want EP election to apply to, it will apply to both irrigation practices (one EU for all irrigated practices and one EU for all non-irrigated practices).

If the insured does not separately designate on an Application or Policy Change Form which cropping practice they want EC election to apply to, it will apply to both cropping practices (one EU for all FAC cropping practices and one EU for all NFAC cropping practices).

See Part 10 Section 5 for examples.

1032 EU Election

EU must be elected, on or before the earliest SCD, on an Application or Policy Change Form.

- (1) For counties with a fall or winter SCD and a spring SCD specified in the actuarial documents, the unit election may be changed on or before the spring SCD if there is no insured fall planted acreage of the insured crop.
- (2) The EU Election is continuous and remains in effect from year to year unless cancelled in writing by the insured by the earliest cancellation date for the next crop year.

If the insured has an EU in effect and does not qualify for the current crop year the election will continue to apply in subsequent crop years. See Para. 1033 below.

- (3) An EU may not be further divided except as specified in this procedure. However, the unit structure may be changed based on information determined to be correct when adjusting a loss or at any other time.

1033 EU Qualifications

To qualify for an EU, all of the following must apply.

- (1) The EU must contain all of the insurable acreage:
 - (a) of the same insured crop in the county as one EU; or
 - (b) all acreage of one practice as one EU and/or all acreage of the other practice as one EU for the same insured crop in the county, if allowed by the actuarial documents. The insured may elect one EU for all acreage of one practice and/or one EU for all acreage of the other practice.

1033 EU Qualifications (Continued)

- (i) When the insured elects to have separate EUs for both irrigation practices or both FAC/NFAC cropping practices, two separate EUs will be established, one EU for all insurable acreage of the crop under one practice and a second EU for all insurable acreage of the crop under the other practice, as long as both units separately meet the EU requirements below in (2). If the insured fails to qualify for an EU on either practice, the insured loses the option to select separate EUs by practice, and unit structure will be assigned according to Para 1037(2).

Example: EU by irrigation practices, the insured elects separate EUs for all irrigated practices and non-irrigated practices. Each irrigation practice must separately meet the EU requirements below in (2). If the insured fails to qualify on either irrigation practice, unit structure for both irrigation practices will be assigned according to Para. 1037(2).

EU by FAC/NFAC cropping practices, the insured elects separate EUs for all FAC and NFAC cropping practices. Each cropping practice must separately meet the EU requirements below in (2). If the insured fails to qualify on either cropping practice, unit structure for both cropping practices will be assigned according to Para. 1037(2).

- (ii) When the insured elects to have a separate EU for all acreage of one irrigation practice or either FAC or NFAC cropping practice or all acreage of the other practice, only one EU is established for all insurable acreage of the practice the insured elects to insure as an EU and may elect BUs or OUs for the other practice.

Example: EU by irrigation practices, the insured elects EU for all irrigated practices and elects to insure all non-irrigated practices as BUs or OUs. The irrigation practice that the insured elects to insure as an EU must meet the EU requirements below in (2). If the insured fails to qualify for an EU on the irrigation practice they elected to insure as EU, unit structure for both irrigation practices will be assigned according to Para. 1037(3).

EU by FAC/NFAC cropping practices, the insured elects EU for all FAC cropping practices and elects to insure all NFAC cropping practices as BUs or OUs. The FAC cropping practices must meet the EU requirements below in (2). If the insured fails to qualify for an EU on the FAC cropping practices, unit structure for both FAC and NFAC cropping practices will be assigned according to Para. 1037(3).

1033 EU Qualifications (Continued)

- (2) The acreage in an EU must be located in:
- (a) two or more sections, if OUs are available by sections;
 - (b) two or more section equivalents, if OUs are available by section equivalents;
 - (c) two or more FSA FNs, if OUs are available by FSA FNs;
 - (d) any combination of two or more sections, section equivalents, or FSA FNs, if more than one of these is the basis for OUs;
 - (e) two or more units as established by WUA or UDO; or
 - (f) one section, section equivalent, or FSA FN that contains at least 660 planted acres, based on the type of parcel that is utilized to establish OUs.

Items (a)-(e) above that are used to qualify for the EU must have planted acreage that constitutes at least the lesser of 20 acres or 20 percent (20 acres/20 percent) of the insured crop acreage in the EU. If there is planted acreage in more than two sections, section equivalents, FSA FNs or units established by written agreement, these can be aggregated to form at least two parcels to meet this requirement.

Example 1: If sections are the basis for OUs and the insured has 80 planted acres in section 15, 10 planted acres in section 34, and 10 planted acres in section 35, sections 34 and 35 may be aggregated to meet the 20 acres/20 percent requirement.

Example 2: The insured elects separate EUs for FAC and NFAC cropping practices. Sections are the basis for OUs and the insured has planted acreage of the crop as follows: 80 FAC and 7 NFAC acres in section 15, 10 FAC and 10 NFAC acres in section 34, 10 FAC acres in section 35, and 40 NFAC acres in section 36.

To qualify for the FAC EU, the insured has 80 FAC acres in section 15 and can aggregate the 10 FAC acres in section 34 and 10 FAC acres in section 35 to meet the 20 acres/20 percent requirement. To qualify for the NFAC EU, the insured has 40 NFAC acres in section 36 and can aggregate the 7 NFAC acres in section 15 and 10 NFAC acres in section 34 to meet the 20 acres/20 percent requirement.

Calculation for qualifying for FAC EU:

Total acres = 100 (80+10+10)
20 percent of total acres = 20 (100 x .20)

Section 15 with 80 acres is greater than 20 acres and greater than 20 percent.

Section 34 with 10 acres and section 35 with 10 acres aggregated together (10 + 10 = 20) meets the 20 acres/20 percent requirement.

1033 EU Qualifications (Continued)

The requirement of two or more sections with 20 acres/20 percent is met.

Calculation for qualifying for NFAC EU:

Total acres = 57 (7+10+40)

20 percent of total acres = 11.4 (57 x .20)

Section 15 with 7 acres and section 34 with 10 acres aggregated together (7+10=17) meets the 20 percent requirement.

Section 36 with 40 acres is greater than 20 acres and also greater than 20 percent.

The requirement of two or more sections with 20 acres/20 percent is met.

Example 3:

The insured elects separate EUs for irrigated and non-irrigated practices. Sections are the basis for OUs and the insured has planted acreage of the crop as follows: 80 irrigated and 4 non-irrigated acres in section 15, 10 irrigated and 6 non-irrigated acres in section 34, 10 irrigated acres in section 35, and 50 non-irrigated acres in section 36. The insured does not qualify for separate EUs by irrigated and non-irrigated practices because the non-irrigated acreage does not meet the 20 acres/20 percent requirement for two or more sections and unit structure will be assigned according to Para. 1037(2).

Calculation for qualifying for irrigated EU:

Total acres = 100 (80+10+10)

20 percent of total acres = 20 (100 x .20)

Section 15 with 80 acres is greater than 20 acres and greater than 20 percent.

Section 34 with 10 acres and section 35 with 10 acres aggregated together (10 + 10 = 20) meets the 20 acres/20 percent requirement.

The requirement of two or more sections with 20 acres/20 percent is met.

Calculation for qualifying for non-irrigated EU:

Total acres = 60 (4+6+50)

20 percent of total acres = 12 (60 x .20)

Section 36 with 50 acres is greater than 20 acres and also greater than 20 percent.

Section 15 with 4 acres and section 34 with 6 acres aggregated together (4+6=10) does not meet 20 acres/20 percent requirement.

1033 EU Qualifications (Continued)

The requirement of two or more sections with 20 acres/20 percent is not met for each proposed EU. Insured does not qualify for separate EUs by irrigated and non-irrigated practices. However, the insured would qualify for a single EU because the requirement of two or more sections with 20 acres/20 percent for a single EU by crop/county has been met.

Example 4: The insured elects a separate EU for all irrigated practices and elects to insure all non-irrigated practices as BUs or OUs. Sections are the basis for OUs and the insured has planted acreage of the crop as follows: 65 irrigated acres in section 15 and 35 irrigated acres in section 34.

Calculation for qualifying for irrigated EU:

Total acres = 100 (65+35)

20 percent of total acres = 20 (100 x .20)

Section 15 with 65 acres is greater than 20 acres and greater than 20 percent.

Section 34 with 35 acres is greater than 20 acres and greater than 20 percent.

The requirement of two or more sections with 20 acres/20 percent is met. The insured qualifies for a separate EU for all irrigated practices and can elect to insure all non-irrigated practices as BUs or OUs.

- (3) The crop must be planted in a manner that results in a clear and discernible break in the planting pattern at the boundaries of the irrigated and non-irrigated or FAC and NFAC acreage respectively to qualify for EUs by irrigated and non-irrigated practice or FAC and NFAC cropping practices. The additional center pivot instructions in Para. 1021F(2) for determining irrigated and non-irrigated acreage also apply to EUs.

“Planted” means the original planting, including any reseeding or replanting. Cultivating, disking, mowing, etc., after planting or harvesting does not qualify for separate EUs by irrigated and non-irrigated practices.

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 separate EUs by irrigated and non-irrigated practices.

Such breaks will be acceptable only if they are 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.).

1033 EU Qualifications (Continued)

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.

1034 Reporting Requirements

EU unit structure must be reported on the acreage report.

A. Separate Record Requirements

Each BU must be designated separately on the acreage report. Separate production reports must be provided for APH purposes for each crop by P/T/TMA in the EU.

Separate records of acreage and production for BUs/OUTs must be maintained to change unit structure from EUs to BUs or OUTs in any subsequent crop year.

- (1) For BUs, to be eligible to use records to establish the production guarantee for the BU, production reports must be provided for each BU by P/T/TMA. If production reports are not provided for each BU, none of the production reports are acceptable for APH purposes.
- (2) For OUTs, to qualify for OUTs and to be eligible to use the records to establish the production guarantee for all OUTs, production reports must be provided for each OUT by P/T/TMA. If production reports are not provided for each OUT, none of the production reports are acceptable for APH purposes.

B. Maintaining APH databases below the EU level

The following are instructions for maintaining an APH database below the EU level.

- (1) APH databases below the EU level must be maintained by the AIP when separate P/T/TMAs are contained on the actuarial documents.
- (2) APH databases below the EU level (at BU or OUT level) must be established and maintained by the AIP when:
 - (a) the insured provides separate production reports for acreage that would qualify for separate OUTs by crop/P/T/TMA. APH databases below the OUT for crop/P/T/TMA level may only be maintained by the AIP if the criteria in Para.1505 are met.
 - (b) once APH databases below the EU level are established, they must be maintained and the AIP must submit the APH databases to RMA electronically. The approved APH yield reported on the acreage report must match the corresponding APH database within the EU (e.g., same section).

1034 Reporting Requirements (continued)

B. Maintaining APH databases below the EU level (continued)

- (3) If the insured does not provide a production report on the basis of APH databases below the EU level or if production is commingled between the APH databases below the EU level, the AIP shall prorate the production and acreage to APH databases with planted acres when APH databases below the EU level exist. Identify actual prorated production with the “PA” yield descriptor.
- (4) Any liability, premium and indemnity payments will be based on the EU structure, regardless of any APH databases that may be established below the EU level.

C. EU Acreage Report Requirement

Each section or other basis used to qualify for an EU must be separately designated by BU on the acreage report.

D. Qualification Determination

Qualification for the EU will be determined at acreage reporting time when the insured reports all insurable acreage of the insured crop in the county for all BUs and/or OUs comprising the EU.

E. Prorating Production

If an insured has only provided production reports for total acres and total production on an EU basis and APH databases have not been maintained at the BU level, production will be prorated for each BU for planted acres in accordance with Para. 1087C to determine the approved APH yield when BUs are assigned up until payment of a claim.

1035 Discounts

Acres used to determine the EU discount include only insured planted acres in the unit (do not include any prevented planting acres). The applicable EU discount will apply to both insured and prevented planting acres when determining premium, if there are insured planted acres.

1036 Added Land and New Crop P/T

For land added to an EU or APH databases established for a new crop/P/T, use a simple average of the approved APH yields, or adjusted yields as applicable, from each of the insured’s existing APH databases that have at least one year of actual/assigned yields for the underlying units of the EU within the county as the SA T-Yield. Exclude the approved APH yields from high-risk land APH databases in the county that are excluded from the policy. In those instances, a separate SA-T-Yield would be calculated for the high-risk land APH databases, when applicable. Use the variable T-Yield when the APH databases established for the added land or new crop/P/T do not qualify for use of the SA T-Yield or the existing unit’s yield. See Part 17 Section 9.

1037 Assigned Unit Structure

- (1) If the insured does not qualify for an EU by crop/county, a unit structure will be assigned. If this determination is made (see Exh. 10E):
 - (a) on or before the ARD, the unit division will be based upon BUs or OUs, whichever is reported on the acreage report and for which the insured qualifies, if the production reporting requirements are met by the PRD.
 - (b) after the ARD, a BU structure will apply.
- (2) If the insured does not qualify for separate EUs for both practices (EUs for both irrigated and non-irrigated practices, or EUs for both FAC and NFAC cropping practices, if provided in the actuarial documents) when elected and this determination is made (see Exh. 10F and G):
 - (a) on or before the ARD, the insured may elect the unit structure of:
 - (i) one EU for one practice (either all irrigated or all non-irrigated practices, or all FAC or all NFAC cropping practices) provided the requirements in Para.1033 are met, and BU or OU for the other practices, whichever is reported on the acreage report and for which the insured qualifies, provided the production reporting requirements are met by the PRD;
 - (ii) one EU for both practices on a crop/county basis, provided the requirements in Para. 1033 are met; or
 - (iii) BUs or OUs for both practices, whichever is reported on the acreage report and for which the insured qualifies, provided the production reporting requirements are met by the PRD.
 - (b) after the ARD, the unit structure will be one EU for both practices on a crop/county basis provided the requirements in Para. 1033 are met. If the requirements for an EU are not met, a BU structure will apply to both practices.
- (3) If the insured does not qualify for an EU on one practice (EU for irrigated or non-irrigated practices, or EU for FAC or NFAC cropping practices, if provided in the actuarial documents) when they elect to insure one of the practices as an EU and a different unit structure on the other practice and this determination is made (see Exh. 10H and I):
 - (a) on or before the ARD, the unit division for both practices will be based upon BUs or OUs, whichever is reported on the acreage report and for which the insured qualifies, if the production reporting requirements are met by the PRD.
 - (b) after the ARD, a BU structure will apply to both practices.

1038 Assigned Yields

Assigned yields and related procedures will apply if production reporting provisions are not complied with for an EU. If the insured certifies production on the production report at a level below the EU, they must have acceptable records at the level reported or assigned yields will apply (see Para. 1303A for additional details). See Para. 1306, 1503B, and 1600 for assigned yield and related procedures. However, assigned yields do not apply if the insured provided an acceptable production report on an EU basis and BUs are subsequently assigned.

1039 Cups

Cups do not apply if APH databases are combined or divided when switching from BUs or OUs to an EU.

1040-1044 (Reserved)
