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Unit Structure Options

Definition

Basic Unit

All insurable acreage of the insured crop in the county on the date coverage begins for the crop year: In which you have 100 percent crop share; or

Which is owned by one person and operated by another person on a share basis. (Example: If, in addition to the land you own, you rent land from five landlords, three on a crop share basis and two on a cash basis, you would be entitled to four units; one for each crop share lease and one that combines the two cash leases and the land you own.)

Land which would otherwise be one unit may, in certain instances, be divided according to the optional unit guidelines contained in section 34 of these Basic Provisions and in the applicable Crop Provisions.

Optional Units

Optional units may be established if each optional unit is located in a separate section. In the absence of sections, we may consider parcels of land legally identified by other methods of measure such as Spanish grants, as the equivalents of sections for unit purposes. In areas which have not been surveyed using sections, section equivalents or in areas where boundaries are not readily discernible, each optional unit must be located in a separate FSA farm serial number;

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. In this case, production from both practices will be used to determine your approved yield; and

In addition to, or instead of, establishing optional units by section, section equivalent or FSA farm serial number, or irrigated and non-irrigated acreage, separate optional units may be established for acreage of the insured crop grown and insured under an organic farming practice. Certified organic, transitional and buffer zone acreages do not individually qualify as separate units. (See section 37 for additional provisions regarding acreage insured under an organic farming practice).

Requirements for Optional Units

You must plant the crop in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each optional unit;

All optional units you select for the crop year are identified on the acreage report for that crop year (Units will be determined when the acreage is reported but may be adjusted or combined to reflect the actual unit structure when adjusting a loss. No further unit division may be made after the acreage reporting date for any reason);

You have records, that are acceptable to us, for at least the previous crop year for all optional units that you will report in the current crop year (You may be required to produce the records for all optional units for the previous crop year);

You have records of marketed or stored production from each optional unit maintained in such a manner that permits us to verify the production from each optional unit, or the production from each optional unit is kept separate until loss adjustment is completed by us; and

Optional units are not available for crops insured under a Catastrophic Risk Protection Endorsement.

Enterprise Unit

Consists of all insurable acreage of the same insured crop in the county in which the insured has a share on the date the coverage begins for the crop year. This election must be made in writing on an application or policy change form on or before the earliest SCD for the insured crop(s) in the county insured. EU unit structure must be reported on the acreage report.

To qualify for EU:

(a) The EU must contain all of the insurable acreage of the same crop in:

1. Two or more sections, if OUs are available by section;
2. Two or more section equivalents, if OUs are available by section equivalents
3. Two or more FSA FNs, if OUs are available by FSA FNs;
4. Any combination of two or more sections, section equivalent, or FSA FNs, if more than one of these is the basis for OUs;
5. 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; or
6. Two or more units as established by a WUA or UDO,

(b) Each of the above [(a)1-(a)6] that are used to qualify for the EU must have planted acreage that constitutes at least the lesser of 20 acres or 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.

Whole Farm Unit

All insurable acreage of two or more insured crops planted in the county in which you have a share on the date coverage begins for each crop for the crop year. All crops for which the whole farm unit structure is available must be included in the whole farm unit. At least two of the insured crops must each constitute at least 10 percent of the total liability of all insured crops in the whole farm unit, and all crops in the unit must be insured under the same plan of insurance and with the same insurance provider.

Not all Plans of Insurance Offer Whole Farm Units as an Option. This election must be made in writing on an application or policy change form on or before the earliest SCD

For More Information

This summary is for general illustration purposes only.

Consult your crop insurance agent to obtain specific information regarding practices, options, planting dates and appropriate deadlines. **READ THE POLICY PROVISIONS BEFORE MAKING YOUR DECISION ON GRIP AND OTHER CROP INSURANCE PRODUCTS. POLICY PROVISIONS ARE AVAILABLE FROM YOUR INSURANCE AGENT.** ARMtech Insurance Services, Inc. is an equal opportunity provider. 3.13KKC
