

PRODUCT MANAGEMENT BULLETIN: PM–19-039

DATE July 01, 2019

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 7/1/2019

SUBJECT: Farm Service Agency (FSA) Tracts and Associated Common Land Units (CLUs)
Located in Multiple Counties

Background

The Risk Management Agency (RMA) has received questions regarding the impact to crop insurance policies when the Farm Service Agency (FSA) divides tracts and associated common land units (CLUs) located in multiple counties into their physical county location.

In the past, the FSA allowed a tract of land that extended into multiple counties to be considered a single tract and located in one county for FSA program purposes. The 2018 Farm Bill requires payments for certain FSA programs to be based on the physical location of acreage. Because of this change, FSA has instructed its county offices to divide tracts and associated CLUs located in multiple counties but considered one county for FSA program purposes into the counties where acreage is physically located. This may result in tracts and associated CLUs that cross county lines that were identified as being in one county for FSA program purposes to now be in two or more counties.

The Common Crop Insurance Policy (CCIP) Basic Provisions and Area Risk Protection Insurance (ARPI) Basic Provisions define a county as any county, parish, or other political subdivision of a state shown on your accepted application, including acreage in a field that extends into an adjoining county if the county boundary is not readily discernible. A field is defined as all acreage of tillable land within a natural or artificial boundary (e.g., roads, waterways, fences, etc.) and different planting patterns or planting different crops do not create separate fields. Therefore, if a field extends into an adjoining county and the county boundary is not readily discernible, the insured must choose which county to insure the entire field.

The splitting of a tract or a CLU does not change the definition of a field or county for crop insurance policies and as such, there is no impact to crop insurance policies. A field crossing a county boundary that is not readily discernible continues to be insurable in one county. Under the terms of the CCIP and ARPI Basic Provisions, insureds are required to report the field identification as the land identifier as part of the required acreage report.

Insureds can meet the acreage reporting requirement for field identification by:

- Providing the FSA Farm, Tract, and Field Number, including the FSA administrative State and County (e.g., FSA Form 578);
- Clearly identifying the field location(s) and associated boundaries using AIP map-based reporting (USDA CLU or Resource Land Unit (RLU)); or
- Other mapping resources which clearly delineate the field's location.
- If mapping software for acreage reporting is not available, field level reporting can be accomplished by using the FSA farm, tract and field in paper copy. An insured's FSA Farm/Tract/Field Number represent the digitized CLU.

When a field (as defined in the CCIP and ARPI Basic Provisions) consists of two or more FSA CLUs, those CLUs are reported as the field location identification or the AIP may report the field location identification using RLUs.

Action

This memorandum is for informational purposes only and does not change any existing policy or procedural requirements. See the FCIC 18190 General Standards Handbook (GSH) Paragraph 1212 for more information regarding reporting field location identification on acreage reports and Exhibit 12 for RLU collection standards.

DISPOSAL DATE:
December 31, 2019