



United States
Department of
Agriculture

Risk Management
Agency

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Regional Office

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Informational Memorandum

TO: All Approved Insurance Providers Writing in the State of Texas

FROM: Francie Tolle /s/ *Francie Tolle*
Director, Oklahoma City Regional Office

SUBJECT: Aggregation of Contiguous Labors into a Unit Division Option

BACKGROUND:

In areas not surveyed under the U.S. Rectangular Survey System or similar surveys allowing for sections or "section equivalents," the FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Unit Division Option (UDO), in Texas, to aggregate two or more (any shape) contiguous legally identifiable parcels of land into section equivalents for optional unit (OU) division purposes in lieu of the Farm Service Agency Farm Number (FSA FN). Legally identifiable means the parcel has a legal description that is recognized by a governmental office (i.e., appraiser, auditor, land office, county, state, etc.).

Prior to establishing a UDO, OUs must first be established by section and section equivalents according to the order of precedence outlined in Section 34(c) of the Common Crop Insurance Policy Basic Provisions and reflected in Para. 1073 of the CIH. The order of precedence for determining OUs is: (1) section; (2) section equivalent containing at least 640 acres; and (3) FSA FNs in the absence of section descriptions or section equivalents or when survey boundaries are not readily discernible.

Although Texas was originally surveyed using varying methods, e.g., railroad surveys, school grants, Spanish land grants, etc., the Risk Management Agency (RMA) has been advised these are identified within the legally identifiable abstract. In some areas of Texas, a common unit of land grant was a league which is generally identified by a legally identifiable abstract and contains in excess of 4,000 acres. The CIH defines a section equivalent as a legally identified unit of measure containing at least 640 acres, so leagues (identified within the abstract) have historically been considered a section equivalent.

According to the Texas Board of Land Surveyors, the legally identifiable land measurement in Texas is abstracts. Therefore, AIPs must use the abstracts as the legally identifiable land measurement. However, RMA has also been advised that some counties have leagues that have been further divided into 25 labors, which may have a legal description that is recognized by a governmental office.

Due to the size of the league land grants, RMA has been requested to allow UDOs by aggregating contiguous labors, which may be legally identifiable in county records, to total at least 640 acres.

ACTION:

For the 2017 and succeeding crop years, in Texas only, in lieu of submitting written unit agreement requests for oversized section equivalents based upon the league, the Oklahoma City Regional Office, in consultation with Insurance Services and Product Management, is authorizing contiguous labors, to be aggregated as a UDO. These contiguous labors must be legally identifiable and must contain at least 640 acres in aggregate to qualify for a UDO. This authorization is granted even though the labors are contained within a larger, legally identifiable league.

In accordance with the 2017 FCIC 18010, CIH, Para. 1074, legally identifiable means the parcel has a legal description that is recognized by a governmental office (i.e., appraiser, auditor, land office, county, state, etc.). Parcels can be identified by any source (i.e., plat map books, railroad maps, irrigation district maps, etc.) if they have a legal description recognized by a governmental office.

If you have any questions or concerns, please contact the Oklahoma City Regional Office, 215 Dean A. McGee, Suite 342, Oklahoma City, OK 73201, or call (405) 879-2700.

Disposal Date:

This bulletin will remain in effect until rescinded or superseded.