

## **1 Unit Division by Grid Option**

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### **A. General Information**

In Georgia, Maine, and Texas, land is not surveyed under the U.S. Public Land Survey System (PLSS), which is the basis for optional units (OUs) by sections in many parts of the United States. In these states, insureds may request the Unit Division by Grid Option (UDGO) to establish OUs by RMA Grid where the option is available and in accordance with Crop Provisions (CP) that allow for separate OUs. UDGO uses a grid developed by RMA, based on the United States National Grid (USNG), by dividing each approximately 6.2 mile by 6.2 mile USNG polygon into 36 roughly equal sized polygons approximately 686 acres in size. These approximately 686 acre polygons are each identified with a unique Section Equivalent ID and will be considered section equivalent parcels of land legally identified by other methods of measure, in accordance with Federal Crop Insurance Corporation (FCIC) procedure for establishing OUs. Where Universal Transverse Mercator (UTM) zones would divide a county, the RMA Grid uses the county's predominant UTM zone for the entire county.

When UDGO is elected, it applies to all Category B crops with additional coverage in the county, and OUs cannot be established by any other means. Given the RMA Grid is an imposed grid electronically layered over the land, the requirement for the section equivalent to have a readily discernible boundary does not apply for OUs established by UDGO. OUs established by UDGO can be further divided by irrigated and non-irrigated acreage and acreage insured under an organic farming practice as provided in the Common Crop Insurance Policy Basic Provisions (CCIP-BP) and as allowed in the applicable CP. The insured is not required to have an OU structure when UDGO is elected and can still choose unit structure on a crop/county basis for the applicable crop year.

**Example:** Insured elects UDGO for the county and has the following Category B crops: corn, cotton, and soybeans. If the insured wants OUs for the current crop year on any of the crops, the OUs will be established by UDGO (e.g., corn unit structure could be Basic Units (BUs), cotton unit structure could be Enterprise Units (EUs), and soybeans unit structure could be OUs established by UDGO).

Changes and additions to the Crop Insurance Handbook (CIH), Document and Supplemental Standards Handbook (DSSH), and General Standards Handbook (GSH) for UDGO are described in this procedure. All other applicable CIH, DSSH, and GSH procedures apply as presented in those handbooks.

### **B. UDGO Election**

UDGO must be elected by the earliest sales closing date (SCD) for all insured Category B crops with additional coverage in the insured's operation for the crop year (all applicable insured crops) and retained by the Approved Insurance Provider (AIP). The option code in the actuarial documents for electing UDGO is identified as the UG option code. The UG option code election must be made for each applicable insured crop by its respective SCD.

**1 Unit Division by Grid Option (Continued)**

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**B. UDGO Election (Continued)**

For counties that have crops with a fall or winter SCD and a spring SCD specified in the actuarial documents, the UDGO election may be changed on or before the earliest spring SCD for all applicable insured crops if there is no insured fall or winter planted acreage of any insured crop. Agents will prepare the UDGO and forward it to the AIP for approval by the earliest acreage reporting date (ARD) for all applicable insured crops.

**Example 1:** Insured has a wheat policy with a winter and spring SCD specified in the actuarial documents, and there is no insured winter planted acreage of the wheat. The UDGO election may be changed on or before the spring SCD.

**Example 2:** Insured has a wheat policy with a winter SCD specified in the actuarial documents, and there is no insured winter planted acreage of the wheat. Insured also has a corn policy with a spring SCD specified in the actuarial documents. The UDGO election may be changed on or before the earliest spring SCD.

**C. UDGO Availability**

The UDGO is available for Category B crops in Georgia, Maine, and Texas, including Category B products developed under section 508(h) of the Federal Crop Insurance Act and Category B crops insured by Written Agreement.

**D. Continuous Option**

UDGO is a continuous option and applies (until canceled) to all applicable insured crops in the county. The option may be canceled by the insured or AIP for any succeeding crop year by giving written notice on or before the earliest cancellation date for all applicable insured crops. UDGO does not automatically transfer when an insured transfers a policy to a different AIP; the UDGO must be re-requested by the insured and verified by the new AIP.

**E. UDGO Qualifications**

Each OU established under the UDGO will be comprised of the insurable cropland under the same BU within a Section Equivalent ID. Each field, which is defined by the CCIP-BP as all acreage of tillable land within a natural or artificial boundary (e.g., road, waterways, fences, etc.), will be assigned to a single Section Equivalent ID. Different planting patterns or planting different crops do not create separate fields. For fields that cross grid boundaries, the field will be assigned to the Section Equivalent ID in which the centroid of that field lies. All fields under the same BU having a centroid within the Section Equivalent ID will comprise the OU. For the purpose of UDGO, centroid means a point representing the field's center of mass which also falls within the field.

## **1 Unit Division by Grid Option (Continued)**

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### **E. UDGO Qualifications (Continued)**

**Note:** An insured can elect and qualify for OUs by UDGO and also have BUs that are not further divided into OUs.

**Example:** Insured elects OUs by UDGO and has multiple BUs that are further divided into OUs, except one BU that they choose to not further divide. On the insured's acreage report, the BU that is not further divided into OUs will be reported with the BU unit structure code, and the other BUs with OUs will be reported with the OU unit structure code. See exception below in Para. G.

### **F. OU Qualifications**

To qualify for OUs under the UDGO, the insured must comply with the OU production reporting and recordkeeping guidelines specified in the Crop Insurance Handbook (CIH), applicable crop provisions, and/or actuarial documents.

**Note:** For OUs by UDGO, the boundaries of grids will not be readily discernible, nor will they require a clear and discernible break in planting pattern at the boundaries between grids. For OUs by UDGO that are further divided, the requirement for the crop to be planted in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each OU within a grid still applies. The exceptions for establishing the break between irrigated and non-irrigated acreage for center pivot irrigation systems provided in CIH Para. 1024B still apply.

### **G. Unit Structure Code**

The applicable unit structure code for UDGO is OU. The unit structure code will not be required on the production report or APH database. However, the unit structure code must be reported on the acreage report, when applicable, as provided in CIH Para. 1062.

**Exception:** When an insured elects and qualifies for OUs, unit numbers may be coded with the OU or BU structure code. A unit number is coded with the BU structure code if an insured elects and qualifies for OUs, and a BU is not further divided into OUs, if a BU doesn't qualify to be divided into multiple OUs, or if only one OU within a BU that contains multiple OUs is planted.

### **H. Policies with More than One AIP**

If the insured has applicable insured crop policies in the county with more than one AIP, the insured must develop the UDGO with one AIP and then provide copies to any other AIP(s) on or before the ARD.

**1 Unit Division by Grid Option (Continued)**

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**I. Establish all OUs by UDGO**

The insured must establish OUs by UDGO with all of their AIPs for all applicable insured crops for which the insured elects OUs. The purpose of the option is to provide OUs on a similar basis as those determined by sections under the U.S. Rectangular Survey System.

- (1) If it is discovered that the insured has more than one UDGO, the UDGO with the earliest signature date will apply.
- (2) If the insured does not have acreage and production records or does not file required production to support the OUs by UDGO, the insured will be limited to BUs for the crop(s). See CIH Para. 1024A for exceptions.
- (3) If the insured elected UDGO and it is discovered they have an applicable insured crop under an OU unit structure, but those OUs were not established by UDGO, the crop will be limited to BUs.
- (4) Landlords and tenants (with companion policies) are not required to have the same OUs. If a landlord and a tenant have different OUs, each entity or policy will have its own approved APH yield and unit arrangement.

**J. Qualifying for an Enterprise Unit (EU)**

In lieu of establishing an EU as allowed in the CCIP-BP, OUs established by UDGO will be used to qualify for an EU. The insured must have two or more OUs, where at least two of the OUs 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 OUs, these can be aggregated to form at least two OUs to meet this requirement. The insured may also qualify for EU if they have at least 660 acres of the insured crop planted on acreage considered to be in one OU.

**K. Changes to Insured's Farming Operation**

If the insured adds land to their operation or removes land from their operation during the crop year, the UDGO on file must be updated by the ARD.

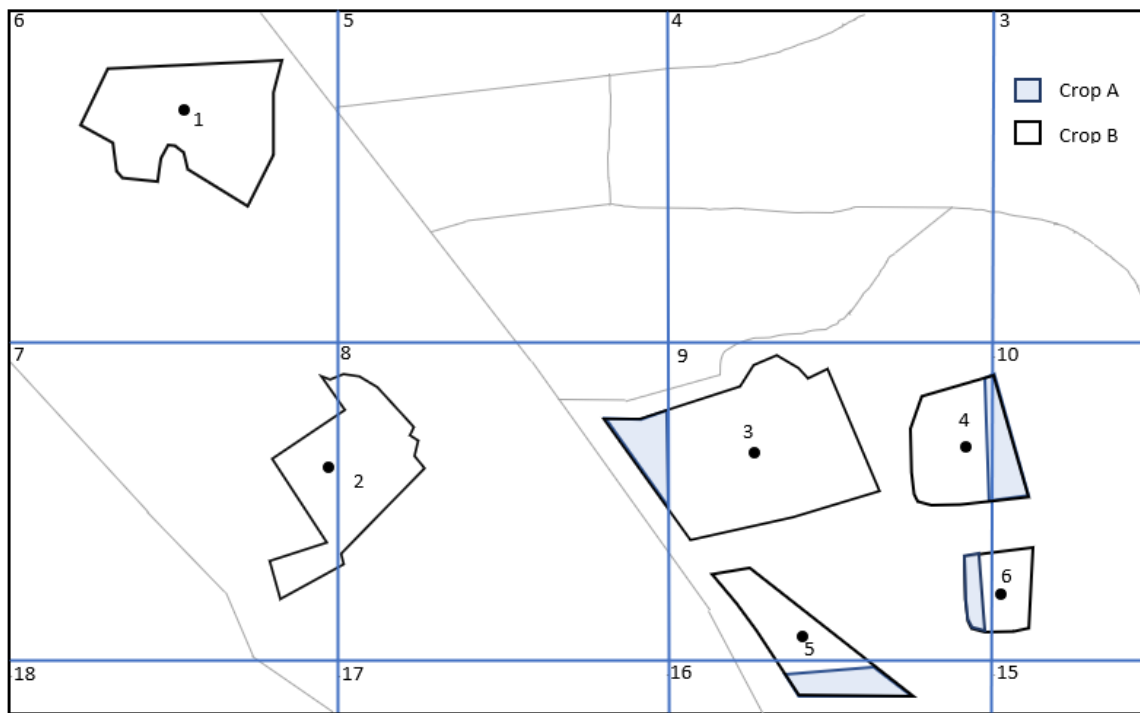
**L. Acreage Reporting**

For OUs and EUs, in addition to the legal description required in CIH Para. 1211, the insured must report the Section Equivalent ID assigned to the field.

**Exhibit 1: Unit Division by Grid Option Examples**

**A. UDGO Illustration and Background Information**

An insured’s farming operation in Maine consists of one BU, including Fields 1-6, as illustrated below. Fields 1-6 each meet the CCIP-BP definition of a “field.” For the purposes of the illustration, simplified Section Equivalent ID numbers are shown at the top left of each Section Equivalent ID, using the same convention as is used in PLSS areas. Where a field is planted to multiple crops in a given crop year, the color coding for Crop A is shaded or light blue, and for Crop B, it is unshaded or white.



**B. UDGO Examples**

Using the illustration above, below are examples of how Para. E. UDGO Qualifications will be administered:

**Example 1:** For Field 1, the centroid is in Section Equivalent ID 6, which is where the field is assigned. Field 1 is comprised of three different Resource Land Units (RLUs). However, all of the acreage comprising Field 1 is tillable land within a natural or artificial boundary. Therefore, Field 1 is one field for the purposes of establishing the UDGO.

**Exhibit 1: Unit Division by Grid Option Examples (Continued)**

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**B. UDGO Examples (Continued)**

- Example 2:** For Field 2, the centroid is in Section Equivalent ID 7, which is where the field is assigned. Field 2 is comprised of two different RLUs. However, all of the acreage comprising Field 2 is tillable land within a natural or artificial boundary. Therefore, Field 2 is one field for the purposes of establishing the UDGO.
- Example 3:** For Field 3, the centroid is in Section Equivalent ID 9, which is where the field is assigned. In a given crop year, there are two crops planted in Field 3, Crop A and Crop B. While Crop A appears to be planted only in Section Equivalent ID 8 and Crop B appears to be planted only in Section Equivalent ID 9 in a given year, all of Field 3 is assigned to Section Equivalent ID 9.
- Example 4:** For Field 4, the centroid is in Section Equivalent ID 9, which is where the field is assigned. In a given crop year, there are two crops planted in Field 4, Crop A and Crop B. Although Crop A is planted in both Section Equivalent ID 9 and Section Equivalent ID 10 in the given year, all of Field 4 is assigned to Section Equivalent ID 9.
- Example 5:** For Field 5, the centroid is in Section Equivalent ID 9, which is where the field is assigned. In a given crop year, there are two crops planted in Field 5, Crop A and Crop B. Field 5 is comprised of two different Farm Service Agency Common Land Units (CLUs), which are separated at the dark blue shaded line. However, all of the acreage comprising Field 5 is tillable land within a natural or artificial boundary. Therefore, while Crop A is planted entirely in Section Equivalent ID 16 in the given year, Field 5 is one field for the purposes of establishing the UDGO, and all of Field 5 is assigned to Section Equivalent ID 9.
- Example 6:** For Field 6, the centroid is in Section Equivalent ID 10, which is where the field is assigned. In a given crop year, there are two crops planted in Field 6, Crop A and Crop B. Although Crop A is planted entirely in Section Equivalent ID 9 in the given year, all of Field 6 is assigned to Section Equivalent ID 10.

**Exhibit 1: Unit Division by Grid Option Examples (Continued)**

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**B. UDGO Examples (Continued)**

**Example 7:** Considering the Section Equivalent ID assignments made in Example(s) 1-6 above, the insured will have the following OUs for each Crop:

Crop A

Basic Unit	Optional Unit	Section Equivalent ID	List of Fields
0001	0001	9	3, 4, and 5
	0002	10	6

Crop B

Basic Unit	Optional Unit	Section Equivalent ID	List of Fields
0001	0001	6	1
	0002	7	2
	0003	9	3, 4, and 5
	0004	10	6

**Exhibit 2: Unit Division by Grid Option**

Agents will prepare a Unit Division by Grid Option (UDGO) and transmit to the Approved Insurance Provider (AIP) by the earliest acreage reporting date (ARD) for all insured Category B crops with additional coverage in the insured’s operation for the crop year (all applicable insured crops) for verification.

<b>1 Insured Information</b>		
<b>A</b>	“Insured’s Name”	Substantive
<b>B</b>	“Street and/or Mailing Address”	Substantive
<b>C</b>	“City and State”	Substantive
<b>D</b>	“Zip Code”	Substantive
<b>E</b>	“State and County”	Substantive
<b>F</b>	“Policy Number”	Substantive
<b>G</b>	“Crop Year”	Substantive
<b>2 Terms and Conditions</b>		
<b>A</b>	<p>“Upon our verification of this option, when your Federal Crop Insurance Policy(ies) permit optional units (OUs), they will be established by RMA Grid. The RMA Grid is based on the United States National Grid (USNG), by dividing each USNG polygon (approximately 6.2 mile by 6.2 mile) into 36 equal-sized polygons approximately 686 acres in size. These approximately 686 acre polygons are each identified with a unique Section Equivalent ID and will be considered section equivalent parcels of land legally identified by other methods of measure, in accordance with Federal Crop Insurance Corporation (FCIC) procedure for establishing OUs. The following terms and conditions apply:”</p> <p>(1) “You are allowed one Unit Division by Grid Option (UDGO) per county that covers all insured Category B crops with additional coverage in your operation for the crop year (all applicable insured crops). The UDGO must be elected by the earliest sales closing date (SCD) for all applicable insured crops and submitted to us on or before the earliest ARD for all applicable insured crops before it is effective. The UDGO election must be made for each applicable insured crop by its respective SCD. For counties that have crop(s) with a fall or winter SCD and a spring SCD specified in the actuarial documents, the UDGO election may be changed on or before the earliest spring SCD for all applicable insured crops if there is no insured fall or winter planted acreage of any insured crop. If it is determined you have two or more UDGOs, the UDGO with the earliest date will be applicable to all crops, and the other UDGOs will be void.”</p>	Substantive



**Exhibit 2: Unit Division by Grid Option (Continued)**

<b>2 Terms and Conditions (Continued)</b>			
<b>A</b>	(2)	<p>“Each OU established under the UDGO will be comprised of the insurable cropland under the same basic unit (BU) considered to be within a Section Equivalent ID. Each field, which is defined by the Common Crop Insurance Policy, Basic Provisions (CCIP-BP) as all acreage of tillable land within a natural or artificial boundary (e.g., road, waterways, fences, etc.), will be assigned to a single Section Equivalent ID. Different planting patterns or planting different crops do not create separate fields. For fields that cross grid boundaries, the field will be assigned to the Section Equivalent ID in which the centroid of that field lies. All fields under the same BU having a centroid within the Section Equivalent ID will comprise the OU. OUs established by UDGO can further be divided by irrigated and non-irrigated acreage and acreage insured under an organic farming practice as provided in the CCIP-BP and as allowed in the applicable Crop Provisions (CP). You are not required to have OU structure when UDGO is elected and can still choose unit structure on a crop/county basis for the current crop year.”</p>	Substantive
	(3)	<p>“For each OU, you must have acceptable records of acreage and production for the previous crop year and maintain records for the current crop year and succeeding crop years in which this option remains in effect.”</p>	
	(4)	<p>“Upon our request, if you fail to provide to us such records, OUs created under this Option will revert to the BUs.”</p>	
	(5)	<p>“Determination of your OUs will be made at the time you report your acreage of the insured crop.”</p>	
	(6)	<p>“This is a continuous option which may be canceled by either you or us for any succeeding crop year by giving written notice on or before the earliest cancellation date for all applicable insured crops. All other provisions of the policy not in conflict with this Option are applicable.”</p>	
	<b>3 Other Information</b>		
<b>A</b>	“Basic Unit”	<b>Note:</b> Create a table with the following columns for A-E.	Substantive
<b>B</b>	“Optional Unit”		Substantive
<b>C</b>	“Section Equivalent ID Assigned to Optional Unit”		Substantive
<b>D</b>	“List of Fields and Acres”		Substantive
<b>E</b>	“Total Acres for the Optional Unit”		Substantive
<b>F</b>	<p>“Note: A digitized map identifying the above, including each field and associated centroid, must be attached and numbered as _____ of _____.”</p>	<b>Note:</b> Include this note below the table.	Substantive
<b>G</b>	“Policies with more than one AIP?”	<b>Note:</b> Yes/No field.	Substantive

**Exhibit 2: Unit Division by Grid Option (Continued)**

<b>4 Required Statements</b>			
<b>A</b>	Certification Statement	DSSH Para. 502	Substantive
<b>B</b>	Privacy Act Statement	DSSH Para. 501	Substantive
<b>C</b>	Nondiscrimination Policy Statement	DSSH Para. 503	Substantive
<b>5 Required Signatures</b>			
<b>A</b>	“Insured’s Printed Name, Signature and Date”		Substantive
<b>B</b>	“Agent’s Printed Name, Signature, Code Number and Date”		Substantive
<b>C</b>	Verified by	<b>Note:</b> Affix item C above AIP Authorized Representative’s Signature:	Substantive
<b>D</b>	“AIP Authorized Representative’s Printed Name, Signature, and Date”		

Below illustrates an example of the unit and field information recorded on the UDGO:

<b>BASIC UNIT</b>	<b>OPTIONAL UNIT</b>	<b>SECTION EQUIVALENT ID ASSIGNED TO OPTIONAL UNIT</b>	<b>LIST OF FIELDS AND ACRES</b>	<b>TOTAL ACRES FOR THE OPTIONAL UNIT</b>
0001	0001	TX-14RPV72-15	1 – 23.2, 2 – 49.4, 6 – 14.8, 7 – 112.8	200.2
	0002	TX-14RPV72-23	3 – 160.8, 4 – 110, 5 – 76.2	347