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Separate Enterprise Units for Irrigated and Non-Irrigated Acreage FAQs

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Q. Am I allowed to have an enterprise unit for my irrigated acreage and basic or optional units on my non-irrigated acreage (or vice versa)?

A: No, you may only elect to have separate enterprise units (EU) for both your irrigated and non-irrigated acreage and each must independently qualify as an enterprise unit. You may not elect to have an enterprise unit for one practice and a different unit structure for the other practice.

Q. What are the requirements for Enterprise Units?

A: You must have at least two sections, section equivalents, FSA farm numbers, or units established by written unit agreement or unit division option whichever are the basis for optional units where the insured acreage is located or are applicable to the insured acreage. You may combine two or more sections, section equivalents, or FSA farm numbers, if more than one of these are the basis for optional units where the insured acreage is located or are applicable to the insured acreage (for example, a portion of the acreage is located in an area where sections are the basis for optional units and another portion of the acreage is located in an area where FSA farm numbers are the basis for optional units). You may also have one section, section equivalent, or FSA farm number qualify for an enterprise unit, based on whichever type of parcel is the basis for optional units where the insured acreage is located, provided there are at least 660 planted acres of the insured crop in such section, section equivalent, or FSA farm number.

In addition, at least two of the sections, section equivalents, FSA farm numbers, or units established by written unit agreement or unit division option, whichever are the basis for optional units where the insured acreage is located or are applicable to the insured acreage, must each have planted acreage that constitutes at least the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit. These parcels can be aggregated to form at least two parcels to meet this requirement.

These requirements for enterprise units must be met for each of the irrigated and non-irrigated acreage for you to qualify for separate enterprise units by practice.

Q. If I do not qualify for separate enterprise units on irrigated and non-irrigated acres, can I still have one enterprise unit?

A: Yes, as long as you meet the qualifications for an enterprise unit containing all insurable acreage of crop.

There are two determinations based on the timing of the discovery:

- 1) If the discovery is made on or before the acreage reporting date, you may have one enterprise unit, if you qualify, or basic units or optional units depending on the manner in which you have reported acreage; or
- 2) If the discovery is made after the acreage reporting date, you will be assigned one enterprise unit, if you qualify, otherwise a basic unit will be assigned.

Q. What premium discount is applicable if I elect to have separate enterprise units?

A: Premium discounts are offered for enterprise units to recognize the lower risk associated given the geographic diversification. In general, the larger the enterprise unit, the lesser the risk, and the greater the enterprise unit discount. To the extent separate enterprise units result in smaller tracts of acreage, the average size of the discount decreases. The impact (reduction in premium discount) will vary depending upon the amount of acreage associated with each enterprise unit.

Q. What premium subsidy is applicable if I elect to have separate enterprise units?

A: Existing enterprise unit subsidy rates are applicable, as shown in the table below:

Coverage Level	50%	55%	60%	65%	70%	75%	80%	85%
Subsidy	80%	80%	80%	80%	80%	77%	68%	53%

Contact Information

For more information, contact **John Shea**.