

A close-up photograph of numerous clams, likely littleneck clams, showing their characteristic ridged shells in shades of tan and brown. The clams are piled together, filling the entire frame. The text is overlaid on this image.

Noninsured Crop Disaster Assistance Program (NAP)

AQUACULTURE

Overview

- NAP provides financial assistance to producers of noninsurable crops to protect against natural disasters that result in lower yields or crop losses, or prevents crop planting.
- NAP is subject to Adjusted Gross Income (AGI) provisions. An individual or entities average adjusted gross income cannot exceed \$900,000 to be eligible for NAP payments.

NAP assistance is limited to:

- For crops with basic coverage- \$125,000 per person or legal entity
- For crops with buy-up coverage- \$300,000 per person or legal entity
- Aquaculture is considered a value loss crop.



Eligible Producers

- The definition of a producer is an owner, operator, landowner, tenant or sharecropper who shares in the risk of producing an eligible crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.
- Landowners, landlords, tenants, contract growers, or anyone else **not** having valid ownership share of a crop and who do **not** share in the risk of producing the crop are ineligible for NAP.

Eligible Causes of Loss

- NAP coverage is available for all eligible natural causes of loss to eligible aquaculture crop types, from damaging weather or adverse natural occurrences.
- An eligible cause of loss is: Damaging weather, including, but not limited to:
 - Drought
 - Hail
 - Excessive moisture
 - Freeze
 - Tornado
 - Hurricane
 - Excessive wind

Eligible Causes of Loss

A condition related to an eligible cause of loss (in this context, the related condition must result from the damaging weather or adverse natural occurrence; it is not eligible if it occurs on its own) including, but not limited to:

- Excessive heat
- Insect infestation
- Disease
- Or any combination thereof

- **NOTE: Oxygen Deprivation is not an eligible cause of loss.**

- The damaging weather, adverse natural occurrence, or related condition must occur during the coverage period, before or during harvest, and directly cause, accelerate, or exacerbate destruction or deterioration of the crop.

Coverage Levels

Both Basic and Buy-up coverage were authorized by the 2018 Farm Bill.

For value loss crops:

- Basic coverage covers a loss of value in excess of 50 percent of the total value of eligible inventory at the time of disaster at 55 percent of the average market price.
- Producers may elect buy-up coverage at 100 percent of the average market price in amounts of 50%- 65%, in 5 percent increments of the lesser of the total value of eligible inventory at the time of disaster or the maximum dollar value for coverage sought.

*Producer is responsible for determining maximum dollar value.

Service Fees

- The be eligible for NAP coverage a producer shall pay a nonrefundable service fee.
- The service fee or request for service fee waiver must accompany the application for coverage (CCC-471) in order for it to be considered filed. The service fee is \$325 per crop per administrative county, up to \$825 per producer per administrative county, not to exceed \$1,950 per producer.
- The service fee will be waived for producers who meet the definition for Socially Disadvantaged Farmer or Rancher, Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Veteran Farmer or Rancher by filing a CCC-860 at time of applying for coverage.

Premiums

- Premiums associated with the elected level of buy-up coverage are in addition to the service fee.
- For value loss crops, premiums will be calculated based on the maximum dollar value for which coverage is sought by the applicant, subject to applicable payment limitations, times the 5.25 percent premium.

Premiums will be calculated based on the following:

- For value loss crops, the product of multiplying the producers share, times the maximum dollar value for which participant seeks coverage, times the coverage level subject to payment limitation, times 5.25 percent.

If producers qualify as Socially Disadvantaged, Beginning Farmer or Rancher, Veteran Farmer or Rancher, or Limited Resource Farmer or Rancher they are eligible for a waiver of the service fee and a 50% premium reduction.

* The maximum premium for a person or legal entity is \$15,750.

Value Loss Crops- Eligible Aquacultural Species

Eligible aquacultural species are:

- Any species of aquatic organisms grown as food for human consumption
- Fish raised as feed for fish that are consumed by humans
- Ornamental fish propagated and reared in an aquatic medium

To be eligible for NAP assistance, eligible aquacultural species must be raised:

- By commercial operator on private property
- In water in a controlled environment

Private Property- For a producer to be considered eligible for NAP assistance on aquaculture: the producer must own or lease the property with readily identifiable boundaries

- Owner or lessee: has total control of the waterbed, the ground under the specific type of water and does not have control over only a column of water.

Value Loss Crops- Aquaculture

NAP assistance for value loss crops is calculated based on the loss of value at the time of each disaster. Losses are not cumulative. It is important that a loss of value of any portion of the inventory be determined only if that portion of the inventory is not marketable now or in the future.

To determine loss, the value of the crop immediately before (FMVA) is compared with the value of the crop immediately after (FMVB) the disaster.

- Example- A value loss crop suffers damage because of a hurricane. To determine whether the unit suffered an eligible loss at the time of disaster, determine the total value of the inventory present for the crop on the unit immediately before (FMVA) and after (FMVB) the disaster.

Value Loss Crops- Aquaculture

- Crop year for all aquacultural species- October 1 through September 30.
- Application closing date- September 1.
- Acreage reporting date- September 30.
- Producers must furnish their aquaculture certification (AQ card) from the Florida Department of Agriculture and Consumer Services, Division of Aquaculture, along with their most recent inspection report of their aquaculture facility at time of purchasing coverage.
- Producers must certify on acreage report the physical location of acreage or area where facility resides. (lease number and lease name)

Inventory Records

- All producers with value loss crops are required to maintain a monthly inventory. These maintained monthly inventory records shall be used for spot checks and in the event of a disaster occurrence. Records are to be kept up to date and available to the county office within 5 days upon request.
 - * Failure to provide accurate monthly inventories will result in ineligibility for NAP payments.
- Producers are responsible for providing updated inventory to the COC immediately following an eligible loss event. The inventory after the disaster **must** be verified by Loss Adjuster.

Inventory Records (cont.)

Inventory records must include all the following:

- Location
- All mollusk in all sizes/stages
- Date, size/stage, and number of containers/bags of planting/harvest
- Date and number of containers/bags transferred from one size/stage to another size/stage.

***Inventory shall include all sizes or stages of a type or variety of an aquacultural species and will be summarized as 1 crop for unit loss purposes. Each stage of growth has a separate value and all stages are used to determine the crop value and the loss. ***

Inventory (cont.)

- County Offices shall request these maintained monthly inventory records before the onset of every known imminent disaster.

Example: A Hurricane or Tropical storm is approaching and may cause damage to the crop, thus the County Office shall request the maintained monthly inventory records. Please note hurricanes and tropical storms are just examples and shall not be used as the only known weather events in which to request monthly inventory records.

Note: The State Office, on behalf of the STC, reserves the right to spot checks these records at any time.

Notice of Loss

72 Hour Loss Notification

- For hand-harvested crops and other crops as determined by DAFP, at least 1 producer having a share in the unit **must** notify FSA of damage or loss through the administrative County Office for the unit within 72 hours of the date damage or loss first becomes apparent.
- Notification may be provided by the participant, or participant's representative, by the following methods:
 - filing CCC-576, Part B
 - e-mail
 - FAX
 - Phone

Notice of Loss (cont.)

- A notice of loss, CCC-576 Part B, must still be provided **within 15 calendar days** after the disaster occurrence or date damage to the specific crop acreage is apparent to the producer. This form is completed in the county office. Failure to report losses within 15 days will nullify any assistance available on the lost or damaged crop.
- A separate CCC-576, Part B **must** be filed for each weather-related event or adverse natural occurrence that causes damage to or loss of a specific crop or commodity.
- Although producers may notify FSA of losses to hand-harvested crops within 72 hours, this does not remove the requirement to complete CCC-576, Part B as mentioned above.

Notice of Loss (cont.)

In the event a CCC-576, Notice of Loss, is filed, the producer must provide records, as required by COC, to determine whether the aquacultural species are produced in an eligible facility or environment. Required records include, but are not limited to:

- report of crop acreage or area where facility resides
- feeding and fertilization
- hatchery operation
- leases
- onsite specialized equipment
- predator control

- production site preparation
- production, inventory, or both
- proof of stocking levels
- reproduction
- water quality.

Notice of Loss (cont.)

- In the event a Notice of Loss is filed, the inventory after the disaster **must** be verified by Loss Adjuster.
- In order to prove stocking levels County Committees will require producers to provide copies of all clam or oyster seed receipts in conjunction with inventory records. These receipts must be in the name of the insured producer and must include size, quantity, amount paid, and name and contact information of supplier.

Natural Mortality Rates

Natural Mortality Rates must be calculated and subtracted from the inventory before disaster before establishing FMVA (field market value immediately before disaster).

The Florida State Committee has established the following Natural Mortality Rates:

- Clams
 - Grow-out- 30%
 - Nursery- 25%
 - Raceway- 30%
- Oysters
 - All- 20%

Natural Mortality Rates (cont.)

Example to calculate natural mortality:

Beginning Inventory \$100,000 X Normal Mortality Rate 20% = Result \$20,000

\$100,000-\$20,000=\$80,000 FMVA not to exceed MDV

*The county office is responsible for calculating natural mortality.

Clams

Bag-culture and bottom-seeded clams, grown in the grow-out stage, is an approved practice in the following counties:

- Franklin, Manatee, Volusia, Brevard, Charlotte and Lee

All other clam producing counties are only approved for bag-culture.

Sunray Venus variety of clam are covered, bottom seeded only, in the following counties:

- Charlotte, Franklin, Lee and Manatee

Oysters

- Suspended longlines and floating containers methods are approved practices in the following counties:
 - Bay, Brevard, Dixie, Escambia, Franklin, Levy, Santa Rosa, Volusia and Wakulla

Oyster Average Market Prices/Sizes

For crop year 2020, the Florida State Committee has approved the following average market prices for oysters:

- 1 mm – ½ inch- \$0.04
- ½ inch – 1 ½ inch - \$0.14
- 1 ½ inch – 3.15 inch- \$0.33



QUESTIONS!!!