



United States
Department of
Agriculture

Risk Management Agency



COOPERATIVE EXTENSION

College of Agriculture, Forestry and Life Sciences

CLAM AND OYSTER INSURANCE AND DISASTER PROGRAM OPTIONS FOR FLORIDA

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Crop Insurance Policies and Disaster Program Decisions

- FSA Disaster Programs (NAP, ELAP): Enroll at your county FSA office.
- Risk Management Agency Policies: Sold by a Crop Insurance Agent
 - Coverage and rates are identical, regardless of company or agent
 - Agents may also provide insight on policies as well
 - Agent locator: <https://public-rma.fpac.usda.gov/apps/AgentLocator/>
- Both Disaster and Crop Insurance provide some risk protection
 - You may have limited choices, depending on your location and product
- Some provide customizable levels of risk protection
 - Catastrophic (CAT) coverage is typically 50% of the yield at 55% of the price
 - Buy-up coverage: a range of available coverage levels in 5% increments

Narrowing the Decision: **See Handouts**

1. What product do you grow and where? **Clams**
 - Clam dollar policy is not available in Florida
 - NAP is not available in all “potential” growing sites/counties
 - Whole Farm Revenue Protection, Micro Farm, and ELAP available in all counties
2. What product do you grow and where? **Oysters**
 - Shellfish aquaculture pilot program only Franklin and Wakulla counties
 - Hurricane Wind Index only for those purchasing shellfish aquaculture policies
 - NAP is not available in all “potential” growing sites/counties
 - Whole Farm Revenue Protection, Micro Farm, and ELAP available in all counties
3. **How many years** have you been operating?
 - Shellfish aquaculture (oyster) pilot program: must have 4 years of records
 - NAP no growing history for CAT, Buy-up requires 1 year of growing history
 - Whole Farm Revenue Protection (5 years tax records), Micro Farm (3 years)

Narrowing the Decision: **See Handouts**

4. Some policies/programs require a choice between one or the other, or both
 - May participate in both NAP & Shellfish Aquaculture (oysters) while Shellfish Aqua remains a pilot program
 - May participate in both NAP and an RMA revenue protection policy (Whole Farm Revenue or Micro Farm), but any proceeds from NAP will likely adjust the indemnity paid from the revenue protection policy.
 - Can participate in ELAP, regardless of participation in other programs/policies

5. Insurable causes of loss: what are your top risks?
 - See handouts. We will also review this in future slides during this presentation

6. Other considerations: cost, coverage levels offered, reporting and paperwork

SHELLFISH AQUACULTURE PILOT PROGRAM (OYSTERS)

RMA Crop Insurance: Shellfish Aquaculture (Oysters)

Insurance Policy or Disaster Program	Shellfish Aquaculture Pilot Program (Oyster)
Records Needed	Four (4) years of growing records
Revenue Caps	Oysters must be grown in a container system
Other Restrictions	
Paperwork Needed to Apply	FSA Form AD 1026 (due by premium billing date 8/15) Pre-Acceptance Worksheet (PAW). Sales Records. Current seed receipts (≥ 4 mm)
Coverage Levels Offered	Catastrophic (50% Yield/55% Price). Buyup: 50% to 75% in 5% increments. Can elect higher price, up to a max
Insurable Causes of Loss	Named storms (hurricanes, nor'easters), Excessive heat during low tide event, freeze during low tide event, low salinity due to excessive rainfall. Production loss must occur and named peril must happen in same county as the producer.
Premium Subsidies	Must have signed FSA Form AD 1026 to be eligible for premium subsidies
Sales Closing Dates	November 30
Insurance Period Begins	January 1
Other	Insurable cause of loss must be reported within 72 hours of discovery*

HURRICANE INSURANCE PROTECTION - WIND INDEX (HIP-WI) - STACKING

RMA Crop Ins: Hurricane Wind Index (HIP-WI) & Tropical Storm (TS)

Insurance Policy or Disaster Program	Hurricane Wind Index (HIP-WI) and Tropical Storm (TS) Coverage
Records Needed Revenue Caps Other Restrictions	Follows underlying policy: Shellfish Aquaculture (4 years), Clam Dollar (3 years) Tropical Storm indemnity, if elected, is 50% of hurricane protection amount. Total season indemnity NMT hurricane protection amount.
Paperwork Needed to Apply	Underlying policies have the paperwork required Typically, there is a 14 day waiting period until coverage starts
Coverage Levels Offered	Difference between underlying policy coverage level from 95% (i.e., for 50% CAT underlying policy: 95%-50% = 45% Coverage)
Insurable Causes of Loss	Hurricane: Hurricane-force winds in county or adjacent county Tropical Storm: Sustained winds ≥ 39 mph and ≥ 6 inches of rain over 4 days. Rainfall based on county average, not on grower's site
Premium Subsidies	Administrative fee may be waived if a limited resource, beginning farmer or rancher, or a veteran farmer rancher. The subsidy for HIP-WI is 65%.
Sales Closing Dates	Same as Underlying Policy (November 30) Whole Farm Revenue and Micro Farm are not eligible to purchase this policy
Insurance Period Begins	Same as Underlying Policy
Other	Payment triggers are determined by RMA and indemnities are "automatic" from the perspective of the producer.

REVENUE PROTECTION POLICIES (USDA RMA)

Whole Farm Revenue Protection (WFRP)

Insurance Policy or Disaster Program	Whole Farm Revenue Protection (WFRP)
Records Needed	5 years of tax records and sales history
Revenue Caps	\$17 million revenue cap
Other Restrictions	NMT 50% of commodities purchased for resale
Paperwork Needed to Apply	5 years schedule F or substitute schedule F Farm Operation Report
Coverage Levels Offered	50% to 85%, in 5% increments (no CAT coverage)
Insurable Causes of Loss	Revenue loss due to an unavoidable natural cause of loss which occurs during the insurance period. Uninsurable causes of loss include those items which were not caused by a natural event.
Premium Subsidies	Farms insuring two or more commodities will get subsidy (diversification requirements)**
Sales Closing Dates	Calendar year filers (tax): 2/28 for SC, FL Late Fiscal Year filers: 11/20
Revised Farm Operation Reports	July 15
Contract Change Date	August 31
Insurance Period Begins	Duration of tax year (depending on filing date)
Other	Insurable cause of revenue loss must be reported within 72 hours of discovery

Micro Farm Program

Insurance Policy or Disaster Program	Micro Farm Program (Revenue Protection)
Records Needed	3 years of tax records and sales history
Revenue Caps	1st year \$350,000 cap, \$400,000 after 1st year
Other Restrictions	NMT 50% of commodities purchased for resale
Paperwork Needed to Apply	3 years schedule F or substitute schedule F Farm Operation Report
Coverage Levels Offered	50% to 85%, in 5% increments (no CAT coverage)
Insurable Causes of Loss	Revenue loss due to an unavoidable natural cause of loss which occurs during the insurance period. Uninsurable causes of loss include those items which were not caused by a natural event.
Premium Subsidies	Premium subsidy based on coverage level elected. Whole Farm subsidies available
Sales Closing Dates	Calendar year filers (tax): 3/31 for SC and FL Late Fiscal Year filers: 11/20
Revised Farm Operation Reports	July 15
Contract Change Date	August 31
Insurance Period Begins	Duration of tax year (depending on filing date)
Other	Insurable cause of revenue loss must be reported within 72 hours of discovery

ELAP AND NAP DISASTER PROGRAMS (USDA FSA)

FSA Disaster Programs: NAP for Clam and Oyster

Insurance Policy or Disaster Program	Noninsured Crop Disaster Assistance Program (NAP)
Records Needed	No Growing History for Catastrophic (CAT). One (1) year production history for Buy-up
Revenue Caps	Adjusted Gross Income <\$900,000. Indemnity capped at \$125,000 per crop
Other Restrictions	year, per entity (CAT) and \$300,000 for those with buy-up coverage.
Paperwork Needed to Apply and for Crop Loss	FSA CCC-471, Application for Coverage; FSA 578, Farm Summary Report FSA CCC-860, if applicable**, FSA CCC-576, Notice of Loss/Application for Payment; FSA CCC-941, Adjusted Gross Income Certification
Coverage Levels Offered*	Catastrophic: 50% production at 55% of price Buy Up: 50% to 65% production and 100% of price, at 5% increments
Insurable Causes of Loss	Damaging weather: drought, freeze, hail, excessive moisture, excessive winds or hurricane Adverse natural occurrences, such as earthquake or flood. Conditions related to damaging weather such as excessive heat, volcanic smog, or insect infestation. Must occur during coverage period, before or during harvest.
Premium Subsidies	Administrative fee waived and buy-up premiums have a 50% discount for beginning, limited resource, socially disadvantaged, and veteran farmers
Sales Closing Dates	September 30
Insurance Period Begins	Later of date the application is filed or the date crop is planted. October 1 to September 30 is program period.
Price Coverage	Prices are determined by the USDA FSA State Committee
Policy Cost	Cost is \$325 administrative fee per county per crop, plus any buy-up coverage**
Other	Insurable cause of loss must be reported within 72 hours of discovery*

NAP Administrative Fees and Buy-up Subsidies

- Beginning Farmers: has not operated a farm for more than 10 years. Entities must consist of all relatives (marriage, blood) that are also beginning farmers.
- Limited Resource Farmers: Has not earned more than \$177,300 in each of past two years and has total household income (HHI) at or below family of four poverty level OR less than 50% of the median HHI of their county.
- Socially Disadvantaged Farmers: American Indians, Asian Americans, African Americans, Native Hawaiians/Alaskans, Hispanic Descent, Female. Entities must be majority of one or more of these groups.
- Veteran Farmers: operated farm for less than 10 years and achieved veteran status within the past ten year period.
- **Admin Fee Waived and 50% off Buy-up Premiums**

FSA Disaster Programs: ELAP for Clam and Oyster

Insurance Policy or Disaster Program	Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP)
Records Needed	No Growing History Required. Starting inventory is required
Revenue Caps	Adjusted Gross Income Less Than \$900,000
Other Restrictions	
Paperwork Needed to Apply and for Crop Loss	Starting Inventory report submitted by September 30th for new crop year FSA CCC-934: Notice of Loss, application due by 1/30 after program year in which loss occurred. Before and after inventories. Death loss records. Proof of eligibility (i.e., aquaculture certification, lease information).
Coverage Levels Offered*	75% of losses. 90% of losses for beginning, limited resource, socially disadvantaged, and veteran producers
Insurable Causes of Loss	Adverse weather or loss conditions, including but not limited to: earthquakes, excessive heat, excessive wind, flooding, freezing, hurricanes, tidal surge, tornadoes, and volcanic eruptions.
Premium Subsidies	No premium, as this is a disaster program.
Sales Closing Dates	No sales closing date
Insurance Period Begins	January 1 - December 31 is program period
Price Coverage	Prices are determined by the USDA FSA State Committee
Policy Cost	Not Applicable
Other	Insurable cause of loss must be reported within 30 days after loss is apparent

ELAP Online Decision Tool

<https://www.farmraise.com/usda-fsa/disaster-programs/elap-decision-tool>

Online Decision Tool – Aids in Gathering Documentation Prior to Applying for Assistance – NOT an application

Mix, Match, and Combine

- You may participate in ELAP and any other program/policy that is available to you.
- If Shellfish Aquaculture is available, you may participate at a catastrophic level (50% yield/55% price) or buy-up from 50% to 75% in 5% increments (price may be elected at 1% intervals between 50% and 100% of price).
- NAP Coverage: If Shellfish Aquaculture is unavailable, you may decide to elect the minimum (catastrophic 50% yield/55% price) for the administrative fee, or buy-up NAP coverage up to 65% of yield at 100% of price.

Mix, Match, and Combine

- You may elect to “stack” a Hurricane Wind Index Policy on top of a Shellfish Aquaculture: Coverage level is the difference between underlying policy and 95%.
 - So, if you buy CAT coverage at 50%, then your hurricane indemnity coverage level is $95\% - 50\% = 45\%$ coverage. Your Hurricane Protection Amount is then the value of the underlying production guarantee times 45%.
- Tropical storm coverage is 50% of the hurricane protection amount. It is possible to have more than one tropical storm or a tropical storm and a hurricane in one season. The total indemnity from multiple storms will not exceed the Hurricane Protection Amount.

Mix, Match, and Combine

- You may elect to purchase a revenue protection policy
 - You do not have shellfish aquaculture pilot program offered in your location*
 - You feel that market/revenue risk (i.e., closures) is a risk to your operation
 - Catastrophic coverage not available, but can start policy at 50% of revenue and buy-up to 85% in 5% increments.
- WFRP premium subsidies are higher for operations with two or more commodities, but stacked Hurricane Wind Index is not available to stack on top of revenue policies.
- Micro Farm is designed for smaller operations and has simpler and fewer records requirements, but is limited to less than \$350,000 in gross revenue (\$400k after 1st year).

Mix, Match, and Combine

- You may elect to have NAP and Shellfish Aquaculture. If there is a loss, however, you may only collect from one policy or the other.
- This may make sense if you are a beginning, veteran, socially disadvantaged, or limited resource farmer (waived administrative fees for NAP).