Shellfish Crop Insurance Program

Fact Sheet



General Information

The Shellfish Crop Insurance Program is a limited-peril pilot program that provides shellfish producers with a means to insure production against specified named perils. The program insures containerized oysters commercially produced for the half-shell market.

Availability

Shellfish is available in select counties in Alabama, California, Delaware, Florida, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, South Carolina, and Virginia.

Insured Commodity

Shellfish is available in all counties where a premium rate is provided in the actuarial documents:

- In which you have a share;
- That is listed on your application submitted by you and is accepted;
- That is a type designated in the Special Provisions;
- That is grown in containers;
- That meets the minimum seed size contained in the Special Provisions and is supported by your seed purchase receipts;
- That is grown by a person who has grown the commodity or participated in managing an operation of the same commodity for at least four crop years in the county in which the commodity will be insured, unless otherwise specified in the Special Provisions;
- That is produced using generally acceptable production methods for the commodity; and
- That is produced in an operation that, if inspected, is considered acceptable.

Shellfish grown in nurseries and hatcheries is not insurable.



Causes of Loss

You are protected against the following when the county loss trigger is met:

- Named Storms;
  - Hurricanes
  - Nor'easters
- Excessive heat during a low tide event;
- Freeze during a low tide event; or
- Low salinity caused by excessive rainfall.

In addition to the causes of loss excluded in section 12 of the Basic Provisions, damage or loss of production due to your inability to harvest the commodity for any reason other than actual physical damage from an insurable cause is not covered.

Important Dates

Sales Closing/Cancellation
November 30

Insurance Period Begins
January 1

Contract Change Date
August 31

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents.

A list of crop insurance agents is available at all USDA service centers and on the RMA website.

Risk Management Agency Office
1400 Independence Ave SW
Washington, D.C. 20250

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Coverage Levels and Premium Subsidies

ITEM	PERCENT					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

For example, if you selected the 75 per cent coverage level, your premium share would be 45 per cent of the base premium. The catastrophic coverage level is fixed at 50 percent of your approved yield and 55 percent of the price election. The only cost for the catastrophic coverage level is an administrative fee of $655.

Insurance Units

Basic units are the only unit division available for Shellfish.

Producer Price Option

The Producer Price Option is the average price received by you for each year in the most recent four crop years. Your average will be determined by your total dollar sales of mature oysters divided by the total number of mature oysters sold for each crop year. The Producer Price Option is capped at the maximum over established price for your county in the actuarial documents.

Example:

YEAR	NUMBER OF SHELLFISH SOLD	DOLLAR SALES	AVERAGE PRICE
2021	**75,700**	**$52,475**	**$0.69**
2022	**65,800**	**$48,640**	**$0.74**
2023	**92,750**	**$59,870**	**$0.65**
2024	**78,375**	**$55,550**	**$0.71**
4-Year Average Price			**$0.70**

Maximum over established price published in the actuarial documents is $0.73.

The Producer Price Option will be $0.70.

Duties in the Event of Damage or Loss

You must:

- Protect the commodity from further damage by providing sufficient care;
- Establish that damage to the insured commodity occurred during the insurance period;
- Provide notice to your approved insurance provider within 72 hours of your initial discovery of damage or loss (but not later than 15 days after the end of the insurance period). Such notices must be given without regard to the insured county meeting the county loss trigger; and
- Submit a claim not later than 60 days after the date the insurance period ends.

County Loss Trigger

A county loss trigger is an occurrence of an insurable cause of loss as determined in accordance with the Shellfish Data Provisions. A county meeting the county loss trigger will be specified in the actuarial documents.

Indemnity

An indemnity will be payable when:

- Your county meets the county loss trigger determined in accordance with the Shellfish Data Provisions; and
- You have an insurable loss of production.

Loss Example

Your share = 1.000

Coverage level = 75%

Approved yield = 100,000

Percent of price = 100%

Price election = $0.60

Production guarantee = 75,000
(100,000 approved yield × 75% coverage level)

Value of production guarantee = $45,000
(75,000 × $0.60)

In the Event of a Loss

County loss trigger occurred.
Value of production to count = $19,320
(32,000 oysters × $0.60 price election)
Loss = $25,680 ($45,000 - $19,320)
Indemnity = $25,680 ($25,680 × 1.000 share)