

## Shellfish Pilot Crop Insurance Program

The Shellfish pilot crop insurance program is an actual production history-price component (APH-PC) coverage policy for container-grown oysters commercially cultivated for the fresh half-shell market.

### Where is the Shellfish program available?

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

<b>State</b>	<b>County</b>	<b>State</b>	<b>County</b>	<b>State</b>	<b>County</b>
Alabama	Baldwin	Massachusetts	Barnstable	Rhode Island	Newport
Alabama	Mobile	Massachusetts	Plymouth	Rhode Island	Washington
California	Humboldt	Mississippi	Harrison	South Carolina	Beaufort
California	Marin	New York	Nassau	South Carolina	Charleston
Florida	Franklin	New York	Suffolk	South Carolina	Colleton
Florida	Wakulla	North Carolina	Carteret	Virginia	Accomack
Maine	Cumberland	North Carolina	Dare	Virginia	Gloucester
Maine	Lincoln	North Carolina	Onslow	Virginia	Northumberland
Maryland	Dorchester	North Carolina	Pamlico	Virginia	Westmoreland
Maryland	St Mary's				

**Oysters are not currently insurable in my county. Is there a way I can get crop insurance coverage?**

Coverage is only available in the counties listed in the actuarial documents. Written agreements are not available at this time. You may be eligible for a Farm Service Agency (FSA) program, such as Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) or Non-insured Assistance Program (NAP). Contact your local [FSA office](#).

## **How did you determine the pilot area?**

We focused on areas that met the following criteria:

- Predominantly container-grown production methods;
- Provided data that supported an actuarially sound program; and
- Perils covered under the program were of greatest concern.

For future crop years, we will consider expansion to additional areas and production methods.

## **What commodities are insured under the Shellfish program?**

We insure containerized oysters that are expected to be harvested in the current crop year for the fresh half-shell market.

## **What documentation do I need to provide to my crop insurance agent by the January 15 production reporting date (PRD)?**

You must submit:

- For the first year of coverage:
  - At least the most recent four crop years of annual production reports for mature harvested oysters. Your production reports must include the following information:
    - The total seed purchased by seed size and seed source.
      - These numbers must be supported by your seed purchase receipts.

- This must include the name of the private or commercial shellfish nursery or hatchery, for each year for the growing interval.
  - For example, if the most recent four years of harvested production records are provided for 2020-2023, you must report your seed information for at least the:
    - 2019-2022 years for Growing Interval I;
    - 2018-2021 years for Growing Interval II; and
    - 2017-2020 years for Growing Interval III.
  - Total dollar sales of your mature oysters; and
  - Total sold production of the mature oysters.
- For subsequent crop years:
  - All information detailed above for the most recent crop year. If you do not provide this information to your agent, you will receive an assigned yield.

## **What are growing intervals?**

A. Growing intervals are determined by the time between the calendar year you purchase your seed and the crop year you plan to harvest your mature oysters. The growing interval must be based on the majority of the seeds in your operation. For example:

- Growing Interval I – You purchase the majority of your seeds one calendar year prior to the year you plan to harvest (e.g., for crop year 2024, seeds are purchased in 2023).
- Growing Interval II – You purchase the majority of your seeds two calendar years prior to the year you plan to harvest (e.g., for crop year 2024, seeds are purchased in 2022).
- Growing Interval III – You purchase the majority of your seeds three calendar years prior to the year you plan to harvest (e.g., for crop year 2024, seeds are purchased in 2021).

## **What documentation do I need to provide to my crop insurance agent by the January 15 commodity reporting date (CRD)?**

You must submit, for your basic unit and growing interval:

- A list of all your oyster growing locations in the county. For each location, you must provide the:
  - Lease identification numbers (or other applicable identification numbers); and
  - Global Positioning System (GPS) coordinates (latitude and longitude).
- The number of oyster seeds you purchased and the size of the oyster seeds for the current crop year. The information you provide must be supported by your seed purchase receipts.

### **What documentation do I need to provide to my crop insurance agent by the November 30 sales closing date (SCD)?**

You must submit:

- A pre-acceptance worksheet (PAW). Your agent will be able to provide this form to you and may assist in the completion of this form. The PAW is the current assessment of your operation.
- Seed purchase receipts for the current crop year. The seed purchase receipts required will be determined by the growing interval you choose for your operation.

### **What information must be included on my seed purchase receipts?**

The seed purchase receipts you provide to your agent must include:

- Your name (operation name);
- Commodity (oysters);
- Date of purchase (MM/DD/YYYY);
- Number of seeds purchased by seed size (this must be a quantity of seeds, not a weighted measurement); and
- The name of the private or commercial shellfish nursery or hatchery from which you purchased your seeds.

**What happens if, after I submit the original PAW, I purchase additional seeds that I expect to harvest in the current crop year or I acquire additional leases for expected harvest in the current crop year?**

In both scenarios, you must submit a revised PAW by the January 15 CRD.

**Do I need to submit farm and tract number(s) on the commodity report?**

No, you must submit lease identification numbers (or other applicable identification numbers) and GPS coordinates (latitude and longitude of the shellfish location) on the commodity report.

**The Shellfish Crop Provisions require the seed purchase receipts to include the name of the private or commercial shellfish nursery or hatchery where I buy my seeds. I purchase my seeds from universities. Would universities be considered as a private or commercial shellfish nursery or hatchery?**

Purchasing seeds from universities meets this requirement.

**What unit structures are available for oysters?**

Currently only basic units are allowed for oysters.

**My shellfish operation is in more than one county. The program is available in one county, but not in the other. Can I insure all my shellfish in both counties under one policy?**

No, you can only insure your oysters in the program county. Oysters from multiple counties cannot be covered under one policy.

## **If I expand my operation into another county and I do not have four years of records from that county, can that other county be insured?**

Eligibility is determined on a county basis. Therefore, you must have four years of records within the county where your operation is located to be eligible for coverage.

## **What are the requirements to insure my oysters in available program counties?**

You must:

- Have a share in the oyster production;
- Submit an application that is accepted by the insurance provider;
- Grow your oysters for the half-shell market;
- Grow your oysters in containers;
- Have seed purchase receipts that:
  - show you purchased 4mm or larger oyster seeds;
  - are from a private or commercial shellfish nursery or hatchery;
- Have grown oysters or participated in managing an oyster operation for at least four crop years in the county where the oysters will be insured;
- Grow your oysters using generally acceptable production methods; and
- Grow your oysters in an operation that, if inspected, is acceptable to your insurance provider.

## **Can I insure oysters grown in nurseries or hatcheries under this program?**

No, oysters grown in nurseries or hatcheries are not insurable under this program. Insurable oysters must be grown in open water by containerized methods.

## **How is my production guarantee determined?**

Your production guarantee is the approved yield for the basic unit multiplied by your coverage level percentage.

## **What is my approved yield?**

The **approved yield** for the basic unit is the lesser of:

- The capped yield, which is the average yield for the basic unit multiplied by 1.25; or
- The expected yield, which is the result of the number of seeds purchased from a private or commercial nursery or hatchery that are placed into containers for the crop year (as determined by the applicable growing interval) multiplied by the adjusted mean survival rate.

The **adjusted mean survival rate** is the simple average of the standardized survival rates for the APH base period for the applicable growing interval that is used to determine your expected yield for the current crop year.

The **standardized survival rate** is the observed survival rate for the applicable seed size for each crop year in the APH base period multiplied by the standardized survival factor for that seed size.

The **observed survival rate** is the percentage determined by dividing the harvested production for each crop year by the number of seed purchased in the calendar year corresponding to the growing interval (e.g., for Growing Interval II, divide the harvested production from the 2024 crop year by the number of seed purchased in 2022).

The **standardized survival factor** is a percentage established by the Federal Crop Insurance Corporation (FCIC) based on different seed sizes that are used to calculate your standardized survival rate. The seed size factors are shown below and contained in the Special Provisions.

### Size of Seed for APH Crop Year

Size of Seed Purchased for Crop Year (Insured)	Seed Size 4mm to less than 6mm	Seed Size 6mm to less than 8mm	Seed Size 8mm to less than 10mm	Seed Size 10mm to less than 12mm	Seed Size 12mm or greater
4mm to less than 6mm	100%	93%	90%	87%	81%
6mm to less than 8mm	108%	100%	97%	93%	88%

8mm to less than 10mm	112%	104%	100%	97%	91%
10mm to less than 12mm	115%	107%	103%	100%	94%
Greater than 12mm	123%	114%	110%	107%	100%

## What is an example of the approved yield calculation?

Assume you select Growing Interval II.

You purchased 110,000 seeds during the 2022 crop year for expected harvest during the 2024 crop year. All seeds purchased in 2022 were 10mm, but all seeds purchased in 2018 through 2021 were 6mm. Using the Standardized Survival Factor Conversion Table (in prior question), the 6mm seed size purchased in 2018 through 2021 will apply a 107% standardized survival factor.

### (1) Adjusted Mean Survival Rate Calculation

Harvest Year	Seed Harvested	Seed Purchase Year	Seed Purchased	Observed Survival Rate	Seed Size	Standardized Survival Factor	Standardized Survival Rate
2020	73,700	2018	125,000	59%	6mm	107%	63%
2021	60,800	2019	80,000	76%	6mm	107%	81%
2022	88,750	2020	130,000	68%	6mm	107%	73%
2023	77,375	2021	140,000	55%	6mm	107%	59%
Adjusted Mean Survival Rate							69%

The annual observed survival rates are calculated using at least the most recent four calendar years of harvested records. The corresponding seed purchase record period is equal to the harvest record calendar year minus 2, because the average time between planting and harvest in Growing Interval II is approximately two years. For harvest years 2020-2023, the corresponding seed purchase record period 2018-2021.

Additional harvest and seed purchase records may be submitted, not to exceed a maximum of ten crop years. Once the observed survival rates are calculated, they are converted to standardized survival rates using the standardized survival factor.



The adjusted mean survival rate is the simple average of standardized survival rates. In this example, the adjusted mean survival rate used to determine the 2024 expected yield is 69%.

(2) Expected Yield

<b>Crop Year</b>	<b>Seed Purchase Year</b>	<b>Seed Purchased</b>	<b>Adjusted Mean Survival Rate</b>	<b>Expected Yield</b>
2024	2022	110,000	69%	75,900

The expected yield is calculated by applying the adjusted mean survival rate to the seeds which are expected to be harvested during the 2024 crop year. For Growing Interval II, the 2022 seed purchased would be used to calculate the 2024 expected yield.

(3) Harvested average yield used in the Capped Yield calculation.

<b>Harvest Year (APH Crop Year)</b>	<b>Harvested</b>
2020	73,700
2021	60,800
2022	88,750
2023	77,375
Harvested Average Yield	75,156

(4) Approved Yield Steps:

Adjusted Mean Survival Rate = 0.69 (Average of Standardized Survival Rates)

Expected Yield = 75,900 of the commodity (0.69 Adjusted Mean Survival Rate × 110,000 Seeds (10mm) purchased in 2022)

Capped Yield = 93,945 of the commodity (75,156 Four-Year Harvested Average Yield × 1.25)

Approved Yield = 75,900 of the commodity (Lesser of 75,900 Expected Yield or 93,945 Capped Yield)

## **I sell my oysters for more than the Risk Management Agency's (RMA) published price election. May I get a higher price for my crop insurance coverage?**

Yes. If you purchased additional levels of coverage, you may elect the Producer Price Option.

### **What is the 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. You can elect a Producer Price Option that is no greater than the maximum over established price provided for your county in the actuarial documents.

Example:

Year	Number of Shellfish Sold	Dollar Sales	Average Price
2020	73,700	\$52,475	\$0.71
2021	60,800	\$48,640	\$0.80
2022	88,750	\$59,870	\$0.67
2023	77,375	\$55,550	\$0.72
4-Year Average Price			\$0.73

Maximum over established price published in the actuarial documents is \$0.77.

The Producer Price Option will be \$0.73.

## **If I plant seeds after I submit my commodity report, can I revise the commodity report to include those seeds?**

No. If you plant seeds after the beginning of the crop year, they will be reported on a subsequent crop year's commodity report and be factored into the approved yield

for a subsequent crop year depending on the growing interval.

**Does this program only insure the seeds that I plant during the current crop year or does it include seeds planted but not harvested from a previous crop year?**

Your coverage is based on the number of mature oysters you expect to harvest in the current crop year.

**If I select Growing Interval I, what happens if I harvest seeds in 2023 that were planted in 2021 and in 2022?**

In Growing Interval I, it would have been expected that the oysters planted in 2021 were to be harvested in 2022. In 2023, all mature oysters that were harvested, regardless of the year they were planted, will be considered in production to count. This will be reflected in the subsequent crop years' survival rates.

**Are there seed size requirements for each growing interval? For example, can a 12mm seed be planted in anything other than Growing Interval I (assuming the majority of seed is Growing Interval I)?**

No, there are no maximum size requirements. However, you cannot plant seeds smaller than 4mm.

**My operation propagates spat and I grow my own seed. Do I need to submit records?**

You are required to provide seed purchase receipts from a private or commercial shellfish nursery or hatchery. These receipts must show that you purchased seed that were a minimum of 4mm.

**The minimum insurable seed size is 4mm. What if I buy 2mm seed and upwell to 4mm before I plant them in containers?**

The minimum insurable seed size is 4mm and your seed receipts must show that you purchased seeds that were a minimum of 4mm. The 2mm seed would not be insurable.

### **Are there plans for the program to allow upwelling to grow out to 4mm?**

We are researching future enhancements to the program that would allow coverage for seeds that are grown in upwellers from a smaller size to 4mm.

### **Are there plans for the program to allow bottom culture?**

We are researching how this program might be tailored to allow coverage for bottom culture; however, we need additional data to provide adequate and appropriate coverage for this practice.

### **What if I plant multiple seed sizes?**

If you plant multiple seed sizes, your seed purchase receipts must show that multiple sizes were purchased and the associated quantities. This information will be used to determine the approved yield.

### **The policy states that four years of records are required. What if I had major loss events for two years and two years with no loss event, how will that affect my normal mortality rate?**

Your observed survival rate and production guarantee would be reduced based on the records, which would reflect your losses, provided for your oyster operation.

### **Can I direct market my oysters? If so, will I need to provide a direct marketing certification?**

Direct marketing is allowed, provided you have acceptable harvest records. The direct market certification is not required.

## **I am a vertically integrated oyster grower and I cultivate my own seed. Does that exclude me from the program?**

Yes, you must have seed purchase receipts from a private or commercial shellfish nursery or hatchery to qualify for coverage.

## **What are the insurable causes of loss?**

There are four insurable causes of loss. You will only be paid for a production loss if there is a county loss trigger for any of the insurable causes of loss.

### 1. Named storms:

- Hurricanes (including adjacent county triggers); and
- Nor'easters;
- Excessive heat during a low tide event;
- Freeze during a low tide event; or
- Low salinity caused by excessive rainfall.

## **What is a 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.

## **Is disappearance of my oysters due to a hurricane a covered cause of loss?**

Yes, if there is a county loss trigger for hurricanes, any loss of oysters (including disappearance) is an insurable cause of loss.

## **Could you detail how market closures (e.g., vibrio) and thus lost sales are addressed?**

Inability to harvest mature oysters due to water closures or quarantine from bacteria or other water quality issues are not covered under this program. This program only provides coverage for oysters that are physically damaged by insured causes of loss.

We also will not pay an indemnity for oysters that are not accepted by the buyer.

**Will the hurricane county loss trigger work the same as it does under Hurricane Insurance Protection-Wind Index (HIP-WI)?  
What if I have hurricane damage, but the hurricane did not come on shore?**

The hurricane county loss trigger will trigger as it does for HIP-WI. However, there could be instances where a hurricane damages your operation but doesn't result in a county loss trigger.

**How will low salinity be applied as a qualifying loss condition?  
Low salinity is one factor of a multi-stress condition that can cause mortality, meaning the oysters can withstand different levels of salinity depending on different conditions so it is impossible to set a ppm for salinity.**

Details on when low salinity is considered a county loss trigger can be found in the Shellfish Data Provisions. The criteria that triggers the low salinity due to excess rainfall cause of loss is based on the precipitation in the watershed during any 30-day period combined with a temperature threshold.

**What if I have a production 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.

**How are losses determined?**

Losses are calculated and based on production to count from appraised mature shellfish and harvested mature shellfish. You must provide acceptable records from a disinterested third party necessary to complete the loss adjustment process.

## **How will I know if I am due an indemnity?**

An indemnity will be payable when:

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

## **If I am due an indemnity, when will I receive it?**

We will pay any indemnity you are owed for your loss under these Commodity Provisions within 30 days after the later of the date:

- FCIC releases the list of counties identified as meeting the county loss trigger and your insured county is contained on the list;
- We determine your production to count for the unit under these Commodity Provisions for the insured crop; or
- Any applicable determinations are made under section 14(f) of the Basic Provisions.

## **Can you provide a copy of the training presentation or let us know where it is posted?**

The presentation is available on RMA's Website at [www.rma.usda.gov](http://www.rma.usda.gov).

## **What is the cost of the policy?**

You can determine the premium associated with this policy by using the Cost Estimator tool on RMA's website: [ewebapp.rma.usda.gov/apps/costestimator/](http://ewebapp.rma.usda.gov/apps/costestimator/). Select the APH-PC (plan 91) plan of insurance and then enter the details of your operation.

## **What reinsured companies are carrying the policy?**

The Shellfish Crop Insurance Program is a pilot program, which means all reinsured companies must offer the program for sale.

## **How and where do I purchase Shellfish insurance?**

Shellfish is available for purchase from a crop insurance agent. You can find a crop insurance agent at the following link on the RMA website:

[www.rma.usda.gov/Information-Tools/Agent-Locator](http://www.rma.usda.gov/Information-Tools/Agent-Locator) page.

These agents work for insurance companies that have reinsurance agreements with the RMA.

## **Am I required to submit the FSA Form AD-1026 for Conservation Compliance on the Shellfish program?**

To ensure eligibility for premium subsidy (including for oysters), you must complete the FSA form AD-1026 (Conservation Compliance). You must complete and sign this form on or before the RMA crop insurance premium billing date of August 15. Oyster-only growers should mark Box 5A, which will minimize any additional paperwork.

You should contact the applicable FSA County Office to discuss Form AD-1026. You can find your FSA office at the following link: [offices.sc.egov.usda.gov/locator/app](http://offices.sc.egov.usda.gov/locator/app).