



# Risk Management Agency (RMA) and Farm Service Agency (FSA) Aquaculture Programs



## Risk Management Agency (RMA)

### RMA Aquaculture Programs

RMA provides subsidized insurance policies sold through private insurance companies to help aquaculture producers manage risk. Currently, RMA offers four insurance products for aquaculture producers.

- ◆ **Shellfish Pilot Crop Insurance Program:** This program provides a yield-based product for containerized oysters commercially produced for the half-shell market. The shellfish program provides coverage against four perils:
  - Named storms (hurricanes and nor'easters)
  - Excessive heat during a low tide event
  - Freeze during a low tide event
  - Low salinity caused by excessive rainfall

The program provides coverage for the expected production of oysters to be harvested in the current crop year. Coverage for immature oysters is not available at this time. Producers can elect to increase their insurable price above the published price election with verifiable sales records supporting a higher price election.

The shellfish program is available beginning with the 2024 crop year in select counties in:

- |                 |                  |
|-----------------|------------------|
| • Alabama       | • Mississippi    |
| • California    | • New York       |
| • Florida       | • North Carolina |
| • Maine         | • Rhode Island   |
| • Maryland      | • South Carolina |
| • Massachusetts | • Virginia       |

- ◆ **Group Risk Plan (GRP) Oysters:** GRP is a risk management tool to insure against widespread loss of production of oysters in a county. GRP Oysters is currently available in nine counties in Louisiana.
- ◆ **Aquaculture Dollar Plan Clams:** This program provides inventory-based stock mortality insurance for clam producers in select counties in Massachusetts, South Carolina, and Virginia.
- ◆ **Whole-Farm Revenue Protection (WFRP):** WFRP provides a risk management safety net for all commodities on the farm under one insurance policy. WFRP is available to producers of alligator, baitfish, clams, fish, oysters, trout, aquatic plants, and watercress across the country.
- ◆ **Premium Subsidy Eligibility:** To be eligible for premium subsidy for any policy or plan of insurance, including the Shellfish Pilot Crop Insurance Program, a person must have a signed Form AD-1026 (*Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification*) on file with FSA for the reinsurance year on or before the premium billing date for their crop insurance policy.



## Farm Service Agency (FSA)

### FSA Aquaculture Programs

FSA provides programs to help aquaculture producers manage risk including two farm programs for aquaculture producers who incur losses due to eligible disaster conditions. Farm Loans and Farm Storage Facility Loans are also available for aquaculture producers.

**Non-insured Crop Disaster Assistance Program (NAP):** NAP is a natural disaster risk management tool that provides financial assistance to producers of crops (including aquaculture) that are not covered by RMA insurance products.

Eligible aquaculture:

- ◆ Any species of aquatic organisms grown as food for human consumption;
- ◆ Fish raised as feed for fish that are consumed by humans; and
- ◆ Ornamental fish propagated and reared in an aquatic medium.
- ◆ **Can NAP and RMA crop insurance be purchased together?**
  - Producers can have coverage under both NAP and RMA's shellfish and oysters programs while the RMA programs are in pilot status, but producers are limited to indemnification under only one program.
  - Producers can receive both NAP payments and a WFRP indemnity. However, if the NAP payment exceeds the WFRP deductible, the amount over the deductible will be considered revenue-to-count for WFRP indemnity determinations.

**Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP):** ELAP emergency assistance covers eligible farm raised fish, livestock, and honeybees against losses due to an eligible adverse weather or loss condition including death loss, in excess of normal mortality.

Eligible aquaculture include:

- ◆ Any species of aquatic organisms (not including reptiles or amphibians) 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;
- ◆ Bait fish; or
- ◆ Game fish.

- ◆ **Can ELAP and RMA crop insurance be purchased together?**

- Producers can receive and retain benefits from both crop insurance and FSA disaster programs, such as ELAP.

### Farm Loans

Direct Farm Loans are available for operations producing eligible aquatic organisms for food.

Loan options include:

- ◆ **Direct Farm Ownership (FO) Loans:** FO loans to eligible aquaculture operations can be used to purchase real estate for land-based operations. Loans can be made in collaboration with other lenders, as a down payment, or for the full purchase price. Loan terms are based on loan type and repayment up to a maximum of 40 years, with a maximum of \$600,000.
- ◆ **Direct Operating Loans (OL):** OLs can be used to purchase needed equipment and supplies for a land-based aquaculture operation. Loan terms are 1 to 7 years as determined by the type of security and repayment, with a maximum loan amount of \$400,000.
- ◆ **Guaranteed Farm Ownership and Operating Loans:** Guaranteed Loans are made by commercial lenders for purposes similar to FSA's Direct Loans, offer higher loan limits with a combined maximum loan amount of \$2,236,000 (adjusted annually for inflation) and are guaranteed against loss by FSA up to 95% of the loan amount.

**Farm Storage Facility Loan (FSFL) Program:** FSFLs provide low-interest financing for aquaculture producers and can be used to:

- ◆ Build, upgrade, or acquire, permanently affixed or portable, new, or used farm storage and handling facilities, equipment;
- ◆ Purchase drying and handling equipment needed and essential for handling the eligible commodity; and
- ◆ Purchase storage and handling trucks and/or equipment for maintaining and monitoring the eligible commodity.

For FSFL purposes, aquaculture species are defined as any species of aquatic organisms grown as food for human consumption, or fish raised as feed for fish that are consumed by humans.

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.