



Hard Clam Insurance: Is it Working?

The Risk Management Agency of USDA manages several financial and educational programs to assist farmers that suffer catastrophic losses. Roughly two-thirds of the U.S. acreage planted to major crops is insured and more than 76 crops are insurable.

Florida hard clam farmers have been very fortunate. A pilot program for a limited number of counties in four states, including Florida, was established in 1999 that provides multiple peril coverage. In contrast, a multi-state effort is currently under way to determine the feasibility of a pilot farm-raised catfish and trout program. Catfish and trout are the number one and two aquaculture crops in the country with 2002 sales of \$410 million and \$69.6 million, respectively.



The hard clam program is being reviewed to guide the development of the catfish and trout programs and, potentially, program requirements for all aquaculture crops. USDA-RMA makes publicly available crop year data to analyze program accomplishments (visit <http://www2.rma.usda.gov/data/>). Clam pilot program data is available for 2000, 2001 and 2002 and has been assembled in table form (see page 2).

By and large the clam program has met its goals. Hard clam farmers are being compensated for crop losses to assist them in replanting and continuing to farm. Florida is benefiting from the program to a greater degree than any of the other three states in number of policies and payments. Virginia has fewer farmers in the program but those farmers are protecting much larger annual crops of clams (\$346,785 per policy in Virginia versus \$53,296 per policy in Florida). Overall for the three crop years, all clam farmers have contributed \$4.7 million in premiums and

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collected \$8 million in losses. Florida has been the largest beneficiary of those payments which have totaled \$7.6 million or 94.9% of the total. Florida also has a very high loss ratio (2.39), a measure of

program efficiency in which a small value is better, versus other states. In contrast, the national loss ratio average for U.S. agriculture ranges from 1.00 to 1.38 for the same three year period.

Florida, as the primary beneficiary of this program, has not used the program in a manner that reflects its purpose which is to assist farmers in the event of catastrophic losses. Program premiums are not covering loss payments. Loss ratios are more

than double what they should be. Florida's high loss payments and loss ratios could jeopardize the continuation of this pilot program and ultimate adoption of a permanent program to benefit U.S. aquaculture.

Hard Clam Pilot Program Crop Year Data						
State	Crop Years	Policies Sold	Liabilities (\$millions)	Premium (\$millions)	Payments (\$millions)	Loss Ratio
Florida	2000	239	17.6	.73	1.9	2.67
	2001	299	18.3	.92	2.3	2.46
	2002	417	26.4	1.4	3.4	2.39
Massachusetts	2000	48	3.2	.08	.11	1.28
	2001	46	2.5	.06	0	0
	2002	41	2.7	.07	0	0
South Carolina	2000	5	1.4	.04	0	0
	2001	7	.40	.008	0	0
	2002	8	1.2	.03	0	0
Virginia	2000	55	13.9	.26	0	0
	2001	76	19.9	.41	.20	0.50
	2002	85	29.5	.67	.09	0.14

Fortunately, USDA-RMA offers a tool for self-policing. Farmers that suspect waste, fraud or abuse may call USDA's Office of the Inspector General via their toll-free hot line at 1-800-424-9121, Monday-Friday from 8am-4pm EST, or write USDA's Office of Inspector General, P.O. Box

23399, Washington, DC 20026. Information provided will be treated confidentially.

Department Hosts '03 FFA Officers

Oyster Safety Message Important

In a landmark ruling a Louisiana court has decided that a restaurant and the state department of health share liability for the death of a person that ate raw oysters containing *Vibrio vulnificus*. An out-of-state visitor with a liver disease consumed six oysters and later died of a *Vibrio vulnificus* infection. The restaurant did not appropriately post a health warning that individuals suffering from compromised liver, stomach or immune system function should not eat raw oysters. The state agency failed to enforce a regulation that required this posting.

This court case emphasizes the need for the required consumer information message, the importance of making the message visible by the retail and food service industries, and the importance of enforcing the posting of the consumer information message by regulatory agencies.

Seven statewide Future Farmers of America officers toured the Department's numerous divisions to learn, in-detail, the regulatory, marketing and policy functions of the Commissioner of Agriculture and his agency. The officers accompanied Aquaculture staff to collect water samples in Alligator Harbor. Officers learned about shellfish farming and harvesting, Interstate Shellfish Sanitation Conference, Model Shellfish Ordinance, and that rain squalls are a normal part of the work day.



Division Seeks Outside Funding

creation three years ago. Expertise and funds have been sought to solve information and procedural questions that are unique to a public agency that is managing natural resources (i.e., leasing sovereign submerged lands; controlling oyster, clam and mussel harvesting), enforcing state and national molluscan food safety rules, and implementing a unique environmental management system.

The Division's approach to solving these problems has not been to wait until state budgetary funds were increased, but to seek funding through a variety of public granting agencies in partnership with public and private entities. Funding programs that have been tapped include the University of Florida, Florida and National Sea Grant Programs, U.S. Congress, Florida Ag in the Classroom, Inc., Florida Department of Environmental Protection, Interstate Shellfish Sanitation Conference (ISSC), Florida Fish and Wildlife Conservation Commission (FWC), U.S. Food and Drug Administration (FDA), Cooperative Institute for Coastal and Estuarine Environmental Technology, Florida Department of Transportation, U.S. Fish and Wildlife Service, Southern Region Sustainable Agriculture Research and Education Program, Florida Department of Labor and Employment Security, and various programs within the U.S. Department of Agriculture (USDA), U.S. Environmental Protection Agency (EPA) and National Marine Fisheries Service.

The Division has submitted 60 proposals for projects ranging from providing laptop computers for the shellfish plant inspection staff (\$50,000 from FDA) to determining the ecological influences of clam farming (a two-year, \$65,000 grant from National Sea Grant) to holding a workshop to determine the ecological and economic risks for culturing nonnative sturgeon in Florida (\$25,000 from FWC). Three other sturgeon grants from FWC have involved: 1) forensic identification methods using lipid profiles and DNA (\$25,000 each), 2) developing a petition to change the Endangered Species classification of captive, commercially raised shortnose sturgeon (\$15,000) and 3) the purchase and testing of larval rearing methods for nonnative sturgeon from European sources in conjunction with UF-Department of Fisheries and Aquatic Sciences (\$20,000). Grants from the EPA's Gulf of Mexico Program, the ISSC and National Sea Grant have targeted educating Florida

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Emergency Info Card Available

The Commissioner of Agriculture, Charles H. Bronson, has initiated the preparation of emergency contact cards as an information resource for aquaculturists to rapidly seek assistance during local, state or national emergencies. Important telephone numbers and web sites for state and federal law enforcement or disaster assistance agencies are listed on the card as well as eight Divisions of the Department of Agriculture and Consumer Services. Emergency planning tips for home and business are also included.



Copies of the laminated cards will be distributed by the Division of Aquaculture to all certified aquaculturists and any interested parties. For additional copies, contact Ceda Rudd, ruddc@doacs.state.fl.us, or 850-488-4033.



BMP Notes

Taxonomic Approach Adopted

The Division of Aquaculture has revised the reporting of species identification as required to complete the Aquaculture Certificate of Registration application.

Rather than broad categories that have been used for the last several years, a science-based approach using taxonomic nomenclature has been adopted. Taxonomic Classes, Orders or Families for fish, shellfish, amphibians, reptiles, sponges, and corals will be provided in the form of a list to be checked off by applicants and returned with the completed application form.

The Division has adopted this approach to reduce misidentification of cultured products triggered by certain common names or broad product titles (i.e., bass, shrimp, prawns, catfish or bait).

For the time being, aquatic plant and live rock producers will continue to use their broad category titles.

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medical community regarding the health risks associated with *Vibrio vulnificus* and creating print material that can be used by all of the Gulf states (\$25,000 from ISSC, \$18,900 from EPA and \$45,000 from National Sea Grant).

Other educational projects concern a farmer directed education effort involving the Best Management Practices through the use of descriptive signage and materials that will be installed at University of Florida's aquaculture demonstration and education sites: Cedar Key, Ruskin, Gainesville and Ft. Pierce (\$61,760 from DEP), Grade 2 teacher materials and web site (\$2,000 from Ag in the Classroom, Inc.), a freeze protection video and workshop for tropical fish farmers (\$30,000 from USDA), and a series of hazardous algal bloom (HAB) workshops for clam farmers (\$27,500 from USDA). The Division also received \$300,000 from the Florida Department of Transportation to create oyster reefs in Apalachicola Bay to replace oyster habitat disrupted by bridge construction (a two year project) and \$5,000 from FDA to determine the impact of heat shock on *Vibrio vulnificus*. Out of the 60 proposals submitted for consideration, 19 projects have been funded.

Many projects and proposals have involved partners the Division has recruited from several institutions.



The BMP, HAB, freeze protection education and the sturgeon farming development projects included UF-Department of Fisheries and Aquatic Science faculty and facilities. The web-based, real-time water quality and weather information for six aquaculture use zones is a joint project with UF-Department of Fisheries and Aquatic Sciences (the Division received \$204,000 from a three-year \$863,524 USDA grant). The *Vibrio* heat shock and current oyster industry survey (\$7,100 from University of Florida) have been completed with the help of the UF – Aquatic Food Products Laboratory and Florida Sea Grant. We are also partners with the University of Miami to prove the feasibility of using Geographic Information Systems to identify potential offshore aquaculture sites in the U.S. Caribbean and Florida (no funds to the Division, National Sea Grant) and a pending project with Mote Marine Lab to install remote sensing equipment to detect red tide with an ultimate goal of providing faster, on-site decision making to open or close shellfish harvest areas.

The Division's efforts are intended to meet or exceed a Legislative mandate in the Florida Aquaculture Policy Act: "...to enhance the growth of aquaculture in this state, while protecting Florida's environment." Three objectives are implicit to this mandate: 1) improve service quality to Florida's shellfish harvesters, processors and aquafarmers to support their economic growth, 2) analyze environmental impact questions to improve the Best Management Practices to conserve natural resources, 3) and adopt technology to reduce Division operational costs while providing expanded environmental protection. We welcome suggestions and partnership approaches to achieve these goals. Please contact Sherman Wilhelm, 850-488-4033 or wilhels@doacs.state.fl.us for additional information or to suggest cooperative projects.



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