



United States
Department of
Agriculture

INFORMATIONAL MEMORANDUM: IS-09-012

Risk
Management
Agency

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

FROM: Sue R. King /s/ Sue R. King
Acting Deputy Administrator

9-08-2009

SUBJECT: Insurability of Retired Catfish or Other Fish Ponds

BACKGROUND:

The Risk Management Agency (RMA) has learned many ponds used in the commercial production of fish are being retired from fish production. The pond acreage is being rehabilitated or converted to annual crop production. In some cases, the ponds are being drained and planted to annual crops without proper removal of retaining walls and/or grading of the land to facilitate the rainwater run-off.

The use of acreage converted from retired fish ponds requires adherence to the Common Crop Insurance Policy Basic Provisions (05-BR), Section 9, which states:

Insurable Acreage.

(a) Acreage planted to the insured crop in which you have a share is insurable except acreage:

(1) That has not been planted and harvested or insured (including insured acreage that was prevented from being planted) in at least one of the three previous crop years . . .

Section 12 states:

Causes of Loss.

The insurance provided is against only unavoidable loss directly caused by specific causes of loss contained in the Crop Provisions. All specified causes of loss, except where the Crop Provisions specifically cover loss of revenue due to a reduced price in the marketplace must be due to a naturally occurring event. All other causes of loss, including but not limited to the following, are NOT covered: . . .



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
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(c) Water that is contained by or within structures that are designed to contain a specific amount of water, such as dams, locks or reservoir projects, etc., on any acreage when such water stays within the design limits . . . Under such circumstances, the resulting damage would not be caused by an insurable cause of loss.

ACTION:

Effective immediately, acreage previously used for raising fish (converted or retired fish ponds) is not insurable without a written agreement if such acreage has not been planted and harvested or insured in at least one of the three previous crop years as required by the Common Crop Insurance Policy Basic Provisions (05-BR), Section 9.

In addition, as specified in Section 12, damage resulting to crops planted on any acreage where water was contained or within structures designed to contain a specific amount of water, such as dams, locks or reservoir projects, etc., [fish ponds] when such water stays within the design limits is not covered as an insured cause of loss.

Approved Insurance Providers (AIP) should review policies where converted fish ponds were planted to annual crops to ensure compliance with the Common Crop Insurance Policy Basic Provisions (05-BR), Sections 9 and 12.

Please contact the appropriate RMA Regional Office servicing your state for more information.

DISPOSAL:

This memorandum will remain in effect until December 31, 2010.