



United States
Department of
Agriculture

February 28, 2011

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

USDA/RMA
Stop 0801
P.O. Box 419205
Kansas City, MO
64141-6205

INFORMATIONAL MEMORANDUM: PM-11-009

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

FROM: Tim B. Witt */s/Rodger M. Matthews, for.*
Deputy Administrator

SUBJECT: Group Risk Plan for Oysters Plan of Insurance for the 2012 insurance year

BACKGROUND:

The Federal Crop Insurance Corporation Board of Directors approved the Group Risk Plan for Oysters (GRP-Oyster) plan of insurance, a privately developed product under section 508(h) of the Federal Crop Insurance Act. The GRP-Oyster program is available in select counties in Louisiana and provides coverage to oyster producers against a reduction in oyster production occurring as a result of unavoidable natural causes.

According to the developers of GRP-Oysters, the closure of oyster basins, due to the oil spill in the Gulf of Mexico (Gulf), has created uncertainty regarding the production potential for 2012 insurance year oyster landings. Based on the available data, it is unclear whether any oysters will be available to producers to seed their leased or owned oyster beds or that the beds are suitable for the production of oysters, raising question as to whether producers will even have a crop to insure. Further, data are not available to determine an actuarially appropriate level of expected landings for each basin. The GRP-Oyster insurance policy requires that data for establishing the expected landings be available.

Section 4(d) of the GRP-Oyster Policy Basic provisions states:

Insurance for oysters will not be offered for sale if the required data for establishing the expected landings, or guarantee for the insurance period are not available.

ACTION:

Due to the considerable uncertainty regarding the extent of damage to oyster beds; whether any oysters will be available to seed the producer's leased or owned oyster beds; and because an actuarially appropriate level of expected landings for each basin cannot be established, insurance for oysters will not be offered for the 2012 insurance year.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation
An Equal Opportunity Employer

DISPOSAL DATE:

December 31, 2011.