

# CARES Act Relief Aquaculture Working Group

## Working Group

- Jeff Kennedy, DMF
- Christian Petitpas, DMF
- Tom Shields, DMF
- Josh Reitsma, SEMAC & Woods Hole Sea Grant Representative
- Bill Doyle, Shellfish Aquaculture and MFAC member\*
- Scott Soares, MAA\*
- Jack Blake, Shellfish Aquaculture – Edgartown
- Mark Begley, Shellfish Aquaculture – Barnstable
- Aaron Brochu, Big Rock Oyster Co. – Dennis

\* Also a member of larger industry advisory panel

## Goal

- Recap “Round 1” CARES Program.
- Advise larger advisory panel and DMF on sector-specific spending plan for “Round 2” CARES.

## Logistics

- Meeting via Zoom.
- Meeting will be recorded.
- Please mute when you aren’t talking.
- Use “raise hand” feature.



# COVID-19 Fisheries Relief

## CARES Act and the Consolidated Appropriations Act of 2021

### Round 1 CARES (2020)

- \$300 Million to Support U.S. Fishermen & Seafood Industry negatively impacted by COVID-19 (minimum 35% economic loss compared to prior 5-year average).
- NOAA Fisheries used multi-year revenue estimate averages of “fishery participants” to determine state allocations.
- Massachusetts distributed approximately \$27.8 Million to four sectors based on revenue proportions modified to better reflect state needs (increased aquaculture & for-hire %).

### Round 1 CARES Funding Allocation by Sector

Sector	Amount Paid	Percent
Seafood Processors	\$13,779,788	49.60%
Commercial Fishermen	\$11,835,178	42.60%
Aquaculturists	\$1,153,588	4.15%
For-Hire Vessels	\$999,996	3.60%

### Round 2 CARES (2021)

- \$255 Million for U.S. fishermen & seafood industry (same eligibility threshold).
- Massachusetts to receive roughly \$23 Million.
- Sector allocations to be determined.



# MA Round 1 CARES Act Program Recap

## Aquaculture Sector (\$1,152,000)

### General Eligibility Criteria

- Must have held a 2020 Massachusetts Propagation or Aquaculture permit as of June 30, 2020.
- Must have suffered 35% revenue loss during March 15 to June 30, 2020 compared to the prior 5-year average due to the effects of COVID-19.
- Must have been 18 years of age or older at time of application.
- Must have been in good standing with the State and Federal Government.
- Must have been a Massachusetts resident.
- Assistance from this and other federal relief must not make the applicant “more than whole” (i.e., have a 2020 annual revenue greater than their prior 5-year average revenue).



# MA Round 1 CARES Act Program Recap

## Aquaculture Sector (\$1,152,000)

- Applications sent: 400 (all holders of 2020 MA Propagation or Aquaculture permit as of June 30)
  - 246 eligible by initial determination
  - 154 ineligible by initial determination
- Total returned applications: 191
  - 177 accepted their initial determination, 160 of which were eligible.
  - 14 appealed their initial determination.
    - Appeals accepted by DMF: 9
    - Appeals denied by DMF: 5
  - 8 did not meet the 35% revenue loss threshold.
- Total eligible applications: 169



# MA Round 1 CARES Act Program Recap

## Aquaculture Sector (\$1,152,000)

### Round 1 Payments Distributed

Tier	Tier Minimum Income	Tier Maximum Income	No. Initially Eligible Permits	No. of Recipients	Share	Payment
1	>\$0	\$7,500	23	8	0.25	\$494.68
2	>\$7,500	\$49,286	89	56	1	\$1,978.71
3	>\$49,286	\$91,071	38	25	2	\$3,957.42
4	>\$91,071	\$132,857	13	10	3	\$5,936.13
5	>\$132,857	\$174,643	16	13	4	\$7,914.84
6	>\$174,643	\$216,429	15	12	5	\$9,893.55
7	>\$216,429	\$258,214	11	11	6	\$11,872.26
8	>\$258,214	\$300,000	6	5	7	\$13,850.97
9	>\$300,000	\$2,400,000	28	29	8	\$15,829.68



# Massachusetts' Supplemental CARES Act Fisheries Relief (Round 2)

**Massachusetts has been allocated \$23 Million for supplemental relief**

**STILL REQUIRED by NOAA Fisheries**

- Must have suffered 35% revenue loss due to COVID in 2020, as compared to average revenue from 2015 to 2019.
- Cannot be “made more than whole” – 2020 revenue plus any COVID-related relief (PPP or EIDL grants, supplemental COVID-19 unemployment relief of \$600/week, or other COVID-19 fisheries relief including USDA) cannot be greater than your traditional annual revenue.
- Must be 18 years of age or older at time of application.
- Must be in good standing with the State and Federal Government.

Massachusetts Division  
of Marine Fisheries



# Massachusetts' Supplemental CARES Act Fisheries Relief (Round 2)

**Massachusetts has been allocated \$23 Million for supplemental relief**

## **CONSIDERATIONS**

- Time period for 35% loss calculation – must be compared to 2020.
  - Round 1 used March 15 to June 30, 2020.
  - Should Round 2 Consider expanded window for calculating loss?
- What scale of payments would be too large and make most businesses “more than whole”?



# MA Round 2 CARES Act Relief

DRAFT ONLY

**Made “more than whole”:** 2020 traditional aquaculture revenue plus any COVID-related relief (PPP or EIDL grants, supplemental COVID-19 unemployment relief (i.e., \$600/week), or other COVID-19 fisheries relief) cannot be greater than your traditional annual aquaculture revenue.

## How to Calculate

Traditional Annual Aquaculture Revenue AVERAGE 2015-2019 = AVG

Aquaculture REVENUE as reported on 2020 Tax Return = R

Round 1 CARES Act Relief Payment = C

supplemental COVID-19 UNEMPLOYMENT relief i.e., \$600/week \* # of weeks = U

Sum of COVID related GRANTS (PPP or EIDL) = G

OTHER COVID-19 fisheries relief = Ot

MAXIMUM Round 2 CARES Act Relief Payment = MAX

### Formula

$$\text{AVG} - (\text{R} + \text{C} + \text{U} + \text{G} + \text{Ot}) = \text{MAX}$$





# MA Round 2 CARES Act Relief

**DRAFT ONLY**

## Recommendation for Round 2 Initial Allocations and Payments

Sector	Approved Round 1	Round 2 Recommendation	Basis for Round 2
Seafood Processors	\$13,779,789	\$10,334,842	75% of Round 1
Commercial Fishing	\$11,828,404	\$8,871,303	
Aquaculturists	\$1,152,652	\$864,489	
For-Hire Vessels	\$1,000,000	\$750,000	
Set Aside for sector(s)		\$2,300,000	10% of state allocation
<b>Total Budget</b>	<b>\$27,780,506</b>	<b>\$23,175,000</b>	

- Establish “shares” for each sector tier as in Round 1.
- Pay each eligible applicant their determined tier or the MAX value if "made more than whole".
- Distribute set aside to each sector based on need.

