



The Commonwealth of Massachusetts

Division of Marine Fisheries

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CARES ACT Relief Round 2: Aquaculture Working Group Meeting Summary for April 15, 2021

Attendees

Working Group: Mark Begley, Jack Blake, Aaron Brochu, Bill Doyle, Josh Reitsma, and Scott Soares.

DMF Staff: Jeff Kennedy (Sector Co-chair), Christian Petitpas (Sector Co-chair), Tom Shields (Sector Co-chair), Dan McKiernan, Maren Budrow, Kevin Creighton, Stephanie Cunningham, Erich Druskat, Julia Kaplan, Maggie Nazarenius, Story Reed, and Anna Webb.

Background

The Commonwealth of Massachusetts has been allocated an additional \$23.3M in fisheries assistance funding for seafood processors, commercial harvesters, aquaculturists, and for-hire fishing operators negatively impacted by the COVID-19 pandemic in 2020. A total of \$255M in funding was provided by the Consolidated Appropriations Act of 2021 in support of activities previously authorized under Sec. 12005 of the Coronavirus, Aid, Relief, and Economic Securities Act (“CARES Act”), for which the states’ allocations were determined by the US Commerce Department. For this “Round 2” funding, the Massachusetts Division of Marine Fisheries (MA DMF) will again utilize input from its industry advisory panel and sector working groups to finalize a spending plan. Complete details, including working group presentations and meeting summaries, are being provided as they become available at:

<https://www.mass.gov/service-details/mass-cares-act-fisheries-relief>.

Meeting Summary

The Aquaculture Working Group held its first Round 2 meeting on April 15, 2021, to review the Round 1 CARES program and advise DMF on any recommended revisions to the program for Round 2.

Round 1 Summary

The Working Group first reviewed the Round 1 Aquaculture CARES Act program and the outcomes of Working Group decisions made during the initial stages of the program. Round 1 eligibility criteria included that applicants must have held a 2020 Aquaculture or Propagation permit as of June 30, 2020, must have suffered a 35% revenue loss between March 15 and June 30, 2020, as compared to average revenue from the same dates over the previous five years, and must have been a MA resident and at least 18 years of age at application. Ex-vessel income was used to sort eligible applicants into nine tiers for payment.

MA DMF sent blank applications to all 2020 MA Aquaculture or Propagation Permit Holders and ultimately accepted 169 applications for payment. A total of 14 appeals were submitted to MA DMF, nine of which were accepted and five of which were denied. Eight applications submitted to MA DMF were ineligible because they did not meet the 35% revenue loss threshold. Most of the ineligible applicants did not qualify because they were in their first years of operation and did not have any recorded sales to which they could compare their 2020 revenue.

Round 2 Expanding Pool of Eligible Growers

The Working Group was concerned for those newly permitted growers without a sales history who did not qualify in Round 1. Individuals just starting out incurred expenses such as seed purchases yet, lacking SAFIS sales, could not recover any portion of those expenses. Though expenses without sales are a total loss, prior sales history is a requirement of the program. Rather, DMF will try to identify other funds that could be used to develop an alternative, separate program for those 10-15 individuals following wrap-up of Round 2.

Round 2 Time Period(s) for Calculating Revenue Loss

MA DMF sought working group input on the 2020 time period to be used for the 35% revenue loss calculation and asked industry members what sales trends they observed during 2020. Some working group members noted that they did not sell any product until June or July of 2020, and that prices continued to be depressed throughout the year. Data analyzed by MA DMF staff suggest that the scale of losses continued to decline as the year progressed but the difference between using March-December versus March-October is negligible. MA DMF will complete further data analysis and suggest to the working group an additional timeframe to be used for the revenue loss calculation.

The group agreed to utilize two periods for the revenue loss calculation: a new period that could be used by those who did not meet the revenue loss requirement during Round 1 and the original timeframe (March 15 to June 30). Using this method, all permit holders funded under Round 1 would be automatically eligible based on their Round 1 revenue losses.

Round 2 "Made More than Whole" Calculation

In response to requirements that applicants are not to be "made more than whole" by their 2020 revenue as compared to a traditional year, MA DMF proposed to include a calculation in Round 2 applications to help applicants determine what their maximum payment could be under Round 2.

Round 2 Allocation of Funds Among Sectors

MA DMF proposed each sector (commercial, processors, aquaculture and for-hire) receive 75% of the funds allocated to them in Round 1, leaving about 10% of the overall \$23.3 million allocation to be set-aside for eventual distribution to the sector(s) with the greatest need. This equates to an approximate minimum allocation of \$864,489 million for the aquaculture sector. For this to happen, DMF would run the application process for all four sectors simultaneously. The Working Group supported this proposal.

Next Steps

MA DMF will review data from potential periods for the 35% revenue loss calculation and propose to the Working Group a period to be used. A follow-up meeting may not be necessary with review and approval of a new eligibility period made via email. Then, representatives from the aquaculture working group will attend the industry advisory panel meeting, consisting of individuals from each sector, once all working groups have met and determined their sector-specific eligibility requirements.