



The Commonwealth of Massachusetts

Division of Marine Fisheries

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CARES Act Relief Aquaculture Working Group Meeting #1 Summary Wednesday June 10, 2020

Attendees

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

DMF: Director Dan McKiernan, Jeff Kennedy (Co-chair), Tom Shields (Co-chair), Story Reed, Jared Silva, Stephanie Cunningham, Anna Webb, Chrissy Petitpas, Erich Druskat, Gabe Lundgren, and Julia Kaplan.

Overview

The federal government provided \$300 million in disaster relief through the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) for those seafood and fishing industry sectors negatively affected by the COVID-19 pandemic. Approximately \$28M of this funding was allocated by NOAA Fisheries to the Commonwealth of Massachusetts and was derived from revenues from the seafood processing sector (51.2%), the commercial fishing and aquaculture sectors combined (47.3%), and the for-hire sector (1.5%).

Oyster landings account for 97% of the value of all aquaculture landed product, and most of the product ends up at restaurants. The closure of restaurants - both nationally and internationally - has resulted in severe losses for the sector, with estimates as high as 80% reduction from the previous five years.

DMF has distributed federal aid to commercial fisheries during five previous programs over the last 20 years and therefore has valuable previous experience about distribution of funding in MA. This program is particularly complex as it spans four different sectors where the data quality varies greatly. It is expected the aquaculture sector will be approximately \$1.1M.

The Division wants to keep this process moving quickly and send guidance from this working group to DMF in aggregate to be sent to the advisory panel and to NOAA Fisheries by the end of June.

Eligibility

Consolidating permits under single aquaculture operations to represent landings value per business is on-going. Aquaculture permit holders will need to be Massachusetts residents, be 18 years old, hold a 2020 permit with at least a 35% loss in revenue compared to the average of the previous five years solely due to the impacts of the Covid-19 pandemic and have no federal violations. Currently DMF is considering the eligibility period to be from March through June, but this will be decided on by the working group.

Presentation and Discussion

In total there are 391 Propagation and Aquaculture permits issued yet many of those are employees of larger operations. An initial analysis to provide a strawman for discussion lowered the number of eligible permits to 272. Utilizing the Standard Atlantic Fisheries Information and Statistics (SAFIS) dealer database then filtering for qualifying criteria DMF has developed various scenarios. The DMF presentation and preferred approach mirrored the commercial fisheries presentation. This plan set a needed minimum of \$15K ex-vessel value which equals approximately 29% of the 272 permit holders. The remaining cohort was divided into quartiles, shares calculated and payments per tier assigned. Calculated payments for Tier 1-\$2382; Tier 2-\$4763; Tier 3-\$7145 and Tier 4-\$9526. Each tier represents 48 growers with the max value of Tier 4 over \$1.2M ex-vessel value.

This conceptual approach is preferred by DMF as it uses: SAFIS data; likely auditable/audit-proof; a consistent approach in the combined Commercial Fisheries/Aquaculture sector; conceptually simple and transparent; easily protects confidentiality; uses the highest 3-year SAFIS derived ex-vessel value per grower; directs funds to productive operations; and due to simplicity allows for near immediate qualification and relatively quick delivery of funds.

An alternative approach was presented by a workgroup member advocating for payments to all aquaculturists based on current year landings and percent income loss based on recent historical landings. This worksheet would assign losses per permit holder, then allocate payments based on current year reductions. Several members supported this approach.

Next Steps

Considerable work remains for the workgroup. The timeline for the entire program needs to be considered as the longer the eligibility timeframe becomes, the later the payment will ultimately arrive. Milestones to be considered include spending plan development, NOAA approval, application period, DMF review, appeals, DMF review, and finally award. The working group will need to set an application duration and due dates.

Decisions to be resolved at next meeting include; 1) Finalize time period for loss -March thru June; 2) Set historical activity timeframe for eligibility; 3) Evaluate setting minimum landed value needed for inclusion in program; 4) Adopt a modified DMF approach retaining distinct bins but with smaller landed-value ranges and fewer growers per bin, OR adopt an approach based on individual calculated losses; 5) Evaluate setting maximum allocation; 6) Evaluate payment reduction based on receipt of pandemic relief; 7) Set an application duration and due date.

The next workgroup meeting is tentatively scheduled for Thursday June 18, at 3PM.