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Oyster Tag shortage:
What happened during the 2012-2013 season, and how can we solve the issue?
Department of Natural Resources Fisheries Service
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The Department wanted to inform industry, interested legislators, and the public at large of the issues highlighted during 2012-2013 oyster season. Developing solutions to these problems will require input from and productive engagement by industry. The Department encourages discussions of these issues at the County Oyster Committees, and at the level of the Tidal Fisheries Advisory Commission. The Department would like to work closely with industry over the next few oyster seasons to develop effective solutions to these issues.

Summary:

The Department currently has no mechanism to anticipate how many people may enter the oyster fishery in a given fishing season. In an effort to accommodate increased participation this season, the Department ordered an additional 90,000 tags than were used last season. In this regard, the Department faces a balancing act – wanting to ensure plenty of tags, but not wanting to waste resources by buying an abundance tags that would not be used. The Department assumed that ordering tags to allow for a 50% increase in harvest would be adequate.

On average, over the last 5 seasons 644 individuals have participated in the oyster fishery. During the 2012-2013 season, records to date indicate that 805 oyster surcharges have been purchased. This difference, combined with the large number of oysters harvested in October and early November, resulted in a tag shortage that forced the Department to ration tags to ensure that all watermen would have access to tags for every day they desired to work. This was the main objective and although an imperfect solution, the rationing did successfully assure that watermen had the tags they needed to work.

The tag rationing program increased operating costs and inconvenienced watermen as they were forced to drive to service centers weekly to collect tags. The Department did its best to alleviate this inconvenience by suspending the requirement that licensees could collect only their own tags. The tag shortage occurred despite the fact that the Department ordered more tags on four separate occasions and printed additional tags – in total the Department will have supplied 510,000 tags to service centers at a cost of over \$36,000. This does not include costs incurred by the Department which redirected efforts of Fisheries and Licensing personnel to resolving the tag issue. Projected harvest (not more than 150,000 bushels through January 10, 2013) indicates that only a fraction of these tags will be used resulting in a significant waste of resources.

The Department is looking to industry for input on resolving the primary causes of the 2012 – 2013 tag shortage – latent effort and poor harvest accountability.

There is a substantial amount of latent effort in the oyster fishery. Over 2,000 people have the ability to enter the fishery in any given year. These individuals may be full time watermen or they may be license holders who have

not actively fished at all in many years. Latent effort makes it nearly impossible to operate a fishery so that watermen achieve maximum economic benefit and also has the potential to become a threat to the resource. When the number of oystermen increases substantially with each increase in oyster abundance, the infrastructure set up to handle product becomes flooded. Shucking houses refuse to buy on some days, creating problems for watermen unable to sell their product, thus creating an incentive to sell oysters without a license. Market flooding creates price drops, reducing the total income to watermen from the fishery.

The Department is currently working to develop biological reference points to ensure a sustainable wild oyster fishery. This means that, at some point, total annual catch may be limited and latent effort could result in an unpredictable derby style fishery. Instituting catch or effort controls could stabilize prices and allow realized income to be stable despite a decline in total harvest.

The oyster fishery has the additional problem of poor harvest accountability. According to the Department's projections, the 2012-2013 harvest will be substantially lower than the number of tags distributed. Where are the unused tags? Were those tags attached to unreported bushels, or are they sitting in garages and on boats around the state? Many watermen acquired more tags than they would need for the season and, as such, there will be substantial uncertainty surrounding the 2012-2013 harvest estimates.

Due to budget shortfalls, the Department will be requiring watermen to purchase their own tags during the 2013-2014 season. Charging for tags may reduce the number of unused tags, but it does not help the Department anticipate how many people may participate in an upcoming fishery and it does not address the problem of latent effort.

The Department looks forward to working with the industry in the future to develop objectives for the wild oyster fishery and resolutions to these issues. Below is a summary of the development of the tag shortage problem throughout the season and a description of the Department's attempts to resolve it. It should be noted that despite the difficulties, the actions undertaken prevented a situation where watermen were unable to catch oysters.

2012-2013 Oyster Tag Shortage Event Summary

Why Does the Department Require Oyster Tags?

Beginning in 2011, the Department responded to new requirements from the Food and Drug Administration / National Shellfish Sanitation Program's shellstock identification and traceability mandate by implementing regulations requiring that bushels of oysters be tagged at the bar of harvest. Regulations are below:

B. Tagging.

(1) An individual storing oysters in accordance with §A(1) — (3) and (5)(a) of this regulation shall complete and affix a Department-issued tag to each container of oysters prior to leaving the bar from which the oysters were harvested.

(2) An individual storing oysters in accordance with §A(5)(b) of this regulation shall complete one Department-issued tag for the group of oysters not in containers and affix a Department-issued tag to each container of oysters prior to leaving the bar from which the oysters were harvested.

(3) Tags:

(a) Shall be completed legibly in indelible ink;

(b) Shall stay affixed to the container until the container is in the possession of a person who is licensed and certified to sell shellfish by the Department of Health and Mental Hygiene in accordance with COMAR 10.15.07;

(c) May not be reused; and

(d) May only be transferred to another individual during a license transfer in accordance with Natural Resources Article, §4-701, Annotated Code of Maryland.

(4) In addition to the tagging requirements of this regulation, a pers

DNR Anticipated an Increased Demand for Tags:

In advance of the 2012-13 oyster season, the Department increased the number of oyster tags ordered by 90,000 over the previous season to allow for potential increased harvest. In total, the Department placed an initial order 225,000 oyster tags for the 2012-2013 season.

As watermen purchased their oyster surcharges to begin the 2012-2013 season, the Service Centers distributed tags to watermen according to each individual's harvest level during the 2011-2012 season. Therefore, a waterman who harvested 500 bushels of oysters during the 2011-2013 season would have been issued 500 tags.

An Unanticipated Surge of Latent Effort Enters Fishery:

Patent and hand tong harvests started out very strong in October 2012, with reports of 53 boats working in Broad Creek alone. Nearly all oystermen were easily attaining daily catch limits. Watermen in Tangier sound were quoted in the press as saying that there were more oysters than they had seen in twenty years. Word spread quickly, and oyster surcharges began to be purchased at a rapid rate. By November 1st, there was a 30% increase in surcharges from the 2011-2012 season. As additional watermen began entering the fishery, large quantities of tickets were picked up from the Service Centers in the first two weeks of November as the power dredge season began and those fishing rapidly used up their existing tags on the oysters they were harvesting. This resulted in a rapid and unanticipated disbursement of tags in early November.

DNR Becomes Aware of Problem on November 1, 2012:

The first indication that tickets were running low was an email from the Centreville Service Center on November first. They informed Fisheries Service that they only had 15,000 tags left out of the 95,000 they were issued.

DNR Develops Response Plan:

The primary objective for DNR staff was to ensure that no oystermen would lose the opportunity to fish. It became clear that dispersing an unlimited number of tags on a first come, first serve basis would result in a complete depletion of tags. Therefore, on November fifth Service Centers began daily rationing tickets to 100 per person per visit. On November 8th DNR Fisheries and Licensing staff begin shuttling tags between the service centers that had too many tags and those that did not have enough. This prevented each Service Center from quickly running out of tags. Following this action, we received first complaints from watermen and their legislators.

Small emergency ticket orders were placed on four occasions: 11/5, 11/9, 11/26, and 11/30, the first of which arrived on 11/19/12 and 11/26/12 and about every two weeks thereafter for the remaining shipments. State procurement rules prevented the immediate placement of larger orders.

The Centreville service center ran out of tags on 11/14/12, although this outage only lasted a few hours. At the same time, Salisbury was down to 500 tags. In response, on 11/14/12 the Department put 4,000 tags from Harris Seafood into circulation and decreased the daily tag ration to 50 tags per person. This resulted in more calls from watermen who now had to make weekly trips to the Service Centers. In addition, Fisheries staff printed 4,000 tags on waterproof paper and delivered them to the Service Centers in mid and late Nov and mid-December to use as a backup.

An order for 200,000 more tags was placed on 12/7/12, as soon as procurement procedures allowed. On 12/11, to make obtaining tags easier the Department relaxed our rules and allowed oyster tags to be picked up by anyone with a photocopy of a waterman's license information (or transfer paperwork if applicable). A partial order of new tags shipped 12/26/12.

The first half of the final order of 200,000 tags arrived 1/11/13 (30 – 40,000 tags to the two busiest service centers Centreville and Salisbury), nine weeks after first notification by LRS staff. The remaining 200,000 tags are expected to arrive no later than the end of January.

