

# Maryland Aquaculture Coordinating Council

## Minutes - September 11, 2014

### Members Attending:

Don Webster	Terry Witt	Karl Roscher
Tony O'Donnell	Erin Butler	Andy Buck
Christopher Sherman	Stacy Kubofcik	Johnny Shockley
Reggie Harrell	Joanna Kille	

### Guests:

Kim Coulbourne, DHMH	Jill Parisi, ORP
Jill Buck, Patuxent Seafood	Tal Petty, Hollywood Oyster
Rob Witt, Witt Seafood	Steve Connelly, MDA
Steve Schneider, MD-DNR	Craig Mask
Alyssa Cranska, MD-DNR	Ward Slacum, ORP
Katie Busch, MD-DNR	Ted Cooney, Madhouse Oysters
Becky Thur, MD-DNR	Mike Naylor, MD-DNR
JD Blackwell, 38 North	Bill Cox, Honga Oyster Co.
Larry Jennings, CCA	Russ Babb, NJ Fish & Wildlife
Kevin Boyle, Shorething Shellfish	Ben Stagg, VAMRC
John VanAlstine, Watermen	

### Call to Order:

Chairman Buck called the meeting to order at 6:30pm.

### Administrative:

#### Approve July Minutes

The July 10, 2014 meeting minutes were approved as written, by the Council.

#### Announcements (Chairman Webster and Members)

- Don Webster announced the upcoming Northeast Aquaculture Conference & Exposition taking place January 14<sup>th</sup> -16<sup>th</sup> in Portland, Maine. The conference is in association with the Aquaculture Association of Nova Scotia, Prince Edward Island Aquaculture Alliance, and Atlantic Canada Fish Farmers Association.
- Mr. Webster also announced that Dr. Lazur offers his apologies for not being in attendance, but would like to inform The Council that the Aquaculture Industry Needs Assessment survey has been completed and results will be presented at a later date.
- Katie Busch introduced guests Ben Stagg from The Virginia Marine Resources Commission and Russ Babb from New Jersey Fish and Wildlife. They are visiting to join in a field trip to Mr. Blackwell's operation and discuss recent changes and movements in the industry.

- Karl Roscher wanted to follow up on motions made at previous meetings to invite different agencies in the future. Steve Connelly, Ag Marketing Specialist from Maryland Department of Agriculture is in attendance tonight to give a presentation on crop insurance. The Army Corps of Engineers were invited, but not in attendance tonight, possibly due to late notice of the meeting. Dale Hawks, USDA-NASS will be invited to attend the next meeting.

## **Reports:**

### Aquaculture Division Report (Mr. Roscher)

Updating the Council on the Department's leasing and permitting activity Mr. Roscher reported that since September 2010 through September 11, 2014, Maryland has received 243 lease applications. Of those applications, 168 have been received since August 1, 2011 when the Department began accepting applications for water column leases and leases in sanctuaries. The State has issued 111 new commercial shellfish aquaculture leases totaling 2,240 acres. An additional 77 lease applications are in process, three of which are incomplete.

Currently, there are 318 active shellfish aquaculture leases totaling 3,974 acres consisting of 52 water column leases (200 acres) and 266 submerged land leases (3,774 acres). Leasing activity for July and August included seven new shellfish lease applications, four new lease agreements were issued with three pending issuance. Also, 28 shellfish lease transfers are in process. One new lease application packet was prepared and forwarded to the Corps of Engineers for review and five additional application packets are in preparation to be forwarded. The status of leases awaiting hydrographic survey, public notice initiation/conclusion, and protests received was presented. Detailed information regarding lease totals and acreage by county were provided as part of Mr. Roscher's leasing summary.

Other Division activity included issuing 11 new Shellfish Import permits and four new Shellfish Nursery Permits for land based and in-water nurseries. So far in 2014, a total of 1,482 Shellfish Aquaculture Harvester Permits (SAHP) have been issued. That number is a combination of 381 Permittees (leaseholders and co-leaseholders) and 1101 Registrants (registered workers). This represents a total of 474 individuals who are currently permitted to work in the industry.

Mr. Roscher discussed the Summertime Harvest Season reporting that 177 leases are declared for the summer harvest season. These represent individual leases where leaseholders have declared intent to harvest between June 1 and September 30, but do not necessarily indicate the total number of leases actually reporting active summertime harvest.

After Mr. Roscher's report, Mr. Webster asked if the current lease transfers are just adding additional names to the lease or if they were a full transfer. Mr. Roscher explained that many of the current transfers are primarily being processed to add an individual to an existing lease.

Delegate O'Donnell asked for an update on the current cycle time for lease application processing. Mr. Roscher responded by describing applications in process can take eight months to a year, while newly submitted application should have about a six month time line. The Department has started looking at lease applications with extenuating circumstances. Delegate O'Donnell mentioned it may be helpful to develop a tracking system

to calculate days to issuance and requested for the Department to include a tracking time metric in future reports.

Mr. Webster wanted to thank Mr. Roscher for setting up a meeting with the ACOE, to discuss their regulatory process and how decisions on lease applications are finalized. Mr. Roscher noted there is difficulty in the review process because not every part is overseen within our division. Delegate O'Donnell mentioned other agencies involved in the process need to be held accountable and Mr. Webster noted the Aquaculture Review Board (ARB) is helpful with keeping the process moving forward.

The status of shellfish leases under protest was addressed next by Mr. Roscher describing that lease protests are at various stages and some of them have been sent to the Office of Administrative Hearings (OAH) for Contested Case Hearings.

Delegate O'Donnell questioned the status of the lease applications adjacent to Newtowne Neck State Park. Mr. Roscher informed the Delegate that the applications were put on hold because park usage was under development. Mrs. Thur continued to explain that the master planning for the park has begun and started accepting public comment. The park service does not want the applications to move along in the process until plans have become finalized due to potential conflicts with boating and swimming.

#### Shellfish Aquaculture Financing Program Status (Mr. Roscher for Steve McHenry, MARBIDCO)

Mr. Roscher noted that both of MARBIDCO's programs, the Regular Program and the Remote Setting Program are very successful. Since 2011, the total amount of approved aquaculture loans is \$3,359,303.90. A total of 61 aquaculture projects have been approved in 10 counties including 27 on bottom projects, 26 water column projects, four combo projects and four remote setting projects. TFL holders represent a high percentage of aquaculture project loan approvals by MARBIDCO with 50 out of the 61 projects associated with TFL holders. In addition, 18 shellfish aquaculture borrowers have been awarded multiple loans in one or both programs. Thus far \$2,377,433.96 has been disbursed in the regular Shellfish Aquaculture Financing Program and \$60,000 in the Remote Setting Program. In addition, there are seven NRCS EQIP assignments totaling about \$123,000 that have been contracted with NRCS as of September 11, 2014.

Mr. Harrell asked if Mr. McHenry could provide information on how the 2011 loans were doing and requested feedback on returns on investments. Mr. Roscher will request a general report from Mr. McHenry.

#### Workgroup: Active Use Requirements (Mr. Roscher)

Mr. Roscher summarized the results of the active use requirement meeting held on August 12<sup>th</sup> at the Morgan State University, PEARL facility for select western shore leaseholders and August 14<sup>th</sup> at Horn Point Laboratory for select eastern shore lease holders. Leaseholders believed that the active use requirement should be based on a combination of activities including amount of shell and/or shellfish planted, hours of maintenance on the lease, natural set and harvest numbers. They were also in agreement that the current planting density of at least one-fourth of the leased area at a minimum of 1,000,000 seed per acre is too high and 250,000 is a more reasonable amount. However, they agreed that planting one-fourth of the leased area is not unreasonable. Leaseholders also believed that proper documentation should be required for a natural spat set and an acceptable harvest threshold should be determined by the industry.

Mr. Roscher hopes to have another workgroup meeting in October to present results and establish recommendations for the November ACC meeting. He would like to have a set of options ready so that the new policy can be announced in the 2014 annual mailing.

Further discussion took place between members on council about this topic. Delegate O'Donnell asked if there was a discussion about different requirements for submerged land leases vs. water column leases. He also noted that he would like the industry to provide comments so the work group gets this right. Mr. Roscher noted the number of leases that are not active take away so much time and attention that could be devoted to the active leases. Finally, Mr. Harrell suggested that biology and density dependence should be considered and to let the farmers figure out what is best for them.

Mr. Shockley requested ACOE have seat on the council and Mr. Blackwell mentioned inviting someone from NOAA. Delegate O'Donnell said he could accommodate for law change.

Discussion was directed back to the active use requirements by Mr. Petty, noting the department needs to determine the users vs. abusers. Mike Naylor commented that there was a lot of discussion about the planting number and the 1,000,000 was intended as an initial planting amount.

#### Shellfish Aquaculture Harvester Permit/Registration (SAHP) Cards Modifications (Mr. Roscher)

It has been brought to our attention by the industry that the current process for obtaining SAHP cards is difficult and requires review by the Department. Mr. Roscher summarized how shellfish aquaculture permits were obtained in other states on the east coast and discussed some of the pros and cons associated with the different processes. He noted that most states charge a fee for each permit. Based on the information obtained from other states, it looks like it is acceptable to allow operators to work under one licensee as long as there is direct oversight provided by the licensed/permitted individual at all times. In a situation where direct oversight could not be maintained at all times by the licensee, all workers would have to be licensed/permitted. After a brief discussion, Mr. Roscher reminded the group that whatever is developed needs to be as simple as possible, realistic and enforceable. The permits are also about protecting public health and the FDA regional specialist likes the process the Department has in place now.

#### Commercial Clam Industry Subcommittee (Chairman Buck)

Chairman Buck reported that Robert T. Brown will initiate a meeting with a clamming industry subcommittee to create maps of current clamming areas. At that time Chairman Buck asked who would like to be part of the subcommittee and suggested Ben Parks, Karl Roscher and Johnny Shockley. Both JD Blackwell and Jill Buck requested to be invited guests. Mr. Brown would like to have the meeting in October in Annapolis so the results will be ready for the November ACC meeting.

#### **Presentation:**

##### Aquaculture Risk Management Tools (Steve Connelly)

Mr. Connelly an Ag Marketing Specialist from the Maryland Department of Agriculture presented a power point presentation titled Aquaculture Risk Management Tools. His presentation explained the USDA's Farms Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP). This program provides financial assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occur

due to a natural disaster. For a copy of the presentation or more information about his topic, please contact Mr. Connelly at [steve.connolly@maryland.gov](mailto:steve.connolly@maryland.gov) or 410-841-5824.

Mr. Blackwell asked if there was a pilot program. Mr. Roscher informed the group there was a project in Louisiana where interested growers contacted the USDA to create a program. It would be possible for Maryland to do the same if enough people got together. In response, Mr. Shockley stated an industry association needs to be developed to get this program started.

**New Business:**

Oyster Shellstock Commingling Management Plan (Vice-Chair Butler)

Vice-Chairman Butler presented a draft commingling plan to the council. In summary, the plan will be implemented because dealers/shellfish buyers are engaged in the practice of commingling oysters that they purchase and a plan for commingling must be adopted and implemented by the state's shellfish control authorities. The plan breaks down the bay into five distinct areas, all grouped by their NOAA codes. Only shellfish within the designated commingling areas may be commingled. The plan was presented to the Council so the members were informed of this practice and made aware that if an illness is reported and associated with oysters harvested from a commingling area; all harvesting is closed within this area, including aquaculture operations, until the oysters are traced back to an individual harvest location.

Natural Resources Police Site Visit (Mr. Webster)

Mr. Roscher informed the Council that Captain Sherman lead a site visit for NRP officers to Mr. Blackwell's operation. The officers attending were introduced to many of the common management practices used by shellfish nursery and water column lease operators. The visit was very beneficial for the officers and helpful from an enforcement point of view.

Senate Bill 3-Required Report (Mr. Roscher)

Mr. Roscher reported that Senate Bill 3, from the 2010 legislative session, required the Council to issue a report to MDE and the General Assembly by October 1, 2013 on the status of commercial aquaculture and the fiscal impact associated with the Wetlands and Waterways Program (MDE) fee exemption provided for aquaculture operations in the legislation. Mr. Roscher indicated that there are no fiscal impacts to MDE because soon after this legislation was approved, aquaculture permitting oversight was consolidated within DNR. He indicated that because a report was required by this legislation, he will prepare a draft for the next Council meeting.

**Public Comments:**

Tal Petty thanked Delegate O'Donnell for his attention to the on-going issues.

**Adjourn:**

The meeting was adjourned at 8:35 pm with the next regularly scheduled meeting to be held on Thursday, November 13, 2014 at 6:30 pm in the Maryland Department of Natural Resources, C-1 Conference Room.