

MADE IN ALASKA

MARICULTURE

Alaska Mariculture Task Force
Meeting Minutes

Thursday, August 8, 2019 @ 8:30am – noon AST

APICDA Conference Room, 302 Gold Street, Suite 202, Juneau, Alaska 99801

1) Roll call – Chair Decker calls meeting to order at 8:34 AM.

MTF Members Present:

- Julie Decker – AFDF (in person)
- Eric Wyatt – Oyster farmer, nursery owner, Board of OceansAlaska and ASGA
- Ed Douville – Shaan Seet Corp
- Angel Drobnica – APICDA (in person)
- Heather McCarthy – Central Bering Sea Fishermen’s Association (in person)
- Sam Rabung – ADFG (in person)
- Heather Brandon – Alaska Sea Grant (in person)
- Jim Andersen – ADCCED (in person)
- Jeff Hetrick – Alutiiq Pride Shellfish Hatchery

Public Participants Present:

Kimberly Stryker – ADEC, Ex-Officio MTF member; Tommy Sheridan – Sheridan Consulting, Native Village of Eyak; Patrick Simpson – PKS Consulting; Riley Smith – AFDF; Bill Hines – NOAA; Brian Holst – Juneau Economic Development Council; Wanetta Ayers – PWSEDC; Jake Carpenter – APICDA (in person); Laura Hoberecht – NOAA; Susan Jakonis – Tax Division; Jenn Hall-Brown – NOAA Fisheries, Alaska Region/SK program (in person); Michelle Morris – ADFG, Permit Coordinator (in person); Flip Pryor – ADFG, Aquaculture Section Chief (in person); Tomi Marsh – OceansAlaska (in person); Julie Scheurer – NFMS, Protected Resource Division (in person); Ray Morgan – UAA Student; Charlotte Levy – Aleutian East Borough; Justin Sternberg – Alaska Ocean Cluster; Andrew Crow – UAA; Rachel Sapin – IntraFish; Kristin Ciciel – NOAA AFSC; Cynthia Pring-Ham – ADFG; Melissa Good – Alaska Sea Grant; Jon Konitz – ?; Craig XXX – ?; Hatchery – ?.

2) Review and approve agenda (5 mins)

Motion (Rabung/McCarty) to approve agenda. Motion passes with no objections.

3) Review and approve minutes: May 23, 2019 (10 mins)

Motion (Rabung/McCarty) to approve minutes. Motion passes with no objections.

4) Public introductions & comments (15 mins)

- Crow – UAA, manage co-op development program. Project with UAA student, Ray Morgan, to put together a financial model for kelp farming.
 - Experience with a financial model with CQEs. Will look at costs and prices for kelp – expressed need from fishermen.

- Decker – reach out to GreenWave out of Connecticut for more information.
- Levy – Still waiting to hear back on the NSG proposal for the second phase of the kelp project.
 - Recent SK proposal submitted - growing sub-market urchin to size, work with the king crab industry to help deliver to market.
 - Good – waiting to hear back from NSG to develop a seaweed hub (nation-wide) and consortium to address industry and research needs.

5) Updates by MTF members (30 mins):

a. Presentation to Alaska Fisheries Science Center planning team

- Decker – AFSC presentation in Juneau to their planning team. Bob Foe and Laura Hoberecht asked for a mariculture presentation on mariculture trends across the state, participation by industry and state.
 - AFSC wanted to incorporate the efforts of the MTF with their future efforts, research and project planning.
 - Hoberecht– Mariculture Workgroup in AFSC, thinking through what the MTF priorities are and how they can support our priorities.

b. NOAA workshop

- Scheuer – Go-ahead to begin planning, meeting of the steering committee (just forming) in next two weeks.
 - Reserved meeting room: January 21st and 22nd in Ketchikan, Cap Fox Lodge. In conjunction with the Alaska Shellfish Growers Association (ASGA) meeting.
 - NOAA has resources to bring relevant persons together – NOAA may fund travel for select individuals if they need it (\$120,000). Bring together state and federal legislators, focus on permitting process.
 - Stryker – need travel requests ASAP, especially for state funded travel for non-essential reasons.
 - Wyatt – reach out to those not represented in ASGA from Kachemack Mariculture Association.
 - Brandon – ASG puts on Alaska Fishermen’s summit on January 21st, 22nd and 23rd - will be overlap with some attendees (Quentin).
 - **Task: Scheurer will coordinate agenda with Margo Reveil of ASGA.**

c. Meeting with members of Gov’s New Industry Development Team

- Decker – Jim Andersen and I met with Clark Penny and Matt Fagnani (Department of Commerce)– Clark and Matt created new Industry Development Team. Team looking at new emerging industries - mariculture was tagged as a promising new industry.
 - Asked to frame “What the mariculture opportunity mean at the global, national and state perspective”. Need more specific information in order to pass determine other investment opportunities and get it in front of the Governor. Passed on a list of farmers and potential farms to visit. Team will be visiting a few farms in August.
- Andersen – opportunity for mariculutre to be elevated in this administration if they bring resources to accomplish some of the goals that are being set.

d. Mariculture Map: <https://mariculture.portal.aos.org/>

- Decker – ASG initially funded creation of a Mariculture Map (an online GIS tool for siting mariculture), reduces social, environmental and economic conflict. Will also reduce burden on regulators.
 - Axiom completed the prototype, will host webinar for regulators, then webinar for industry.
 - Funds secured (PSMFC) for the next year to make continued improvements.
- Brandon – A person from National Oceans Service, Coastal Aquaculture Siting Team should participate in webinar or some phase of review.
- **Task: Decker will organize presentation of the tool at the NOAA workshop and/or ASGA meeting in January 2020.**

e. Presentation to NPFMC

- McCarty – request was made to present at NPFMC – permission granted by Executive Director and Chair; meeting will be at Lands’ End in Homer (first week of October 2019).
 - Presentation will be at beginning, during the ED Report (Dave Witherell) - 15-minute max, 200 persons will be in attendance.
 - Trip to oyster farms nearby Homer? Oyster tasting at booth or at co-op (has oyster bar at spit)?
- Drobnica – interested in participating in presentation.
- Wyatt – reached out and corresponded with Margo Reveil and Jakolof Bay Oyster Company of Hump Island Oysters – they could do a plant facility tour. High-speed sorting machine from France. Another option for the NPFMC presentation. Processing plant is on the road system.
- **Task: McCarty will follow up with Margo on possibility of Jakolof Bay Oyster Company tour and with Dave Witherell on possibility of field-trip or oyster tasting (early evening).**
- **Task: Decker will follow up with co-op to investigate availability, operations and schedule for tasting.**

f. Hiring – NOAA, ASG, University

- Brandon – ASG put in a rather large NSG proposal – informally informed that it was funded, however, were officially informed that it was not. Funding and budget crisis at the University of Alaska, roughly half of budget will be cut. Hard to hire a mariculture position at this juncture.
 - All Sea Grants issue RFP for research funding – pre-proposals have been received (if aquaculture related - would be able to couple with NOAA funding for a 1-year mariculture position).
 - University position – candidates were interviewed, no offer was made for a hire (aquaculture faculty position) prior to the end of the fiscal year – thus, moratorium on hiring.
- Scheurer – NOAA Regional Aquaculture Coordinator Position – hiring committee created, shortlist received of final candidates. Interviews and selection will be completed in the next 3 weeks.
 - Background checks, etc. may delay actual position by a couple months. Moving forward (slowly).

g. Others

- McCarty – NOAA, NMFS and Congress staff are in Juneau and will visit mariculture facility (Meta’s farm). Priority for NOAA and NMFS, however, funding isn’t commensurate with priority.
- Wyatt – note to people involved with tours: there are only a handful of farms that are accessible from road systems and available for quick tours. Majority of economic potential is found in more remote areas, coastal communities. It is important to relay this.

- Rabung – May 24th commissioner sent out email to all directors. #1 focal area for commercial fisheries division is the development of mariculture opportunities. Priority of ADFG under this commissioner.
- Stryker – regulatory oversight: biannual meeting for Interstate Shellfish Sanitation Conference is coming in October 5th-10th in San Diego, CA. 2019 proposals for consideration have been released for review. Biotoxin proposals should be coming forward for review very shortly (will be coordinating with ASGA and FDA).

6) Old Business (15 mins):

a. MRC (Mariculture Research Center) concept – discussions with NOAA

- Decker – original plan was to house this within the University. Landscape going forward doesn't look promising to take on anything new.
 - MRC whitepaper to integrate NOAA into concept, including research priorities. Call with Mike Rust, Laura Hoberecht, Bob Foy and others tomorrow (08/09/2019).

b. ADFG - "Guidelines for Emerging Mariculture Industry and Marine Mammal Interactions"

- Decker – as the more farm applications came to light in the last couple years, harbor seal haul-out locations became a large hurdle (1-mile area). Harbor seal haul-out locations, will be ingested into MaricultureMap. This discussion of how the data is tracked and displayed spurred a question: can we change the guidelines?
- Scheurer – the new guidance lists 500 meters from the haul-out and/or 50 animal thresholds. Farm requires additional requirements and consideration to ensure the animals are not disturbed. The manner that the data is collected (# of animals in polygon versus a single point) deems guideline as unrealistic. ADFG seems open to changing the threshold going forwards.
- Brandon – why is priority on changing the guidelines versus collecting appropriate data? Why is 50 the threshold? Since harbor seals are not listed, why are they of particular concern?
 - Scheurer – that was part of the discussion, can we even recreate this data collection (flights and surveillance). Data collected during molting season, not pupping season.
 - Rabung – currently, there are no population concerns for harbor seals. The concern that was being applied previously was impact to individual seals, the guidelines are now shifting towards entire population. MMPA states that if you alter the animal's behavior, it is considered a "take".
 - Decker – the threshold is still more conservative than other areas in the US.
 - Scheurer – need to gather more marine mammal specialists to redefine thresholds. Thus far, they have agreed to consult with other experts about whether the current restrictions can be relaxed.
 - Brandon – Can we approach this as a blanket permit for "takes" like the gillnet fishery?
 - Scheurer – as long as mariculture is considered a commercial fishery, there is a blanket MMPA authorization for an exemption – no individual consultation for aquatic farms.
 - McCarty – it was a several year-long project to figure out the effect of the gillnet fishery on seabird bycatch.
- Wyatt/Scheurer – Army Corps of Engineers permitting – main concern in mariculture operations are potential interaction with humpback whales (SEAK). Corps have been requesting a consultation with NFMS or Wildlife Service if whale, seal, etc. are listed in the area.

Chair Decker recess for break at 10:00 AM. Meeting is called back to order at 10:12 AM

7) New Business:

a. Action Plan – draft (60 mins)

- Decker/McCarty – revised the Action Plan and are looking for feedback - stated the action, objectives, tasks, timeline and responsible entities. Folded together the near-term research priorities, detailed spreadsheet of objective/tasks, etc. into 5-year Plan.
- **General comments:**
 - Brandon – can we make an action plan chronologically formatted with near-term, immediate needs, mid-term and long-term?
 - Scheurer – we should not lose any more information when pairing it down further.
 - McCarty – many of the priorities that were removed were done so because of issues of practicality.
 - Brandon/Decker – product development, market research, processing technology and industry research needs to be incorporated back into Action Plan and highlighted.
 - Wyatt – in terms of shellfish, semi-automation in oyster industry. Research and development are very important to both existing and potential new farmers and can catapult small and large businesses (i.e. freezing technology and business models).
 - Decker – research and development critical for all mariculture operations, including support for product development and support for automated, cutting-edge technology.
 - Brandon – how do we expand on international informational sharing and familiarization tours? We need to integrate and engage Alaska Grown and ASMI more heavily into Action Plan.
 - **Task: Brandon will schedule briefing meeting from visits to New Zealand and Korea.**
 - Ayers – it would be helpful to more heavily integrate the priorities of the Plan into the Action Plan. A crosswalk between the Plan and Action Plan through a short-hand reference in the document.
 - Andersen - different Bullets could identify near-term, mid-term and long-term priorities.
 - Decker – do not want to prioritize between the two documents and need to allow the Action Plan to be informative enough to stand alone without flipping between.
 - Brandon – under business models, there is interest in utilizing salmon hatchery infrastructure for oyster and kelp seeding, etc.
 - Brandon – under industry training, almost all actions are geared towards adults. Young adults (middle schoolers) are being exposed to potential careers at this juncture. Important to keep k-12 on the list for industry training. Many available resources to utilize, including partners.
- **Detailed Comments (due to time constraints, Workgroup will revisit this)**
 - **Industry development:** *Create the Alaska Mariculture Development Council or an industry-led group.*
 - Andersen – RSDA is a model that we should look at in this action.
 - Rabung/Decker – should we drop “Development” from the title?
 - Ayers – structure for ASMI, RSDAs is industry-driven and funded. Legislators and government will respond better to a similar model here.
 - **Industry Infrastructure – Seed and juvenile security:** *technology transfer and capacity development.*
 - Brandon – are we talking about in-state development of hatchery and seed development? We should clearly use the in-state language when applicable to highlight this.
 - McCarty – existing hatcheries and potential hatcheries are distinguished in Action Plan.
 - Brandon – Responsible Entities (RE) – AFSC should be one of the major REs on this.

- Decker – Cieciel is one of the leads on the mariculture working group from AFSC, good point of contact. Also, coordination with NOAA is critical.
- Ayers – language of sustainability and scalability should be referenced – with our existing facilities, growth pattern of industry important to highlight scalability points.
- Cieciel – AFSC is regrouping but within the next 6 months they will be able to address their capacity to help with hatchery technology transfer and capacity development. AFSC call tomorrow to hash this out further.
- Decker – this Action Plan timeline is 5 years.
- Wyatt – industry is lacking trained individuals to accomplish this in Alaska. That must be a priority.
- Decker – industry training, capacity development and technology transfer is critical and overlaps across government, industry and research. Should we refocus these aspects in government?

Industry Access to Capital:

- Decker – two categories: increasing revolving loan funds and exploring and expanding additional sources of public and private capital.
- Andersen – mariculture requires long term investment with a long return on investment that will not attract the private sector because the return on investment is too far out. RFLs may address this - amendments and more funding is necessary.
- Wyatt – revolving loan fund not usable for smaller entrants because of the collateral requirements – for instance, the FLUPSY has no collateral value, same goes for oyster sorting machines. Hatcheries are a bit different, whether they are private or non-profit. There must be a restructuring of what is defined as collateral.
- Ayers - Increase capitalization of state's existing mariculture RLF; need to compartmentalize the fund for in-state hatchery seed production and farmer financing. [This was done by HB 76.]
 - Anderson – HB 76 was restructured to separate and compartmentalize the funding (40% for hatcheries, 60% for farmers) – only \$5 million in fund, would take 10 years to revolve if all loaned out. Collateral is based off what the market will pay for it, just like any other small business loan. The more highly specialized the equipment, the smaller the buyer pool and collateral will end up selling it at a discount.
- ***Task: comments back from full MTF by August 22nd. Will schedule a Workgroup (Decker, McCarty Drobnica, Scheurer, Stekoll, Hetrick, Wyatt) meeting shortly thereafter and present at next MTF meeting.***

b. Discuss Federal aquaculture bill (30 mins)

- Decker – staff discussion version for the Bill. Double the size of the old one, large changes to fundamental aspects (removal of state opt-out, marketing component of R&D program, etc.).
- ***Task: Scheurer – will look into getting an overview of the changes made from this version. Will ask for conference notes for discussion/rationale for the changes made.***
- Decker – a letter or statement on the revised bill should be a priority. If we can align with UFA, when possible, it would also be very important and powerful. In previous bill, there was a component for a R&D grant for marketing of aquaculture products, UFA suggested that this component should include marketing of *all* U.S. seafood to increase demand.
- McCarty – NPFMC will discuss this bill at the upcoming meeting.
- ***Task: Legislative Workgroup (McCarty, Rabung, Drobnica, Decker, Andersen) will draft comments by August 22nd to forward to MTF and NOAA headquarters.***

8) Workgroups - review tasks (15 mins)

a. Legislative Workgroup (McCarty, Rabung, Drobnica, Decker, Anderson)

Task: Draft comments on Federal Aquaculture Bill to MTF and NOAA headquarters by August 22nd.

b. Regulatory Workgroup (Rabung, McCarty, Wyatt, Decker, Sullivan, Stryker, Andersen, Scheurer)

Task: Regulatory Workgroup will meet in October prior to the NOAA workshop and ASGA meeting (January 21-25, 2020) to refine MTF recommendations (Action Plan must be refined first).

c. Research Workgroup (Brandon, Stekoll, Wyatt, Foy, Decker, Hetrick)

Task: Decker and others will meet with NOAA tomorrow (08-09-2019) on the topic of MRC and incorporating this into NOAA's priorities.

d. Action Plan Workgroup (McCarty, Decker, Hetrick, Scheurer, Drobnica, Wyatt, Stekoll)

Task: MTF comments due by August 22nd. Action Plan Workgroup will meet and finalize draft before next meeting.

9) Set next meeting date and time –October 14, 15, or week of 21st (5mins)

Next meeting is scheduled for the morning of October 15th, 2019 (8:30 AM to 12:00 PM AST).

10) Closing Comments & Adjournment (5 mins)

- Scheurer – propose discussion of NOAA workshop to be on next meeting's agenda.
 - Suggested contacts/additions to SC: contact Kachemak Shellfish Growers Coop, Mark Scheer, Alexia Moyer from Blue Evolution, AKCRRAB.
- McCarty – SWAMC is holding an economic summit and mariculture is at the top of the agenda.

Motion (Rabung/McCarty) to adjourn meeting. Motion passes with no objections. Meeting adjourned at 12:05 PM.