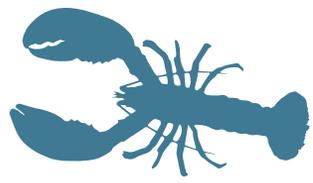


A report on the Impacts of COVID-19 on Maine's Seafood Industry and Recommendations for Short-term Actions

Submitted by the Co-Chairs of the Economic Development
Administration's Maine Marine Economy Roadmap Initiative
(MMERI)

*This report was compiled on behalf of the MMERI with input and feedback from:
The Maine Department of Marine Resources, The Maine Aquaculture Association, The Maine Lobster Dealers
Association, The Maine Coast Fishermen's Association, The Alliance for Maine's Marine Economy, The Island
Institute, Mook Sea Farm Inc., Ready Seafood Company, Luke's Lobster and Focus Maine.*



CO-CHAIR – CURT BROWN

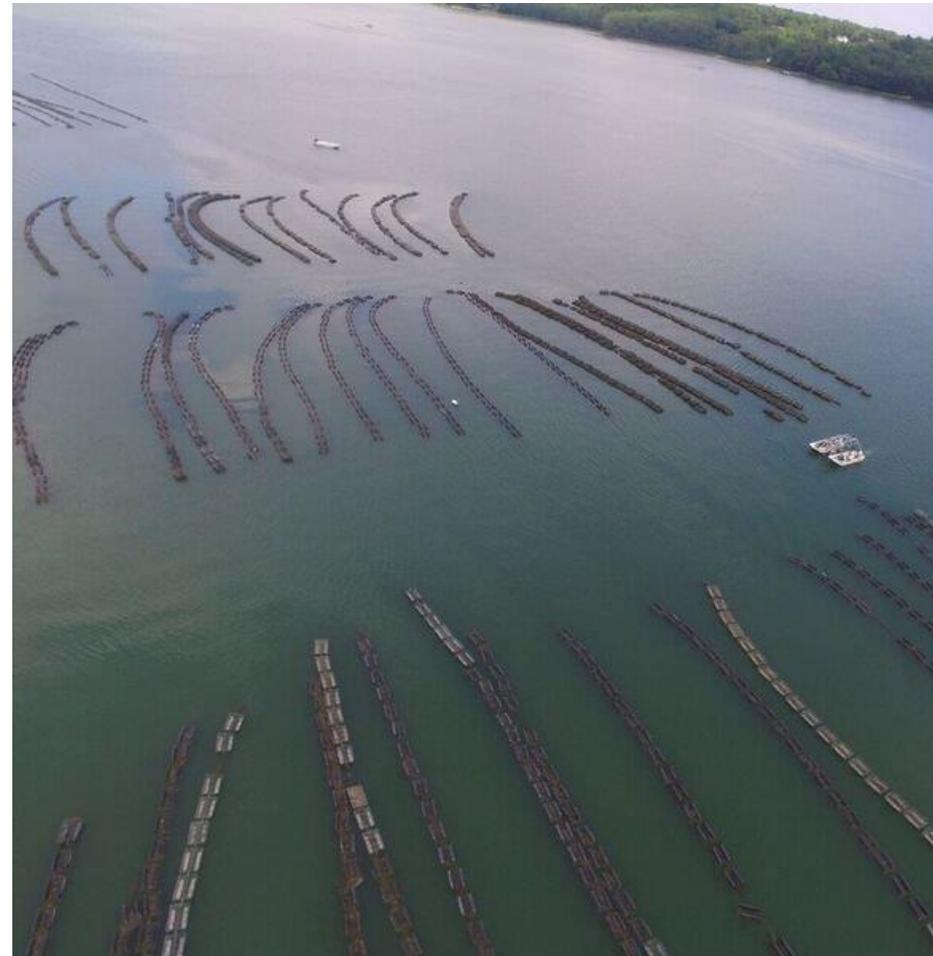
Lobsterman and marine biologist at Ready Seafood.





CO-CHAIR – BILL MOOK

President and Owner, Mook Sea Farm, Inc.



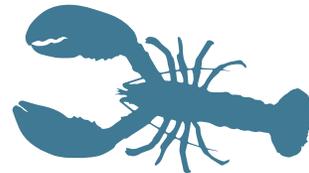
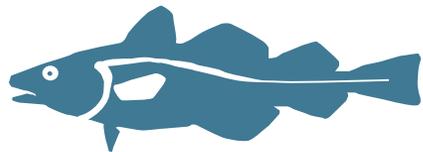
WHAT IS THE INITIATIVE?

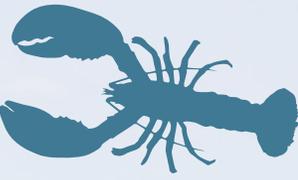
- Maine's marine living resources (MLR) mainstay of the state's economy
 - Cross-sector,
 - Industry-led
 - Strengthen commercial fishing and aquaculture
- Roadmap for economic growth
 - State, federal, private sector investment will stabilize, sustain, and grow Maine's marine resource industries.



OVER ARCHING GOALS

- Provide support to sustain Maine's marine resource businesses.
- Increase value of marine living resources from Maine's coastal waters
 - Minimizes the carbon footprint of the marine resource sector
 - Increases competitiveness of Maine businesses
 - Maximizes resiliency and diversification.
- Support Maine's coastal communities through preservation and improvement of working waterfronts.





LIST OF PRIORITIES

- National/Global market analysis to understand the changes to seafood distribution and consumption caused by the pandemic and verify present and future demand for Maine seafood.
- Analyze Maine's current wild harvest and farm raised production and the capacity to meet the projected demands.
- Analyze the seafood transportation system/infrastructure to identify the needs and opportunities for reducing costs.
- Support and grow markets for seafood industry waste streams.
- Support R&D for value added seafood products and effective ways to promote increased consumption of Maine seafood.



LIST OF PRIORITIES

- As economic conditions improve, support new businesses starting up.
- Support and initiate workforce development programs that train people for the full range of post pandemic employment opportunities in marine resource businesses.
- Evaluate working waterfront and seafood industry infrastructure for ways to reduce operational costs through improvements in energy efficiency, as well as within sector and cross sector collaboration.
- Determine if other non-marine resource industries have infrastructure capacity that offers opportunities for beneficial co-location.
- Diversify and strengthen Maine's rural coastal communities.



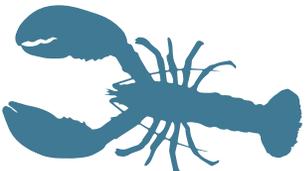
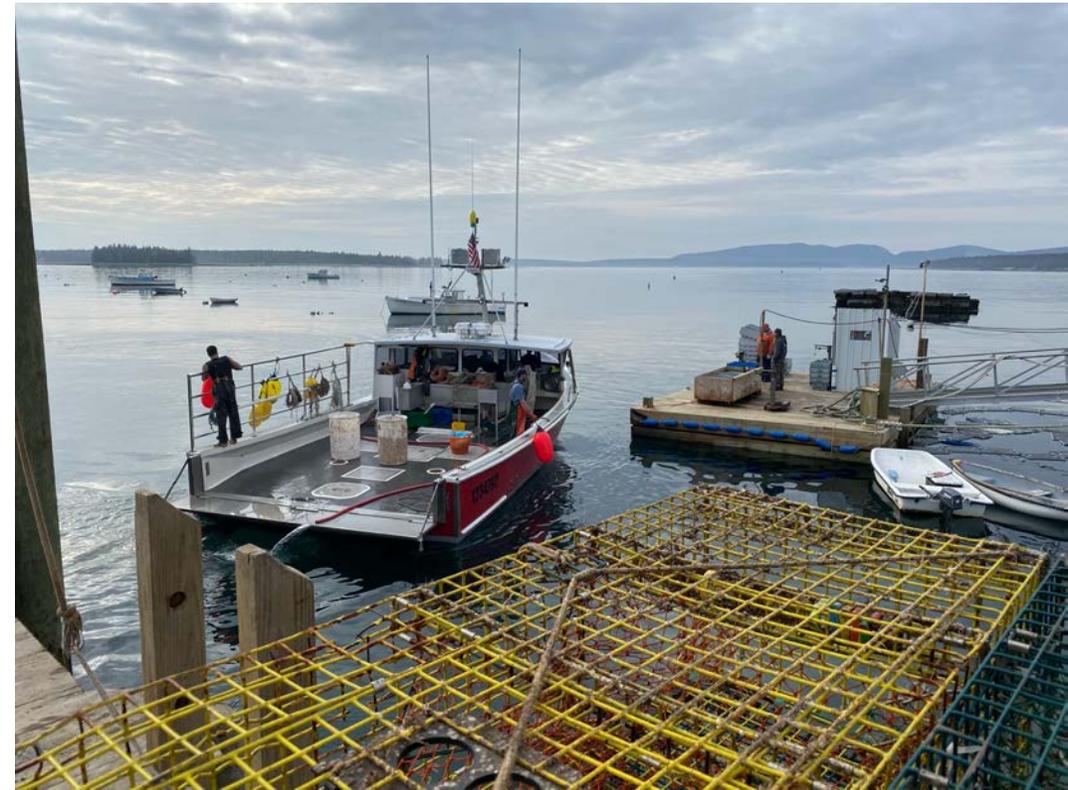
IMPACTS OF COVID-19

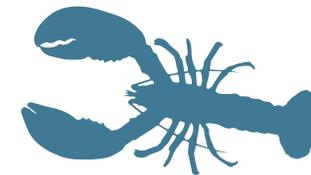
- Seafood sectors have been hard hit by pandemic
 - Loss of the service sector
 - Markets evaporated
- Values of products decreasing
 - Groundfish down 63%
 - Lobster down 60%
 - Scallops down 30% (~2.28% in Maine)
 - Elvers down 75%
 - Seaweed down 55%
 - Soft Shell Clams down 55%
 - Oysters down 35%
- MAA Survey Results
 - Lost sales, debt service, increased production costs
 - 42% have laid off employees
 - 84% delayed seasonal hiring
 - 38% reduced hours/salaries
 - 87% have lost contracts
 - 98% experienced price decline
 - **Only 20% would survive 6 months of no sales, without further stimulus**



IMPACTS OF COVID-19

- Other economic impacts
 - Ready Seafood spent more than \$50,000 on COVID response
 - Luke's Lobster reduced salary and lost 200 FTE
- The Most Severe Impacts are Yet to Come...





RECOMMENDATIONS: *WORKFORCE*

- Payroll support to extend federal PPP for at least 12 weeks, sales expected to remain low.

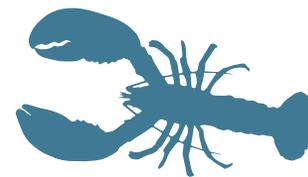




RECOMMENDATIONS: *REGULATORY*

- Support our Federal Delegation in their efforts to push for trade negotiations
- Support DMR's plan to transition to remote lease hearings for aquaculture sites
- Aquaculturists facing space constraints- Support DMR in exploring options for increasing lease/LPA space to accommodate unsold crops
- DEP must accelerate the permitting of land-based aquaculture farms.

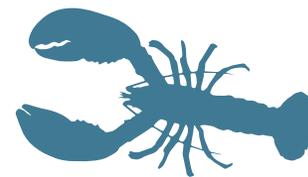




RECOMMENDATIONS: *INFRASTRUCTURE*

- The Portland Fish Pier Authority Board - Investments should be made in critical port infrastructure to benefit multiple sectors of Maine's fishing and marine industries.





RECOMMENDATIONS: *INFRASTRUCTURE*

- Increase funding for Small Harbor Improvement Program
- Support construction of cold storage facilities.
- Recapitalize the Working Waterfront Access Protection Program
- Support the installation of 3-phase power to working waterfront
- Recapitalize the Maine Technology Asset Fund to evaluate and fund marine industry projects.

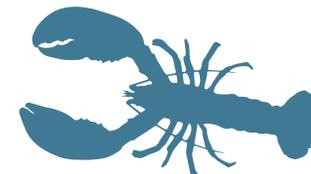




RECOMMENDATIONS: *STIMULUS/INVESTMENT*

- Rebate landing fees: disaster relief funding used to rebate costs- has been incredibly helpful in reducing overhead and is appreciated by fishermen.
- Rebate sector fees: effective way of mitigating the impacts of financial losses to groundfish businesses due to the pandemic
 - Subsidies for ice





RECOMMENDATIONS: *INNOVATION*

- Immediately support and fund the formation of a Maine Seafood Marketing Institute or Maine Seafood Marketing Council
- DECD, DMR and DACF should create a grant program designed to support seafood producers developing direct to consumer sales platforms.



THANK YOU

*Manufacturing and Natural Resources-Based Industries
Subcommittee of the Governors Economic Recovery Committee*



QUESTIONS?