

**SEAMaine Report to the Manufacturing and Natural Resource Based Industries
subcommittee of the Governor's Economic Recovery Committee**

September 4th, 2020

Introduction

According to the Island Institute, out of Maine's 5000 miles of coast, only about 20 miles are reserved for the working waterfront. And, out of those 20 miles, just 16 are dedicated to commercial fishing activity. The value of Maine's commercially harvested marine resources to harvesters was valued at \$673,910,558 in 2019, with the lobster fishery accounting for 72% of that value at \$484,405,036. This amount does not accurately capture the true economic impact of the seafood sector. For lobster alone, **it is estimated to contribute more than \$1.5 Billion to Maine's economy.** Furthermore, the seafood that comes from our coastal waters and the working communities along Maine's coast from which it comes drive a large portion of the \$6 Billion tourism industry within the state. Imagine what Maine could be if our wild-caught fisheries, aquaculture businesses, fishermen, and sea-farmers, were granted opportunities to diversify their businesses and put more seafood on plates in Maine, the US and across the globe.

With global trade pressures and the impacts of the looming climate crisis on Maine's most treasured export, the lobster, we need to capture more benefits from this industry. Through diversification of species harvested and markets we can build more resiliency into Maine's marine resource economy so that the economy is not so reliant on lobster. Seafood is one of the most sustainably grown and harvested foods for human consumption. Compared to other types of food, it is produced with far less environmental impact, and in some cases even improves environmental quality.

The recently completed Economic Development Strategy states that with change comes opportunity. The COVID-19 pandemic coupled with the rapid changes occurring in the marine environment from climate change add up to unprecedented change, but also great opportunities for creating growth resiliency, and sustainability in Maine's marine resource economy. The state has invested significant effort into understanding the [impacts of climate change on our seafood resources and economy](#) through the Coastal and Marine Working group of the Governor's Climate Council. This work will provide a critical guide in all State efforts on the future of the seafood economy and should be wrapped into any recommendations that emerge from the Economic Recovery Committee.

Changes in technology, Maine's proximity to 150 million consumers within a 24-hour transport zone and growing global interest in aquaculture and other marine resources suggest an untapped opportunity to grow good jobs and build a forward-looking economy in Maine. Supported by investments in Workforce, Infrastructure and Innovation, **Maine's seafood**

economy is poised to attract and retain more workers, pump more money and investments into local economies, and to preserve the working characteristics of our coastal communities that attract millions of tourists (and their dollars) each year. In the 1800's Maine's farm sector gave the State the moniker of the 'Breadbasket of New England'; Our seafood economy, well supported by these efforts, can transform Maine into the "Fish-tote" for New England and beyond for years to come.

What is SEAMaine?

SEAMaine, or the Seafood Economic Accelerator for Maine is an Economic Development Administration funded initiative that brings together a group of industry leaders and committed partners to develop a roadmap for economic growth, workforce development and greater resiliency in Maine's seafood economy.

Overarching Goals

- Provide support to sustain Maine's existing marine resource businesses.
- Increase the amount and value of marine living resources originating from Maine's coastal waters in a way that minimizes the carbon footprint of the marine resource sector, increases competitiveness of Maine businesses, and maximizes resiliency and diversification.
- Support Maine's coastal communities through preservation and improvement of working waterfronts.

Recommendations to the ERC

Based on outreach to numerous stakeholders, SEAMaine offers the following **High Priority** recommendations to the ERC.

Infrastructure

Create and fund a Maine Seafood Promotion Council (MSPC).

(Aligned with Economic Development Plan Action C4)

Between 2009 and 2019 the value of living marine resources has more than doubled while landings (pounds of species harvested) actually decreased over that period. The value increase is attributed to increased marketing efforts and access to export markets. For example in 2010 all of Maine exported 800,000 pounds of lobster to China. The lobster supply glut crisis of 2012 led to the development of high margin export markets. As a result in 2018 the State exported 16 million pounds of lobster to China, a 20-fold increase. During the Pandemic, markets and distribution channels for Maine seafood have collapsed due to restaurant closures and bankruptcies. Prior to COVID 19 Maine seafood was identified as a premium brand. Investments must be made in a national

marketing and consumer education to drive increased sales, recoup and diversify markets. Individual companies that are financially distressed due to COVID 19 do not have the resources to mount marketing efforts. A national marketing campaign to support the Maine Brand and encourage consumers to buy Maine seafood to prepare at home is vital to growing markets, as has been done in the past, and to growing direct-to-consumer sales opportunities for harvesters and farmers. MSPC should be a public/private partnership that is publicly funded but run and managed by private sector seafood marketing professionals. The MSPC should have a board of directors composed of aquaculture and seafood company owners and trade association executives. The MSPC should work in close cooperation with the Maine Lobster Marketing Collaborative, and the Maine International Trade Center.

Amend the statutes that govern the current use taxation program for working waterfront easements.

Current statutes need to be updated to increase the incentives and decrease disincentives to use this working waterfront preservation tool. The current structure is not suitable for the different sizes and scales of working waterfronts across Maine's coast. Please see the following [Report by Maine Coast Fishermen's Association](#) for details on shortcomings of the program. (also attached as Appendix 3)

Innovation and Entrepreneurship

Increase incentives for private companies to invest in Research and Development.

- Recapitalize the Maine Technology Accelerator Fund MTAF (managed by MTI) to give grants to private marine economy companies (both start-ups and established businesses) that could be used to match private capital used for company expansion and/or product commercialization **(Aligned with Economic Development Plan Actions C1 and C3)**.
- Create funding opportunities to support new product development and assist in the creation of value added products, including both wild caught and aquaculture **(Aligned with Economic Development Plan Action C1)**.
- Raise the investment cap of the Maine Seed Capital Tax Credit Program **(Aligned with Economic Development Plan Action C1)**. The current expanded cap of 15 million is not sufficient for the capital intensive nature of this sector.

Create a program supporting and educating business owners and license holders in accessing government and other resources to support growing their business.

In the last round of Maine Technology Asset funding, 30 proposals came from the seafood sector however only 1 proposal went on to the final round. With increased support, education, counseling and technical support, more members of the industry will have access to programs, tools, and funding that already exist. **(Aligned with Economic Development Plan Action C1.)**

Talent and Workforce

SEAMaine's goals are to quantify and characterize the current seafood sector workforce, identifying/quantifying areas of potential growth and barriers to growth in the seafood sector. To continue to grow jobs and maximize the economic return from the marine economy, we recommend the following (**Aligned with Economic Development Plan Actions A1-A4 and connected to Actions B1, B2 and B4**):

- Create remote professional and technical education programs.
The coronavirus pandemic has brought to light the lack of virtual professional development and education within the marine sector. Given the vastness of the coast line, virtual offerings would also support those in remote and rural areas.
- Develop occupational standards. Maintaining current Occupational Standards will be important to understanding and anticipating innovations so the training programs keep current as skills needs evolve. This is also a critical component of any Apprenticeship Program.
- Advance the findings of the GMRI and MAA Aquaculture Workforce Study and look for synergies across the marine sector. This well-researched study proposes the establishment of regional vocational aquaculture hubs at Maine Community Colleges and Career Technical Education Centers, a formal Aquaculture Apprenticeship program through the Maine Department of Labor, and development of Occupational Standards by industry. The 9-page Summary and Full Report can be downloaded [here](#).
- Market careers and training opportunities in the marine economy and profile the variety of soft and hard skills, including an innovation mindset, needed across this dynamic and fast-evolving sector. New technologies are opening up more opportunity in the blue economy and the workforce in Maine should be at the forefront of this revolution. Investment in workforce skills for (1) emerging industries, such as Recirculating Aquaculture Systems, offshore aquaculture/wind, ecosystem remediation, large aquaponic systems, climate resilient species) and (2) value added processing jobs (retort canning, High Pressure Processing, seaweed drying). processing for nutraceuticals) would help catalyze investment while also sustaining good jobs in the state. Partnerships with municipalities & Chambers of Commerce may also be seen as an employee benefit and opportunity to extend the reach.

Expand and simplify the Education Opportunity Tax credit program (Aligned with Economic Development Plan Actions B3).

This tax credit program can attract young, well trained talent to Maine's seafood sector.

Cross Sector Recommendations

The following recommendations benefit many sectors of Maine's economy in addition to the great benefit they provide to the seafood sector.

Infrastructure

Invest in 3 phase power along the coast (Aligned with intent of Economic Development Plan Actions D1-D3.)

3-phase power is critical for the operation of Maine's marine living resource economy and many seafood businesses, from aquaculture hatcheries to lobster wharfs and seafood processing operations. This investment will address power outages that expose the vulnerabilities across the sector that hinder business growth and development, especially in rural areas where such growth is needed.

ConnectME infrastructure grants (Aligned with Economic Development Plan Action D3).

Access to high-speed internet is critical for the development of any business along the coast including those within the seafood sector. Continued and deepened state level support should be directed to ensure that all Mainer shave access to high-speed internet.

Conclusion

Along Maine's coast, seafood and the working waterfront is the scaffolding that supports our communities. In a city like Portland, the working waterfront draws tourists from around the globe who come for the views, the seafood, and the culture. In rural communities, seafood is one of the few opportunities for a job that can support a family. It's imperative that we recognize Maine's fishing heritage and embrace the opportunities it presents us while planning for Maine's future. On behalf of SEAMaine, we offer this report, not as a list of recommendations that we lay at the feet of the ERC and then walk away, but as a plan that we stand ready to partner with the State to see put into action. It is our hope that SEAMaine and partner organizations can partner with the ERC and appropriate State agencies to make actionable all recommendations contained within this report.

Respectfully submitted on behalf of SEAMaine,



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SEAMaine Co-chair



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List of Appendices:

Appendix 1: Letter from Maine Aquaculture Association with Specific Aquaculture Recommendations

Appendix 2: Letter from Maine Coast Fishermen's Association with Specific Recommendations

Appendix 3: State of Maine's Working Waterfront Report - *Maine Coast Fishermen's Association*

Appendix 4: Maine Aquaculture Workforce Development Strategy- *Maine Aquaculture Association and Gulf of Maine Research Institute*