

## Alaska Mariculture Task Force

### Investment and Infrastructure Advisory Committee

#### Teleconference Meeting Notes

Date: 9.16.2016

Participants: Jeff Hetrick, Angel Drobica, Julie Decker

The conversation was directed at looking at private and public investment opportunities and gaps. Jeff provided an outline which led the discussion:

#### Public Investment:

- a) Regulatory support
  - State needs to commit to providing secure and stable funding to agencies so they can continue to support a mariculture industry
  - Already seeing effects of State budget cuts (e.g. pathology can't approve transport permits due to backlog)
  - Identify existing challenges that industry is facing at agency level- i.e. extensive time it takes to get a land use permit from DNR (3 plus months). Are these issues due to capacity, funding, lack of formal directives, or something else?
  - Need to understand what we can accomplish in current climate. State is receptive to supporting a growing industry but may not have tolerance for subsidizing it. Need to maintain and better define existing programs
- b) Seed production:
  - Are there opportunities for the state to support a mariculture industry other than through direct grants? Can the state become a customer/purchaser instead of just a funder/lender?
- c) Workforce development: Briefly discussed that there is overlap between committees but that this should stay as a separate chapter and that primary flushing out of issues will be job of the WD advisory committee
- d) Federal Agencies:
  - Identify challenges that prevent access to federal funds. Examples discussed: inconsistent categorization of aquaculture as agriculture from federal agencies (well understood and accepted by some agencies and reluctance from others), reluctance of AK to categorize its fisheries/shellfish (hatcheries) with agriculture, well established directives that support mariculture from some agencies but not all

- Potential work focus:
  - USDA Farm Development-need to work with DNR to fully access this funding. Explore avenues to break down DNR resistance to acknowledging aquatic farming as farming. Consider avenues to develop a policy request from the agency.
  - USDA, EDA and NOAA all have programs or national directives that support mariculture to some degree. Leverage connections with these agencies to break down remaining barriers with other agencies. Look towards national directives to formulate a policy request to state agencies so that AK industry can access full federal support.
  - Strengthen mariculture presence at university level. Most USDA funding currently goes through land grant agencies and the university Ag system. Need to hone partnerships with these entities. Currently not a lot of focus on aquaculture. University system does not have aquaculture specialist.
  - Talk with intertribal organizations that assist tribes with accessing USDA funds for suggestions.
  - Need explicit policy statement from USDA that aquaculture is part of their funding program.
  - Potential resources: DNR state AG program, Chad Padgett (currently works for D. Young), Jim Nordland, Danny Constenstein, others?

#### Private Investment

- a) Capital for farming-
  - DCED (Revolving loan fund- intended for farmers up to 100K for each grant with max of 3 grants) terms are flexible, allow up to 6 years without payments, total amount of fund is 5 million dollars. Legislation moving forward for some portion to be accessed by shellfish hatcheries.
  - Discussed need for consistent and stable source of funding. Having state on line for research and potential seed fails is not sustainable.
  - Fisheries Enhancement Loan Fund: Healthy portfolio and fund. Established for salmon hatcheries. Need to continue exploring possibility of amending to include mariculture.
  - Native Organizations and CDQ groups: Discussed potential partnerships and building upon previous business models.
- b) Processing and Transportation: Investigation of regional strategic processing locations. What infrastructure currently exists? Does it overlap with resource? Is it near a

transportation hub that would be relevant for product type? Answers will influence scope and scale of operations.

- c) Partnerships with larger players in Pacific Northwest. Are there opportunities for synergies with existing smaller/mid-sized businesses in AK and entities like Taylor Shellfish/ Pacific Seafoods / Seattle Shellfish / Icicle Seafoods? Outreach needed to identify the level of desire for this potential, how to help attract new players and/or set a potential regulatory framework for protecting existing interests.
- d) ASMI -Marketing
- e) Regulatory Outreach: While perception of AK as unfriendly to mariculture development has slowly changed, we still need to continue working on sending the message to outside players in order to attract new development.
- f) Existing Processing companies in AK: Discussed how they could be one of the target groups for new entrants. Does the existing industry want this? Mom and pop scale operations can't support all of the necessary infrastructure. Need to find balance with small, medium and large players. Would there be a need to explore a tiered permitting process or something similar to protect small scale community based businesses?

Potential AC members: (small scale-start up) Erik Obrien (Mid-scale) Erik Wyatt, Trevor Sande, John Kiser. (large scale) Pacific Seafoods, Taylor, Icicle (additional members), Jim Gibbons (Seattle Shellfish), Tomi, Gunnar, Reps from: state department of commerce, ASMI, USDA, Rural Development and Farm Service

Other: Discussed how a pilot project could be useful in identifying gaps/challenges that early entrants face and helping to inform investment/infrastructure aspect of strategic plan.

Discussed the value of using APICDA, or similar entity interested in mariculture as a case study.