

Aquaculture Advisory Council
January 27, 2012
Meeting Minutes

Attendees: Ms. Monique Purcell (Secretary Douglas H. Fisher), Mr. Dave Chanda (Commissioner Bob Martin), Mr. Rich Ritota (Commissioner Mary O'Dowd), Mr. Joe Constance (Ms. Caren Franzini), Dr. John Kraeuter (Dr. Dave Bushek), Dr. Brad Hillman (Dr. Robert Goodman), Mr. George Saridakis, Mr. James Tweed, Mr. Chris Scales (Mr. John Maxwell)

In Absentia: Mr. Oliver Twist, Mr. Steve Carnahan, Mr. Paul Waterman, Mr. Robert Munson, Ms. Jeanette Vreeland, Mr. Gilbert Ewing Jr.

Public in Attendance: Mr. Russ Babb, Dr. Gustavo Calvo, Mr. Gef Flimlin, Mr. Joseph J. Myers, Mr. Tony Ni

Ms. Purcell called the meeting to order. Mr. Myers performed roll call. There is quorum for this meeting.

Ms. Purcell asked for a motion to approve the minutes from the October 2011 meeting. Dr. Kraeuter made the motion, which was seconded by Mr. Ritota. All voted in favor and the motion passed.

Ms. Purcell gave a brief overview of the Agriculture Convention which was held concurrently with Vegetable Growers Convention. The absence of Walt Canzonier was noted as he is the perennial delegate from the NJ Aquaculture Association. Dr. Kraeuter recognized Mr. Canzonier's contribution to aquaculture through the Convention and told of an international trip by Dr. Eric Powell where Mr. Canzonier was widely known. Mr. Flimlin and Dr. Kraeuter gave an update on Walt's condition since his severe stroke in mid-December and progress on his rehabilitation. His condition seems to have been improving slowly and still requests scientific information for his review.

Mr. Myers gave a synopsis of the press event on the release of the Aquaculture Development Plan Update. The original press coverage resulted in about two dozen different articles. The next step is to distribute a copy of the Plan to each legislator given a new session is underway. Mr. Saridakis mentioned the article in the periodical North American Aquaculture, which has pretty wide coverage.

Dr. Calvo announced that at the most recent Delaware Bay Shellfisheries Council meeting, a lottery was held to set allocation for the Aquaculture Development Zones. Twelve applicants are eligible to be awarded twelve parcels in ADZ-4. Three applicants are eligible for leases in ADZ-3 and none applied for ADZ-2, which are the two mid-bay leases. Two applicants in ADZ-4 have incomplete applications, but the Council extended a grace period until the next meeting, at which the Council will be presented a list of preferences from each applicant which should follow with each applicant executing a lease agreement and being awarded of the leases. The Bureau will perform the required surveys and install the Coast Guard buoys. Dr. Kraeuter asked how soon after the leases are awarded operations could begin. Mr. Babb said that his Bureau will need some time to do some of the required work, but operations should be able to begin this growing season. Mr. Flimlin said that Virginia is again announcing 500 million clams in production and Maryland is being very aggressive with their promotion of shellfish aquaculture. Mr. Myers said that the progress on the ADZs is absolutely consistent with the objectives in the Act and the Plan Update. This will enable the industry to produce a product very much in demand. A recent meeting held on the possibility of developing cooperatives in shellfish aquaculture is also positive because marketing plans need to be in place to guard against increased production levels creating excess supply.

Mr. Babb gave an update on his work with a team of rule writers in the Division of Land Use. December 2012 is a target date for a proposal for adoption and May 2012 for comment. This rule would create the tiered system of permitting that has been discussed before which will contain a Permit-by-Rule, General Permit, or the

Individual Permit that exists now. He will ask a Land Use person to attend the next meeting to brief the Council. Mr. Tweed asked about the current permitting from Tidelands. Mr. Babb said that the latest policy is for the actual permit assessment of penny per square foot to only include the coverage of the gear. While many still object to the existence of the Tidelands assessment, it is an avenue to move forward. Mr. Scales asked if there was industry input in the guidance to Land Use. Mr. Babb said that the input came from directly from Fish and Wildlife. Mr. Flimlin said that this effort did start with an industry meeting with Land Use four years ago. Mr. Babb said the comments were made with industry very much in mind.

Dr. Kraeuter said that the spirit of moving forward is commendable, but this is overall bad news because it is making permitting more complex and the goal should be to simplify permitting. This introduced two new regulatory programs to aquaculture with two new fees. The industry is realizing no benefit from these fees. This is progress, but progress with a caveat since there should be one fee only. This issue should be brought to the attention of the Lieutenant Governor. Mr. Tweed agrees with Dr. Kraeuter because it is akin to renting same piece of land twice. Leases that are offshore should be out of Tidelands jurisdiction. Mr. Tweed asked if the Tidelands policy is currently in place. He has an application that has been pending for two years. Mr. Babb said that he has communication of the Tidelands policy and that could be cited as announced in a public meeting. Mr. Babb said that, with respect to Tidelands, in order to get ADZs moving, the Bureau needed to accept Tidelands resolution. Dr. Kraeuter said that in that sense, this is a good step, but still a double-rent and changing this should continue to be pursued. Ms. Purcell said that the NJDA has tried to get a meeting with the Lieutenant Governor and will continue that effort. Mr. Flimlin suggested it would be helpful for economic development to review these policies as an impediment to business. Mr. Constance said that the Lieutenant Governor consolidated economic development under the Business Action Center. There is a Red-Tape Commission that has had some success in removing overlapping regulation that is onerous to business. Dr. Kraeuter said that streamlining is not as important as eliminating onerous regulation. Mr. Constance said that is important to understand where the regulation is located: statute rulemaking or guidance. Dr. Kraeuter said that Tidelands is simply a policy. Ms. Purcell said that the Tidelands Resource Council exists under statute but has no regulation. Mr. Babb said that the Shellfisheries Council did request an opinion from the Attorney General on the TRC policy and recognized that the TRC did have jurisdiction to maintain their policy. Dr. Kraeuter said that this could be rescinded by another level of government.

Mr. Myers said that one of the aspects of the Plan is the high number of expired and unfilled seats on the AAC. Increasing the awareness of this issue among legislators is important to addressing this. Separately, there are series of ex-officio appointments where the designation of the entity of the Act no longer exists or exists in another name of an agency. There is no longer a department of Commerce and Economic Development and the designations of the ATIC and ATTC, which designate Cumberland County Community College and the Multispecies Aquaculture Demonstration Facility (MADF), respectively, needs to be aligned with enough flexibility to allow proper designation by the Chair of to the most appropriate institution within the original spirit and intent of the Act. Ms. Purcell recommended marking up language and circulating copies among the Council. Dr. Hillman suggests the Director of Institute of Marine and Coastal Sciences (IMCS) be the appropriate named office, instead of the director of the MADF.

Mr. Flimlin asked if the executive director of the NJ Ag Experiment Station (NJAES) covers the IMCS. Dr. Hillman said that it is possible for the executive director NJAES, but the designation of individual state agencies, which ultimately operate under one point of leadership, is separate. Dr. Kraeuter said there are three entities under the NJAES director. Dr. Hillman suggested the individual designation be maintained under the NJAES director. The ATIC is a separate issue because that was originally designated outside of the NJAES directorship. Dr. Kraeuter said it would be a mistake to have too many high-up people designated to keep designees as close to the industry as possible. Mr. Tweed asked where Dr. Bushek's position as director of the Haskin Lab falls and Dr. Kraeuter confirmed it is with the ATTC. Dr. Hillman suggested keeping the structure consistent with the current structure of the NJAES. Dr. Kraeuter said the important question is what to do with the ATIC. Mr. Saridakis said that the designee has historically been handled by the president of the college.

Mr. Myers suggested forming a subcommittee to be sure the decision developed has the proper authority. Ms. Purcell asked for a motion to form a subcommittee to address the statutory language about the structure of the Aquaculture Advisory Council. Dr. Krauter provided the motion which was seconded by Mr. Scales. All voted in favor and the motion passed. The members of the subcommittee include Mr. Chanda, Mr. Constance, Dr. Bushek, Dr. Krauter, Dr. Hillman, Mr. Saridakis, Mr. Tweed, Mr. Flimlin, and Mr. Myers.

PUBLIC COMMENT

Mr. Flimlin shared recent story about power of social media to spur local business. He would like to attempt to start a social media effort tying NJ Seafood to Friday lent. The idea was spurred by Peter Shankman who spoke at the Ag Convention who talked about the multiplier effect in social media. Ms. Purcell said that the presentation stressed the importance of tying promotional efforts back to the individual who had the idea. Dr. Krauter said it would be a good idea to send notice to the seafood producers of this effort so they can have supply ready.

Mr. Myers requested that everyone send in a new proxy designation updated for 2012. The excerpt of the Council makeup can be seen within the entire Act by obtaining the statute at the website of the state Legislature and expanding the hierarchy to Title 4:27. Dr. Krauter said it would be a good idea to line up new candidates for each vacant or unfilled seat to assist the appointment process. Mr. Flimlin asked about the Marine Fisheries and Fish and Game Councils still being relevant. Mr. Tweed said that the Shellfisheries Council having a seat may be more relevant. Mr. Myers suggested adding NJDEP to the subcommittee to help address the issue of other Councils on the AAC.

Mr. Flimlin brought up the issue of the State not supporting specialty crop designation of shellfish. The East Coast shellfish Growers Association will support this effort reaching out to NASDA at their winter meeting in Virginia. The ECSGA has the entire East Coast agriculture directorship supporting this effort. It is believed that the amount has been increased to \$70 million from \$50 million, so he is recommending that the state re-evaluate this decision based on this new information. Marketing comes up at every AAC meeting and this is an important effort for shellfish. Mr. Tweed asked about the origin of the decision not to support this designation and Mr. Flimlin said it originated from the Governor. Mr. Flimlin clarified that the support requested would be from the State for the federal designation of shellfish as a specialty crop in the Farm Bill.

Ms. Purcell said that this was discussed at the meeting of the Northeast Association of State Directors of Agriculture NEASDA. Dr. Hillman said that the specialty crop component of the Farm Bill is highly important because the majority of what the state produces is specialty crops. Dr. Krauter made a motion to ask the Secretary to revisit the issue of supporting a Specialty Crop designation for shellfish which was seconded by Mr. Scales. All voted in favor with Ms. Purcell and Mr. Chanda abstaining. The motion passed.

Dr. Krauter said that aquaculture continues to suffer because there is no representation on the State Board of Agriculture. The AAC needs to consider how to appropriately pursue higher representation. It would be ideal to possibly have one representation for fish and one for shellfish, possibly having one for seafood to have more significant voting status. Ms. Purcell said she believes that there is language specifying terrestrial agriculture as those to be on the Board of Agriculture. Mr. Myers said the top four commodities include the designation of who must be on the Board. However, with a total of eight Board Members there is a possibility of a seafood or aquaculture member occupying one of the seats where there is currently duplication. The difference lies between a “must serve” designation and a “can serve” designation as a Board member.

The next AAC meeting is tentatively scheduled for April 20, 2012 and July 20, 2012. Ms. Purcell asked for a motion to adjourn. Mr. Scales provided the motion which was seconded by Dr. Krauter. All voted in favor and the motion passed.