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Menhaden Hearings 5/8/2008

We are here today because there is a serious problem in how Menhaden are being managed. Years ago, Congress created the Atlantic States Marine Fisheries Commission to regulate fisheries for in shore [inside 3 miles] species in such a fashion as to have equitable rules among the States that share the species. So a process exists to deal with control issues, but in the case of Menhaden it has not been effective. ASMFCs goals for managing Menhaden state "To manage the Menhaden fishery in a manner that is biologically, economically, socially and ecologically sound, while protecting the resource and those who benefit from it". The focus has been on the biology, primarily, to the near exclusion of the ecological, economic and social factors. This narrow focus and the emphasis on "sound science" has much to do with the ineffectiveness. More to the point, the public has clearly demonstrated during numerous public hearings its desire to either curtail sharply or eliminate the Industrial Harvest, but to no avail. It's as though they never heard the outcry for action.

The concept that decisions be made on sound science is perfectly valid and understandable but the sciences should not be limited to only fish biology, and, further, the assumption is implicit that "sound" or "accurate" science is being employed and, frankly, that is not the case. Consequently the management board is seeking precision which is not available and therefore is reluctant to take risk in action not supported by the sciences.

Most of this controversy started with concerns about the health of the Chesapeake Bay and the singular action to date was a cap for the Bay which is way above current catch levels, to be imposed for 5 years. Worse, there are no restrictions of any kind on the action in the EEZ where currently about 60-65% of the harvest is executed. It is generally accepted that there is a singular migratory stock which has to perform its role[s] for the majority of the East Coast, and here is where the problem is definable. The stock assessment says there are still an adequate number of Menhaden to sustain both the commercial catch and forage requirements, but excludes filtration requirements. Many of us who are concerned with Menhaden take issue with this assessment and there is ample indicative information to support the view that the actual stock level is much lower than reported or needed. The catch continues to decline despite an increase in effort and by expansion of area actively fished. Recruitment is declining much faster than the catch rate. Stripers, primarily, [or stripped bass] show declining weight at length, little body fat and the ingestion of crabs amid other forage which would not likely be utilized were there a better alternative. So we have an undernourished game fish fishery which has both major social and economic consequences. Even the ornithological community is getting concerned as they see the disappearance of Loons, Osprey, and Gulls which they relate to lack of food supply, mainly Menhaden. Finally we hear every summer of the lines of algae in the bay nearly from one end to the other with resulting Hypoxic conditions as the algae die. Menhaden consume algae, they are prodigious filter feeders, but their numbers are so reduced in the Bay that what control they could exercise over

this form of pollution is now minimal. If these indications are not sufficient to cause regulators to manage, what will it take and why are the managers so reluctant to move?

The answer lies in a different dimension, that of economics, dollars and cents. The taking of a public or free resource for private profit is hardly new or, as of now, not illegal. The fish plucked from the Bay and Ocean are converted to fish meal [to feed animals and other fish] as well as various grades of oil including Omega 3. For years, according to Omega Proteins annual reports, this has been a lack luster business with poor return on sales and poor return on investment. Now, however there has been a positive movement along with the profitability of other commodity companies. A recent report by Intra Fish Media describes Omega 3 as the new million dollar business – worldwide. The same report says that the potential demand is such that fish stocks could not supply it. – sounds familiar. Omega 3 has health benefits, but it need not be generated from fish. Omega 3 fatty acids can be obtained by the fermentation of algae; a process which is not limited volumetrically and yields a purer product.

According to the study by Southwick Associates [Menhaden Math] published in 2006 the total economic impact of Omega Proteins Reedville plant on the Virginia economy amounted to \$24,000,000 annually generating 395 full time jobs, 250 of which are directly on the boats and in the factory. At least two comparisons are valid, one the value of recreational fishing. For just the Bay States of Virginia and Maryland the respective dollar values are \$494,000,000 and \$581,000,000 with employment in excess of 11,000 jobs. It doesn't seem reasonable to risk a substantial value here for the value of the industrial fishery. Let's take a look at the second and perhaps the most valuable function of Menhaden; filtration and potential values of pollution control. The 2000 Chesapeake Agreement set out goals and standards for bay water quality improvements. At that time estimated cost to achieve the targets by 2010 was \$30,000,000,000. Getting that kind of money has been difficult, and in fact, it isn't happening while costs are increasing so the \$30 billion may now be closer to \$40 billion. A great deal of that effort is related to reducing the inflow of nitrogen to the bay. Menhaden remove nitrogen. A comparison between what 109,000 metric tons of Menhaden, a quantity equal to the cap, and removals from 66 sewage plant improvement in Maryland shows nearly equal amounts using Durbin & Durbin data for Menhaden capability. One major difference, the cost to Maryland tax payers for this effort is about \$1 billion.

The strongest argument, in my opinion, to terminate the industrial fishery is the burden the operation places on the citizens of the states in the Bay area. While much rhetoric is given to 'Fixing the Bay' monies to do so are scarce. Our economy is not in the best shape and additional burdens are not tolerable. Hence, the buck stops here at the Congressional level. As stated at the outset we have a management problem and Congress has the right and responsibility to solve it.