



Martin O'Malley, Governor
Anthony G. Brown, Lt. Governor
Joseph P. Gill, Secretary
Frank W. Dawson III, Deputy Secretary

December 3, 2014

The Honorable Robert Summers
Secretary, Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, Maryland 21230

The Honorable Thomas V. Mike Miller, Jr.
President, The Senate of Maryland
State House, H 107
Annapolis, Maryland 21401-1991

The Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House, H 101
Annapolis, Maryland 21401-1991

Re: Submission of Report on Status of Commercial Aquaculture in Maryland
Agency: Aquaculture Coordinating Council, Maryland Department of Natural Resources
Report Authority: Chapter 390 (SB 3) of 2010 (MSAR #8250)

Dear Secretary Summers, President Miller and Speaker Busch:

Enclosed is a report from the Aquaculture Coordinating Council on the status of commercial aquaculture in Maryland, as required by Chapter 390 (SB 3), which was enacted during the 2010 General Assembly session. The report concludes that Maryland now has a vibrant and growing commercial shellfish aquaculture industry.

Should you have any questions or comments regarding this report, please feel free to contact DNR's Legislative Director, Rich Norling, directly at 410-260-8112, or by email at rich.norling@maryland.gov.

Sincerely,

Joseph P. Gill
Secretary

MARYLAND AQUACULTURE COORDINATING COUNCIL

Report required by Senate Bill 3 of 2010-MSAR #8250



November 13, 2014

Maryland Aquaculture Coordinating Council

Report required by Senate Bill 3 of 2010

Background:

SB 3 became law in 2010 (Chapter 390). The bill established an exemption for shellfish aquaculture activities from the requirement to pay Wetlands and Waterways Program fees associated with the state's Tidal Wetlands Licensing Program, administered by the Maryland Department of the Environment (MDE). This legislation also required:

That, on or before October 1, 2013, the Aquaculture Coordinating Council shall report to the Department of the Environment and, in accordance with § 2-1246 of the State Government Article, the General Assembly on:

- (1) The status of commercial aquaculture in the State;*
- (2) The fiscal impact of the fee exemption established under this Act; and*
- (3) Any other findings and recommendations related to the implementation of this Act.*

Report:

Fiscal Impact of the Fee Exemption Established in 2010

Since SB 3 became law in 2010, Maryland lawmakers have passed additional legislation in support of shellfish aquaculture development. These actions included HB 1053 in 2011, which consolidated aquaculture permitting/licensing oversight within the Department of Natural Resources (DNR). As a result of this legislation, commercial shellfish aquaculture projects are **no longer required to obtain Tidal Wetlands License authorizations** from the Maryland Department of Environment (MDE). All state permitting/licensing for these projects is now conducted by DNR. Following the adoption of SB 3 and prior to the consolidation of aquaculture permitting authority in 2011, very few water column leases had been approved. Therefore, there has been **no fiscal impact** related to this fee exemption at MDE.

Status of Maryland Commercial Aquaculture

Maryland's new shellfish lease laws became effective in 2009, removing lease location, size and corporate ownership limitations that formerly restricted industry growth. The new laws also established strict use or lose criteria requiring leaseholders to operate their leases or return them to the State so the acreage could then be made available for leasing by new shellfish aquaculture businesses. In response to this requirement, many inactive leases reverted back to the State and this acreage is now available for lease to other prospective businesses.

Following the adoption of the new leasing laws, the Aquaculture Coordinating Council worked with industry members, the Maryland General Assembly, state/federal agencies and other stakeholders to create an infrastructure that supports shellfish aquaculture development. Through this collaboration, Maryland has established the Shellfish Aquaculture Loan Fund, an Oyster Aquaculture Education and Training Program, a Remote Setting Training Program and a Regional General Permit process to streamline federal permitting. These programs and other incentives provided increased opportunity for this industry to grow and have resulted in documented positive impacts for our state.

In response to these initiatives, over 250 shellfish aquaculture lease applications have been received by DNR and the Department has issued 112 new shellfish leases to businesses covering approximately 2,245 acres since September 2010. Continued growth in this industry is expected as there are another 90 lease applications currently being processed by the Department.

Maryland now has a vibrant industry with a total of 318 shellfish aquaculture leases on 3993 acres that are actively being used by growers to plant and produce oysters and clams. In 2014, DNR has permitted and registered 498 distinct individuals to engage in shellfish aquaculture activities on and associated with these leases, and leaseholders have produced, harvested and sold nearly 30,000 bushels of oysters. The following tables provide a breakdown of leases and acreage by type and county.

Lease Summary

Type	Acres	Count
SLL	3787.9	265
WC	204.97	53

SLL-Submerged Land Lease

WC-Water Column Lease

Acreage by County

Type	AA	CA	CH	DO	KE	QA	SM	SO	TA	WI	WO	Total
SLL	305.95	93.8	25	1032.9	44.8	20.3	587.15	474.5	511.69	549.1	142.7	3787.89
WC	3	15.06	0	85.31	0	10	36.41	19.4	5.51	0	30.28	204.97
Total	308.95	108.86	25	1118.21	44.8	30.3	623.56	493.9	517.2	549.1	172.98	3992.86

Count by County

Type	AA	CA	CH	DO	KE	QA	SM	SO	TA	WI	WO	Total
SLL	23	12	1	50	1	3	57	25	49	34	10	265
WC	1	2	0	17	0	2	17	5	2	0	7	53
Total	24	14	1	67	1	5	74	30	51	34	17	318

The Aquaculture Coordinating Council extends its sincere appreciation to Governor O'Malley and the members of the Maryland General Assembly for the strong support that has been dedicated to assist in the development of this "Green and Growing" industry. In response to these efforts, Maryland aquaculture is positioned to provide significant benefits to our economy and the environment.

MACC Membership

Aquaculture Coordinating Council membership is specified in law and represents agencies regulating and promoting the industry, research and extension units of the University of Maryland, both houses of the General Assembly, and members of the aquaculture and seafood industries. The Council meets bi-monthly in odd numbered months. The Council traditionally has one officer from agency/institution category while the other represents industry.

Members of the Maryland Aquaculture Coordinating Council

Mr. Karl Roscher, Aquaculture Division Director, Department of Natural Resources

Mr. Andrew Buck, Chairman, Patuxent Seafood, TFL

Ms. Erin Butler, Vice-Chairman, Department of Health and Mental Hygiene

Senator Katherine Klausmeier, Maryland Senate

Delegate Anthony O'Donnell, Maryland House of Delegates

Mr. Don Flax, Byrd's Inc., Aquaculture Industry

Mr. John Farrington, Johnny Oysterseed LLC, Aquaculture Industry

Mr. Johnny Shockley, Hooper's Island Oyster Company, Aquaculture Industry

Ms. Terry Witt, Witt Seafood, TFL

Mr. Ben Parks, Dorchester County, TFL

Dr. Reginal Harrell, Northeastern Regional Aquaculture Center, University of Maryland

Dr. Andrew Lazur, University of Maryland Center for Environmental Science

Mr. Don Webster, Chairman, University of Maryland Extension

Captain Chris Sherman, Natural Resources Police

Ms. Joanna Kille, Department of Agriculture

Ms. Stacey Kubofcik, Department of Business and Economic Development

Ms. Kathy Brohawn, Department of the Environment

For additional information, please contact:

Maryland Department of Natural Resources

Aquaculture Division

Karl Roscher, Director

Tawes State Office Building

580 Taylor Avenue

Annapolis, Maryland 21401

Phone: 410-260-8313