

CARES Act Assistance to Fisheries Participants

Shellfish Growers
June 22, 2020



WELCOME – THANKS FOR JOINING US!

ZOOM WEBINAR/ CALL LOGISTICS

- We will keep folks muted during the beginning of our program, then will unmute folks when we open it up for questions and feedback at the end. Callers can unmute yourself by pressing *6 on your phone.
- If you have a question throughout the presentation you can ask it in the Q&A feature or live by “raising your hand.” You can access the raise hand feature through the control panel at the bottom of the screen or by hovering over your face or name on the list of participants. Callers can raise their hand by dialing *9.
- If you have any technical issues during the call, use the chat button and we will help you through those. ***Please do not use the chat for questions or comments on the presentation, we will take those live.***



Agenda

- Background
- NOAA Guidance
- Initial WA Fisheries Data
- Thinking on WA Approach
- Feedback / Q&A

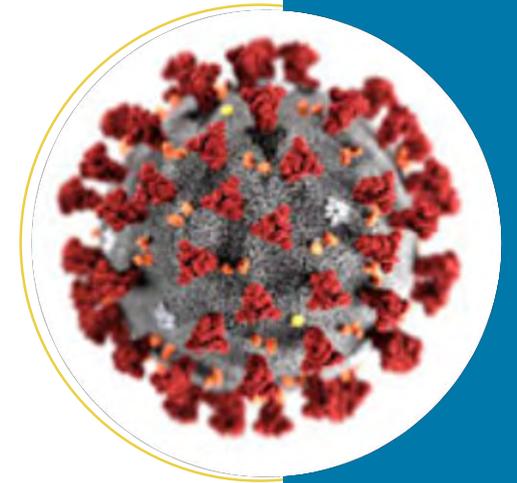




BACKGROUND ON CARES ACT

CARES ACT ASSISTANCE

- In response to COVID-19 impacts to the commercial fishing and seafood industry, U.S. Congress appropriated \$300 million.
- WA and AK got the highest portion of funding.
- \$50 M total designated for Washington commercial fishers, shellfish growers, charter boat sector, and buyers, dealers, and processors.
- Allocations are based on baseline annual averages, i.e. “normal conditions.”





NOAA GUIDANCE

NOAA GUIDANCE

- Eligible businesses must be able to prove an incurred annual loss of 35% compared to the 5 year average.
- Businesses should apply in state where they operate, except fishers and at-sea processors who must apply in homeport state.
- Seafood sector would apply to the state where buying/processing occurs.
- While NOAA made assumptions around revenue losses to come up with state allocations, they've provided flexibility to the states to determine eligibility.
- WA has flexibility to design the spend plan based on unique revenue impacts here in WA.

KEY TAKEAWAYS

- Guidance allows states the flexibility to tailor spend plans to their unique situations.
- With the number of sectors included, we will likely not have funding to meet the full need here in WA.
- Eligibility eligible based on the 35% threshold Congress provided.
- CARES + 2020 revenues must be equal to or lower than 5-yr average or reimbursement potential.
- Admin from NOAA and PSMFC, not from WA.
- Individual applicants will be required to sign affidavit and will be subject to audit by The Office of the Inspector General.



Survey of trip expenditures
(charter fees and tips only)

Ex-vessel \$ from N. Pacific and local commercial fisheries, plus aquaculture

Input-output model estimates. Ex-vessel revenues are the main inputs that vary year-to-year (economic "multipliers" are updated less frequently)

\$50 M is the max they would give to any state (16.7% of the total). We likely would have had a higher percentage if not capped.

Percentage of Total Annual Revenue (All Sectors)

Entity	For-Hire Fishing	Commercial Fishing and Aquaculture	Seafood Sector	Tribal Commercial Fishing, Aquaculture & For Hire	Allocation
Alaska	5.5%	35.2%	59.3%		\$50,000,000
Washington	0.6%	67.8%	31.6%		\$50,000,000
Massachusetts	1.5%	47.3%	51.2%		\$28,004,176
Florida	27.0%	30.7%	42.3%		\$23,636,600
Maine	0.4%	81.5%	18.1%		\$20,308,513
California	18.6%	30.6%	50.8%		\$18,350,586
Oregon	2.1%	45.6%	52.3%		\$15,982,827



Aquaculture Calculation Assumptions

- Incomplete data.
- Looking at WDFW AFR production data, available literature and survey.
- Revenues are over \$92 M without seed sales (WSG 2015).



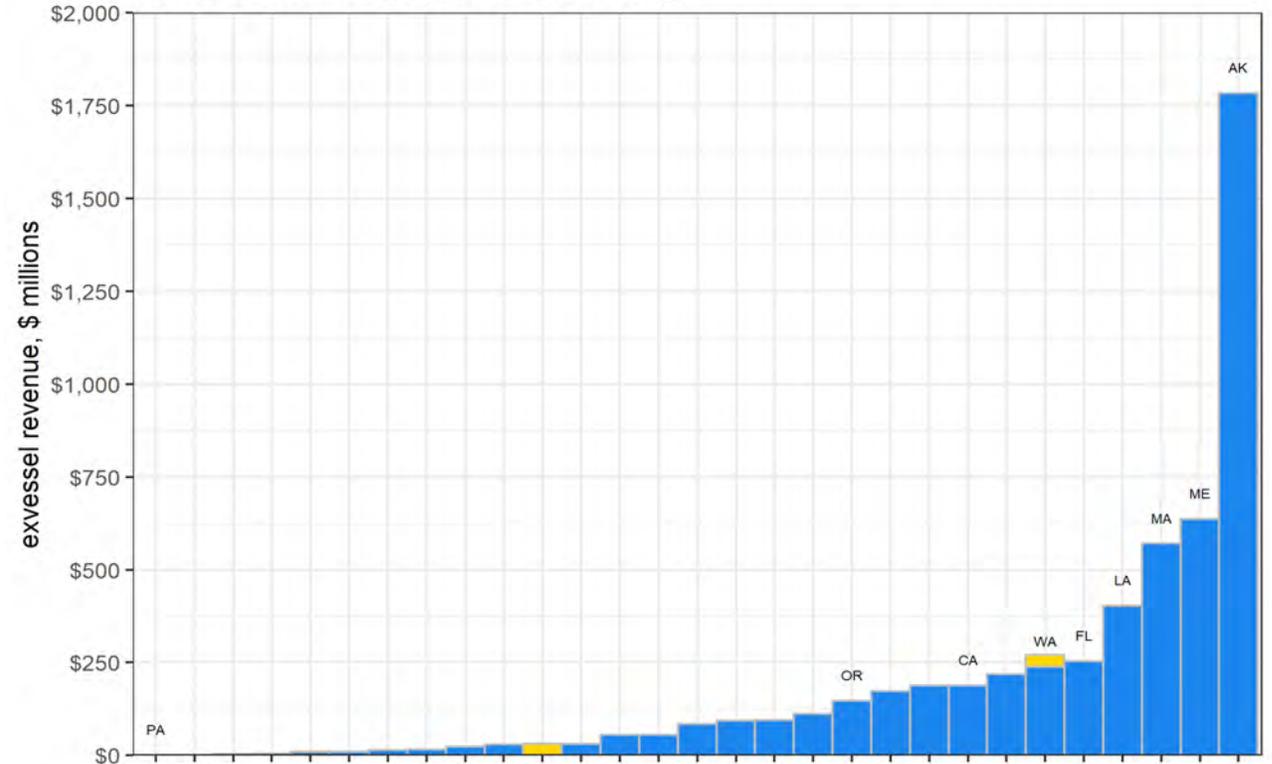
Photo Credit: [NOAA Fisheries](#)



NATION-WIDE FISHERIES TRENDS

- Washington is sixth highest in terms of fisheries revenues
- So why did we receive the maximum allocation?
- AK fishers/at-sea processors homeporting in WA and shellfish industry

Fisheries of the U.S., 2014-2018 avg.



Average ex-vessel revenues (nominal) by year, 2014-2018, highlighting the significance of revenues from Alaska. The gold bar shows the at sea whiting fishery. A portion of those revenues are attributed to Oregon based vessels delivering their catch to mothership vessels. The processing companies are based in Washington.

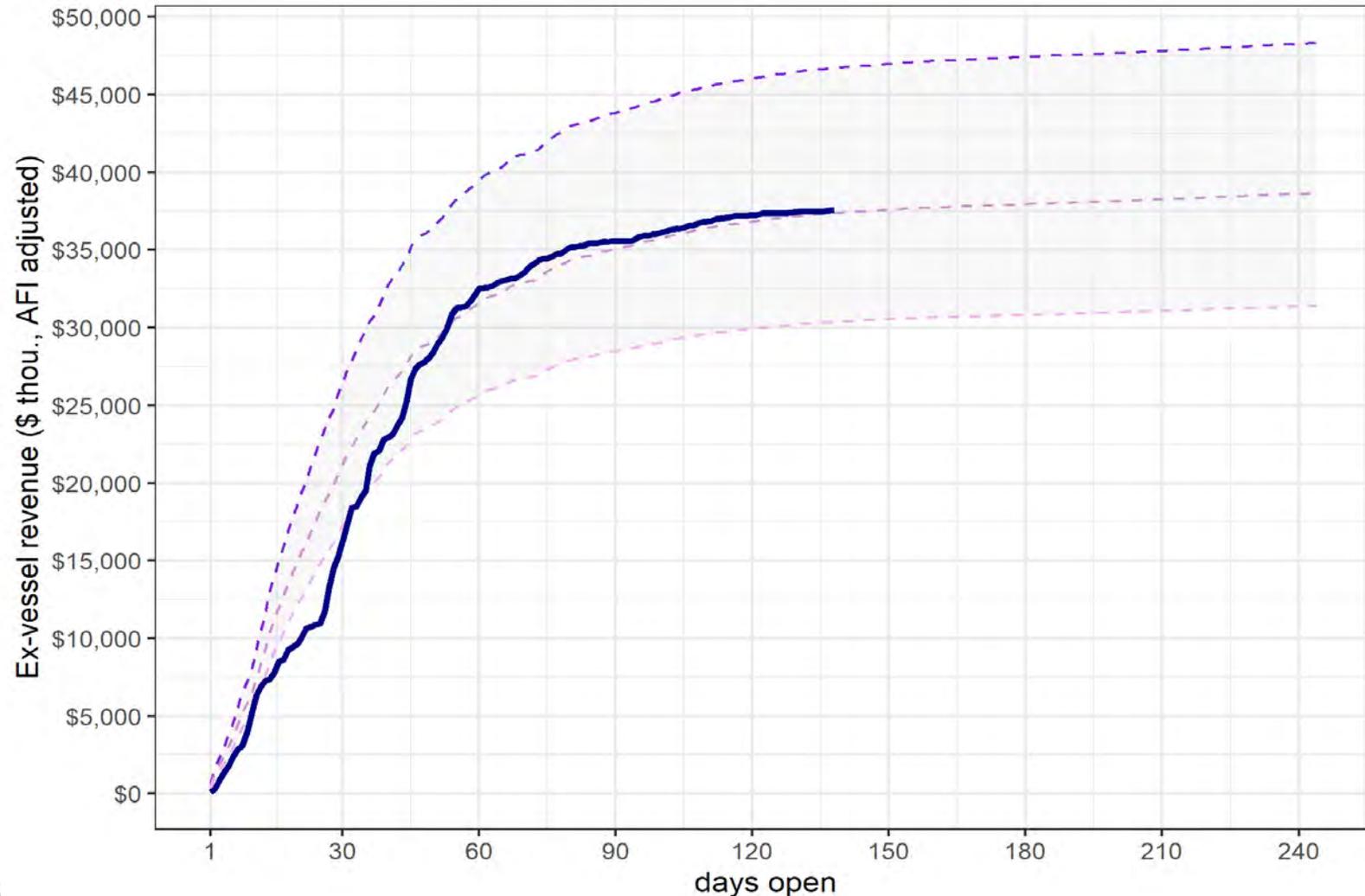
Source: <https://foss.nmfs.noaa.gov/apexfoss/f?p=215%3A200%3A%3A%3A%3A%3A>





Initial Fishery Timing Exploration

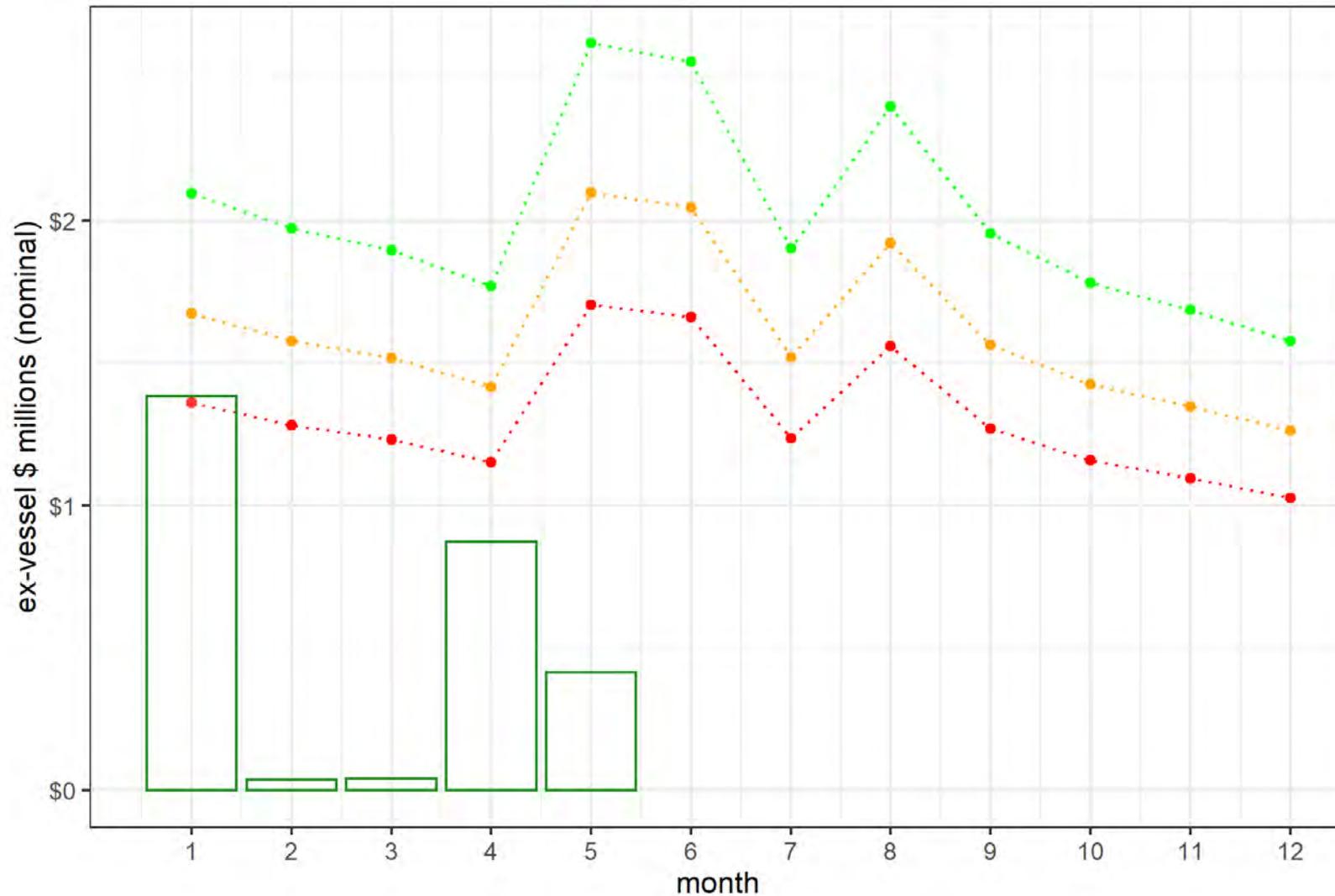
COASTAL CRAB REVENUES VS. 5-YEAR AVERAGE



The solid purple line shows the running total of revenues by day with the number on the x-axis showing the number of days the fishery was open. Day 1 is set to the South of Klipsan opening date. The dashed line at the top of the shaded region identifies the prior 5 season average by day. The bottom dashed line shows a 35% decline from that average. And the middle dashed line displays a 20% decline from the average. The data is subject to change but is up-to-date through early to mid May.



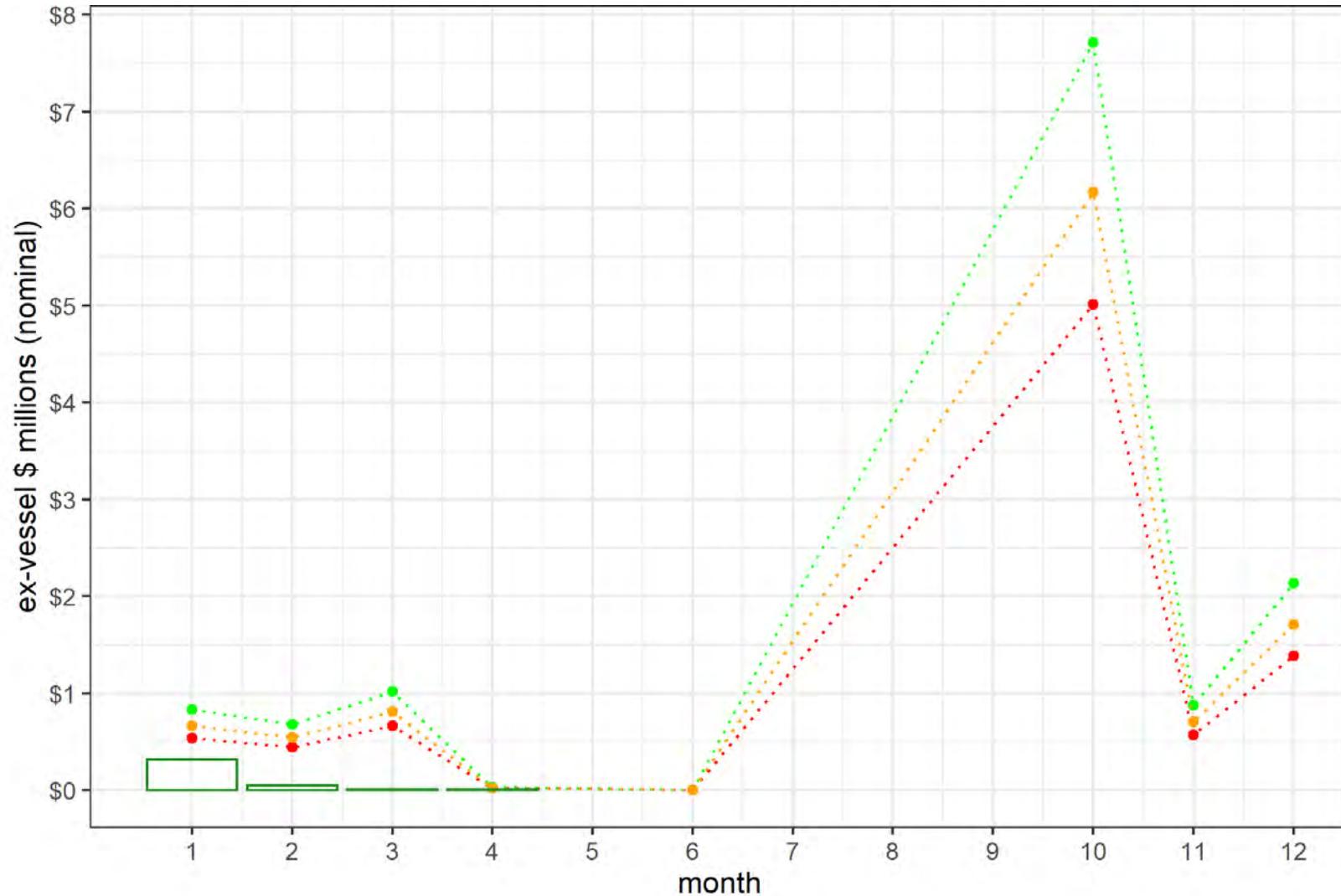
Commercial Geoduck



The green bars display monthly revenues for 2020. Data up to date through early- to mid-May. The green dashed line displays the 2015-2019 average by month. The orange line shows a 20 percent decline from that average. And the red line shows a 35% decline.



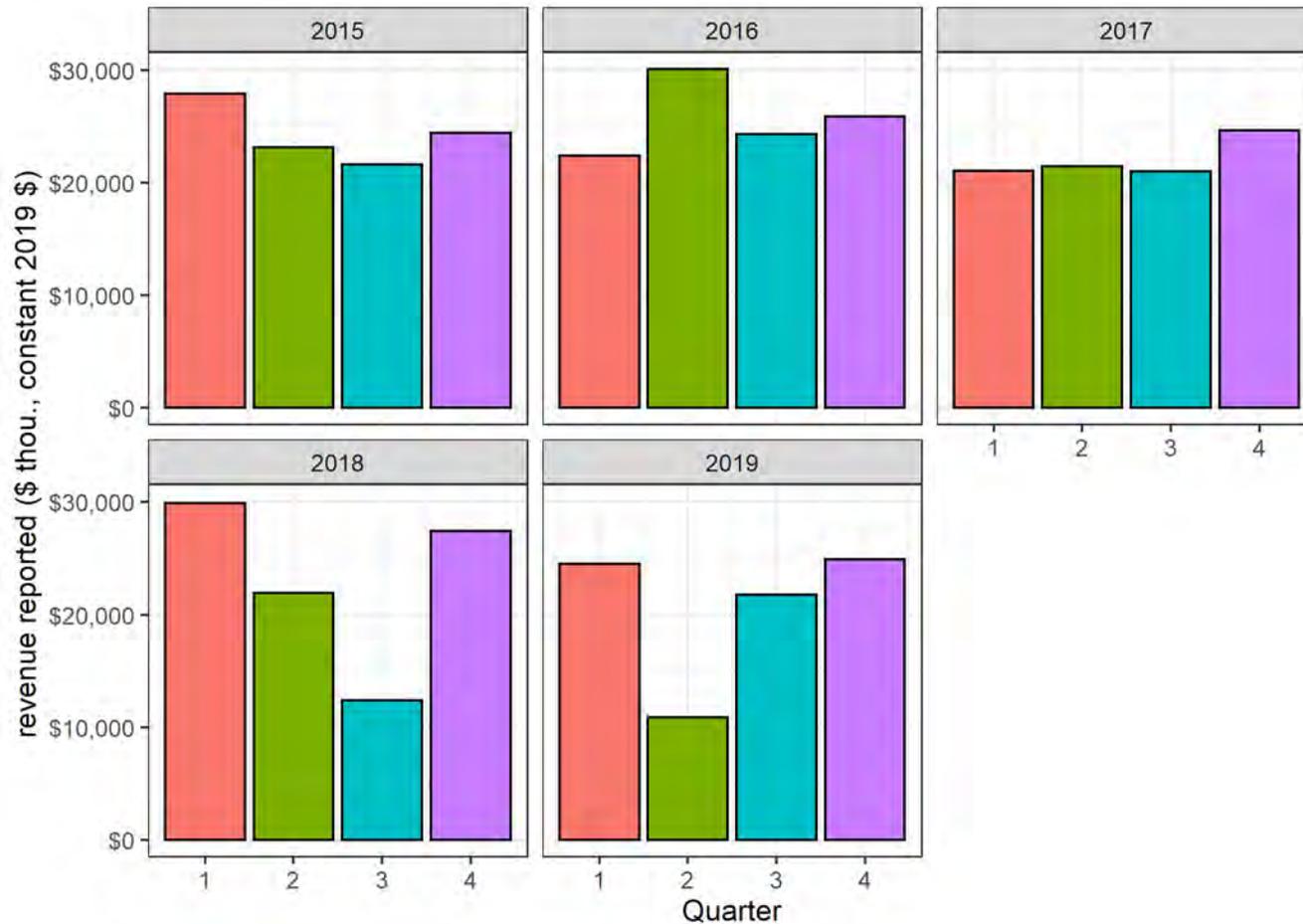
Puget Sound Crab



The green bars display monthly revenues for 2020. Data up to date through early- to mid-May. The green dashed line displays the 2015-2019 average by month. The orange line shows a 20 percent decline from that average. And the red line shows a 35% decline.



Aquatic Farms



Quarter	Average Revenue, 2015-2019, \$ millions
1	\$25.2
2	\$21.5
3	\$20.2
4	\$25.5

Reported aquatic farm revenues and 2015-2019 average by quarter (shellfish only). Source: PacFIN.





WASHINGTON'S APPROACH

KEY MILESTONES

WHEN	WHAT
March 27 th	CARES Act Assistance to Fisheries Participants signed into law
June 1 st	NOAA guidance received
Mid June	Sector discussions to gather feedback
June 30 th	Webinar for broader public
Mid July	Spend plans due to PSMFC and NOAA
September 2020	Possible beginning of CARES Act funds distribution
September 30, 2021	Deadline included in legislation for funds to be distributed



WASHINGTON VALUES

- Meet Congressional intent.
- Distribute funds as quickly as possible to provide relief to severely impacted businesses.
- Make sure approach is fair.



INITIAL THOUGHTS ON APPROACH

- Determine losses and scale to available funds.
- Avoid allocations or eligibility by sector. There may be healthy sectors with impacted individuals and forecasting impacts sector by sector is challenging.
- Time frame: use January – June as range for incurred losses.
- Include sectors listed in the legislation since funds will already be stretched.
- No WA admin or set aside for disputes.
- Coordination to provide consistency on application process with west coast states.
- State of operations for shore-based business units.



KEY INPUT NEEDED FROM INDUSTRY

- What do you think about the approach of scaling to available funds?
- How much time should we build in for filling out applications and returning them? (30 days? 60 days? More?)
- What should we do for people who have less than 5 years of history with which to calculate their average? Should they have a minimum number of years of history? Should we use a sector average as a proxy?
- How do we ensure money gets to most impacted and we don't end up with individuals getting made more than whole?



Q&A

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A photograph of a fishing boat on the water during sunset. The scene is viewed through a fishing net in the foreground, which is slightly out of focus. The boat is in the middle ground, and the sky is a mix of orange and blue. The water is calm with some ripples.

Questions?

