

## Aquaculture Advisory Council

October 22, 2010

### Meeting Minutes

**Attendees:** Secretary Douglas H. Fisher, Mr. Dave Chanda (Commissioner Bob Martin), Mr. Rich Ritota (Commissioner Poonam Alaigh), Dr. John Kraeuter (Dr. Eric Powell), Mr. Gef Flimlin (Mr. George Saridakis), Dr. Brad Hillman (Dr. Robert Goodman), Mr. Bill Avery (Mr. Oliver Twist), Mr. Steve Carnahan, Mr. James Tweed, Mr. Walter J. Canzonier (Mr. Robert Munson)

**In Absentia:** Mr. Joe Constance (Ms. Caren Franzini), Mr. John Maxwell, Mr. Paul Waterman, Mr. John Messeroll (Ms. Jeanette Vreeland), Mr. Gilbert Ewing Jr.

**Public in Attendance:** Mr. Russ Babb, Mr. John Calanni, Dr. Gustavo Calvo, Mr. James Joseph, Ms. Colleen McGarrity, Mr. Joseph J. Myers, Mr. Ken Ratzman, Mr. Maury Sheets

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

Sec. Fisher asked for a motion to approve the minutes from the July 2010 meeting. Dr. Kraeuter made the motion, which was seconded by Mr. Canzonier. All voted in favor and the motion passed.

Mr. Myers provided an overview of the Aquaculture Technical Committee (ATC) in the AAC by-laws, the structure of the ATC in *Recommended Management Practices for Aquatic Farms*, and the committee that met in August to provide recommendations of individuals who could serve on the ATC as provided in a document to the AAC. Mr. Canzonier stated his reservations about the existence of the ATC. Members of agencies who are also members of the ATC may have particular interest in an issue and this pollutes the process. Expertise may need to be sought from out-of-state. Experts in one field may be uncomfortable with providing recommendations outside of their expertise. He recommended a group free of influence much in the manner that research proposals are evaluated. This does not mean that agency representation would be excluded. Written positions would be provided in advance to the committee. A fixed venue would be wasteful because a small group of a few experts may adequately handle the issue. A technical committee could become a tool of regulatory agencies because agency personnel bring a strong tendency toward bias. This is a danger that must be avoided. The structure in *Recommended Management Practices for Aquatic Farms* is only a recommendation but the AAC is not bound to accept this structure. The ATC as currently proposed will not address the issue as it should be addressed. A technical committee should not even have the appearance of bias. Sec. Fisher asked how it is being done now. Mr. Canzonier said that fortunately the ATC has not been called upon and that some technical issues have been addressed directly by the AAC. The most recent issue on importing oyster seed had been resolved outside by other entities and the issue became a moot point for the AAC.

Sec. Fisher said that the AAC is only advisory capacity anyway and that there is no statutory authority to drive anything. The work product of the ATC will have to be endorsed by the AAC. Mr. Canzonier said that the policy debate should happen at the AAC, not the ATC. Mr. Canzonier said the AAC can seek expertise outside of the state, and could be handled more cost-effectively and equitably. Mr. Avery asked if this would be a fact-finding group. Mr. Canzonier said this could, and also be a fact compiling committee. Mr. Ritota said that certain expertise may only be available within the state. Mr. Canzonier said that the committee members would have the opportunity to query state agencies if they encountered knowledge gaps. Dr. Kraeuter agreed that regulatory bias taints the technical process. It may be better to outline the issues on which the ATC would work. Technical decisions have been reached in the absence of the ATC. Mr. Myers said that these processes could have been improved by the existence of the ATC; problems will be resolved one way or another.

Sec. Fisher asked if this was similar to the issue discussed last meeting. Mr. Joseph described the situation about importing oyster seed into a clam area. He reiterated Dr. Kraeuter's point to determine first what the ATC would do. Complete elimination of bias is unavoidable. Dr. Kraeuter said that the ATC could be used to perform a post-hoc technical review of a decision. The perception of a bias is a bigger problem than the existence of bias itself. Some groups even purposely select panelists with opposing views. From an industry perspective, Sec. Fisher questioned why an industry would want public members working on an issue; however public agencies have a responsibility to support business. Dr. Kraeuter said that a focused issue would make committee function clearer. Mr. Myers a post-hoc committee runs the risk of forming a group to get the answers you want.

Mr. Ritota indicated that the supporting documentation on the ATC indicates that individual agencies would be reported to, rather than the AAC, which he identified as a conflict of interest. Dr. Kraeuter said that particular emergencies would need to be solved before the technical committee or AAC could meet. Dr. Hillman said that academics seem to be forgotten in the existing structure. Mr. Chanda said that this discussion should have happened in August before the group met. Dr. Calvo said that importation has been a recurring issue and importation is identified in the AAC by-laws for that purpose ten years ago. Seed importation seems to be an issue of focus for the ATC. However, the by-laws also state that it is the Secretary's discretion to appoint special committees as necessary.

Sec. Fisher said the very people now concerned were the very people charged with developing the recommendation. There seems to be much concern as to who would be on the ATC. The Commissioner, who makes the decision on seed importation, does not seem to be asking for guidance through a committee. Mr. Chanda said that advisement to the Commissioner originated through the staff. However, a technical committee could provide information to the staff or provide weight on a decision, as long as there were no authority would be ceded. Mr. Tweed said that a recent issue on seed importation was handled efficiently; but there is the need for a system for a quick turnaround on a decision. A pre-approval system would be a good issue for the ATC to develop and regulatory representatives would need to be involved. Dr. Calvo said that there was a pre-approval groundwork laid out.

Mr. Tweed said that certain members of a standing committee could be selected to handle specific issues. Mr. Canzonier said that there may be a misunderstanding of intent. The purpose is to supply information to regulators to make a decision, not to make a decision itself. Although a standing ATC is required in the by-laws, it may not need to be interpreted that way. The Secretary is empowered to form special committees much more expeditiously from a pool of specialists who are available to sit with each other, gather information, and then make a recommendation. Mr. Tweed said that the ATC could make a recommendation contrary to existing regulation and Mr. Canzonier agreed. Dr. Kraeuter said the ATC is never going to be able to solve an immediate problem. The ATC could examine issues already made and provide a base of understanding moving forward.

Sec. Fisher said that a group of willing people can be appointed if there is a specific issue, technical and other expertise can be solicited and the recommendations can be brought forth. There is no agenda from him, except to protect the health of the citizenry and grow business. Dr. Kraeuter said that the leasing committee could have been viewed as a technical committee. Dr. Kraeuter suggested that the issue be tabled and sent back to the group. Dr. Calvo summarized that there does not seem to be a pressing need to have an ATC, but it seems appropriate that the AAC can take action as necessary. Mr. Myers said that at least the AAC has a list of names that indicate expertise. Sec. Fisher sees this as a crucial issue because this is how the policy of the AAC will be made effective. Mr. Flimlin said that only once before has a committee like this been held when a meeting was held with the State Veterinarian. Using fisheries management protocol, decisions are supposed to be based on the best available science. Dr. Kraeuter made a motion that the issue be tabled and sent back to the group who presented the recommendations. Mr. Canzonier seconded the motion. All voted in favor of the motion and the

motion passed. Sec. Fisher suggested that the group meet with him and see what structure can be put around this issue.

Dr. Kraeuter asked if the letter to USDA-NASS was submitted requesting the Special Census of Aquaculture be put back on the budget. Dr. Kraeuter asked if the NJDA had developed a list of marketing and promotion events where industry is asked to donate product or provide services. Mr. Myers added these items to list of action items to keep these items from being missed. Dr. Kraeuter asked about the status of a report from NJDEP on how pollution issues are being addressed, specifically those that cause prohibited areas that impact shellfishermen and shellfish restoration groups. Mr. Chanda said that those efforts are ongoing in the broader department and announced that three new conservation officers were hired to meet FDA patrol guidelines. Dr. Kraeuter said that is patrol, not targeting polluters. The shellfish industry and conservation groups continue to get punished but polluters do not. Mr. Chanda would speak to the Assistant Commissioner and provide this information to the AAC and requested Mr. Myers contact him to arrange this for the next meeting. There is a lot of activity in this area within NJDEP.

Mr. Flimlin said that the Section 309 review of Coastal Zone Management. There was little lead time to adequately comment and the Bureau of Tidelands continues to move forward with wanting fees on aquaculture in return for nothing. He questions who would enforce these criteria, it is written very unclear and amounts to an impediment to shellfish aquaculture.

Mr. Ratzman said that the Tidelands issue came up over many years. Tidelands initially probably should have regulated aquaculture, but did not want to regulate aquaculture. Tidelands still does not want to regulate placing shell or predator screens on the bottom. Tidelands has a requirement in the Public Trust doctrine to maintain access and issues licenses where permanent structures are placed in waters or an area is cordoned off to restrict public access. Mr. Flimlin asked if he could clarify the term "permanent." Mr. Ratzman understood that "permanent" has a loose definition, but understood the point Mr. Flimlin was trying to make. Clam screens on the bottom are not a concern. The concern starts to become where there are rack and bag systems where an area is being cordoned off, floats, large buoys that restrict access. Without this policy, the fee structure could have been all over the place. Docks are assessed \$0.49 per square foot, which he felt was excessive for this type of activity. \$0.01 per square foot, although significantly higher than what the industry is paying now, is the lowest fee structure in the Tidelands program. The Tidelands Bureau has met with the NJDA and with the Bureau of Shellfisheries, so this policy was not crafted in a vacuum.

Mr. Flimlin asked if a predator control screen on the bottom would be assessed \$0.01 per square foot. Mr. Ratzman said no. Mr. Flimlin asked if a floating array anchored at both ends would be assessed \$0.01 per square foot. Mr. Ratzman said he was not familiar with what a floating array was. Mr. Flimlin said that the AAC has supplied copious amounts of technical information on aquaculture gear to NJDEP. Mr. Ratzman asked if a floating array would cordon off an area. Mr. Flimlin said that all shellfish leases restrict certain activities in those areas. Mr. Ratzman acknowledged that the public cannot collect shellfish in these areas; however, other water dependent uses such as sailing and boating can continue. Mr. Flimlin added that crabbing is restricted in one bay in Atlantic County because of potential for crab pots to move and affect predator control screens. Mr. Flimlin asked if the \$0.01 per square foot based on total area of lease or only on the structure itself. Mr. Ratzman said this was a good question and that he has had discussions with Mr. Joseph and they would only be looking at the areas that are specifically being occupied. Sec. Fisher added that these were technical issues suited for a technical committee. Mr. Flimlin added that these were regulatory issues. Mr. Avery said that this was the most urgent issue affecting aquaculture. If \$0.01 per square foot were assessed on aquaculture, aquaculture would be no more in New Jersey. Mr. Tweed said that it was unfair to compare square footage of building structure to aquaculture that occupies several acres at 42,000 square feet per acre. \$0.75 per acre is the current scale of costs in the Delaware Bay. Mr. Ratzman added that discussions with the staff economist in NJDEP have also discussed assessing structures only. Mr. Ratzman said that owners of submerged cables pay \$0.10 per square foot. Mr. Flimlin asked what a lessee receives in return for paying fees

to Tidelands. Mr. Ratzman said that the state owns the land so it is a rent to the state. Mr. Flimlin said that shellfish aquaculturists already pay rent in the form of a shellfish lease. Dr. Kraeuter said that Tidelands do not have the right to enact this fee because the only the Shellfisheries Council has the right to lease. Mr. Ratzman clarified that Tidelands is not regulating the shellfishing, rather the occupation of the tidelands area. Dr. Kraeuter said that the lease already provides for that right to raise shellfish.

Sec. Fisher recommended that these technical question be sent in and see if the dialogue can be started. Dr. Kraeuter said that Tidelands has already unilaterally taken action. Sec. Fisher said that the way to move forward is to have the proper dialogue based on the questions so they can make adjustments. Tidelands would change their policy, modify it, or do nothing. Mr. Ratzman said that Tidelands is willing to listen and merge the issues together to refine policy. Mr. Flimlin asked when the closing date for comments is. Mr. Ratzman said there is no closing date and he can bring the issue back to the Tidelands Council at any time. If a member of the AAC wishes to speak to members of the Tidelands, the Tidelands Resource Council (TRC) is an open council meets on the first Wednesday of every month. Sec. Fisher asked if the TRC is advisory or has authority. Mr. Ratzman said the TRC has authority. Mr. Flimlin added there is no representation on the TRC from either Ocean or Atlantic Counties, the major counties where shellfish culture occurs. Mr. Ratzman said that the TRC has tried for years to get representation from southern counties. Mr. Flimlin asked where the meetings were held. Mr. Ratzman said meetings are in Trenton.

Dr. Kraeuter made the following motion: "I move that the AAC develop a letter to the Governor and Legislature advising that the recent policies developed by the Tidelands Council without consultation and advice of the AAC have the potential to add regulatory impediments and unnecessary additional costs to the pursuit of aquaculture in New Jersey. This is in direct contradiction to the directions of the Aquaculture Development Act. We suggest that NJ accept the Federal regulation that was recently promulgated by the US Army Corps of Engineers under the Nationwide Permit 48. The AAC recommends that any other efforts by the Tidelands Council to either add new regulatory hurdles and or add fees for submerged shellfish aquaculture activities be disallowed and referred to the appropriate regulatory authority." Mr. Carnahan seconded the motion. Mr. Flimlin requested the motion be amended to include, "without consultation and advice of the AAC or Shellfisheries Council." Dr. Kraeuter accepted that amendment. Mr. Flimlin added that the reference to submerged gear also include floating gear. Dr. Kraeuter accepted that amendment.

Mr. Tweed asked if it is possible to request a statement of no interest. Mr. Ratzman said that the TRC does have that ability, but would probably not be receptive. Mr. Tweed asked what would be the issue, if these types of gear have been in use, are similar to crab pots, are on a shellfish lease where lease fees are already being paid to the state, and boats have the ability to travel over them. Mr. Ratzman said the type of gear he knows are big structures different than this, such as big buoys on four corners, no entry. Dr. Kraeuter asked where these objects currently exist. Mr. Joseph said that Mr. Ratzman is referring to the ADZ where Coast Guard approved buoys would be placed on the corners. Dr. Kraeuter said that these buoys are simply there to warn people there are objects there, like any other kind of mooring. Mr. Ratzman said this is a large area. Dr. Kraeuter disagreed. Mr. Ratzman said that the other issue is visible structures. Mr. Flimlin asked if they regulate crab pots, lobster pots or fish pots. Mr. Ratzman said that Tidelands chooses not to regulate these structures because of staff limitations and it would restrict water-dependent use. Mr. Ritota said that this issue seems to be of significant importance and recommended that members of the TRC attend the next AAC meeting. Mr. Ratzman said he was unsure if members of the TRC would attend the next AAC meeting and offered to place aquaculture on the agenda of the next TRC meeting. Dr. Kraeuter stated that this is a direct affront to the AAC.

Mr. Flimlin discussed a past meeting with Tom Micai's staff to hash out technical issues and the needs for permitting for a range of structures. Another aspect is that the amount of administrative time spent in developing regulation for this would not be recovered by the relatively few permit applications of this type that would be filed. The claim of numerous applications does not seem to be true. Mr. Ratzman is not interested in financial return but rather trying to legalize this type of activity from a perspective of Tidelands regulation. Mr.

Flimlin asked if this is under legislation or regulation. Mr. Ratzman said that Tidelands is constitutionally mandated to oversee open waters of the state and any monies collected go to the school fund. Dr. Kraeuter asked if anyone on the TRC read the Aquaculture Development Act. Mr. Ratzman said that the Aquaculture Development Act was likely not consulted. Mr. Carnahan recommended that Assemblyman Burzichelli be added as a recipient of the letter under Dr. Kraeuter's current motion. Mr. Avery said that he would likely have to abstain from voting because he has a facility and is assessed a fee. He said that it seems that he is being double-taxed if he chose to use his facility in multiple ways. However, his fee assessment was recently raised from \$800 to \$14,000. The tax complexity and level of pilfering of product from his leases makes it difficult to run a business. Sec. Fisher said that, first, the AAC must decide if they will attend the TRC meeting, or if they will hold their ground and insist that TRC members attend the AAC meeting. The current motion is on the floor and the "Red Tape Review" committee is chaired by the Lieutenant governor.

Mr. Chanda added that a more important first step is to meet with the Tidelands Council than "firing a shot" to the TRC and including the Governor and Legislature in a constitutional issue that may backfire. Dr. Kraeuter added that in the many discussions that have happened, nothing has been communicated to the AAC. Sec. Fisher added that it is easier to argue a position with all of the questions first answered.

Dr. Kraeuter added that this is completely contrary to the Aquaculture Development Act. The new regulations and new fees are a direct threat to aquaculture. The TRC has not read the Aquaculture Development Act nor has met with the AAC, so there is no option left, except to get their attention. Mr. Ratzman said he has consulted with other people on this issue. Dr. Kraeuter reiterated that the AAC was not consulted. Mr. Ratzman said that the issue began with an application for the four large areas in south Jersey and he did not initially know how to proceed with addressing this issue within Tidelands. He could have applied the existing policy of \$0.49 per square foot, but decided to offer the lowest rate possible because this is an industry we want to accommodate. The policy was developed in an effort to be fair and understands the point made today that this is unfair. The Tidelands policy is not a money grab and not a high priority issue. The penny per square foot is currently the lowest fee structure in Tidelands. Dr. Kraeuter said that there is the option to not charge at all. Mr. Avery said that this is a double-tax because the ground is already leased. Dr. Kraeuter reiterated that this is policy and not regulation. Mr. Sheets said that there is a lot of animosity. It seems that the olive branch is extended and the AAC needs to attend the TRC meeting.

Sec. Fisher said that there are three options: react in a confrontational manner, begin cross-council discussions in a venue where people are listening, or do nothing. He is trying to represent the industry but does not believe the TRC is not ready to be backed against the wall. There is also the separate issue of upland landowner consent. Mr. Ratzman said that consent of adjoining upland landowners would be required where structures are visible. Sec. Fisher said that is another agenda itself. Mr. Flimlin said that this is very open to interpretation. Dr. Kraeuter said that there is nothing in a shellfish lease that requires this type of consent. Mr. Ratzman said that it is important to understand the extent to which this is taken. Mr. Flimlin said that he is concerned about when the 309 assessment must be finalized. Dr. Kraeuter said that it appears public meetings have already been held on the issue. Mr. Ratzman said that he is not familiar with the process of the 309 assessment. He believes that many are not happy with how the public comment process was handled. Dr. Kraeuter said that an unfair public comment process would generate a negative reaction. Mr. Ratzman said that the 309 assessment is not part of the TRC. Mr. Flimlin said that the Tidelands policy is contained in the 309 assessment.

Mr. Tweed said that under Title 50, the Shellfisheries Councils have the exclusive power to lease, and therefore does not require Tidelands oversight. Dr. Kraeuter said that according to Title 50, the Shellfisheries Council has exclusive power to grant shellfish leases, period. Mr. Chanda said that Walt Johnson, Chair of the Shellfisheries Council, sent a letter to the Office of the Attorney General asking for an opinion on that particular point. Mr. Joseph clarified that the letter from the SFC specifically asked the Office of the Attorney General to clarify the role of Tidelands with respect to 50:1-24 which began with permitting with the ADZs. To date, no response has been received by the Office of the Attorney General. Members of the AAC going to the TRC to

begin dialogue seem like a beneficial approach. Mr. Tweed said that it would be important to first know if shellfish aquaculture is covered under Tidelands before going to the TRC. The lowest fee structure in Tidelands is the highest in aquaculture, so we are at opposite ends of the spectrum. It is quite a heavy fee. Additionally, it is another level of permitting bureaucracy and Tidelands permits has a six to twelve month turnaround. Mr. Ratzman said he understands these concerns. This policy was created where none was previously and was intended to be generous, but it seems that more discussion is necessary. Sec. Fisher acknowledged that the issue needs more discussion does. In the past meeting with NJDEP and NJDA, the fee structure sounded amenable not knowing the broader implications. Mr. Babb added that both sections of the Shellfisheries Council are contesting the authority of Tidelands. Mr. Carnahan asked when the letter was sent to the Office of the Attorney General. Mr. Joseph said that the letter was sent after the January/February 2010 meetings and was forwarded up through the proper channels, but is unsure when it was received by the Office of the Attorney General. Mr. Ritota asked why Tidelands decided to implement the aquaculture policy before receiving the opinion of the Attorney General. Mr. Ratzman said that the letter was sent from the Shellfisheries Council to the Office of the Attorney General after the fact. Mr. Ritota asked why the fee is not rescinded until after opinion from the Attorney General. Mr. Ratzman said that is a moot point because there are only a few applications. He is willing to put this on the December meeting of the TRC.

Sec. Fisher called for a roll call vote, which is given as follows: Sec. Fisher, No; Mr. Chanda, Abstain; Mr. Ritota, Abstain; Dr. Kraeuter, Yes; Mr. Flimlin, Yes; Mr. Hillman, No; Mr. Avery, Abstain; Mr. Carnahan, Yes; Mr. Tweed, Yes; Mr. Canzonier, Yes. With 2 No votes, 3 Abstain votes, and 5 Yes votes, this was determined to be a null issue by default according to Roberts rules.

Sec. Fisher is not voting in favor and would have carried the message forward if there were sufficient votes. The AAC must attend the TRC meeting, must share these major concerns, must understand that they are impacting an industry that wants to flourish, and do not realize the implications. There are issues on the outside that relate to landowner issues. The AAC is prepared to use ammunition if necessary.

Dr. Kraeuter recommended the AAC identify people who can attend. Mr. Tweed asked when the TRC meetings are held. Mr. Ratzman said they are the first Wednesday of every month, 10:00 am in Trenton. He said he would try to get this on the agenda at the November meeting. Sec. Fisher asked for a list of issues that need to be brought forward be shared, either individually or collectively. Further points include no authority, no fee, and some compromise on areas to be considered. Dr. Kraeuter said he believes there is no compromise on areas to be considered. Docks are not an issue because TRC authority is clear. This issue only includes shellfish leases and the shellfish culture. Sec. Fisher added the status of acting on application and the opinion of the Attorney General.

Mr. Flimlin commented on the Commissioner's statement banning shellfish gardening in less than approved waters. He asked for clarification on the hiring of three new enforcement officers in NJDEP. Mr. Chanda confirmed this. Mr. Flimlin said that because the reasons for the ban were due to a lack of enforcement. Would the addition of three enforcement officers bring the state within compliance? Mr. Chanda said this should not be confused with shellfish gardening. Although the officers are not yet in the field, the FDA has said this would bring the commercial shellfish industry into compliance. Maintaining compliance will still be a heavy lift. Mr. Tweed asked if this gives any ability to patrol closed areas. Mr. Chanda said it would allow NJ to meet deficiencies in select areas where the FDA has said there is a problem. Mr. Avery stated that since clamming in polluted waters is an illegal activity not covered by the NJSP. There are over 200 marine state police. NJSP used to enforce this. Mr. Canzonier said that the NJSP has said in public meetings that their purview is not to enforce resource management issues. The NJSP does have authority but will not make this part of their policy. Mr. Myers recommended that a special meeting be held before the next scheduled quarterly AAC meeting to address only the Aquaculture Plan update. Dr. Kraeuter recommended that a special meeting be held only to discuss the Aquaculture Plan Update.

Mr. Ritota said that guidelines for handling shellfish have been developed for recreational harvesters. There is the potential for misinformation any illness from recreational clams may harm the commercial shellfish industry NJDEP has the pamphlets and will distribute when licenses are issued. Dr. Kraeuter said this should go into the report as some thing that the AAC has accomplished, with NJDHSS.

Mr. Myers announced the new Aquaculture Grant Program from the USDA. The 2008 AGP was for \$50 million under the Recovery Act in which New Jersey received \$3,791. The 2009 AGP is a pool of up to \$20 million of which New Jersey will receive \$9,523 directly from the USDA. The Office of Aquaculture Coordination will work with the USDA NJ FSA office to be sure eligible producers follow the program guidelines. USDA NJ FSA is hosting the meeting today. Ms. McGarrity talked briefly about the eligibility portion of the AGP, as well as the features of the Non-Insured Crop Program, the Emergency Assistance for Livestock (ELAP) for which many aquaculture producers may be eligible to participate. There are energy programs though the USDA Office of Rural Development, which can help with the construction of solar panels on shellfish hatcheries. Mr. Chanda asked if state fish hatcheries would be eligible and Ms. McGarrity said they would not be eligible. Mr. Avery said that since he produces his own seed, there is no record of sale from one phase of his company to another. Mr. Flimlin said that he should create separate business entities at each stage to create a record of sale. Since these programs only covers crops due to be harvested in that same calendar year, this would make the first year of production also the last. The necessary records would be per-loss and post-loss inventory.

Mr. Joseph asked if losses due to disease would be eligible and Ms. McGarrity said they would not be eligible because only losses due to a natural disaster event are eligible. The disaster does not have to be a declared disaster. Payments have been made to fish farmers in New Jersey from flooding along the Delaware River. Dr. Kraeuter asked about situations where ice flows remove predator control screen which subject them to predation. Ms. McGarrity suspected that losses in this scenario would be covered. Inventory records are crucial to documentation. Mr. Flimlin said that there is a proposal review for shellfish crop insurance and there is a company from Washington State that is taking best management practices to Lloyds of London to pursue underwriting crop insurance for shellfish.

Mr. Calanni gave an overview of the results of the national study conducted by his team at the University of Colorado-Denver on dynamics of aquaculture support organizations.

Mr. Myers gave an overview of the meeting held at the NJDA on the status of the Rutgers Multispecies Aquaculture Demonstration Facility. Secretary Fisher has assembled the framework of stakeholders to help explore ways the budgeting can be bridged so that the MADF can be a resource to several projects that are under development. A presentation was distributed with information about the MADF and strategies from addressing the funding issue. In addition to two private partnerships on oyster culture in the Delaware Bay, Dr. Kraeuter said that there is a multi-state consortium on oyster genetics and breeding being developed by the USDA-ARS. There is a new aquaculture extension agent joining Rutgers that is being funded by NOAA. These projects could become part of the funding picture for the MADF, but these efforts still do not address the immediate need for operating funds. Equipment needs still remain and it takes many months of lead time and initial operating investments to produce seed for sale. Operations and financing are out-of-phase. Additionally, no other agricultural research station is being asked to fully fund operations from their own production. Mr. Carnahan said that he brought the issue of the MADF forward at the Board of Managers meeting. Mr. Myers asked that any comments to improve the framework or strategy contained within the presentation are welcome.

Dr. Kraeuter said that the AAC should begin the process of formulating recommendations to apply agricultural tax benefits to bivalve hatcheries. Even though these locations do not meet the traditional agricultural tax exemptions, this Council should develop a mechanism to allow similar benefits. Shellfish hatcheries are in very desirable waterfront areas. The entire clam culture industry is entirely dependent on hatchery seed and if they were to be lost, the clam industry would then be dependent on importation which is not a desirable scenario.

Within the next nine months, a report should be developed and presented to the NJDA. Mr. Myers said that changing the existing rules on agricultural taxation would not be possible, but new proposals directed specifically at shellfish hatcheries can be brought forth. Mr. Canzonier said that this has been brought forth at the agriculture convention. Mr. Ritota suggested looking at what has been done in other states. Mr. Flimlin agreed. Mr. Myers said that the transferability of those strategies may be limited since taxation laws are vastly different between states. Mr. Canzonier suggested this should be put on the agenda of the Board of Agriculture to see where they stand. Mr. Myers said that this could be brought forth as a resolution at the agriculture convention.

Mr. Flimlin announced a workshop on Vibrio, organized by the ECSGA and NJDHSS that would be held Monday, November 8 at 3 pm. Dr. Kraeuter suggested this may be a good time to work on the update of the Aquaculture Plan. Mr. Canzonier suggested this may be too difficult to do. Mr. Flimlin also recommended that the Aquaculture Plan Update be finalized by the April 2011 meeting, where the titular appointees will be invited at the request of Secretary Fisher. Because the Commissioners do not attend, aquaculture issues are not being elevated to the top levels of the Governor and legislature and the AAC will continue to revolve around the same issues.

Mr. Myers would schedule a meeting to focus on the Aquaculture Plan update and made a note of the future meeting dates and asked for a motion to adjourn. Dr. Kraeuter provided the motion which was seconded by Mr. Canzonier. All voted in favor and the motion passed.