

Final Minutes
Virginia Aquaculture Advisory Board and VFBF Aquaculture Advisory Committee
May 18, 2021

The VFBF Aquaculture Advisory Committee and the Virginia Aquaculture Advisory Board (AAB) met jointly on Tuesday, May 18, 2021 via WebEx.

Members Absent: Lynn Blackwood and John Hofmeyer (AAB)

Members Present: Heather Lusk (HM Terry Co) , Mike Schwartz (VT) Mike Osterling(Virginia Shellfish), Kim Huskey (Cherrystone Aqua-Farms); John Hoffmeyer, Travis Croxton(Rappahannock River Oysters); Bryan Plemmons

Guests: Kyle Sturgis, Martin Gardner, James Graves, and Jonathan van Senten, Va. Tech, David Crosby, VSU; Alex Sereno, USDA/RMA

Staff Present: Butch Nottingham, Melissa Ball, Dr. Carolyn bisset

Chairman Sturgis called the meeting to order at 10:30 a.m. Tony Banks conducted a roll call.

Dr. Carolyn Bissett, VDACS Office of Veterinary Services Program Manager provided an update on VDACS fish health testing and certification effort. VDACS has been working with the Department of Wildlife Resources the past two years to test their trout at the Wytheville lab. VDACS began offering the service to private fish producers in January 2021. So far in 2021 VDACS has tested 26 lots of trout (1560 fish). Bissett hopes that as the demand for testing and inspections increase, VDACS will be able to lower its health inspection and testing fees. An accredited veterinarian must collect fish samples from commercial sources and provide at least 3-4 weeks advance notice of testing need.

Butch Nottingham, VDACS marketing specialist, reviewed AAB membership and terms. Mike Osterling and Bryan Plemmons' appointments end June 30, 2021. Heather Lusk and Mike Schwarz were re-elected by the AAB to serve as chair and vice-chair, respectively.

On a motion duly made, seconded and carried, the minutes from the November 15, 2019 meeting were approved as distributed.

Alex Sereno, USDA Risk Management Agency, Raleigh Regional Office Director, discussed its proposed oyster revenue crop insurance product. RMA was directed under the 2018 Farm Bill to develop insurance products to meet underserved commodities including shellfish. After discussion with industry, RMA plans to issue an RFP for a company to study and develop a revenue coverage product for oyster. He hopes the product can be developed in 2021 and approved by FCIC in time for growers to purchase the product for 2023. Growers can expect a contractor to be in contact with them as the product is being developed.

Committee members, board members and affiliated industry representatives provided their respective reports on the 2020 season and forecasts for 2021.

Martin Gardner reported Blue Ridge Aquaculture experienced an 18% loss in sales volume in New York City in 2020 due to the pandemic; however, they were able to redirect much of that loss to Canada and other markets. BRA was able to maintain employees, workload and wages. Their new nursery opened in 2021 which should reduce water consumption by 100,000 gals/day; the first group of fingerlings are on feed and growing well. The tilapia market appears to be coming back to pre-COVID levels.

Bryan Plemmons noted the pandemic was particularly hard on trout sales given the closure of restaurants and reduction in retail dining and travel. Spring water flow is below average and creating problems for trout growers this spring.

Mike Oesterling recognized several entities and persons including Jonathan van Senten and the National Federation of Independent Business for their efforts in documenting the COVID-19's impact on aquaculture producers and processors. This information was very helpful for the industry in obtaining governmental assistance due to the pandemic.

Travis Croxton reported Rappahannock increased its number of employees during the pandemic but expressed concern that after a 3-month sales surge in 2021 many of its retail customers would limit oyster purchases due to their own labor challenges. Hospitality and restaurants are operating at reduced capacities due to a lack of servers and kitchen staff. He noted that NIMBY challenges and regulations are limiting the industry's ability to expand oyster production within the water column vs. grounds. Other states are promoting and funding oyster production expansion at what appears to be Virginia's expense.

Kim Huskey reported Cherrystone is conducting floating cage research with VIMS that will hopefully benefit everyone in the industry. She noted that VMRC and the Army Corps of Engineers had to approve the study before it could be conducted. The pandemic lowered their oyster sales 18% in 201 while clams remained stable. The market appears to be rebounding in 2021; their new online marketing is going well.

Heather Lusk reported they had early sales issues with the pandemic, but their markets seemed to recover. Labor is their biggest concern is the lack of local labor for harvest and processing. They are considering exploring the H-2B guest-worker program.

Jimmy Graves reported the Lodge has remained full, with guests seeking refuge from the city. However, state restrictions cut their dining capacity as much as 70%. They held no festivals since the pandemic except for children's festival. They may schedule a festival for later in 2021. Concern now is over the effect of low water flow on trout and potential for drought.

Tony Banks shared Dr. Lynn Blackwood's report for the Va. Aquafarmers Network (VAN). COVID pandemic was devastating to VAN's planned rollout of its ready to eat fish products in 2020. The pandemic restrictions further halted or stalled their sales at certain farmers markets, although they were able to launch and sell some of their new fish chowder. The pandemic also stopped any stocker sales and fillet sales for events. VAN plans to focus on its catfish, trout and chowder sales in 2021.

Dr. David Crosby reported their operations at VSU were essentially shut down in 2020 for a year. They pivoted and began offering almost weekly ZOOM presentation for aquaculture, aquaponics and pond management. They are currently offering a 12-part farm pond management series that so far has average 50 attendees for each of the first four sessions. Cormorant predation makes continued use of their ponds a challenge. VSU is waiting to learn if they will receive a USDA NIFA grant for aquaponics. For the immediate future, VSU will be focusing more on aquaponics and its role in urban agriculture.

Adam Wood, VDOH Shellfish Safety, reported Danielle Schools, who was unable to attend, has been promoted to Division Director of Shellfish Sanitation. DSS is relocating its White Stone office to Kilmarnock and hiring a new director for that office. Algal bloom contains as a minor problem for shellfish as toxin levels remain well below established health thresholds. Vibrio status is stable and same as 2020. DSS will begin expanding its use of rainfall management plans to close and open beds due to bacteria loads (typically storms greater than 1 inch/24 hr. intensity) to an additional 5 watersheds. DSS will continue to collect data and study before progressing to additional watersheds.

Dr. Mike Schwarz, Va. Seafood AREC, reported construction is underway on the AREC's new building and scheduled for completion November 2021. The AREC has 27 active grants totaling \$4.5 million for topics ranging from COVID, food safety, aquaponics, and commercial production. He identified at least 8 staff hires completed, underway or planned for 2021 for various programs. The AREC has recently expanded to additional office space nearby and is negotiating for a second expansion that will include office and lab space. The AREC will be collaborating with the Institute of Learning and Advanced Research in Danville and VSU on a new aquaponics initiative. The AREC will also be partnering with the Fralin Life Sciences Institute on campus as part of COASTAL@VT, a new university program. The AREC is actively pursuing the **Virginia Offshore Initiative** in fisheries and mariculture, alternative energy, and Robotics/automation/AI. (See attached presentation)

Dr. Jonathan van Senten, Va. Seafood AREC, reported on several studies with which he is involved. A consumer seafood preference study is underway and includes catfish, trout. The study will survey consumers at multiple locations around the country to help gauge changing preferences. Later this year, he will resume additional rounds of surveys to examine the ongoing effects of the pandemic. An economic impact assessment of aquaculture's benefits will commence later this year and will begin with 2019 as the base year. Additional staff is joining him later this year under a new program name, Seafood Economic Analysis & Market Research (SeaMar). The unit will begin a multi-year \$10 million study with the University of Maryland investigating opportunities to use drones and robotics to automate aquaculture.

Jonathan's work also helped USDA Farm Service Agency extend program eligibility to food fish under Emergency Livestock Assistance Program. Banks shared an ELAP notice for certain Virginia aquaculturalists experiencing eligible losses between January 1 and June 1, 2021.

The Committee had no new recommendations for policy development.

The next meeting is tentatively scheduled to be held in conjunction with the bi-annual Virginia Aquaculture Conference.

There being no further business, the meeting adjourned at 12:15 p.m.

Respectfully submitted,

_____, Chairman
Heather T. Lusk

_____, Secretary
Butch Nottingham