

**AMC GOVERNANCE BODY MEETING
MINUTES FOR GOVERNANCE BODY MEETING
OCTOBER 30TH, 2024**

Microsoft Teams meeting

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Meeting ID: 232 184 224 687

Passcode: BWMknD

Alaska Mariculture Cluster

Governance Body

Robert Venables – SEC

Ralph Wolfe – TNH

Rhonda Weyner – SWAMC

*Tom Panamaroff – Koniag
Corp*

Chase Berenson – Aleut Corp

Kristin Carpenter – PWSEDD

Gregg Renkes – Chugach Corp

Jason Lessard – AMA

Heather McCarty – AMA

Thea Thomas – AMA

Markos Scheer – AMA

*Julie Decker – Seafood
Industry, PSPA*

Cassidi Cameron- KPEDD

The AMC Governance Body meeting was called to order at 10:07 am on October 30th, 2024.

Members present: Jason Lessard, Ralph Wolfe, Markos Scheer, Robert Venables, Thea Thomas, Cassidi Cameron, Tom Panamaroff, Chase Berenson, Greg Renkes, Heather McCarty.

Non-Governance body member in person attendance: of Charlie Herrington, Dan Lesh, Lindsey Hammer, Cindy Jimenez, Pheobe Koenig, Jenna Kennedy, Erik O'Brien, Chase Coleman, Shirley Kelly (EDA representative), Melissa Shawnweather.

Virtual non governance body member attendance included: Sam Friedman, Keolani Booth, Sean Den Adel, Noah Meyer, Shanoy Anderson, Alex Huller, Lexa Meyer, Briana Murphy, Missy Good, Karli Tyance Hassell, Bobbi Hudson (Pacific Shellfish Institute), Kristy Clement, Haley Terpenney, Sara Ebersole.

Opening remarks: Tom Panamaroff gave an overview of Koniag and a safety site briefing. Introductions around the room followed, including introductions of those participating virtually.

Approval of August 14th, 2024, meeting minutes

The minutes were approved without objection.

Old Business

None

New Business

Regional Liaisons Update:

SE Alaska; Brooke Leslie- Spruce Root & Keolani Booth- EcoTrust

Recently, there has been significant interest in geoduck and oyster farming and enthusiasm for establishing diverse shellfish and kelp farms, whether food grade or not.

Kenai Peninsula, Alaska; Briana Murphy, CRRC

There has been a large focus on engaging youth in mariculture activities and traditional subsistence practices.

Kodiak, Alaska; Lexa Meyer & Robbie Townsend Vennel, KALI

Questions regarding rollout of revolving loan fund, and how it could integrate with another round of AMA matching grants. USACE Letter of Permission ESA Threatened/Endangered Species Mitigation Measures for Aquatic Farms: Due to the necessity of needing a USACE permit to operate a farm in navigable waters, including state waters (0-3 mi), farms must engage with the NMFS regarding threatened and endangered species. This usually involves a section 7 informal Endangered Species Act (ESA) consultation with the NMFS Habitat Protection Office. Recent USACE permit applications have been receiving pushback from NMFS (see written report for more details). NMFS has no plan as to how the information will remain confidential, how it will be used, nor is there any format or template for a report. Farmers already report harvest and sale information to the State of Alaska annually, the state does not ask for this level of information. There is also no precedence for this level of oversight and reporting for any state-managed fisheries in Alaska.

As mariculture continues to expand in coastal Alaska it will be imperative that the industry collectively engage with regulators to develop solutions to these issues that work physically and financially for farmers. KALI requested assistance from the AMA to achieve greater understanding between regulators and farmers to develop regulations that support rather than hinder ecologically responsible mariculture development.

Prince William Sound, Alaska; Sean den Adel, CRRC

Cordova/Eyak community members seem supportive but simultaneously apprehensive about the kelp farming industry. More fishermen are seeking to diversify their income streams following a difficult seine season in PWS, but many also worry about the lack of processing equipment/infrastructure and markets for local kelp farmers. Due to lack of secure market opportunities, most people seem not ready to invest their own time and money into this industry. Kelp farmers are actively seeking grants to operate and expand their farming operations such as the USDA Value-Added Producer Grant.

Southwest, Alaska:

Common questions posed by Unalaska and Dutch Harbor residents and other interested parties are:

- How could people make money from growing and selling kelp or shellfish?
- What is the value considering the high cost of supplies and shipping?
- Is this a fad, niche, boutique market or is it a commodity to be sold in bulk?

Fishing Industry workers have expressed interest in using their existing skills and equipment to fill gaps in revenue generation. A common concern of residents in Unalaska and Dutch Harbor is water quality, specifically the status of red tide and paralytic shellfish poisoning. People also think there is too much kelp in the near shore waters, and there are more sea otters and less sea urchins now than in the past. Mariculture site selection and permitting was identified as a potential challenge to any operator. Bays and coves in and around the communities of Unalaska are subject to high wind and wave action, vessel traffic, subsistence food harvesting, and other commercial and recreational activities.

General discussion continued on how AMA could provide more information and consistent engagement within the rural communities. AMA hopes to remedy this with additional staff, possibly an “Outreach Manager”. AMA requested input on to best update the Governance Body, perhaps more frequently, to improve understanding and opportunities in the mariculture industry. It was also suggested to reach out to the regional ANSCA corporations and regional Tribes specifically.

Other topics discussed (details in meeting packet)

Grant/Loan Programs Access - more information and engagement needs to happen.

New Entry Activity - Barriers to entry, discouragement over high upfront costs and general lack of knowledge of mariculture, and what the different industry roles and activities look like in real time. There is low commitment from several regional fishers due to a lack of local profitable businesses to prove viability.

Industry Cooperation and Development - Existing permit holders possibly open to partnerships to grow capacity but also get those partners to apply for permits as well. Overall, it seems there is a sense that the industry is attainable for folks after realizing there are funds and groups dedicated to helping Alaska residents build up the economy through mariculture. There is a growing interest in pursuing organic certification for kelp crops.

Leasing / Permits - There are growing concerns about the amount of coastal space being leased for kelp farms that remain inactive (after receiving permits for aquatic farm leases). The overhead costs for leases and insurance continue to increase annually. This leads to reduced chances of viability for small mariculture farms. Many questions revolved around the aquatic farm permitting process, regulatory agency engagement with Tribal governments during the permitting process, and economics surrounding kelp farming. Concerns with permitting due to the new ESA listing of sunflower sea star.

Product Processing - There is a lack of processing capacity and infrastructure, limiting the growth and viability of the kelp farming industry and a lack of access to in-person food safety and handling training.

Native and Tribal Entities - Tribes are sovereign entities and should not be referred to as stakeholders. This should not be another extractive industry where tribes & communities are left behind.

Markets - Farmers cannot afford to apply for loans (or stay in business) without markets and income streams. There is still a lack of definitive markets. Questions around startup costs and revenue individuals can expect. Shellfish farmers expressed reservations about mariculture being incorporated into ASMI’s marketing umbrella.

Marine Mammal Protection - Discussion around mariculture being included within the Marine Mammal Protection act.

Review of RFPs/RFQs closed and awarded since last meeting.

o Kelp Agriculture Product Development & Testing RFP- 11 proposals (1.31 million in requests). Some of the project proposals focus on bio stimulants, one on kelp compost. Nine out of the 11 proposals are based in the Prince William Sound or Kenai Peninsula. SEC will encourage collaboration toward community and regional projects with impact.

o De-Risking Investments in Aquatic Farming – AFDF has awarded a contract to Kelson Marine. The project scope will encompass ocean modeling and data collection. It is being finalized, totaling around \$1 million. Oceans Alaska contract, totaling around \$70,000 is being finalized and will target investigating optimal oyster spat size for transplanting.

o Equipment Round 1 update- SEC is in the process of finalizing subaward agreements with the equipment awarded entities. SEC is awaiting final approval from EDA for multiple subaward recipients, before reimbursing/approving drawdowns for equipment.

Project Updates:

Revolving loan fund- The Revolving Loan fund is close to launching with final legal documents under development and final EDA approval. Initial partners include Northrim, Tongass Federal Credit Union, Spruce Root, and hopefully the State's RLF program. The program is primarily focused on partnering with these lending institutions with guaranteed collateral support.

Gov, Coord, Outreach Updates:

KPEDD- KPEDD has been coordinating between entities within the Kenai Peninsula to facilitate partnerships for the Agricultural RFP. KPEDD has been coordinating between AVTEC and other vocational entities, Challenger center (food security and workforce development intentions) to help bolster workforce development initiatives throughout the peninsula.

PWSEDD- PWSEDD signed a contract with Sirputis and will be purchasing a kelp dryer, within their equipment subaward agreement. They will be renting a shredder, blancher, hopper with USDA funds. They have finalized the processing location. The location is currently permitted as a seafood processing location. Soon, that permit will lapse, and the property owners will apply for a mariculture processing permit. Under the PWSEDD Feasibility study contract, a draft business plan is available for the shared seafood processing facility. This draft plan was received early in October.

SWAMC- Close to announcing a new Executive Director hire. Mariculture Director travelled to Mexico to see a batch kelp drier. The mariculture director is close to installing this same model of drier under the Joint Innovations Project. The Mariculture Director conducted an outreach event with World Wildlife Fund via ferry system along the Aleutian chain. Stops along the way included Sand Point and Cold Bay. While in Bristol Bay, the Mariculture Director attended the sustainability summit and shared information about current mariculture initiatives in Southwest Alaska. There are current mariculture leases in Adak but many complaints around the red tape of permitting.

Melissa Shawnweather introduced herself as the new Executive Director at Kodiak Economic Development Corporation. KEDC is looking forward to building a business plan and processing facility.

SEC- McKinley Research economic feasibility study- Highlights of the presentation included that oyster productivity was down in 2024. Hawaii is the source of all oyster seed supply in Alaska. Seaweed harvest had a significant decline in 2024. This data was sourced from a questionnaire published by McKinley Research Group. There were 20 responses from aquatic farmers/ hatchery operators and 14 additional interviews. This project will continue for the next three years and will include an annual memo, available to the public on the AMC website.

Workforce Development

UAF- UAF hosted many virtual events in the last quarter, including webinars about oyster industry knowledge exchanges. UAF hosted (with SWAMC, focused on education) the first annual Kodiak Kelp Festival with 300 participants. The Kelp Farming manual is almost completed (due winter of 2024). UAF's new Alaska Sea Grant fellow is working on the Oyster Farming manual with the recently hired shellfish mariculture specialist. Online training for oyster growth will be conducted in early November. Seaweed handling and processing workshop will be held in May of 2025. The Mariculture Research and Training Center website is frequently updated as well as social media. UAF will soon be opening the call for presenters/ abstracts for the 2025 Alaska Mariculture Conference. To ensure that rural areas have access to these resources, UAF will be engaging with regional communities and liaisons to figure out how to best utilize these tools published on MRTC's website and offer funding for travel to the mariculture conference.

UAS- Full swing in aquaculture semester, with 6 AK resident students and 6 from lower 48 and Canada. UAS partners with "Minorities in Aquaculture" based out of the east coast. One student interned with Blue Stone Oysters and NOAA lab. Skiff operator classes offered. Hired a mariculture program coordinator. Mariculture business marketing course soon to be offered. The wet lab is finally able to do some tumble trials/ studies.

Research and Development

AFDF: Seaweed tissue updates- Seaweed samples were sent to a lab that did an analysis of 40 analytes on 100 samples from 15 different seaweed species. Data will be available next month (November), and comprehensive analysis will be complete by March or April. Included in this budget item is an RFP that will be published in the first week of November to analyze the data and make it usable for the public.

JIP Round 2- Awarded 14 new JIP projects second cohort for \$3.4 million

Green Energy (AFDF)- Kemp has hired a research assistant and is looking to start in-person research in Cordova.

BREAK FOR LUNCH AT 12:21, back at 1pm

Spending Overview (Additional project scopes for BBB funding consideration).

There was discussion on the overall spending to date of the AMC. Within Q2 of 2024 \$1.8 in reimbursements were paid out. Requests were made to track metrics on demographics and location. The BBBRC project goals are to direct investments and opportunities to the benefit of 25% Alaska Natives and an additional 25% toward Underserved Communities. Input from the Governance Body and subcommittee toward scopes of work that are deemed important and not funded will be gladly received for consideration within each of the 7 project budgets.

AMC Website & Comms Update

The new AMC website was presented, highlighting the newly added JIP project summaries and RFP resource page. The seaweed & oysters insights platform was presented to the Governance Body, this is recognized as a great resource for the liaisons.

Alaska Mariculture Insights Platform

Showcasing the platform and how it has synthesized efforts around the state into a singular media platform. Governance body feedback suggests having outreach events in each region in order to broadcast this resource. Requests around including a map within this. There were requests made around including more GIS and mapping efforts for outreach and communication efforts regarding mariculture statewide.

Discussion around the communication plan and how to implement it. AMA is still working with RTC to finalize the communication plan. The draft plan was made public (May of 2024) but not adopted. AMA plans to bring together entities to discuss finalizing the statewide communications plan. The Governance Body expressed interest in seeing the final draft of the communications plan.

Market Development – *Food for Climate league (contractor)* – deliverables discussed, which included a presentation and report, labelled as a “marketing roadmap”. *Economic Research contract (McKinley Research; contractor)*- Progress on this project included hosting a webinar, and a stakeholder committee meeting, (any GB Member who is interested in marketing efforts are welcome to attend). EDA has recently approved \$1.3 million to be moved to the marketing budget (increasing the marketing budget from \$600,000 to \$1.8 million). This will aid businesses that have products to sell.

The Market Research deliverable is almost complete under the Food for Climate League contract. Discussions around a new round of RFPs to go out soon to address developing markets and advertising products.

Equipment and technology – The second round of the equipment RFP will be postponed until the beginning of 2025. DEC has purchased their lab equipment which will modernize their methodology (no more testing with live mice) and hopefully reduce operating costs.

Shirley Kelly- the reason EDA provided this investment to SEC, is for AK to be involved in the global arena for mariculture. Mariculture can help bridge the gap that is growing within the fishing industry with multiple fishery disasters. It is imperative to include regions that are hurting the most and keep the mindset to compete in the world market.

Event recap - Seagriculture (September 11-12) was well attended, highlighting the potential for Alaska as a global contender in the mariculture sector and showcase the common challenges of market development, products creation, and processing of products in order to get them to market. Upcoming events include the Alaska Mariculture Conference: Feb 18-20, 2025 in Sitka. And EDA is hosting an event in Washington DC in December of 2024. The event involved technology hubs and the National Science Foundation. Excitement was expressed for the growth of the mariculture industry.

There was no public comment.

The next Governance Body meeting will be on January 15th

The meeting was adjourned 2:54 PM