SMP Economic Scope of Work (ESOW) Public Comments and SMP Team Responses

Comment	Response
It seems to me that coast-wide supply of shellfish products greatly influences prices...more than local water quality and management decisions in RI. How is this being taken into account in this study?	The coast-wide supply of shellfish is an important aspect of this study. The ESOW will look into how competing species and products from areas other than Rhode Island influence the supply and demand market. This will be more clearly addressed in the study.
My concern regarding oyster aquaculture, as a current grower, is that the huge increase in production in the Mid-Atlantic is eventually going to lead to a glut and price drop in the half-shell market.	The SMP team recognizes this valid concern. While this question is beyond the ESOW at this time, it is one that could potentially be addressed in the future and will be added to the SMP research agenda.
Your SOW proposes to look at the price/demand for wild caught quahog and aquaculture oysters. In the last few years, oyster restoration has produced oyster populations that have generated a substantial wild harvest of oysters from some specific areas. It is imperative that the wild caught oysters are captured in this assessment, or, if the data (landing by location) are not available that this is highlighted as a serious flaw.	Oysters, whether wild or farmed, will be included in the study, contingent on actual data availability. Currently available data shows wild harvest of oysters in RI is minimal, but this will be examined in further detail with the most up-to-date data in this analysis. With regard to landing by location data, any landings of wild-harvested oysters would be available through the SAFIS database. Examining the influence of oyster restoration in improving wild oyster populations is a point well taken and will be added to the SMP research agenda.
I was struck by the fact that aquaculture was not mentioned until the second to last sentence. We have been growing at 20% per year and at this rate I expect the harvest of aquacultured oysters to eclipse the wild harvest of clams in three short years or less. Perhaps someone will standup and take notice then.	Farmed oysters are included in the core of this analysis, contingent on actual data availability. We acknowledge that aquaculture is not explicitly stated in the beginning of the ESOW, though it was intended when referring to oysters. This was unintentional and will be more clearly addressed in the study.
There are some macro considerations that were not mentioned. There is a seasonal demand curve for all seafood - nationally. I would think that this has been well described somewhere since all the fish and shellfish dealers are aware of it. Demand dips sharply in the fall. While oysters are at their peak seasonal quality (best condition and flavor) the market goes soft for everything from swordfish to shellfish. It doesn't matter if you cut prices, encourage consumption with chef demos or specials - you cannot push fish or shellfish out the door. Things start to improve slightly at Thanksgiving and Christmas but we don't see a robust market until Valentines day and Lent. Come March we can't keep up with orders. Most oyster growers are running out of product by May (oysters don't grow from November to May). Summer markets are typically pretty strong.	Seasonal fluctuations of quahog and oyster demand will be incorporated in this study ("we will explicitly incorporate the annual fluctuations in supply (harvest) and demand of these products…"). The specifics of such fluctuations, as described in this comment, will be collected as well.

The clam markets are pretty different, and I confess ignorance, but I doubt they are immune from the macro trends. We do see large swings in price when the closed areas open up. Enough so that I even considered doing some clam arbitrage, buying when the price was collapsed and holding the clams until the price rebounded. I think this remains a viable money-making opportunity. There used to be a huge bump in clam markets between Thanksgiving and Christmas, when folks from the mid-west (Indiana, Illinois...) that used to have large clam bakes. A huge tradition that has largely disappeared. I was talking this week to the biggest surf clam company in the us (70% of the east coast quota) and they claim that a national demographic shift towards Hispanics (that do not embrace clams as food) has forced national clam chowder consumption down in the past decade by nearly 50%. Then there is the import of clams from Vietnam and China, coming in mostly cooked (since they cannot ship raw) at about 9 cents a clam wholesale delivered. The final mega trend you should be aware of is the clam aquaculture industry from VA and FL and to a lesser extent MA and CT. When we figured out how to grow clams in a big way about 15 years ago the price of clams collapsed from about 25 cents to about 15 cents and it has never recovered.	This information is good to know and will be considered during this study and for the SMP overall.
One of the economic issues that many SMP members were asking for was to have someone look at the highest and best use of public waters. For instance, what is the benefit to the sovereign if there is an acre of bottom being harvested for clams, or if that water is used for recreation, or if that acre is used to farm oysters. Shellfish farmers in particular are anxious for this comparison because we feel that we will win hands down in any rational comparison. I have recently completed an economic survey of the growers and we expect to have an IMPLAN analysis completed soon.	While this is an interesting proposal, it is beyond the ESOW. However, this issue may be addressed in the future and will be added to the SMP research agenda.
The Department [RI DEM] under statute must recognize the public's right to harvest under RIGL 20-3.2-3 Freedom to fish. Economic value is not part of the equation. The right to fish is either for subsistence purposes or for business purposes. The shellfish management decisions are to protect wild shellfish stocks while recognizing very specific criteria guiding the Department. Economic value of the shellfish to the fisherman is clearly absent. Shellfish management authority is distributed throughout a series of statutory sections including the following examples: - 20-6-2 & 3 Establish seasons for oysters and bay scallops allowing sufficient warm-weather feeding, growth, and spawning prior to harvest. - 20-6-11 Establish minimum sizes to insure that shellfish are able to spawn prior to harvest.	

Generally under 20-6 sections, harvest methods, efficiencies of harvest, possession limits, harvest areas, reduction of risk to shellfish consumers are the types of issues addressed. The intent of this language is for the Department to protect public trust shellfish resources from recreational and commercial overfishing and to manage the resources for reproductive sustainability. Again, economic value of the shellfish to the fisherman is clearly absent. Statutorily, the Department's shellfish management efforts cannot be "*driven by the economic interests of commercial harvesters.*" Public access to shellfish resources is decided upon based upon in part; the number of harvesters, ease of access to the resources, number of commercially licensed participants eligible to fish, an undetermined number of recreational harvesters, reported landings data, and shellfish surveys. The shellfish resources are also managed through minimum sizes, daily possession limits, harvest seasons, area-specific harvest restrictions, and gear restrictions. *"The economic interests of commercial harvesters"* are under their own control in large part because they can (and do) petition the Department for access to certain shellfish management areas during periods of higher economic value (Christmas and New Years Day for example). While it is true that the "derby characteristics" of an opening day may result in a surplus of shellfish thereby driving down the price, many of the legally-licensed participants fish only during that winter season to enhance their income. The price paid to the fisherman is negotiated between the fisherman and the shellfish dealer, not through Department involvement. In simplistic management terms, it may not matter when shellfish are harvested during a particular year, from a particular area. What matters is that a shellfish broodstock density must remain after harvest with sufficient reproductive capability to sustain commercial (or recreational) harvest levels. The Department can neither prioritize the demands of the harvester over those of a shellfish dealer, nor the dealer over the harvester. The Department / Marine Fisheries Council / Advisory Panel process is the current opportunity for public involvement in shellfish management decisions. There would have to be substantial statutory changes for the Department to be able to make wild stock shellfish management decisions that could increase the value of the shellfish to the fisherman.	We would like to clarify the purpose of the ESOW. The protection and sustainability of shellfish stocks is primary goal of any resource management agency, including the RI DEM. This goal is precisely what makes the economic study such a valuable part of the SMP and valuable tool for management purposes. This study will allow for better understanding of the market, which, in turn, will enable the DEM to better manage the resource, specifically to ensure its protection and sustainability. In no way is the purpose of this study for DEM to "Prioritize the demands of the harvester over those of a shellfish dealer, nor the dealer over the harvester."
I think this is a worthwhile endeavor.	No response necessary.