THE MARITIME PROVINCES AND MAINE, MOVING TOWARD THE SAME GOALS, AT SEPARATE PACES

By Melissa Waterman

The report by the Maritime Panel on the Lobster Industry raised a few eyebrows, both in Canada and in Maine. The three-member panel, formed in July, 2013, conducted numerous public meetings and met with representatives of more than 100 organizations before issuing its 96-page report in November. Many recommendations made in the report are as relevant to the Maine lobster industry as to that of the Maritime provinces. A careful review of the report reveals the encouraging news that Maine is already attending to issues with which its Canadian neighbors to the north have just recently come face to face.

The report issued 33 recommendations in three broad areas: Industry Relationships, Industry Operations, and Industry Structure. The section on industry relationships describes how the many players in the Maritime lobster industry connect to each other within their own group and across the industry as a whole. The report noted that groups, such as shore-side processors, dealers, and lobstermen, don’t cooperate with each other well and, moreover, regard each other with deep suspicion. The report recommended creating a new environment in which industry organizations are modernized, coordinated and empowered.

So what does that mean, exactly? One of the first things the report called for in this section was for lobstermen to come together and participate in well-organized, representative fishermen’s organizations. Those organizations should collaborate under a larger, provincial organizational structure in order to work together to jointly address issues related to the entire lobster industry.

In Nova Scotia, New Brunswick and Prince Edward Island, lobstermen fish in specific Lobster Fishery Areas (LFAs). Within each LFA there may or may not be an entity that represents the lobstermen (Prince Edward Island Fishermen’s Association is one province-wide organization). Maine, on the other hand, has a long history of effective state-wide organizations representing lobstermen. The Maine
As 2014 gets underway, the Maine lobster industry and our coastal communities are facing unprecedented changes. Commercial fisheries have long been the life blood of our coastal economy, and that remains true today. But the regulatory demands of state and federal fisheries management continue to limit fishermen’s options, and the unknowns of a changing climate and environment add to the uncertainty of our future. As each year goes by, our fishermen have fewer and fewer fishing opportunities available to them.

Maine’s coastal communities have survived for centuries through their ability to diversify from one industry to the next. The notion that a person is simply a lobsterman, scalloper, groundfisherman or shrimpman is a fairly new concept. Historically, if you lived on the coast, you were a fisherman, able to shift from one species to the next to make your living. Today, we have many lobstermen, but few fishermen left.

Fortunately, the lobster resource has remained resilient through all these difficulties and has served as an economic lifeline for many. In 2012, lobster accounted for two-thirds of the value of all marine species landed in Maine. The next closest species in value was elvers, representing 7% of the total landed value of seafood. Clams, herring, groundfish, shrimp and scallops each represented only 1% to 3% of the total value. Clearly, Maine’s coastal communities are precarious depending upon the success of the lobster industry.

Dr. Robert Steneck of the University of Maine has called this situation as a “gilded trap.” As ecological diversity in the Gulf of Maine has declined and fishing regulations tightened, fishermen have had fewer and fewer options available to them to make a living at sea. With so many coastal families putting their eggs in the lobster basket, the local economies of towns and villages along the coast have also lost their diversity. It’s like the monoculture of corn in the Midwest; one thing goes wrong, a new pest or a change in rainfall, and the house of cards will tumble. Scientists, marine resource managers and lobstermen themselves are becoming ever more aware that the economic stability of a large segment of the Maine population is at risk should something happen to our lobster stocks.

The Maine Lobstermen’s Community Alliance was formed to foster thriving coastal communities and preserve Maine’s lobstering heritage. With so much resting on the success of the lobster industry, our mission is more relevant than ever.

Over the past year, the MLCA made an impressive impact on the lobstering world through its work. The MLCA managed several important research projects including a herring survey using acoustic equipment mounted on lobster boats to determine the size of the inshore herring stock; testing the efficacy of red-colored rope for use as buoy lines as a potential visual deterrent for right whales; and publication of Landings distributed to more than 6,500 lobstermen, businesses, and the general public throughout Maine.

The MLCA also began working with Maine lobstermen and harbor employers and buyers on lobster quality measures. The importance of ensuring the high quality of our lobsters is obvious. The industry standard for lobster shrinkage at the first point of sale is 3%; that 3% translated into a loss of more than $10 million in revenue to Maine lobstermen in 2012. And we know that shrinkage can average 20% at certain times of the year. MLCA staff visited wharfs along the Maine coast to assess current practices and share information on successful strategies used in harbors along the coast to ensure quality. Lobstermen were even able to read a graph on the dissolved oxygen levels in their boat tanks! This is the sort of hands-on interaction needed to improve the economic viability of the lobster industry. Just think: If Maine’s lobster shrinkage rate dropped by a mere 1%, that would imme-

Historically, if you lived on the coast, you were a fisherman, able to shift from one species to the next to make your living. Today, we have many lobstermen, but few fishermen left.

Send your support to: Maine Lobstermen’s Community Alliance | P.O. Box 315 | Kennebunk, Maine | 04043 | www.mlcalliance.org

MLCA fosters thriving coastal communities and preserves Maine’s lobstering heritage

The MLCA invites you to support Maine’s lobster industry. Donations of $25 or more include a subscription to Landings.

MLCA is a 501 (c) 3 non-profit charitable organization.

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The longterm viability of our lobster fishery depends on passing knowl-
edge to the next generation. Yet an entire generation is missing from
the fishery, according to a 2012 Gulf of Maine Research Institute report
funded by the Department of Marine Resources.

The average age of a license holder is well past 50. And for someone at
the bottom of a closed zone waiting list the wait is approaching 50 years.
These men and women are working in the stern with little realistic chance
of getting a license before retirement age. The GMRI study also shows that
only a very small percentage of student license holders transition to
commercial licenses.

Of course, the story in Zone C is dif-
ferent. C is an open zone and, on pa-
tage. Th e GMRI study also shows that
of getting a license before retirement
age. Th e average age of a license holder
is well past 50. And for someone at
the bottom of a closed zone waiting
list the wait is approaching 50 years.
Th e GMRI study also shows that
only a very small percentage of stu-
dent license holders transition to
commercial licenses.

The decline of alternative fisheries such as scal-
lops, urchins, shrimp and groundfish
surely plays a role as well. So what do we do? Last session, the
Legislature took a small step by al-
lowing zones to change the currency for entry from traps to licenses. Zones
A and B have taken advantage of that
option, with wait times significantly
changed in those zones.

What other options are available? We have to be mindful of overall ef-
fort in the fishery, and the existing latent effort has made managing the
fishery more complicated. Yet it is
consideration we must deal with
because settlement studies, which
have historically predicted growth
and decline of lobster numbers accu-
rately, are now indicating a threeyear
decline. The 2013 numbers are lower
than any since the settlement studies
started in the mid1980s.

Based on the index, it’s likely that
landings will decline five to seven years
from now, making now the
time to ask the tough questions and
prepare ourselves. Whatever we
do must be well considered and take
into account the overall impact on
the fishery, not just make tweaks here
or there.

The Marine Resources Committee
has statutory permission to report
out a bill that could make changes to
lobster licensing. Based on the need
for a big picture view, some possible
changes that have been discussed include:

- a limited commercial license for
  semiretired captains, tiered land-
  ing requirements to retain levels of
tags. Without significantly impacting
effort, we could consider granting
people who have completed the ap-
prentice program limited licenses for
50 traps while they wait on the list for
a full license.

Meanwhile, there are lobstermen
whose family members hold licenses
but do not use them. Some older lob-
stermen only use a fraction of their
tags, but are hoping the rules will
change and that they can get out of
the industry on good terms by selling
their licenses and boats. Maine has
carefully avoided license transferabil-
ity. That has kept the cost of entering
the fishery more affordable, and has
allowed Maine to avoid corporate
takeover and concentration of own-
ership of the industry.

Industry feedback will be very impor-
tant as the Marine Resources Com-
mittee grapples with these issues
over the next few months. Changes
need to be examined in terms of ef-
fort, latent effort and viability of the
industry. We must consider how
these factors will play out over time
and the input the Department of Marine Resources gathers in future
industry meetings. This legislative
session is short, with developments
taking place on a condensed time-
line. So be aware of hearing notices
and make your voice heard.

By Senator Chris Johnson and
Representative Walter Kumiega

The Report Card provides updates on the births, deaths and injuries among
documented right whales along the East Coast and a summary of research
and management activities during the prior year. This year’s report covers
activities from November 1, 2012 to October 31, 2013.

The 2012-2013 Report Card noted that the distribution of right whales has
shifted dramatically during the last several years. Right whales are moving
into different areas throughout the extent of their range. Because of the shift,
the Consortium notes that more research needs to be directed to finding the
right whales’ new habitat and developing different survey methods to keep
track of these new movement patterns.

Population Status 2012-2013

Best estimate of catalogued right
whales: 510
New calves: 20
First time mothers: 7
Average calving interval for mothers:
4.6 years
Documented deaths: 2, both male
Vessel strikes: 3 sighted, one reported
but no images
Entanglements: 7 (2 resulted in
death)

Sightings
Southeastern U.S. (Nov-March): 456
Mid-Atlantic (Nov-Dec): 68
Great South Channel (Jan, March-
May): 78
New England (Nov-May): 990
Jeffreys Ledge (Feb, April, May, Oct):
4
Gulf of Maine (Nov-Dec, July): 8
Bay of Fundy (July-Sept): 15
Roseway Basin (Dec, Aug-Sept): 52
North (Nov, April, Aug): 6

Reported sightings of right whales
by region.

The report also includes a section on
the 2013 Joint Workshops, which were held in
Boston in November 2013. The workshops focused on
identifying research needs for the
2014-2015 right whale research
budget.

In addition to the report card,
the Consortium also released
a special report on the status of
right whales in the
North Atlantic, which includes
updated information on
the
number of calves born and
the
number of deaths and
injuries.

The report can be accessed at
www.rightwhales.org/census.

The North Atlantic Right Whale
Consortium is a coalition of more
than 100 organizations and
government agencies in the
United States and
Canada, releases a Report Card on the status of North Atlantic right whales. The Report Card provides updates on the births, deaths and injuries among documented right whales along the East Coast and a summary of research and management activities during the prior year. This year’s report covers activities from November 1, 2012 to October 31, 2013.
As 2014 begins it is a good time to be in the branding and marketing business as both the Maine and Canadian lobster sectors are set to launch major efforts in branding, generic marketing and promotion. To its credit, the lobster sector in Maine has made the hard decisions faster than we have in Canada and is now sitting on third party sustainability certification by the Marine Stewardship Council. The state Legislature passed a law that will tap the lobster sector to fund a marketing and promotion campaign. If I were a branding and marketing strategist in New York or Boston (or Portland) I would be rubbing my hands with glee.

In Canada we have a far more complex industry with 9,500 lobster licenses regulated by the federal government and hundreds of dealers, live shippers and processors regulated by governments in five provinces. However, after several years of hard work by industry leaders, multiple studies of key issues like price setting, quality grading and branding, tie-ups, blockades, and incredible increases in landings that have allowed lobster to be enjoyed by entirely new types of consumers, it appears that 2014 will be enjoyed by entirely new types of consumers, it appears that 2014 could be a breakthrough year north of the 49th parallel, just as 2013 was for Maine.

We will kick off 2014 in Canada by launching a branding firm into the world of Canadian lobster to develop our Canadian lobster brand story and new visual image. By April we will have a spanking new look and then will proceed with phase 2 – the development of a strategic generic marketing and promotion campaign funded (we hope) in time by an industry levy. The leaders of the Maine industry have just completed the same exercise. I would expect that our branding experts will unearth many of the same things discovered by their minds – that consumers, seafood buyers and chefs around the world see Homarus americanus as a premium seafood choice for their table, seafood counter or restaurant. They will find that our customers relate to the pillars of sustainability, food safety, the rich history of the fishery and industry, the compelling stories about the independent harvesters and the exotic taste and eating experience found when enjoying traditional live lobster or one of the hundreds of processed products produced in our world-class facilities.

The challenge for all of us will be how we position our respective brands both alongside and against each other. There is intense political and sectoral pressure on both sides of the border to differentiate the Maine and Canadian lobster brands. Companies have always marketed the differences in our respective products and, as a result, have developed different markets (the dominance of American lobster in southern Europe versus Canadian in northern Europe is just one example of this phenomenon).

With these pressures in mind one of our most important challenges will be to embark on our respective branding and promotional journeys with an eye on how much we have in common and how we share one species. We both will likely focus on what makes the species so special based on history, sustainability and the people who bring it to market, highlighting lobster’s health benefits and the fact that this industry sustains thousands of communities from Maine to Newfoundland. At the same time we naturally will be proud and promote the provenance of our own offerings, from our company, province, state and country. As we embark on this ground-breaking marketing and promotion effort it will be important to remember that our Homarus americanus is a shared species, with historical cross-border movement keeping the lights on in thousands of U.S. and Canadian communities. This promotion effort should provide us with the guidance to think regionally and nationally but with the continental view always in mind.
Andrew Gove, 83, is a man who sticks to things. Take, for instance, lobstering. On this day in early December he has just returned from bringing in another fifty of his 600 traps. Seven years ago, when he was less than seven years old, he was doing the same thing but on a smaller scale.

Gove received his commercial lobstering license in 1937 at the behest of his grandmother. “It cost a dollar,” he recalled. “She told me I had to have it if I was going to haul my traps. She taught me to follow the rules.”

Gove was born in Stonington at the start of the Great Depression when money was scarce. Two weeks after his birth the family moved to Eagle Island, west of Deer Isle. “My father [Wilbert Gove] done most anything he could,” Gove said. “It was hard to find something to eat then.” At age two, when his parents were expecting another child, Gove moved in with his maternal grandparents, who raised him to adulthood. The two families lived next door to each other on Eagle Island.

“My grandfather taught me how to plant on his own. ‘I thought there wasn’t much to it. I figured I was going to have some two-foot carrots,’” he recalled. So he laid fertilizer down a row and then planted his carrots. “I think the Chinamen got them, they was so deep. I decided I would fish and get someone else to raise the vegetables,” Gove laughed.

When he was a youngster, Gove sold his lobsters for 10 cents a pound. A good haul was one hundred pounds. “I remember the price went up to 12 cents and we thought that was great,” he said. As a child, he used his money to buy school clothes. Eventually he progressed from a rowboat to a small wooden boat. “My grandfather got this 14-foot sailboat from a lady out to Isle au Haut. He took the centerboard out and put in a 5 horsepower one-cylinder Grey engine,” Gove said. “I just about wore myself out crank ing that engine!”

Times were hard and Gove decided at the start of his sophomore year in high school to concentrate on fishing. “I had to put food on the table,” he explained simply. His next boat was a 22-foot wooden boat built for a local summer person. The boat was sturdy but not elegant. Other fishermen nicknamed her “the goddamn pumpkin seed.” When the V8 Ford engine

**MLA MEMBER PROFILE:** Lobstering, racing, all part of a full life
By April Gilmore, MLA Navigator

As we move into 2014, we are still getting news almost daily about changes in implementation of the health care law and the health insurance marketplace.

Many people are confused about the health care law and the health insurance plans available through the marketplace. As the health insurance Navigator for the Maine Lobstermen’s Association, I have heard some positive feedback from people who are now able to get their applications completed through the www.healthcare.gov website. Many are finding that the health insurance plans available through the Marketplace have better coverage than what they had before.

And those who qualify for a subsidy will help lower the cost of your insurance.

Premium tax credits and cost sharing will help lower the cost of your insurance. You when wait times are shorter. We are hearing that off-peak hours, after 6 p.m. and before 6 a.m., are times with less traffic on the site.

Despite the improvements, there are many who remain frustrated with the www.healthcare.gov site where their applications are in limbo. Fortunately, there are now a few options to make enrollment easier.

If you started an application during the early days of www.healthcare.gov, during October and November, you may have found your application was hung up because of a need for more information, an incorrect eligibility determination or your application was stuck in a "loop" -- continuing to get the same error message no matter how many times you logged into your account. If you were one of the many who experienced these situations you can now remove your initial application and start over with a new one. To do this, log into your account home page and click the link to remove the application, it will delete the application. Next, log back in, click ‘Start a new application’ and re-enter your information.

If you received a message stating that you did not qualify for a subsidy on www.healthcare.gov and you think it’s incorrect, you should use the ‘remove application’ option and start from scratch. Alternatively, you can apply for an appeal to reassembly your determination, but this will likely take much longer. If you sent in a paper application by mail, you can find out if your application has been processed by contacting the call center (800-318-2596). The majority of paper applications have been processed but, due to technical difficulties, some eligibility notices have not been mailed out. Call center representatives can pull up your eligibility determination and provide your application ID number. Be sure to write down your application ID and also the ID number for the call representative you speak with for your records. This may be helpful if you need a Navigator or certified assister to track it later. If your paper application has not been processed because more information is needed, you should be contacted directly by the call center.

Premium tax credits and cost sharing can help lower the cost of your monthly premium. Your eligibility will be based on household income. A household comprises all those who are listed on your income tax return. For example, if you are a family of four, (e.g. a husband and wife who file a joint income tax with two dependents) with a total household income between $24,217 to $96,868, you could qualify for one of the two subsidies offered through the marketplace.

If you qualify for a subsidy, you can apply it to your monthly premiums or you can choose to use it later at tax time and receive it as a refund. If you over- or under-estimated your income, you’ll either get the difference as a refundable credit or repay the excess subsidy when you file your income taxes. If you realize later in the year that your income will be more or less than what you put on your application, you can update your marketplace account at any time throughout the year to reflect the current income amount. It’s important to make this update if you receive a subsidy and then find your income is not what you predicted.

If you are a fisherman, it’s hard to predict an income amount for the year to come. The best thing to do is to itemize income tax returns from the previous year to make a projection. The 2014 income amount you should use on your application is your Adjusted Gross Income from your 2013 taxes, which is line 37 on your 1040 tax form. The health insurance application located on www.healthcare.gov will walk you through answering the income questions and then identify the subsidy amount you are eligible for.

I have received numerous questions regarding whether a fisherman whose business is incorporated should use the Small Business Health Options (SHOP) marketplace or the individual marketplace. The SHOP marketplace is designed for businesses that have fewer than 50 employees, not for individuals. Under the law, those businesses have to offer health coverage. SHOP is available to them if they choose to use it.

In most cases, both the Captains and sternmen will want to use the individual marketplace because affordable health insurance is not offered through an employer.

The SHOP is more likely to be used by a small business, such as a fishing supply store with 10 or 20 employees. The employer can purchase small group health insurance plans through the SHOP marketplace. Small businesses purchasing health insurance through the SHOP may qualify for a subsidy in order to lower the monthly premiums.

Although it can be an involved and frustrating process to enroll in a health insurance plan through www.healthcare.gov, please remember that you will have to pay a penalty if you are without health coverage after the open enrollment deadline of March 31, 2014. The penalty will be 1% of your income in 2014. For example, if you make $50,000 in 2014, you would owe a $500 penalty when you file your taxes in 2015. The penalty increases each year; in 2016 the rate increases to 2.5% of your income or $695, whichever is higher.

The IRS will receive notification of your health coverage status when you file your taxes, so if you choose to go without insurance, you will pay
By Melissa Waterman

The transition from the Maine Lobster Promotion Council (MLPC) to the new Maine Lobster Marketing Collaborative (MLMC) took a major step in December when the board members of the new MLMC met for the first time on December 4. The purpose of the MLMC, which was created by the state Legislature during the spring, 2013 session, is to provide for effective marketing and promotion of Maine lobster. With a $750,000 annual budget for its first year, the new MLMC will deliver its five-year work plan to the Joint committee on Marine Resources this month.

The 11-person MLMC board includes representatives from the lobster harvester, dealer and processor sectors, public members, and representatives of the Departments of Marine Resources and Economic and Community Development. At its first meeting, board members expressed their individual reasons for taking part in this new organization.

Luke Holden is co-founder and president of Luke’s Lobster, a restaurant chain begun in New York City in 2009. He and his partner, Ben Conniff, now operate a $8.5 million company with nearly 150 employees and restaurants or food trucks at eleven locations in New York City, Philadelphia, and Washington, D.C. Holden recently opened a seafood processing plant in Saco called Cape Seafood LLC, which processes more than 300 crates of lobster each day, to provide a steady supply of Maine lobster for his restaurants. “I grew up in the seafood business,” he explained. His father, Jeff Holden, started Portland Shellfish. “I worked with him, lobstered for four or five years, then went into investment banking, and now restaurants,” he expressed the hope that through the MLMC the industry can “become more transparent and be able to collaborate more.”

Emily Lane, vice president of sales for Calendar Islands Maine Lobster, has more than 25 years of experience in the seafood business. For the past fifteen years she has been involved in exporting Maine lobster and other products overseas. She became well known to many during her tenure with Claw Island Lobster on Vinalhaven. She also served as the chair of the former Maine Lobster Promotion Council for several years. This past summer she arranged for a group of South Korean chefs to visit Maine and meet with lobstermen, visit processors, and taste Maine lobster. The trip proved beneficial not only to Calendar Islands but to other businesses in the industry. “We need to do more of this,” Lane said. “We need to bring in buyers from other countries and also take Maine out to the rest of the world.”

Peter Miller is a lobsterman from Tenants Harbor and co-owner of Millers Wharf. He also served on the former MLPC board. “We need to put an emphasis on quality. We need to develop lobster’s snob appeal and elevate its desirability,” he said. “If we can increase demand, that will help me and help us all.”

Maine Tourism Association Director Vaughn Stinson said that he learned years ago the difference between a hard-shell and a soft-shell lobster when he worked for Delta Airlines in Atlanta, Georgia. Local restaurants there received their lobsters from Maine via airfreight and, said Stinson, “you definitely saw the difference when those lobsters were delayed or stayed on the plane too long!” Stinson said that serving on the MLMC board is a natural fit for him. “Visitors to Maine want to enjoy Maine lobster. I want to see higher visibility for the product and a growth in sales. That will bring a bigger return on investment for processors and brokers,” Stinson also served previously on the MLPC board.

Bar Harbor town council member Paul Paradis echoed Stinson’s thoughts. The second generation to operate Paradis Hardware in Bar Harbor, Paradis brings a small businessman’s view to the board. “I think we need to raise awareness of Maine lobster,” he said. “But uniting harvesters behind our efforts will be a challenge. To do that, we have to show results.” Paradis holds one of the public member seats on the MLMC board, Founder of Cushman Creative, a brand marketing firm based in Port Clyde, Cushman has been involved in marketing for more than fifteen years. She is married to Gerry Cushman, a fifth-generation fisherman in Port Clyde. “We need to spend the money we have now in a smart way,” she cautioned. “What is the message? What does the audience need to hear from us? We now have an opportunity to take ownership of the brand.”

Department of Marine Resources Commissioner Pat Kilcher, who also has a seat on the board, emphasized that the MLMC is not a government organization. “DMR does not promote any seafood. We are a regulatory agency,” he said. “There’s a lot riding on everyone’s shoulders here, not to put any pressure on you. The name [MLMC] matters. This all revolves around collaboration.”

At the board’s second meeting on December 17, John Sauve, who drafted the Lobster Advisory Council’s Project Maine Lobster in 2012, gave an overview on the elements of marketing and branding, highlighting a framework for board consideration as it moves forward with the planning process.

“I would say that the board has enthusiastically embraced the opportunity to move Maine lobster into this new marketing era and certainly has hit the ground running,” Commissioner Kilcher said at the second meeting.

Garbo Lobster

Garbo depends on the hard work and stewardship of Maine lobstermen.

Thank you!

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The MLMC board. Front row, left to right: Paul Paradis, Karan Cushman, Emily Lane; Hugh Reynolds. Back row: Luke Holden; Pat Keliher; Peter Miller; Vaughn Stinson; Frank Gotwals; Brian Whitney. DMR photo.
Maine Lobstermen’s Association

Advocating for a sustainable lobster resource and the fishermen and communities that depend on it since 1954.

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Jack Merrill, Islesford, 244.4187
Craig Stewart, Long Island, 846.3158
Edward Island’s three LFAs accounted for 17% of lobster landings and lobster exports totaling $405 million (85% processed and 15% live). Nova Scotia’s fifteen LFAs accounted for 57% of lobster landings and lobster exports valued at $374 million (82% live and 18% processed). And Prince Edward Island’s fifteen LFAs accounted for 3% of total landings of Homarus americanus, however “the U.S. leads Canada in exports of live lobster, but Canada is the largest worldwide exporter of processed lobster.”

As you dig deeper into the export statistics, you quickly see how closely linked the two industries are. The amount of lobster that crosses back and forth between the U.S. and Canada is truly staggering. “In 2012, the U.S. exported two-thirds of its live lobster to Canada and Canada exported 75% of its live lobster to the U.S. Much of the U.S. live lobster exports to Canada are soft-shelled ‘moulsters’ or ‘shredders,’ processed and exported back to the U.S. In 2012, almost 100% of Canada’s prepared/preserved lobster products were sold to the U.S. along with 75% of its frozen lobster products. Moreover, an unknown amount of Canada’s live exports are repackaged in the U.S. and exported elsewhere or directly re-exported.”

“Excluding cross-border trade, worldwide, the U.S. exported double the amount of live lobster that Canada did in 2012 and 13 times the amount of prepared/preserved lobster. Canada, however, sold three times as much frozen lobster products to world markets as the U.S. In some respects, the U.S. is Canada’s biggest distributor as well as its largest market.”

While the U.S. lobster industry has been growing its export markets and out competing Canada in this arena, it is clear that the U.S. market is huge. For its new marketing efforts here in our own backyard.

As always, stay safe on the water.

Patrice


MAINE LOBSTERMEN’S ASSOCIATION UPDATE

STEAMING AHEAD

As you finish getting your traps out of the water, or shift to a more relaxed hauling schedule for the winter months, I encourage you to spend some time trying to know more about your industry. Most lobstermen are well aware of the links between the Maine and Canadian fisheries. Maine and the Canada provinces land the same species of lobster; the Canadian fishery is larger than the U.S. lobster fishery. The combined lobster landings from the U.S. and Canada in 2012 totaled more than 300 million pounds.

But the dynamics between our lobster fisheries are complicated and precious few people in our industry have any real understanding of the basic market dynamics between the two lobster giants. I recommend two reports, The Report of the Maritime Lobster Panel, released in November, and the federal Fisheries of the U.S. 2012 report, as great places to get informed.

The Report of the Maritime Lobster Panel contains a wealth of information in its Annexes, where the authors present an overview of the management approaches in place in the Canadian and Maine lobster fisheries, as well as a review of lobster market data. The ”Overview of Worldwide Supply and Demand” section of the report presents data that clearly illustrate the strong reliance our two industries have on each other. The numbers presented in the report are stunning. In 2011, landings of Homarus americanus in the U.S. and Canada accounted for 43% of the world’s lobster landings; spiny lobster is second in percentage of landings (28% of worldwide lobster supply) and Norway lobster/Scampi ranks third (at 23%). Canadian lobster landings account for about 53% of total landings of Homarus americanus, however “the U.S. leads Canada in exports of live lobster, but Canada is the largest worldwide exporter of processed lobster.”

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207.976.4555
www.mainelobstermen.org

BOARD OF DIRECTORS’ MEETING SCHEDULE
All meetings take place at Darby’s Restaurant, Belfast.

Jan. 7, noon
Feb. 4, noon

www.mainelobstermen.org
MLA DIRECTORS MEETING SUMMARY

The MLA Directors welcomed the Marine Resources Committee chair, Senator Chris Johnson, and Representative Walter Kuzumia to discuss Committee’s interest in potential changes to the lobster industry’s limited entry system.

The Committee chairs explained that LD 1544 has been held over from last session, giving the Committee the opportunity to evaluate changes to the lobster industry’s licensing system. Some of the Committee’s key concerns included long waiting lists and the preferential treatment of students, both of which impact the Committee’s interest in potential hiring of young fishermen into the lobster industry. The Committee is interested in evaluating some good ideas which could help the state get a handle on latent effort and is worth further discussion.

The MLA Board agreed firmly that latent effort should be addressed. There is latency in the tags that lobstermen are purchasing but not fishing, as well as latent effort embodied in tags that can be bought in future years by younger lobstermen to build up to the trap limit. There are currently people holding on to licenses speculating that one day they might want to retire that license. The DMR’s proposal for a tiered license system discussed last winter had some good ideas which could help the state get a handle on latent effort and is worth further discussion.

The MLA Board provided a lot of feedback. Regarding the notion of changing the licensed or limited entry system, some said that the current system is not broken and simply needs time to work. The new surcharges may start to reduce latent effort as well. Others believe that the current licensing system needs work, and that latent effort must be addressed first. However, they strongly emphasized the need to look at the big picture and set clear goals to guide any changes. Change will be controversial and the industry must agree on why change is needed. They urged the Committee members to remember that people make their living lobstering, so there is much at stake. Those who fish in areas that could be crowded need to continue to base the exit rates on tags, because that is the best measure of effort on the water.

Rep. Kuzumia said that the Committee may consider giving the zones more powers. In general, MLA Directors supported that idea because the lobster fishery is so diverse; what makes sense for Zone A may not make sense for Zone G. It is important, however, to ensure that the lobster management system still makes sense for the state as a whole. Several ideas have come up that warrant further discussion including allowing zones to average the number of tags purchased by a retired license over the previous 5 or 10 years; creating a new license with a lower trap limit for older lobstermen; establishing a revised licensing system for new entrants with a lower trap limit and more stringent reporting requirements.

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Board members pointed out that there needs to be more information about such things as the intentions of those who continue to hold latent licenses, how many of those on the waiting list actually intend to fish, how many on the waiting list began the Apprentice Program under the current rules versus those who started under a different set of rules, and how to deal with transfers differently than new entrants. In the end, the MLA Directors agreed that it is important to get more young people involved and to ensure that the lobster industry is structured in a way that will allow our communities to survive.

The MLA Directors reviewed the Nominating and Bylaws Committee report. The Board requested that the revised draft of the by-laws and operating procedures be sent to the full Board with a 30-day notice that they will be voted on in January. The Board asked that letters go out to those Directors whose terms are expiring to see if they wish to be considered for another term.

Patrice McCarron presented a summary of the Canadian Maritime Panel report highlighting some of the ideas that could help shape discussions in Maine on how to stabilize our industry.

MLA is still awaiting news from the Trade Adjustment Assistance (TAA) report. Maine is one of a few states that signed a commitment to those who completed the full TAA program. Of those who completed the full program, 62% were lobstermen, resulting in payments of more than $8.3 million to Northeast lobstering communities. The Foreign Agricultural Service has the final numbers on how many have completed the full program and would qualify for a ‘true-up’ payment which will pay out the balance of the funds. We do not expect to hear an announcement on how much the final payment will be or when the funds will be available until 2014. The next MLA meeting will be held January 7 at noon at Darby’s in Belfast.

NO SHRIMP SEASON

In early December, the Atlantic States Marine Fisheries Commission’s Northern Shrimp Section approved a moratorium on the 2014 northern shrimp fishing season. The results of the 2013 Assessment Report for Gulf of Maine Northern Shrimp indicated abundance in the western Gulf of Maine has declined steadily since 2006. Current biomass (500 metric tons) is the lowest value in recent history, and well below the biomass threshold of 9,000 mt and the biomass limit of 6,000 mt. Additionally, there has been recruitment failure for the past three years. The ASFMC considers the stock to have collapsed with little prospect of recovery in the near future. “Given the overwhelming evidence of recruitment failure and stock collapse, and continuing unfavorable environmental conditions, the Section felt it was necessary to close the 2014 fishery to protect the remaining spawning biomass and allow as much hatch to take place as possible,” stated Northern Shrimp Section Chair Terry Stockwell of Maine. “When environmental conditions are poor, the ability of the stock to withstand fishing pressure is reduced. With the stock in all-time lows and only failed year classes to come, there is even greater loss of resilience for this stock.” The Section noted that due to this recruitment failure, it is possible that the moratorium could extend beyond one year. In the Gulf of Maine, increasing water temperatures and a decline in phytoplankton abundance are factors which likely have and will continue to contribute to the poor recruitment in the stock.

2014 MAINE SHRIMP LICENSES

The Maine Department of Marine Resources has sent a letter to all 2013 shrimp license holders informing them that the DMR will automatically renew the license for 2014, at no charge. There is no action required by the license holder. If you have already purchased a 2014 shrimp licenses, the DMR will send a refund.

Continued on page 10

Many thanks to these fine businesses, the MLA’s Keeper members!

Allen Insurance & Financial
Atlantic Edge Lobster
Beals-Jonesport Coop
Bell Power Systems Inc.
Bingsticks.com
Calendar Islands Maine Lobster Co.
Cape Porpoise Lobster Co., Inc.
Chapman & Chapman
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Chrisundra Corp.
Coastal Documentation
Cory Cove Lobster Co.
Cooks Lobster House
Cousins Maine Lobster
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Damariscotta Bank & Trust Co.
DB Rice Fisheries
Eastern Tire & Auto Service
Eaton Trap Co. Inc.
Finnen Scindig Co.
F W Thurston Co. Inc.
George Town Fisher-
men’s Coop
Gill Crustacean Bait
Glen Lobster Co.
Grundens USA Ltd
Gulf of Maine Foundation
Guy Cotten, Inc.
HR Beal & Sons Inc.
Holden Seafood Corp.
Inland Fishermen’s Cooperative
Island Fishermen’s Cooperative
Island Seafood II, LLC
John Bean’s Maine Lobster
Kips Seafood Co.
Lake Pemaquid Inc.
Linda Bean’s Maine Lobster
Lobster Products Inc.
Lonnie’s Hydraulic Inc.
Maine Financial Group
Maine Port Authority
Maine Sea Grant
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ing Co. Inc.
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Millers Wharf Lobster
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tion Inc.
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Industrial Inc.
Novatec Braids LTD
Penobscot Bay & River Pilots Assn.
Penobscot East Resource
Center
Pete’s Marine Electronics
PJ Lobster Company
Polymfy US
Port Clyde Fisherman’s
Coop
Port Lobster Co.
Promens Saint John
Quahog Lobster Inc.
Ready Seafood
Red Hook Lobster Pound
Rederem Lobster Co.
Rockland Savings Bank
South Bristol Fishermen’s
Cooperative
Superior Baith and Salt
Superior Marine Products Inc.
The Compass Insurance
Group
The First NA
WD Mathews Machinery
Wells Motor Sales Inc.
Williams CPA Group
LLC
Worcestes Lobster Bait
MAINE LOBSTERMEN’S ASSOCIATION UPDATE

Recreational Shrimp Licenses

With the cancellation of the shrimp season, many have asked if the state will allow fishermen to keep shrimp for personal consumption. The answer is no. While Maine does allow for the recreational harvest of shrimp – up to one fish tote for personal use – that is only allowed when shrimp season is open. Because there is no shrimp season, there is neither a commercial or recreational take allowed this year.

MAINE LOBSTER MARKETING COLLABORATIVE

The newly appointed board of the Maine Lobster Marketing Collaborative met over two days in December to launch the Maine lobster industry’s new marketing entity. The Board elected Stonington lobsterman Frank Grotwals as its interim chair. The Board also formed committees to begin its search for an executive director and to hire an advertising agency. Board members expressed a sense of excitement about the diversity of interests on the board. The Board also formed committees to be held in early 2014.

LEGISLATIVE UPDATE

The Marine Resources Committee met on December 5 and December 13 to begin deliberations on LD 1544, which was carried over from last session to allow for statutory changes to lobster licenses and methods for expanding opportunity in the limited entry lobster fishery. The DMR met with all seven zone councils in the fall to discuss how to reduce waiting times for apprentices on the lists. Zones A and B are moving forward to change their exit ratio basis back to licenses instead of tags; Zone E is considering changing its ratio from 5:1 to 4:1 based on tags retired. Zones F and G did not support any changes, but have requested additional data on exit ratios.

MLA Seeks Nominations from Members for Board of Directors

Here’s YOUR opportunity to get involved in setting the course for the future of YOUR Industry

MLA Annual Meeting will be held Friday, Feb 28 at 9am

MLA Director Nomination Form (detach and return)

Did you know?

• MLA Directors are elected for a 3-year term
• MLA Directors meet monthly except August, in Belfast
• Maximum # of Board members: 30
• Current Board: 23 members
• # Directors with Terms expiring: 6
• Average age of MLA Board: 55
• Youngest MLA Board member: 41
• Oldest MLA Board member: 70
• Number of Board members representing islands: 6

MLA Board representation by lobster zone:

• A 3 (1 expiring)
• B 4 (2 expiring)
• C 4
• D 5 (2 expiring)
• E 2
• F 3
• G 2 (1 expiring)

Nominee Information

Name: __________________________________________________________
Fishing Port: _____________________________________________________
Zone: _______, Town of residence: ________________________________

Please let us know how this nominee could contribute to the MLA Board:
________________________________________________________________
________________________________________________________________
________________________________________________________________

Nominator Information

Name: __________________________________________________________
Lobster Lic. #: ___________________________________________________

Mail your nomination to the MLA office: MLA, 203 Lafayette Center, Kennebunk, ME 04043.
Or fed free to call in your nomination to 967-4555 or email: patrice@mainelobstermen.org.

Thank you for helping to keep the MLA strong!

Up to 5 vacancies anticipated for 2014 Ballot

• You must be an MLA member in good standing to make a nomination.
• All nominees must be MLA members in good standing, who hold a valid commercial lobster license.
• Deadline for nominations: February 3, 2014.
• Feel free to nominate yourself, or someone else.

TAA TRUE-UP PAYMENTS

The MLA has been getting many calls from lobstermen inquiring about the status of a final payment from the TAA program. To date, we have no official news of how much the “true up” payment will be, or when the checks will be issued.

In September, 2010, the USDA’s Foreign Agriculture Service certified group petitions filed by blueberry producers in Maine, lobster producers in the Northeast region (Maine, NH, Mass, CT, RI), and shrimp producers in Alaska and the Gulf and South Atlantic regions. Nearly 6,000 producers applied to participate in the program. Of those who completed the full program, 62% were lobstermen, resulting in payments of more than $8.3 million to northeast lobstering communities.

A total of 4,721 producers completed an initial business plan, receiving $971 each (3,293 of those were lobstermen). A total of 4,361 producers completed the full program, receiving an additional payment of $1,942 (2,698 of those were lobstermen). Those who did not complete part of the training have received notice from FAS. They had 30 days to appeal this, which ended in mid-November.

This means that FAS has the final numbers on how many have completed the full program and qualify for a “true-up” payment which will pay out the balance of the funds. We do not expect to hear an announce ment on how much the final payment will be or when the funds will be available until 2014.

POLLUTION PERMITS REQUIRED NEXT YEAR

In September, 2006, the 9th Circuit District Court nullified a long-standing EPA regulation that exempted certain effluent discharges incidental to the normal operations of all vessels from National Pollutant Discharge Permits (NPDES) permit requirements, including 65,000 commercial and charter fishing boats, 15,000 commercial-use vessels, and 13 million recreational boats, regard—
less of size. The ruling was the result of a ballast water lawsuit brought by Northwest Environmental Advocates et al.

EPA appealed the initial decision but the Court found for the plaintiffs and issued an order requiring EPA to write regulations instituting discharge permits for all these boats. The EPA appealed but the regulations have not yet published.

In addition to ballast water, the NPDES permits for all these vessels covers discharges including but not limited to fish hold water, anchor chain mud, deck wash/runoff, bilge pump discharge, gray or “stick” water, laundry, shower, and galley sink water.

In 2007 the National Marine Manufacturers Association (NMMA) along with other boating and sport fishing groups successfully secured a permanent exemption from Congress for the remaining 80,000 commercial and charter fishing boats (See S. 1578; H.R. 2550).

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The remaining 80,000 commercial and charter fishing and commercial-use boats were not permanently exempted. Rather, Congress provided these sectors with temporary exemptions via U.S. Coast Guard reauthorizations and a provision under the CWA. H.R. 3464 will ensure these vessels are treated appropriately.

The VGP requires burdensome reporting, monitoring, inspections and compliance activities – all subject to heavy fines and citizen lawsuits under the Clean Water Act (CWA) for what seems to be minimal environmental protection. Ballast water management for specific activities that threaten the spread of aquatic invasive species should be managed appropriately. The U.S. coastal fishing industry poses minimal threat to the spread of AIS species since fishing activity primarily occurs in U.S. waters and often in a relatively small geographic area.

The MLA has asked Maine’s delegation to sponsor and support H.R. 3464 – the “Commercial Vessel Discharges Reform Act of 2013” introduced by Rep. Frank LoBiondo (R-NJ) and Rep. Rick Larsen (D-WA). The bill requires “Best Management Practices” under the Federal Water Pollution Control Act be used to address discharges incidental to the normal operations of a vessel for commercial fishing and charter fishing boats regardless of size – rather than the onerous requirements and citizen lawsuit provision under the CWA. H.R. 3464 will ensure these vessels are treated similarly to the requirements for all 13,000,000 sport boats, pleasure craft and yachts in the U.S.

MAINE LOBSTERMEN’S ASSOCIATION UPDATE

Members of the Joint Committee on Marine Resources

Sen. Chris Johnson
(D-Lincoln), Chair
Rep. Peter Doak
(R-Columbia Falls)

Rep. Walter Kumiega
(D-Deer Isle), Chair
Rep. Chuck Kruger
(D-Thomaston)

Sen. Dick Woodbury
(U-Cumberland)
Rep. Wayne Parry
(R-Arundel)

Sen. Ed Mazurek
(D-Knox)
Rep. Jeremy Saxton
(D-Harpswell)

Rep. Ralph Chapman
(D-Brookville)
Rep. Windol Weaver
(R-York)

Rep. Michael Devin
(D-Newcastle)
Rep. Ellen Winchenbach
(R-Waldoboro)

Rep. Elizabeth Dickerson
(D-Rockland)

Clerk: Diane Steward, diane.steward@maine.gov
Analyst: Amy Winston, amy.winston@maine.gov
Legislative Information: www.maine.gov/legis

Present your MLA membership card at the following businesses and receive generous discounts!

Acutech Marine Propeller, Inc.

Applied Refrigeration Services

Bessy Bait, LLC

Coastal Hydraulics

Commercial Fisheries News

Friendship Trap Company

Hews Company

Law Office of J. Scott Logan, LLC

Maine Camp Outfitters

Maine Lobstermen’s Association

Maine Maritime Museum

McMillan Offshore Survival Training

Mount Desert Oceanarium

National Fisherman

Nicholas H Walsh, PA

North Atlantic Power Products

Penobscot Marine Museum

Sawyer & Whitten Marine

Smithwick & Mariners Insurance

SW Boatworks

Weathervane Seafood Inc.

Accutech Marine Propeller, Inc.

Dover, NH – 20% of propeller repairs. Discounts vary by manufacturer for new propellers, shaving and other hardware.

Applied Refrigeration Services

Windham, ME – $250 off new installations.

Bessy Bait, LLC

Seabrook, NH – $5 off each barrel on multiple barrel purchases at the Seabrook NH location with proof of MLA membership.

Coastal Hydraulics

Seabrook, NH – 10% discount on all in stock items for MLA members.

Commercial Fisheries News

Deer Isle, ME – Discounted annual subscription rate for $18.75 with MLA membership noted on check.

Friendship Trap Company

Friendship, ME – 5% off list price on traps at the Friendship store.

Hews Company

South Portland, ME – 10% off all hydraulic components and Cable Craft cables in 2014.

Law Office of J. Scott Logan, LLC

Portland, ME – 20% discount on foreclosure defense and bankruptcy legal fees.

Maine Camp Outfitters

Sunset, ME – 10% off all apparel and promotional product orders.

Maine Lobstermen’s Association

Kennebunk, ME – 10% off to harvesters on MLA merchandise.

Maine Maritime Museum

Bath, ME – Free admission to MLA members.

McMillan Offshore Survival Training

East, ME – 10% discount on USCG Drill Conductor training.

Mount Desert Oceanarium

Southwest Harbor, ME – Free admission for commercial fishermen and their families.

National Fisherman

North Hollywood, CA – Special annual subscription rate of $12.95, use J12MLA code for discount.

Nicholas H Walsh, PA

Portland, ME – 25% off legal services.

North Atlantic Power Products

Exeter, NH – 10% off service repairs of twin disc transmissions.

Penobscot Marine Museum

Searsport, ME – Free admission for MLA members.

Sawyer & Whitten Marine

Portland & Rockland, ME – 10% discount from regular MSRP pricing (doesn’t apply to sale items)

Sea Rose Trap Co.

Scarborough, ME – 5% off trap list price when you show your MLA card.

Smithwick & Mariners Insurance

Falmouth, ME – Discounted vessel insurance plus 5% discount with proof of CG approved Drill Conductor course within the last 5 years.

SW Boatworks

Lamonia, ME – SHOW MLA card to receive $500.00 discount on a new hull or top.

Weathervane Seafood Inc.

Kittery, ME – 10% off retail and mail order purchases. Just mention you are an MLA member.

1-800-914-1774.
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The MLA can help!

Here’s what’s new:
- You have until March 31st to sign up and avoid a penalty.
- You can’t be turned down for preexisting medical conditions.
- You may get financial help with the premium cost.
- Qualified plans offer good benefits and financial protection from serious illness or injuries.
- If you’re under 30, low-premium catastrophic plans are available.
- If you’re 65 or older, you qualify for Medicare.
- If you have coverage, ask your insurer if your plan is qualified for 2014.

HAVE QUESTIONS?

Call MLA’s Navigator April Gilmore at 207-967-4555 or email to april@mainelobstermen.org. She’ll help you figure out your healthcare coverage options for 2014.
What's Under Your Raingear?

New! Nightwatch Puffy
Seals out cold and wind when fishing, working on deck or exploring the outdoors.

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- Inside zippered chest pocket
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10% Disc. ($5.29)
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THE BUSINESS OF LOBSTERING: What to do at tax time

By Nancy Griffin

In Maine each lobsterman is the owner and operator of his own boat and his own business; no one works for a large fishing company or corporation.

A Maine lobsterman is a small businessman, responsible for the many financial and regulatory details that all small businessmen must face.

Many Maine lobstermen have become aware that to be a successful businessman requires a wealth of knowledge, not of the tides and weather, but of accounting, tax law, and business management.

This month Landings kicks off a new series focusing on business topics for lobstermen.

It’s that time of year again—the books are closed on the previous work year, tax time looms and record-keeping begins for small businesses for the new year. Several Maine tax professionals have a few tips for lobstermen to make sure no legitimate expenses and deductions are missed for 2014.

"Not only do small business owners pay income tax on their net earnings, they also pay self-employment tax at a rate of 15.3 percent," said Mike Gangewer, a principal with Local Economy Accounting Solutions in Portland, who has helped hundreds of lobstermen prepare business plans.

"While part of your business earnings are offset by exemptions and standard or itemized deductions for income tax purposes, exemptions and standard or itemized deductions don’t apply to self-employment tax," Gangewer reminded harvesters.

"That’s why it’s crucial to capture all your deductions against business income."

Since records and receipts are all-important for these deductions, to help with this effort Gangewer recommends a separate business account so all business income is deposited in one account.

"Open a business checking account and use it to deposit all your business income and to make your business purchases and pay your business debts. Get a debit card for your business account and use it to make small business purchases," he added. "This way you have a record of all your revenue and expense transactions for the year right on your statement. You still need to keep receipts, but if you log into one of them you will still have a record of the expense."

"Don’t use your business account for personal expenses. Instead, take draws from your business account for personal spending and deposit them in your personal checking or savings account."

"If your business uses credit cards, designate one card for business and use only that one card for business purchases religiously. Credit card charges are deductible in the year of purchase, even if you are a cash-basis taxpayer and don’t pay off the bill in the same year," Gangewer said. "You’ll also be able to deduct the interest on the card, so long as all purchases are business-related."

Mike Nickerson is a certified public account with Nickerson Profession- al Association in Belfast. Nickerson CPAs at the Belfast firm represent many lobstermen and several lobster coops. Nickerson has handled taxes for the Spruce Head Lobster Coop for several years, and he has several suggestions for lobstermen about their potential deductions.

"The biggest area lobstermen cut themselves short on is travel. They use their vehicles a lot to get supplies, etc. It’s all deductible—the proportion of travel used for work, for instance: buying gear, going to coop meetings—anything they wouldn’t have any reason to go to unless it was for work."

"The IRS will always look for ‘intent’ with vehicle use," said Nickerson. "They will want to tell if the lobstermen were in their vehicles with the intent to do business—if you stop on the way home to get milk, it doesn’t change the intent. But the reverse also applies: if you pull over on the way to the grocery store because you see lobster traps for sale, it doesn’t qualify."

Lobstermen must keep a ‘contem- poraneous record’,” Nickerson explained. Anytime you get in a vehicle to do business, you must keep a record that notes the date, purpose of the trip and the number of miles traveled. "The IRS recommends it and so do I," Nickerson said. "I haven’t seen the IRS be real picky about exact miles, as in tenths of a mile," he added.

"Fishermen may fail to keep track of all the trips they make for bait, for instance. It adds up. It’s human nature to tend to underestimate how many miles are traveled for business."

Gangewer agrees that lobstermen should track mileage carefully.

"If you have a home office, the drive from your office to your dock is business mileage because you’re traveling from one business location to another. Document trips to purchase office supplies, trap supplies and cleaning supplies as well. There are apps for your smartphone that can help you track mileage."

"If you use your vehicle more than 50 percent for business you can choose whether to deduct actual costs of operating the vehicle or the standard mileage rate multiplied by the number of business miles. If you purchase a new vehicle, you should consider deducting actual expenses because your depreciation deduction will be substantial in the first few years."

"You’ll also be able to deduct the cost of gas, insurance, interest on your auto loan, maintenance, including car washes and so forth, subject to the percentage of business use. For example, if your operating costs are $1,000 and your business mileage is 75 percent, you can deduct $750," said Gangewer. "Be careful with this however, because if your business use of the vehicle drops below 50 percent in later years you might be subject to increased taxes due to re- capture of some of the depreciation taken earlier."

Gangewer reminds lobstermen that, as with all small businesses, people, lob- stermen should consider deducting cell phone and Internet fees. "Figure out what percentage of your cell phone is used for business and then claim a deduction for the portion used. Same is true for Internet service. If you use your cell phone or the Internet 50 percent for business, deduct 50 per- cent of the cost. Document your logic with a percentage and file it with your tax return."

Even clothing can count, he added.

"The cost of clothing purchased specifically for your business that you wouldn’t normally wear in public is deductible. Boots and foul weather gear to keep you dry out of season would fall into the deductible category. A heavy flannel shirt wouldn’t."

Both accountants encourage taking the deduction for an office in the home, even though it’s considered a red flag for audits. “Maybe it’s an audit flag, maybe not. Who cares, so long as it’s legit,” said Gangewer.

“In order for a home office to be deductible it must be used exclusively for business. Designating a portion of your home exclusively for business can be inconvenient but it can also be worth it. If 10 percent of your home is designated exclusively for business you can deduct 10 percent of utilities, maintenance, insurance, and interest, plus you can depreciate 10 percent of your home’s basis, excluding land value."

“In addition to an office in your home many, if not most, lobstermen have work areas at their homes for trap repair and other maintenance,” Gangewer added. “Talk to your accountant about ways you might be able to depreciate your out-buildings and storage areas."

Minor or major improvements

Nickerson warns that lobstermen should be careful with repairs they do on boats. “If you do something that’s wrong or do minor improvements, that’s okay,” Nickerson said. "If you spend the winter rebuilding the engine, that’s capital improvements" and in IRS eyes it’s the same as trying to depreciate that engine over time."

There’s a caveat: “You’re allowed to (under code section 179) expense a piece of equipment in the year you bought it, so for example a new motor you buy in March you can expense the whole thing in April. But the $250,000 limit under the new law will likely put the IRS off on this."

"There’s a leg to this argument, but the IRS is still looking for a way to keep people honest. The IRS is concerned that there’s a way to deduct the value of a new vehicle without claiming it for business use. That’s where the 50 percent comes in."

"But again, look over your expenses carefully and keep good records. You can’t get away with anything, and if you do, the IRS will be looking at you."
Lobstermen’s Association has been around since 1954; the Downeast Lobstermen’s Association since 1991. The report’s second recommendation in this section suggested that provinces and industry form an organization within the lobster industry, participate in, and pay into a provincial-based organization that would represent their interests in order to work together. “In the end,” the report admonished, “there is nothing to be gained by being disorganized.”

Maine lobster dealers have long recognized the validity of good organization. The Maine Import Export Lobster Dealers Association, created in 1983, provides a place where companies that buy and ship lobster can join forces. Lobster processors, shippers, retailers and wholesalers pay between $250 and $300 in annual fees to become a member. In addition, lobster processors and dealers join Maine harvester representatives on the Maine Lobster Marketing Collaborative (MLMC), a new organization formed by the state Legislature in 2013 to protect and improve the price paid for Maine lobster. In 2013, to protect and improve the price paid for Maine lobster, Maine is also ahead of the game in the near-shore lobster industry operations, in this context, specifically the report calls for the Maritime lobster industry to develop industry grading standards and have uniform grading grade to those standards at sea; for the provincial governments to provide the resources to inspect and enforce where quality standards and grading requirements are not being respected; and for the dealers and processors to begin paying shore prices to fishermen that reflect the value and quality of the catch.

The Lobster Council of Canada has been promoting development of quality standards through meetings with lobstermen in the provinces for the past year. In September, 2013, Canadian harvesters, processors, live shippers, scientists, and federal and provincial government officials met on Prince Edward Island to begin the process of identifying three to five objective quality standards that could be used consistently to categorize lobsters. It was the first of three meetings on how best to identify a lobster’s grade. Following these meetings the task group will recommend the industry-wide adoption of the three to five quality grading standards.

While lobstermen and buyers in Maine have begun to tackle the issues of ensuring high quality standards among lobster landed and shipped in the state, those efforts have been voluntary (see Landings, July 2013). The new Maine Lobster Marketing Collaborative is currently working to develop a brand strategy for Maine lobster, and quality will be an important part of that.

The final set of recommendations in the report addressed issues in the structure of the Maine lobster industry, specifically how the industry is set up and where there are structural gaps that contribute to loss of value. The report terms this a Value Recovery Strategy that, if implemented, would “bring about real change in the Maritime lobster industry; change that will provide a new information base for all players; a dynamic marketing and promotion initiative for Canadian lobster; a mechanism to bring fishermen and buyers, and processors together to work out prices; and the means to pay for these new structural initiatives.”

The Value Recovery Strategy first off calls for creation of an independent Maine Lobster Market Intelligence Institute. The Institute would be independent from both government and industry and provide regular information on market-related issues to all members of the industry who contribute towards funding generic marketing, including lobstermen in Maine. The report endorsed the idea of creating a price-setting mechanism for determining price pre-season. Such a mechanism would be based in legislation but not mandatory. If, however, lobstermen in a certain area of lobstermen are in a fishing association negotiate an agreed-to-price, that price would become the minimum legal price that can be paid to that fleet or group.

To finance all this, the report recommends that a penny for every pound landed be contributed from Canadian lobster and shore-side businesses. The majority of those funds would go to the Marketing and Promotion Campaign while a smaller proportion would go to the Lobster Market Intelligence Institute.

Maine, in this instance, is ahead of the Maritime provinces. After much contentious debate, the Legislature last spring established the Maine Lobster Marketing Collaborative (MLMC) with an annual budget of $1.0 million by its third year of operation. The funds come from a fee attached to the licenses of lobstermen, dealers and processors. Four lobstermen have seats on the MLMC’s 11-person board; three members are dealers or processors and two are public members representing marketing, promotion, retail, food or science expertise.

In addition, the Maine lobster industry received a significant boost when it received certification last spring from the Marine Stewardship Council of London after a six-year application process. That certification acknowledges that the Maine lobster fishery is a sustainable fishery that carries ever-increasing weight in national and international markets. Prince Edward Island has now begun a similar quest for certification from the MSC.

The report’s many recommendations provide an excellent array of ideas for the lobster industry to consider. They cite a report on the lobster industry published in 1932 which noted the need for “basic improvements in fisheries management; the need for systematic collection of market information and better promotion.”

The report repeats this challenge for change, but the authors are clear that “the industry itself is responsible for seeing it [change] through.”

Rules for submission: Please email your photos by February 15 to melissa@mainelobster.org or mail a print to 33 Grove St., Rockland, ME 04841. We will return all photos at the end of the contest.

5TH ANNUAL MLA PHOTO CONTEST

PHOTOS SHOULD ANSWER THE QUESTION: Lobstermen, what do you do when you are NOT fishing?

Categories:
- On land or on sea
- At home or away
- With your friends or by yourself.

Photo by John Delgado 2013

2013 winners are not eligible to enter in the 2014 contest; Winning photos will be reproduced in color OR black & white. One picture may be submitted to ONE picture in each category for a total of THREE entries; do not submit multiple images in individual categories.
health insurance law in 2006, the landscape changed. Fishermen and other uninsured residents of Massachusetts could avail themselves of state-supported health insurance through the Commonwealth Health Insurance Connector Authority. Bartlett’s organization ceased offering a health insurance plan, renamed itself Fishing Partnership Support Services and took aim at a broader task. “There is a real need to find ways to keep fishermen healthy. No one knows that more than someone who uses his body for a living,” Bartlett explained.

FPSS is now involved in a multitude of programs and projects in concert with state and local health care providers. “Our mission is to improve the health and well-being of commercial fishing families, not just the fishermen,” explained Andra Athos, vice president of FPSS. “We offer a variety of health and safety services along the coast.”

One aspect of FPSS’ work is to get health services out to where the fishermen are, when they are there. “These guys don’t work 9 to 5 so the idea is to bring health care to them in port,” Athos said. By drawing on the talents of organizations such as the Dana Farber Cancer Hospital or the New Bedford South Coast Hospital to make miles, FPSS has sent a dermatology van to various harbors to conduct comprehensive screenings for skin cancer. A mobile dental clinic travels along the coast providing dental work not only to fishermen but to their families, members as well. Flu clinics are held at town festivals or at other public events, such as the Massachusetts Lobstermen’s Association Weekend. “At the start, when we moved from land to a house on the Stonington harbor. Gove turned his hand to different types of fishing – halibut, herring seining, scalloping ("the most dangerous job in America"), lobster fishing – and increased his family’s income. Under the federal Affordable Care Act (ACA), the organization acts as a Navigator to assist fishermen to sign up. “After fifteen years running the fishermen’s health insurance plan, I realized that one of the most important improvements in a person’s life is to move from being uninsured to insured,” Bartlett said emphatically. “Someone who has injured his knees or shoulders needs to get treated and get back to work.” The organization has teamed up with the Maine Lobstermen’s Association to act as health insurance Navigators in Maine, helping fishermen thread their way through the enrollment process to sign up for affordable health insurance plans.

Fish was the second-most dangerous job in America in 2012 (logging was the first). The lack of control fishermen exert over such things as price, expenses, and regulations, plus a constantly fluctuating income stream leads to mental stress, not just for the fishermen but for their families as well.

So FPSS is beginning another program, designed to inform family members of other services available to them. “There’s a lot of evidence that the chief decision maker in the family is the wife,” Athos said. “So we are starting a ‘Do You Love a Fisherman?’ campaign to draw in the spouse or partner.” The campaign idea came as a result of several roundtables held with women from fishing communities, who spoke about the peculiar issues that face them and their families. “These are people who have had to do it all for themselves. It’s a lot of stress.”

Bartlett thinks that fishermen are on the cusp of a change in how Americans think about their health and the high expenses associated with U.S. health care. “The entire country is beginning to think about how to take care of oneself in order to get health care costs under control. We are changing our behavior, not smoking cigarettes and buckling our seatbelts, in order to make ourselves healthier,” he said. “Fishermen are tremendously disciplined. They get up and do what they have to with no excuses, no sick days, no vacations. They know how important it is to be healthy in order to do their job.”
For the next four years, he traveled to U.S. Coast Guard engineering license. Knight’s father was B-24 bomber pilot, when I was eleven. “I didn’t fish worth beans but I had a lot of fun,” Knight said with a laugh. “But that’s when I got hooked on lobstering, when I was eleven.”

Knight’s father was B-24 bomber pilot during WWII and was lost at sea during a bombing mission in the Pacific. As a result of the tragedy, Knight’s college tuition at Maine Maritime Academy was paid for, and that is where he earned his bachelor of Science degree in marine engineering in 1967. Upon graduating from Maine Maritime Academy, he received a U.S. Navy commission and earned a U.S Coast Guard engineering license. For the next four years, he traveled to and from Asian ports throughout the Far East. His college years and his few years in the Merchant Marine have been the only years in his life that he hasn’t lobstered since he was eleven. “I got a young guy that goes out with me now,” Knight said with a chuckle. “He’s just 67 years old. He’s my cousin and he’s been lobstering with me for the past twelve years.”

Though he is comfortable and content with his livelihood as a commercial fisherman, Knight has another passion in his life: inventing. Over the past few decades he has patented three inventions, all marine related. Who better to design and create inventions to make fishing and marine mechanics more efficient than a man who has spent the majority of his life at sea?

Knight created his first invention, the “Lazy Clip,” about twenty years ago. It temporarily fairleads the warp from the top of a lobster trap while it is sinking, enabling the trap to land upright on the bottom. “It was difficult finding a place that was strong enough to make the clip,” Knight recalled. His second invention is the Hoop Gate, a one-way gate that prevents lobsters from getting out of the parlor of the trap once they are in. It took seventeen different configurations before it was perfected. “It was difficult to get it fine-tuned enough to not spook the lobsters,” Knight said. Knight’s third invention is the Knight Underwater Bearing, called the KUB. The KUB makes changing propeller shaft bearings on boats much more efficient. Knight’s bearing differs from traditional bearings because it comes apart in two pieces, which allows a boat to remain in the water while the propeller intact when the bearing needs to be replaced. “It’s something a diver can be hired to do, saving many hours of labor time,” he said. Knight has put approximately eight years into development of the KUB but hasn’t put it on the market yet. When it comes to his creative mind, Knight said he has always been curiouns and enjoys trying to figure things out, especially if it can help people. Inventing is just one of the things he likes to do, along with deer hunting, when he is not out lobstering. “You don’t have to be a rocket scientist to be an inventor. Anyone can invent,” he said. A great job of tracking fishermen’s inventing over lobstering, Knight said, “In the wintertime, yes! But I do enjoy lobstering.” Knight won’t say if he has another invention in the works now, but he does offer this advice to up-and-coming inventors. “If you encounter a problem, think about it and try to solve it. If it doesn’t work, keep trying. If you can think about it and solve it by coming up with something better, then you are an inventor.”

By Shelley Wigglewirth

Sixty-eight-year-old Richard Knight has been fishing out of Perkins Cove in Ogunquit since he was eleven years old. “My grandfather built me a ten-foot, square-ended punt and I fished with half traps. We weren’t strong enough to lift full traps,” Knight said.

Gangewer stresses the importance of keeping good records to prove why you take certain positions on your tax return regarding the area of your home office, use of a vehicle for business, and the amount of your cell phone that is for business use. His overall advice to lobstermen is always to use a tax professional. “Even if it’s not me!” he said. “They should work with a CPA who has knowledge of and experience with fishermen. I usually recommend that fishermen don’t go it alone, even with the help of programs like Turbo Tax.”

LOBSTERMAN AS INVENTOR: RICHARD KNIGHT

Tax tips continued from page 15

acquire it. But it means fishermen make an ‘election’ to expense the item,” Nickerson said. “For the IRS, an important thing to remember is, if you declare it as a ‘repair’ on your return for a certain year, and assume that if the IRS disallows it, you will then ‘expense’ it,” he explained. “That won’t work.”

“Tin two years later the IRS decides to audit your return, they won’t let you capitalize after the fact,” said Nickerson. “You have to make the ‘election’ to capitalize that equipment, using section 179, for the year you put the equipment into service.”

Capital construction fund

Another cost-saver for lobstermen is the Capital Construction Fund. “The Capital Construction Fund is a special fund through the National Oceanic and Atmospheric Admin-
Downeast Maine is home to the two most fishing-dependent counties on the east coast of the United States, Washington and Hancock counties. And lobster makes up over 80% of the total catch landed in this area of Maine. That makes the area particularly dependent on a single species. To combat that dependency, 45 students from seven coastal Maine high schools decided to design an alternative fishery for Downeast Maine as part of the Eastern Maine Skippers Program (EMSP).

In 2012, Deer Isle-Stonington High School and Penobscot East Resource Center jointly started the Eastern Maine Skippers Program. It aims to provide aspiring commercial fishermen in schools from North Haven to Eastport the skills needed to be successful fishermen in a time of rapid environmental and regulatory change. Students from Vinalhaven, North Haven, Deer Isle-Stonington, Blue Hill, Ellsworth, Mount Desert Island and Narraguagus high schools collaborate with each other via technology-based learning and in regular face-to-face workshops. The students worked with staff from Penobscot East Resource Center in Stonington and the Department of Marine Resources to design a trap-based winter flounder fishery. During the course of the winter the students will study the life history of winter flounder, including prey choice, behavior, and habitat preferences. They will also study the rules that influence development of a commercial fishery in Maine. Since there is currently no fishery for winter flounder, the students plan to apply to the Department of Marine Resources Advisory Council in January to obtain a special license.

Teams from each school then will engineer a flounder trap to catch the largest amount of legal flounder possible while also minimizing bycatch. They will have to design the trap dimensions, orientation, weight, fish entry routes and mechanisms for the exit of unwanted species. While designing and field testing the innovative flounder trap technology, the students will collect data that will also address the question of whether it is possible to start an economically and environmentally sustainable trap fishery in Downeast Maine. They will present their findings to the Department of Marine Resources Commissioner in May.

SUCCESSFUL VESSEL SPEED RULES STAY IN PLACE TO PROTECT RIGHT WHALES

NOAA press release

On December 6, 2013, the National Marine Fisheries Service NMFS announced that it was eliminating the sunset clause for regulations requiring vessel speed restrictions along the east coast in order to keep these whale protection measures in place. The regulations, which went into force in 2008, restrict vessel speeds to no more than 10 knots for vessels 65 feet or greater in overall length in certain locations and at certain times of the year. The purpose of the regulation is to reduce the likelihood of deaths and serious injuries to endangered North Atlantic right whales which are at risk from being hit by the ships. The speed regulations would have expired December 9, unless the sunset clause was removed.

"The Maine Lobstermen’s Association strongly supported elimination of the ‘sunset clause’ and continuation of the rules that require vessel speed restrictions," said Patrice McCarron, MLA executive director. "The Maine lobster fishery and other trap and gillnet fisheries along the east coast have been subject to ongoing regulations to protect endangered whales. The Maine lobster industry has most recently been required to convert to sinking groundline, at great economic, operational and safety cost to the industry. It is important that the shipping industry continue its efforts to complement the work being done by fishermen to reduce human-caused serious injury and mortality of endangered whales."

Federal scientists say that over the previous 20 years, there had been an average of one right whale death per year attributed to ship strikes. That number has declined in the past five years. "There have been no vessel strikes killing whales during that period in which the rule was in effect," said Gregory Silber, the coordinator of recovery activities for endangered whales at NMFS. Researchers estimate that there are approximately 500 identified North Atlantic right whales which travel from the Gulf of Maine to their calving grounds in southeastern United States and the Caribbean each year.

No North American right whales have been struck by vessels since vessel speed restrictions were put in place in 2008. NOAA photo.
In December, Maine Sea Grant hosted a forum on the presence of green crabs in Maine. Green crabs (Carcinus maenas) are an invasive species that harm clam, mussel, and other native shellfish populations. The meeting, held at the University of Maine in Orono, was attended by 300 people and viewed online by 350 people.

The day began with three keynote speakers: Dr. Brian Beal, University of Maine-Machias, Chris McCarthy, Kejimkujik National Park, Nova Scotia, and Dr. April Blakeslee, Long Island University, Beal, whose presentation was about the ecology of green crabs in Maine, said he began to see green crabs in 2007 around Freeport. "There were no signs of green crabs from 1999 to 2006, and then suddenly, green crabs in 2007," he said. He noted that there was an increase in water temperature in 2006, which allowed the crabs to survive. "Green crabs cannot feed in temperatures below 7°C (44°F)." On average, there are five to six months a year with temperatures above 7°C and about seven months a year with temperatures below 7°C.

McCarthy presented a case study of green crabs from Kejimkujik National Park in Nova Scotia. He outlined the three components needed to control green crabs: a way to remove a large number of green crabs, a use for green crabs, and minimal operating costs. McCarthy found more crabs than researchers had thought were present in the water around the park, but with trapping efforts there are now fewer crabs being caught per trap. He also said the average size of the green crabs has decreased and eelgrass population and distribution has improved. "We found that initially we can decrease the crab population, but we still have lots to learn for long-term reduction," McCarthy concluded.

Blakeslee spoke about the introduction of the tiny crabs to the United States. "There were two major introductions [of green crabs] to the western Atlantic," Blakeslee said. "The first was historical. Green crabs were found in the mid-Atlantic United States in 1800." The second, she continued, was more recent, occurring around 1990 in eastern Nova Scotia. The crabs were brought in a ship's ballast water to Nova Scotia and then transported to Newfoundland.

In August, 2013, the Department of Marine Resources (DMR) organized a coast-wide trapping effort to provide a snapshot of green crab populations in Maine. "The purpose of this effort was to investigate. We don't have anything to compare it to," explained Kohl Kanwit, director of the bureau of public health at DMR. "There were about 40 trips completed along the coast, ranging from Lubec to Biddeford, all by volunteers." Kanwit said. The green crabs have had a marked impact on soft shell clam populations in Freeport and other coastal towns. Preliminary results from the survey indicated that 94 percent of the 221 traps deployed between Biddeford and Lubec had at least one crab in them. Seventy-five percent had at least 20 crabs. One trap caught 575 green crabs while the highest catch rate was in Searsport, which had an average of 191 crabs per trap.

Green crabs are having a dire economic effect on shellfish harvesters and an environmental effect on eelgrass beds and shoreline banks. The big question, though, is how to get rid of the crabs without causing more damage to the shoreline.

Denise Skonberg, a food scientist at the University of Maine decided to see if green crabs could be used for human consumption. Skonberg and graduate student Jason Galetti explored options for mechanical separation technology. They found that the separation process worked best on smaller crabs and were able to produce a crab meat puree. "It doesn't look very appetizing, but the quality was satisfactory for human consumption. We decided to develop a product that hid the puree," she said. Galetti cooked up green crab empanadas – a fried pastry dough filled with crab puree, corn, onion and seasonings. The empanadas scored fairly well when presented to a test panel. "63% of the panel said they would buy this product if it was available locally. The flavor was the highest score, which is very promising for a new product," she said.

Another option may be to ship green crabs to foreign markets. Ron Howe, from Tidalwater Seafood Company, a New Brunswick company established in October, explained, "There are markets for these crabs in China, Japan, and Taiwan. We want to work with you to get them there." He said the company's goal is to work with Maine harvesters to buy green crabs and to increase the return to fishermen. "We arrived here during a perfect storm," Howe said. "In Canada it's more like a super storm."

"We need to find a way to eradicate these critters. And it needs to be all of us working toward the same goal."

The last part of the Green Crab Summit was dedicated to control and mitigation. Cynthia McKenzie, from the Department of Fisheries and Oceans (DFO) in Newfoundland, talked about the lessons they have learned in recent years. McKenzie said green crabs are controlled in their native habitat by a parasite that castrates the crabs, but if that parasite was introduced to Newfoundland, it would attack the native crab species. So in that province officials try to control green crabs through trapping and beach clean-ups involving local communities and fishermen.

"This meeting is the first step to deal with this very real issue," concluded DMR Commissioner Pat Keliher. "If we can link the removal of green crabs to aquaculture and to food products, then we won't need one silver bullet – we will have a way to all work together." Keliher hopes the summit is the first of many meetings and outreach efforts to address the green crab invasion. "We need to find a way to eradicate these critters. And it won't be done by just the DMR, or just the clammers; it needs to be all of us working toward the same goal."
TOURISTS CAN ADD DIVERSITY TO COMMERCIAL FISHING

By Tom Groening
Published in Working Waterfront, Dec., 2013. Reprinted with permission.

The concept is simple. Instead of glaring at tourists taking photos of you unloading your gear on the town landing, take a few of them out to haul with you. And charge them.

This scenario may be oversimplifying the idea, but there is ample evidence that fishing and tourism can find common ground.

That campground owners and lobstermen would sit down in a classroom together, as they did in December at the University of Maine Hutchinson Center, was itself evidence of their willingness to consider diversifying income and joining forces. The workshop was the first of three along the coast sponsored by Maine Sea Grant, University of Maine Cooperative Extension, the Lobster Institute, the Sea Grant Law Center and the Island Institute (publisher of The Working Waterfront).

“We know that natural resources drive the economy on the coast,” Natalie Springuel of Maine Sea Grant told participants. Fishing, aquaculture and tourism are big parts of the coastal economy, she said, and “more businesses on the coast of Maine are looking to diversity.”

Travelers increasingly “are looking for experiences, meaningful experiences,” Springuel said. “They want to meet the people making a living here.” Rather than just take photos of a lobsterman on his boat, that fisherman should consider “taking people on the boat to make a few extra bucks.”

Tourism niches such as nature, heritage and cultural are among the fastest growing sectors, she said, “so there’s an opportunity.” But how can it be done legally? And how can it be done without risking a million-dollar lawsuit from a visitor whose hand gets mangled in the winch?

Scott Gunst, a captain himself who is a lawyer from the Philadelphia firm Reeves McEwing, explained the hurdles that must be cleared to carry passengers on fishing boats. A category known as “six-pack boats,” those that carry six or fewer passengers, do not require U.S. Coast Guard inspection, he said, but the vessels must be in compliance with all Coast Guard regulations: life preservers, a throwable flotation device, fire extinguisher, VHF radio and a safety orientation for passengers.

“Be in compliance,” Gunst urged. “It can get very expensive very quickly.” The Coast Guard does courtesy inspections for would-be passenger vessels, he said, in which problems are pointed out.

Compliance with the Americans with Disabilities Act comes when a boat owner makes reasonable accommodations for those with disabilities, he said. Boat owners can deny or restrict access to a vessel if there are legitimate safety concerns. If a boat owner denies passage to a person with a disability, the reasons must be articulated in writing, he said.

A larger issue is legal liability. Gunst recommended that fishermen planning to carry passengers talk to insurance brokers and learn about their options, rates and concerns. “In general, you want to get the most insurance that you can,” he said.

Some of the ways liability can be limited are to have passengers sign waivers (although courts typically don’t find them binding); have written procedures on how to handle problems; have enough crew aboard; mark the deck or tell passengers where they may not stand; and explain the nature of traversing waves. “You don’t really know people’s backgrounds,” Gunst said. “They may be from the Midwest and never been on a boat before.”

Though tourists enjoy hands-on experience, “Paying to play,” such as allowing passengers to haul traps, “is not a good idea,” he said. A way around that dilemma is to have passengers take turns taking photos of the lobsters, while standing back at a safe distance.

Dana Morse of Maine Sea Grant, one of the facilitators, said that fishermen in other parts of the country have done such things as hire a bird expert to come aboard, if “birders” are among likely passengers. They also might form partnerships with local innkeepers to offer a day on the boat, and work with their local Chamber of Commerce, he said.

Aquaculture ventures also hold potential as tourism draws. Sebastian Belle, executive director of the Maine Aquaculture Association, told the group. With 180 shellfish, fin fish and plant operations in the state, those touring a bay or river by boat may want to see the operation up close, Belle said.

For the last two years, the aquaculture group has put “interpreters” on ships in the American Cruise line as they pass through Maine, and they explain to passengers how the fish farms work, as they stop for a look.

Some fish farmers offer samples of the products being raised to those visitors, he said, thereby growing their market and educating the public.

Maine is becoming known nationally among “foodies,” several said, and events such as the oyster festival in Damariscotta and the salmon festival in Eastport draw visitors and can boost business for fish farmers, Belle said.

From Maine Office of Tourism
2012 Calendar Year Annual Report

Maine entertained nearly 16 million overnight visitors in 2012, a 4.7% increase over the estimated number of overnight visitors in 2011.

Two-thirds of those visitors came to Maine for a leisure trip.

The summer season attracted the highest proportion of overnight visitors to the state, with 57% visiting during the summer months.

Winter visitation showed the largest year-over-year increase at nearly 7%, with summer and fall visitation showing smaller increases (4.7% and 3.5%, respectively).

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Maine Aquaculture Sees Rebound

About a decade after Maine’s salmon-farming industry tanked, the aquaculture industry is continuing to rebound and has become more diverse than it was when it consisted solely of Atlantic salmon. Sebastian Belle from the Maine Aquaculture Association said the industry is in better shape now than before the crash because of new salmon aquaculture practices and a greater variety of aquaculture offerings, with shellfish now accounting for roughly 20 percent of the value of the catch and freshwater trout now being raised in Maine.

There also has been an influx into the industry of younger people — most of them displaced commercial fishermen. Thirteen years ago, the salmon industry was bustling with 1,200 workers. But it crashed quickly after an outbreak of fish disease, the pullout of companies using Norwegian strains of salmon following an endangered species listing for wild salmon, and a federal judge’s ruling that several salmon operations violated the Clean Water Act.

New Brunswick-based Cooke Aquaculture came into the state and reopened salmon pens with new practices to control pests and disease.

Meanwhile, Maine’s shellfish aquaculture, mostly oysters and mussels, has been growing at a pace of 8 to 10 percent per year for the past decade, Belle said.

Scallop Season Thriving

Maine scallop fishermen kicked off their season Monday with some of the highest per-pound prices ever seen, helping to offset harvesting restrictions put in place to better manage the fishery, a state official said.

Fishermen in the scallop-rich waters of Cobscook Bay near the Canadian border were being paid $12 to $13 per pound on the opening day, far higher than last season’s prices that ran between $7 and $9. In 2012, fishermen hauled in 2.4 million pounds of whole scallops, or about 290,000 pounds of meat, the best harvest in a decade. The catch was worth $3.2 million.

Last year, about 400 fishermen took part in the scallop fishery, and that number is expected to be higher, especially with the shrimp fishery shut down. So far, the restoration efforts that began in 2009 with the closing of 20 percent of fishing grounds off the Maine coast appear to be working.

Warm Water Costs Shrimp Season

Fishermen will lose income and shrimp processors fear their industry will be harmed worldwide because of regulators’ decision in December to cancel the 2014 shrimp fishing season in the Gulf of Maine in response to the species’ collapse. The Atlantic States Marine Fisheries Commission voted to close the Gulf of Maine to shrimpng after a harvest last winter that was the smallest since the last shutdown of the fishery, in 1978.

About 85 percent to 90 percent of the annual harvest in the Gulf of Maine is typically caught by Maine boats.

Regulators said the warming ocean and the absence of the normal springtime surge of plankton, a critical link at the bottom of the ocean’s food chain, have hurt northern shrimp. The shrimp harvest averaged about 25 million pounds a year from 1969 to 1972 before falling below 1 million pounds in 1977, leading to a closure of the fishery a year later. There were similar down cycles in the late 1990s and early in the last decade.

History of Common Sailors Revealed

The Maine Maritime Museum in Bath has introduced its Merchant Mariners Muster, an online repository of information about common sailors of the late 1700s to the early twentieth century extracted from millions of pages of shipping company and personal documents. The online collection highlights include important and revealing correspondence between captains and owners, correspondence with families, construction details of ships, detailed documentation of port visits and charter, cargo and insurance information. The database contains only data from the 45 manuscript collections of the original grant-funded project. The museum plans to add data from other collections in its holdings.

Although all the collections are Maine-related, many of the source documents are records of travels to major and minor ports all over the world, and therefore contain names of mariners who signed aboard those Maine ships. The new Merchant Mariners Muster can be viewed at www.mainemaritimemuseum.org.
In January, the Maine Department of Marine Resources will be announcing a series of meetings for the Commissioner to meet with the lobster industry.

January 7
MLA Directors Meeting, noon, Darby’s Restaurant, Belfast. FMI: 967–4555.
Zone D council meeting, 6 p.m., Rockland Ferry Terminal.

January 8
Second session of the 126th Maine Legislature convenes.

January 9
Confused about your healthcare options? 5 p.m.-7 p.m., Porter Memorial Library, Machias. FMI: 967-4555

January 13-16
ASMFC Menhaden stock assessment data workshop, St. Petersburg, FL.

January 14
NEFMC herring committee meeting, Portsmouth, NH.

January 16

January 24-26
Mass Lobstermen’s Association Annual Weekend, Sea Crest Resort, Falmouth, MA. FMI: www.lobstermen.com

January 28-30
NEFMC meeting, Portsmouth, NH.

Upcoming
February 4
MLA Directors Meeting, noon, Darby’s Restaurant, Belfast. FMI: 967-4555.

February 4-6
ASMFC winter meeting, Alexandria, VA.

February 27-March 1
Maine Fishermen’s Forum, Rockport, ME.

FARM CREDIT OFFICES CONSOLIDATE THIS MONTH

Farm Credit East and Farm Credit of Maine are pleased to announce that the stockholders of both Farm Credit cooperatives overwhelmingly voted to merge the two leading agricultural credit associations.

"Both association boards and management teams are excited about this opportunity to bring together two successful Farm Credit associations. The combined association will benefit from further diversification of its loan portfolio, increased size and impact within the national Farm Credit System," said Andy Gilbert, chairman of the Farm Credit East Board of Directors. "The expanded pool of talent and experience will enhance member service and allow Farm Credit to continue to deliver long-term value for our customer-owners for generations."

Final approval needs to be given to the merger by the Farm Credit Administration. If all conditions are met, the newly merged association is expected to begin operation on January 1, 2014 under the legal name of Farm Credit East, ACA.

Hank McPherson, chairman of Farm Credit of Maine’s Board, said, “By merging, Farm Credit of Maine chief executive officer Raymond J. Nowak added, "From a strategic perspective, this strengthens Farm Credit’s ability to remain the most dependable and trusted source of credit for the region’s agricultural, commercial fishing and forest products industries. This should also help this customer-owned cooperative continue to grow as these industries evolve and fulfill its rural-based mission in the region."

Bill Liptinski, chief executive officer of Farm Credit East, concluded by saying, "Both ACAs are coming off excellent years and are financially and operationally strong, which is the most opportune time to implement a merger. This is a strategic opportunity to position Farm Credit in the Northeast for future change in order to maintain Northeast agriculture’s continued access to global money markets and to compete with large regional banks and other funding institutions.”

Farmer Credit will serve agricultural producers, forest product businesses, commercial fisherman and other rural landowners with combined assets of more than $5 billion and a portfolio in excess of $14,000 loans.

The two Farm Credit cooperatives provide loans, leases, appraisal and crop insurance services to family businesses in Maine’s agricultural, forest products and commercial fishing industries. The state-wide credit cooperative is governed by a seven-member board of directors, six of whom are elected by its customer-owners.
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