



Atlantic Surfclam and Ocean Quahog Fishery Performance Report

April 2021

The Mid-Atlantic Fishery Management Council's (Council) Atlantic Surfclam and Ocean Quahog (SCOQ) Advisory Panel (AP) met via webinar on April 22, 2021 to review the Fishery Information Documents and develop the following Fishery Performance Report. The primary purpose of this report is to contextualize catch histories for the Scientific and Statistical Committee (SSC) and Council by providing information about fishing effort, market trends, environmental changes, and other factors. A series of trigger questions listed below were posed to the AP to generate discussion of observations in these fisheries. Please note: Advisor comments described below are not necessarily consensus or majority statements; in those cases, the differences in opinions are noted.

Advisory Panel members present: Thomas Dameron, Peter Himchak, Samuel Martin, Jeff Pike, and David Wallace.

Others present: Jessica Coakley and José Montañez (Council staff), Doug Potts (GARFO), Peter Hughes (Council member), Wendy Gabriel and Ed Houde (SSC Members), Ron Larsen (Sea Risk Solutions LLC), and Guy Simmons (Sea Watch International).

Trigger questions:

1. What factors have influenced recent catch (markets/economy, environment, regulations, other factors)?
2. Are the current fishery regulations appropriate? How could they be improved?
3. What would you recommend as research priorities?
4. What else is important for the Council to know?

Critical Issues (not in any priority order)

COVID-19: Sales to restaurants (foodservice) was very low year-on-year for 2020 and the first quarter of 2021; with the expectation that the effects of this may be ongoing and/or longer lasting. Seventy-five (75) percent of all seafood is sold in restaurants in the U.S. Because of the pandemic landings and sales have been reduced. All processors are continuing to operate to protect jobs within their organizations, causing inventories to rise dramatically. Inventory is being built without much in additional sales. This causes additional storage costs as well as other expenses, which cannot continue in perpetuity without increased demand and sales. If this continues, it will continue to result in lower/reduced landings. If retail starts opening back up this will help relieve some of these added expenses. Distribution is starting to increase in anticipation of the opening up, and many are preparing for improved sales, but at this point it hasn't helped the bottom line.

Research: It is important that the Mid-Atlantic Council, and their representatives on the Habitat Committee and Habitat Plan Development Team (PDT), continue to support any research projects that would increase harvest opportunities within the Great South Channel Habitat Management Area (GSCHMA). Research should support a structure of ongoing Essential Fish Habitat (EFH)/HMA review that is responsive to new data collection, regardless of the source, and climate-driven species distributional changes. The development of a question driven process to periodically review EFH/HMA status is needed and is not presently in place.

The SCOQ AP recommends the NEFMC and MAFMC pursue a cross Council workshop to, 1) review the management process in the GSCHMA, 2) better understand what research is being conducted in the area, 3) describe the process for ongoing management of these areas (as things change related to climate), and 4) develop a common understanding what this means for the process of managing these clam access areas in the GSCHMA. It is unclear what is essential in these areas and what data might be needed to address modifications to these clam access/HMA areas going forward. One of the areas that is presently allowed to be fished by clam vessels in the GSCHMA is called the Fishing Rip. This area, although open to fishing, is not a viable location due to the how hard the bottom structure is with boulders; it destroys gear. This highlights the critical nature of collecting and analyzing accurate data to identify effective areas for clam vessels to harvest surfclam.

In terms of MSA reauthorization, stronger requirements to review the EFH designations and any associated management measures (e.g., gear restricted areas, habitat closures) should be included in the statute to ensure these provisions are more responsive to the climate-related changes to the quality of the fish habitat, as well as changing conditions in the clam fisheries and other fisheries the Council manages.

Access to Fishing Grounds: The development of wind energy and aquaculture areas, protected marine areas and historic monuments, and other offshore ocean uses have become a critical issue for our industry. All of these activities have the potential to reduce safe access to historically used fishing ground resulting in a greater concentration of fishing effort in smaller areas.

Other Important Issues

The SCOQ AP would like to request that surfclam and ocean quahog AP members have two seats on Fishery Management Act Teams (FMATs) for issues related to these fisheries.

Quotas

The advisors would like to see status quo quotas and the suspension of the surfclam minimum size limit for the upcoming fishing years. The stability in the quota translates into stability in the fishery and market under normal circumstances (which do not include pandemics). There is uncertainty in the market in 2021 under COVID-19. The peer review committee that did the surfclam assessment agreed that it was well done and surfclam are not overfished and overfishing is not occurring (in 2019).

Market/Economic Conditions

For surfclam and ocean quahog, there are occasional landings in Ocean City, MD. It used to be significant but is no longer. Cape May and Wildwood, NJ are no longer significant. Most of the fleet is fishing out of Pt. Pleasant and Atlantic City, NJ, Oceanview, NY, Hyannis, MA (surfclam only), and New Bedford and Fairhaven, MA. Trucking costs and the distance needed to travel to harvest clams has put greater economy on scale and location.

Increasing foreign imports and foreign competition puts a constraint on price, and the price cannot be increased to absorb all the additional costs and still be competitive in the marketplace. Clearwater (clam company in Canada) has been sold to a new syndicate, so it has gone from a public to private entity - it is expected that the bulk of their product will be sold in the U.S. This is exerting additional pressure on the marketplace. The limits to demand for clams in the market is driven by many market factors including foreign seafood competition, other products in the marketplace (e.g. chicken, etc.), shifting toward healthier market products (e.g. clam sushi, etc. versus a fried or cream-based product), and competition with other ingredients, as clams typically are not a center of the plate product. There are also some complicating factors related to U.S. relationships with China and the EU in terms of marketing and sales, including trade tariffs.

COVID-19 dominates issues related to the market and economic conditions. It is unclear how and when this will change the markets going forward. Processors have been looking into ways to adjust to current market conditions with ready-to-eat product lines as the fresh retail and restaurant sales have declined; although processors are preparing for and anticipating increases in going forward.

Over the last year, LaMonica Fine Foods has focused its efforts on building the retail markets and had great success in increased distribution of Retail Canned White and Red Clam Sauces, Clam Juice and Chopped Clams. In addition to canned items, LaMonica Fine Foods has added processing Breaded Calamari and Scallops for the Retail/Foodservice trade. 2020 also was an opportunity for LaMonica Fine Foods to create an online store to sell all of its products direct to consumers. With great demand for the canned items, they also added a line of LaMonica “Simply Mediterranean” 5 variety of Italian/seafood seasonings, 4 varieties Artisan Pasta, Imported Italian Extra Virgin Oil and Balsamic Vinegar. Over the next year they will be working on developing a line of Frozen Seafood Pasta bowls for the retail trade that will be microwavable and will fit the needs and demands of today’s consumer.

In 2020, the Bumble Bee clam factory in Cape May experienced very strong demand and production due to the overall increase in seafood consumption during the COVID-19 pandemic. Typically, the plant halts production at the beginning of the year for cleaning and maintenance but had to come back up early in Q-1 2021 to meet demand. Employment levels have been steady with no issues. Overall, sales were also strong primarily driven by COVID-19 pandemic. The plant uses ocean quahog as its prime ingredient; there were no resource issues, and the supply of raw material remained adequate.

Environmental Conditions

Many species (including surfclam and ocean quahog) are moving northward and into deeper waters. This movement is temperature driven. Historically, about half the quota for quahog used to be taken in the Southern area. Surfclam are increasing in these Southern areas, possibly because of the faster growth rates for surfclam settling when compared to quahog. The natural shift in the stock distribution northwards has driven the movement of the fishery. For more details, see the Surfclam Fishery Information Document.

General Fishing Trends

The landings per unit effort (LPUE) is not indicative of stock abundance because it only reflects the fishing occurring in a few ten-minute squares (see Fishery Information Documents). The LPUE has leveled off in recent years. The LPUE continues to be higher on Georges Bank and there are 4 permitted vessels in the open portion of the Georges Banks closed area. Vessels fishing in Nantucket Shoals (which tend to be smaller vessels) are operating on seasonal closures - and must fish in other areas when access is not available.

Fleet Capacity

Fleet capacity continues to stay static. The overall quotas are not being harvested. The driving factors are from the marketplace and not an inability to catch the quota. The processors are unable to demand the prices at which the products are sold, because the vendors essentially dictate the prices to the processors. This has limited the amount of capitalization that can be done in this fishery. The fleet continues to age, and there have been limited new builds, which has resulted in increased maintenance time spent to refurbish vessels.

Optimum Yield (OY)

The industry was comfortable with a maximum OY of 3.4 million bushels for surfclam in terms of production. For ocean quahog a maximum OY of 6 million bushels is reasonable in terms of production. Landings for quahog have been below the OY range because of demand for quahog.

Wind Development

The clam advisors are concerned about the BOEM (Bureau of Ocean Energy Management) wind farm leasing process and potential impacts to historically important fishing areas. The industry's opportunities to engage with developers on wind array siting relative to the most productive clam fishing beds has not been productive.

This resistance in cooperation lends to the notion that the clam fishery and the ocean wind developers cannot coexist as the developers have made no attempt to give the clam industry any consideration in their layout of their arrays and the spacing between the turbines which will make it unsafe for clam vessels to work within wind farms. Siting is critical in terms of ensuring reasonable fishing access. It has been the experience of the clam industry that any communications by BOEM, wind energy developers, or state regulators is purely perfunctory and true mitigation efforts will not be made.

In the New England and Mid-Atlantic region, offshore wind development is out of control. The industry feels that no matter how hard they try to engage with developers on these issues, their input is not being considered or incorporated into the siting and development process. The spatial and operation requirements of the fishery (considering things like weather, tides, safety, etc.) need to be accounted for to ensure access to the wind arrays, but at present that is not happening. These arrays become de-facto Marine Protected Areas and the Councils and industry have nothing to say about how the fishing grounds are managed within the arrays. Unlike finfish, clams do not move, so once the vessels cannot fish in an area those resources are lost to the fishery and the value it brings to the economy. These areas are also likely to be lost to survey data further impacting the biomass estimates of the fishery.

The Council needs to consider the biological impacts on the fishery itself, and other cumulative environmental effects that may occur. These should include things like productivity of the resource, larval displacement, scour and sediment suspension, hydrographic changes, and effects of sounds and other pressures on the zooplankton community (which includes food for clams). In addition, in water structures from offshore wind or other types of closures (e.g., GSCHMA) will result in vessels having to travel further and having a larger carbon footprint.

Science and Research Initiatives

Industry continues to do research with the Science Center for Marine Fisheries (SCeMFiS), an industry, university, and National Science Foundation (NSF) supported research center and that has several completed, ongoing and recently funded research projects: <http://scemfis.org>

There are ongoing projects led by Rutgers University to identify economic impacts and develop economic models associated with wind energy development on the surfclam industry.

There is an ongoing RODA Knowledge Trust project (funded by NYSERDA) for surfclam and ocean quahog (as well as some other fisheries) designed to identify economic exposures of lost access for harvesters, processor and shoreside facilities of as a result of future build out of wind energy lease sites.

Research Priorities

The AP feels that MAFMC and NEFSC needs to consider how the fisheries independent surveys will take place within wind energy arrays once constructed.