



COVID-19 Update from America's Fisheries and Farmlands Virtual Briefing -- July 27th, 2020

Economic Impacts on the Seafood Sector

Seafood supply chains have been upended by the COVID-19 pandemic. Given the global scale of the seafood economy and the central role of China as both a processor and consumer of seafood, impacts on the US fishing sector began to be felt in early January before the first cases of COVID-19 were reported domestically and stay-at-home orders were announced. Both the disruption in international markets and the eventual closure of restaurants in the US, where around 70% of consumer spending on seafood occurs, have caused significant decreases in demand and in the ex-vessel price of catch. The Washington Post has reported that sales of seafood in restaurants have declined by 90%, and the price of species like flounder has plummeted from \$4 wholesale to 50 cents a pound.

Despite the significant challenges that the seafood sector faces, there have also been a few bright spots. Year-over-year retail sales of seafood were up by 40% in the early weeks of the pandemic according to the Wall Street Journal. Direct producer-to-consumer sales of seafood have also been significantly higher, with community supported fisheries across the US reporting record-high sales. However, while this subset of the seafood sector has overperformed during the COVID-19 pandemic, these increases are not enough to offset the total losses incurred across the sector.

Based on anticipated annual revenue of roughly \$100 billion, annual losses for the seafood sector are potentially in the range of \$49 billion nationwide (taking into account the dramatic reduction in restaurant sales and parallel increase in retail sales). Fishing businesses have likely been hit the hardest, since many are facing the combination of price reductions and declines in sales at the dock, and have consequently lost more than half of their revenue. Based on preliminary data, researchers at the University of Maine estimate that small and medium-scale fisheries account for 35-55% of annual landings, which totaled \$5.4 billion in 2017.

Impacts on Commercial Fishermen – Alaska Survey

More than 800 Alaska commercial fishermen participated in a survey conducted by [SalmonState](#) this spring asking them how COVID-19 was impacting their fishing operations and what they needed in order to mitigate those impacts. Summary of results:

- Fishermen's top concerns regarding COVID-19 as it relates to their commercial fishing business: 1) loss of income; 2) preventing the spread of COVID-19 in coastal communities; and 3) bad policy decisions happening while fishermen are distracted.
- In order to try and mitigate the negative impacts of COVID-19, fishermen are doing more work with less time and fewer resources. Over half of respondents indicated that they

would seek additional non-fishing income. Some said they would fish a longer season; others plan to fish with fewer crew members. Many fishermen indicated that they would employ a combination of strategies to mitigate the effect of COVID-19 on their business.

- Emergency funds directly to fishermen are the number one thing fishermen need as they face the 2020 season and beyond. 82.73% indicated that emergency funds intended to support fishermen could be best applied as direct payments to affected commercial fishermen, with the second and third most popular options being favorable debt consolidation opportunities (33.25%) and debt forgiveness (28.61%).

[Full results can be found here.](#)

Policy Recommendations

1. Provide \$2.7 billion in direct funding for fishery participants
 - a. Prioritize captains and crew who fish over permit-holders who are not active fishery participants
 - b. Designate at least half of relief funds for small and medium-scale operations
2. Expand eligibility and allocate \$2.7 billion to existing programs for the benefit of fishermen and seafood businesses, including:
 - a. USDA Coronavirus Food Assistance Program (CFAP)
 - b. USDA Local Agriculture Marketing Program (LAMP)
 - Farmers Market Promotion Program
 - Local Food Promotion Program
 - c. USDA Beginner Farmer and Rancher Development Program
3. Enact legislation similar to the Keep America's Working Waterfronts Working Act (HR 3596) and establish a Working Waterfront Grant Program.
4. Pass the Fishery FUNND (Fishery Failures: Urgently Needed Disaster Declarations) Act, to improve the federal fishery disaster process and ensure more timely disaster relief for impacted communities.
5. Require Country of Origin Labeling, and provide tax credits as an incentive for restaurants to sell wild-caught American seafood.

For your reference, here are links to the [May 4th letter](#) from members and allies of the Local Catch Network and the [May 12th letter](#) from the Fishing Communities Coalition requesting additional COVID-19 relief from the federal government for commercial fishermen and seafood businesses.

If you have any questions, please feel free to contact NAMA's Policy Counsel, Rosanna Marie Neil, at rosanna@namanet.org.