



April 30, 2017

The Honorable Joyce A. Maker, Senate Chair  
The Honorable Walter A. Kumiega III, House Chair  
Joint Standing Committee on Marine Resources  
Cross Building, Room 206  
Augusta, ME. 04333

Senator Maker, Representative Kumiega, Honorable Members of the Joint Standing Committee on Marine Resources:

I am Paul Dobbins, CEO and co-owner of Ocean Approved, Inc. Ocean Approved is the nation's first commercial kelp (seaweed) farming operation, operating two farms in Casco Bay. In addition, we operate a seed nursery in South Portland, and a processing facility in Saco that produces fresh frozen ready to eat kelp products that are shipped all over the country.

Seaweed farming is the largest component of marine aquaculture globally. It is practiced in 35 countries and the weight of the annual farmed seaweed harvest is greater than 40% of the total weight of all marine species harvested from sea farms. According to the UNFAO, 2015's harvest was worth over \$7 Billion to farmers.

The US imports from Asia 99% of the seaweed purchased by institutions and consumers. The market is estimated to be greater than \$500 million and growing at 7-8% annually. American consumers and food service operations are seeking a domestic alternative to Asian farmed seaweed products due to their concern over Asian water quality.

Each year we run out of product in which to meet the growing demand for Maine seaweed products. An important aspect of our growth strategy is to purchase seaweed from other Maine farms. Unfortunately, the complexity and long duration of the lease permitting process experienced by other farmers is slowing our ability to grow.

Today we are in the middle of a third financing round to fund the expansion of our processing facility. One of the key questions from our current and prospective investors is if we will be able to purchase enough seaweed from other Maine farms. There are fisherman who want to farm for us, but our board and prospective investors are extremely concerned about the long duration of the leasing process.

I wish I could stand before you today and testify in person in strong support of **LD 1438** "An Act to Improve the Aquaculture Leasing and Licensing Laws". Kelp is a winter crop and we started harvesting our farms this week. As such I cannot get away from our operation.

With it taking from 1 to 2 years to process a lease application, I am very much in favor of the steps proposed in this legislation that will help reduce the load on the DMR, and enable them to reduce the time it takes to process lease applications. In addition to reducing the time it takes to process an application, doubling the length of a standard lease reduces the perceived risk in the eyes of investors. Our investors

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have over \$1,000,000 invested to date, and their key concerns about the future are focused on the leasing process.

I am also in favor of the concept of the second component of this legislation which would reduce the time and effort to expand an existing farm site. However, the current wording of the legislation makes it all but unworkable to an operation like ours. A 10% increase in size of our farms would not translate into a 10% increase in production due to the geometry and rig of how kelp farms are set up. Our kelp is grown on long lines, and experience has shown us that our farms should not be more 330 yards long. The lines run the length of the farm and are spaced 4 yards apart. On one of our farms, a 10% increase in size would result in our being able to add 1 line, for an 9% increase in yield. On our second farm a 10% increase would not provide enough room to put in an additional line. As written, this aspect of the law would not help us at all.

If the increase allowed were 25%, I would be able to add 3 more long lines for a 27% increase in yield, and on my second farm I could add 2 long lines. Investments we would make immediately.

The other aspects of the farm expansion component of this legislation make it all but unworkable from a farmer's standpoint. I respectfully suggest that a farm expansion be at the discretion of the Commissioner and be based on the area's environmental carrying capacity for such an expansion, and the history of good stewardship of the farmer. If there are no conflict of use, or environmental issues at the farm, and the farm is paid up on its yearly rent, this should be a quick and efficient paperwork exercise.

Maine has an opportunity to create significant economic development through aquaculture, and this legislation is an important step to realizing this potential. I urge you to consider the changes noted above to the legislation and vote to pass it.

Respectfully,



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