

Scout Wuerthner

From: Scout Wuerthner
Sent: Tuesday, February 13, 2024 12:58 PM
To: Patrick.Keliher@maine.gov; lorraine.Morris@Maine.gov; molly_ross@collins.senate.gov
Subject: Financial Impact of January 2024 Storms on Inland Seafood Wharves in Milbridge Maine

To: Pat Keliher, Molly Ross ,

Ask: Inland Seafood requires Federal and State of Maine support to rebuild wharves damaged in January 2024 storms.

Background:

- Consecutive unprecedented storms in January 2024, caused major damage to our Milbridge wharves and facilities. Estimate attached for reference.
- Meeting the several insurance deductible of 50K plus limited coverage for wharf repairs requires a significant capital expenditure for Inland.
- Inland will need to outlay between **\$400 – 600K** to ensure buildings and wharfs are fully operation again.

History:

- Inland Seafood although based in Atlanta, GA is one of the oldest lobster entities in the state of Maine.
- **1989** Inland purchased pound on Knickerkane Road and built their original tank room in Boothbay.
- **Mid 1990's** Inland bought **2** additional wharves and an additional pound in Milbridge.
- **Late 1990's** Inland purchased an additional wharf and **3** pounds in Vinalhaven.
- After acquiring the Vinalhaven buying station jointly with Portland Shellfish, Inland acquired **Claw Island Food**, a whole cooked lobster company that was on the verge of bankruptcy. After running on the Island for 2-3 years Claw Island operation moved to a more accessible mainland location in South Portland where we continue to process lobster to this day.
- Additional locations added to substantial infrastructure in the past 5 years includes our facility in Eastport Maine, Lighthouse Lobster and a **\$1.6M** new tank room at our Milbridge facility.

Recent history - 2023:

- Inland purchased over **2.7M #** of lobster off our owned wharves and additional **2.1M** from our Co-op and dealer partners.
- **1.5M #** of lobster were purchased from Canada and sold from our tank room in South Portland, Maine.
- Processed **3M #** of lobster in our South Portland facility.
- We have diversified our product line adding a substantial oyster, clam and scallop distribution leveraging Inland's southern distribution and our national wholesale partners.

Our Future:

- Inland's Corporate Board does not currently see a profitable future in Maine as a lobster entity faced with the reality of adding another **\$ 400-600K** to sustain a business with *marginal profitability* over the past 10 years, the Inland Board of Directors is considering selling some the property. Current real estate market would yield a few million dollars. As we have learned in Maine, working waterfront cannot be recovered when lost to the private sector.
- More working waterfront is at a great **risk**. I am confident with the extensive storm damages along the coast in January, Inland Seafood is not unique.
- With the potential loss of Inland's facilities, fishermen are directly impacted with few places to offload their catch as well as access to bait, fuel, ice—the basic necessities of sustaining the lobster industry in Maine.

I am hopeful with your understanding of both the fishers and the dealers and your influence you can again support efforts to ensure the viability lobster industry in Maine. We need your help in securing favorable and accessible financing.

I look forward to discussing how we can keep Inland Lobster alive in Maine.

Your time and consideration are greatly appreciated-

Scout Wuerthner

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