



MAINE

Lobstermen's Association, Inc.

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To: The Marine Resources Committee

From: Patrice McCarron, Executive Director

Re: Support of LD 2002, An Act to Extend the Maine Lobster Marketing Collaborative to December 31, 2031

February 5, 2026

Senator Tepler, Representative Hepler and members of the Marine Resources Committee, my name is Patrice McCarron, and I am the Executive Director of the Maine Lobstermen's Association (MLA), Maine's oldest fishing industry trade association. For 72 years, the MLA has advocated on behalf of Maine lobstermen and the long-term sustainability of our state's most iconic fishery.

The MLA is testifying in support of LD 2002, *An Act to Extend the Maine Lobster Marketing Collaborative to December 31, 2031*. This position follows thoughtful discussion and careful consideration of real and valid concerns raised by many lobstermen after a particularly difficult fishing season. Those concerns deserve attention, but we should not dismantle a long-term marketing investment based on the experience of a single, extraordinarily challenging year.

We respectfully urge the Committee to support the continuation of the Collaborative based on the quality of its work to build the Maine lobster brand by telling the lobster industry's story of sustainability and heritage, but also encourage the Committee to consider the need for ongoing evaluation, improvement, and alternative funding strategies.

There is no question that profitability was the most significant challenge facing Maine lobstermen in 2025. At its simplest, reduced landings, lower boat prices, and rapidly rising operating costs combined to erode margins. However, 2025 was a uniquely complicated year marked by market disruptions we do not yet fully understand.

The industry entered 2025 coming off near-record boat prices in 2024. The year was quickly defined by sweeping and often unpredictable tariff announcements, uncertainty over whether lobster would trade freely between the United States and Canada, weakened consumer confidence, and instability throughout the supply chain. On the processing side, Cozy Harbor Seafood, a highly respected processor for 45 years, filed for bankruptcy in July 2025. Inland

Lobster ceased processing operations, instead sourcing from Luke's Lobster in 2024. These events signal significant changes in the market and a level of uncertainty facing the lobster industry.

Lobstermen were met with slower landings and lower than expected boat prices. This was particularly frustrating through the fall when consistent strong landings never materialized and the boat price weakened. That frustration has been felt most acutely by Downeast lobstermen, who consistently receive lower boat prices than other regions of Maine and Canada. Lobstermen lack the ability to set prices that reflect their costs of production, making periods like 2025 especially discouraging.

Against that backdrop, it is understandable that frustration over boat price has been directed toward the Maine Lobster Marketing Collaborative. Concerns about profitability deserve serious attention from this Committee. However, ending or weakening investment in marketing Maine lobster at this moment would be a risky response to a market-driven crisis.

Lobstermen, dealers, and processors fund the Collaborative, with lobstermen serving as the primary contributors because harvesters far outnumber dealers and processors. As investors, they are right to demand accountability and assurance that the Collaborative is adapting to changing markets and supporting the industry in meaningful ways.

At the same time, the Collaborative has done substantial and important work on behalf of Maine's lobster industry. The industry has supported its focus on domestic marketing and efforts to reach both consumers and supply-chain buyers to maximize the impact of its spending. It has also been effective in educating consumers about the sustainability of Maine lobster, paving the way for the growth of lobster rolls and food trucks, and pivoting its strategy during COVID. This work helped lay the groundwork for the record boat prices seen in 2021.

The Collaborative has also played a critical role in issues management, helping protect the Maine lobster brand during the right whale crisis and following the loss of sustainability certifications. More recently, we have learned that farm-raised spiny lobster is gaining market share, underscoring the growing need to differentiate wild-caught Maine lobster and defend the integrity of the brand.

The MLA urges this Committee to support reauthorization of the Collaborative while also considering thoughtful changes to ensure it remains adaptive and effective. The Maine Lobster Marketing Collaborative was created in 2013 in response to an industry crisis, when boat prices fell to \$2.69 per pound in 2012. The industry now finds itself in another profitability crisis, driven by declining landings and prices alongside rapidly rising costs.

The Collaborative is not responsible for the current crisis, but it may be able to do more to support the industry moving forward. While the MLA does not claim to have the answers, we offer the following ideas raised by members of the industry for the Committee's consideration:

- Formally assess the return on investment of the Collaborative's work, including clear performance benchmarks and recommendations to sharpen its mission in a changing economy.
- Consider expanding the Collaborative's mission to include monitoring market conditions and factors influencing lobster prices, increasing transparency and improving communication across the supply chain.
- Review the Collaborative's current marketing contractor and consider issuing a Request for Proposals to evaluate alternative approaches.
- Explore alternative funding mechanisms, including a per-pound assessment or direct state investment, recognizing the lobster industry's importance to Maine's economy.

The Maine Lobstermen's Association respectfully urges this Committee to support LD 2002 and reauthorize the Maine Lobster Marketing Collaborative. Ending or weakening our investment in marketing Maine lobster right now would be a risky response to one extraordinarily difficult year.

Thank you for your consideration.