

**TESTIMONY OF  
Patrick Keliher  
Department of Marine Resources**

**The Department of Marine Resources (DMR) is testifying  
In Support of  
LD 338 An Act To Amend the Law Governing the Maine Lobster Marketing Collaborative  
Before the Committee on Marine Resources  
Sponsored by Senator Miramant  
Date of Hearing: February 23, 2021**

Senator Miramant, Representative McCreight, and members of the Joint Standing Committee on Marine Resources, my name is Patrick Keliher, Commissioner of the Department of Marine Resources, and I am testifying on behalf of the Department in support of LD 338. This a Department bill, and the Department is grateful to Senator Miramant for sponsoring it on our behalf.

Maine's lobster industry has had an organization responsible for the marketing and promotion of Maine lobster since the early 1990's, when the Maine Lobster Promotion Council was originally created. Over time, the Council was instrumental in raising awareness of Maine lobster, but its efforts were constrained by a very modest budget for marketing and promotion (~\$300,000 annually). The Council was reinvented in 2013 through legislative changes establishing the Maine Lobster Marketing Collaborative (MLMC). At that time, the budget for the Collaborative was substantially increased through the creation of larger surcharges on harvester, dealer and processor licenses. Beginning in 2013, the surcharges increased each year for 3 years, culminating in surcharge levels that currently provide approximately \$2.25 million annually toward efforts to grow demand for Maine lobster, both live, as well as a variety of value-added products.

The MLMC was reviewed, and renewed at its current funding levels by the Legislature in 2017. Under current law, the MLMC will sunset in October 2021. This bill would remove the repeal, and make the license surcharges ongoing at their current levels.

The impetus to reinvent and strengthen efforts around the marketing of Maine lobster that led to the creation of the MLMC was the challenges the industry experienced around an unexpected glut of product in the early summer of 2012, and resultant crash of the boat price. New and previously unimaginable challenges arose this past spring, when many of the major markets for lobster – restaurants, casinos, and cruise lines - were shuttered overnight, due to the pandemic. The MLMC responded by shifting its focus to expanding retail markets, encouraging consumers to prepare lobster at home.

Maine's lobster industry has a landed value of nearly \$500 million and generates additional economic activity of roughly \$1.5 billion annually. It is critical that this industry, which is so

integral to the economic health of Maine's coastal communities, has a mechanism to promote its product and buffer it against changing market conditions. In addition to its promotional efforts, the MLMC plays an important role communicating Maine's message of sustainability and long-standing commitment to the conservation measures that have sustained the resource for generations.

I am sure that Marianne LaCroix, Executive Director of the MLMC would be pleased to provide the Committee with a detailed explanation of their recent programs, as well as their future plans prior to your Work Session. I encourage you to support their continued efforts through the passage of this legislation. Thank you for your consideration, and I would be happy to answer any questions you might have.