

**STATEMENT FROM  
NATIONAL MARINE FISHERIES SERVICE  
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE**

**IMPACTS OF COVID-19 PANDEMIC ON U.S. FISHERIES**

**BEFORE THE  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION  
U.S. SENATE**

**JULY 29, 2020**

**Overview**

Good morning, Chairman Wicker, Ranking Member Cantwell, and Members of the Committee. My name is Paul Doremus and I serve as the Deputy Assistant Administrator for Operations within the National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NOAA Fisheries) in the Department of Commerce. NOAA Fisheries is responsible for the stewardship of the nation's living marine resources and their habitats, including managing productive and sustainable fisheries, safe sources of seafood, the recovery and conservation of protected resources, and healthy ecosystems—informed by sound science and an ecosystem-based approach to management.

NOAA has a robust process in-place for actively monitoring and adjusting operations during emergencies and is doing so in response to the COVID-19 pandemic. NOAA's systems are continually monitored and staff are routinely prepared to ensure operational continuity. At this time, NOAA Fisheries remains operational; however, some key functions, such as certain fisheries surveys and field research, have been temporarily suspended due to social distancing requirements and related safety considerations. As we continue to manage operations, we are focusing first and foremost on the health and safety of our staff and partners, and evaluating current and upcoming operations based on mission priorities and operational risks. NOAA Fisheries will continue to fulfill our mission to the greatest extent possible under the current circumstances, maintaining our nation's seafood supply and protecting marine life while minimizing risks to staff and facilities. Today, I will speak to the impacts of the pandemic on U.S. fisheries and the broader seafood industry.

**Overview of COVID-19 Impacts**

Since March, NOAA Fisheries has taken a proactive role in monitoring and adjusting to COVID-19 impacts. In keeping with our mission, the agency conducted a rapid economic assessment to identify immediate impacts of the pandemic on the U.S. seafood industry. Based on the rapid assessment, the agency recently published a report, *NOAA Fisheries Initial Impacts Assessment of the COVID-19 Crisis on the U.S. Commercial Seafood and Recreational For-Hire/Charter Industries*, which includes an initial snapshot of COVID-19 effects on the industry nationally and regionally as of March 2020.

Initially, some elements of the seafood industry in the United States felt the impacts of COVID-19 due to the broad scale closures of ports and seafood processing facilities in China beginning in late January as China enacted stringent protective measures, including quarantines and stay-at-home orders to all but essential workers, to reduce the spread of the virus.<sup>1</sup> As COVID-19 spread globally, the United States and many other countries implemented social distancing and other protective measures to reduce transmission rates, including closing restaurants but eventually extending to stay-at-home guidance and later stay-at-home orders for all but essential workers. These measures had a swift and sweeping impact on many U.S. fisheries but especially on fresh, high-end products that are primarily sold to restaurants. Domestic shellfish aquaculture operations were similarly hard hit by restaurant closures. Further, as social distancing measures expanded, the for-hire recreational industry, especially in southern states with active fishing seasons already underway, was essentially shut down as customers stayed home and public docks closed.

However, those interviewed indicated that in contrast to the fresh fish market, consumers dramatically increased supermarket purchases in late March 2020 of shelf stable and frozen product forms—including canned tuna, Alaska pollock and king mackerel. Sales figures for this surge in supermarket sales published in the seafood and food trade press included a greater than 100% increase in sales of canned tuna fish compared to the same week last year while sales of frozen seafood increased 65% from March 15 to April 26<sup>2</sup> compared to the same period in 2019.<sup>3</sup> However, because restaurant sales accounted for 60% to 70% of seafood sold in the United States pre-COVID-19, increases in supermarket sales have not offset the loss of the restaurant trade.<sup>4</sup>

The COVID-19 crisis and associated market and international trade disruptions have not only altered the way the seafood industry does business, the crisis also provides an opportunity to rebuild in a way that addresses longer-term systemic challenges. These challenges include reducing the cost of goods for U.S. seafood relative to foreign competition, modernizing or expanding U.S. processing capacity to reduce reliance on foreign processing of U.S. seafood (especially China), expanding domestically sourced supply by making full use of wild harvest catch and developing U.S. aquaculture, pivoting to new product forms and market delivery techniques, and generating greater demand for U.S. seafood through generic seafood marketing and promotion. Support for these transitional actions will help the seafood industry rebuild more quickly and to increase industry resilience to potential future crises and market shocks.

### **Sector-by-Sector Breakdown**

For U.S. wild-caught commercial fisheries, fisheries reliant upon the Chinese and other Asian markets were immediately and significantly impacted by COVID-19 as demand collapsed in key

---

<sup>1</sup> From 2015-2019, China was the United States' top export country for the January through May timeframe. China was the second largest source of seafood imports into the United States for this period.

<sup>2</sup> See, for example, <https://www.undercurrentnews.com/2020/05/04/opinion-can-tuna-sustain-us-through-and-after-this-pandemic/>

<sup>3</sup> Source IRI, Inc. as cited in <https://www.theshelbyreport.com/2020/05/09/frozen-food-sales-top-50-gains-versus-year-ago/>

<sup>4</sup> National Marine Fisheries Service (2018) Fisheries of the United States, 2017. U.S. Department of Commerce, NOAA Current Fishery Statistics No. 2017 Available at: <https://www.fisheries.noaa.gov/feature-story/fisheries-united-states-2017>

markets. The rolling closures of restaurants across states and other social distancing measures beginning in March primarily affected fresh, high-end products, including lobster, swordfish, tunas, halibut, sablefish, snapper, oysters and other shellfish, sold mainly to restaurants and food service sectors. Some seafood products are more resilient to the current events because they are processed into “shelf stable” product forms (such as frozen, canned, or ready meals), sold through retailing outlets, or frozen into blocks for future processing. Sharp declines in market demand for fresh product through the customary supply chain has resulted in fishermen in several regions attempting direct-to-consumer sales or changing product forms. Fisheries waiting for seasons to open or those peaking this summer will be affected if demand remains low (e.g., Alaska and West Coast salmon, tunas and swordfish).

For U.S. marine aquaculture, shellfish farming on all coasts of the United States has virtually shut down. Especially hard hit are markets for live oysters, geoduck, and other shellfish and associated hatcheries that are not receiving seed orders for the spring. A two- to three-month impact will cause some operations to close, however, the general feedback from industry was that most operations will weather a crisis of this duration but warned that longer impacts could cripple the domestic shellfish industry for several years (or more).

U.S. seafood dealers and processors, especially those that rely on fresh and high value products typically sold by restaurants, have been severely affected by the collapse in market demand. Some processors are not buying and fish houses with full freezers are unable to buy more product, reflecting the fact that the increased sales of frozen products at supermarkets did not offset the drop in demand by the restaurant and food service sector.

For recreational for-hire operations, for-hire and party boat operations have ceased in many states and have been significantly curtailed in the remaining states due to social distancing measures, stay-at-home orders, and travel restrictions. Southern states (states in the Gulf of Mexico and South Atlantic regions), California, and Hawaii, which have strong demand for trips during the March to April timeframe, have been particularly affected. In addition to current closures, all states reported cancelled future bookings. While to date, layoffs have been limited in this sector, many operations have sharply reduced employees’ hours to reduce costs. Shore-side businesses have also been negatively impacted; a number of tackle shops, marinas, boat rentals/dealers, restaurants and hotels have closed or are operating on sharply reduced hours.

For exports of U.S. seafood, initial impacts of COVID-19 in China in late January led to decline in U.S. seafood exports to China of 31% and 44% compared to January and February of the previous year.<sup>5</sup> The fresh seafood export trade has virtually stopped, including shellfish (lobster, crab, oysters, and geoduck). The lack of airline flights and inability of ships to land product (e.g., ports in the European Union and Asia are currently backed up) have also curtailed demand.<sup>6</sup> New information indicates that China is resuming or may soon resume purchases of U.S. seafood

---

<sup>5</sup> Note that the drop in demand cited may not all be attributable to COVID-19; at this time, it is not possible to determine causality. Seafood trade data available at: <https://www.st.nmfs.noaa.gov/commercial-fisheries/foreign-trade/>

<sup>6</sup> See, for example, <https://www.npr.org/2020/02/25/807422595/some-u-s-farmers-boxed-in-by-coronavirus-outbreak>.

products such as geoduck and West Coast groundfish species; however, lack of airline flights may still hamper shipments.

### **Implications for the Future of the Seafood Industry**

As illustrated above, COVID-19 effects are already having significant impacts on the seafood supply chain, including but not limited to U.S. harvesters (wild and farmed), seafood dealers and processors, seafood wholesalers and distributors, and the recreational for-hire sector. Harvesting, processing, and distribution have been curtailed for many products and in some cases have ceased in response to restaurant and other closings throughout the country and globally. Further, the industry's outlook in the coming months is highly uncertain. Overall, our initial analysis of industry impacts indicates that the scale and scope of the effects of COVID-19 on the entire sector are broad.

The 2020 COVID-19 crisis also created a turning point for the U.S. and global seafood industry and created new long-term opportunities as well as challenges to expanding our sustainable domestic seafood sector. The long-term impacts of COVID-19 will likely be felt for a while as people, agencies, businesses, and other parts of society adjust to a new reality. NOAA Fisheries will use this information to assess the immediate and long-term needs to secure and enhance the resilience of the U.S. seafood and fisheries industries.

### **CARES Act Financial Assistance and Other Relief**

We would like to thank Congress for their attention to the negative effects from COVID-19 on the seafood and fishing industries. Recently, the Secretary of Commerce announced the allocation of \$300 million in fisheries assistance funding provided by Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act, also called the CARES Act, to states, Tribes, and territories with coastal and marine fishery participants who have been negatively affected by COVID-19. NOAA Fisheries is working aggressively to ensure that these funds can be distributed to fishery participants as fast and fairly as possible. NOAA Fisheries will use these allocations to make awards to our partners—the three interstate marine fisheries commissions, Puerto Rico, and the U.S. Virgin Islands—to disburse funds to address direct or indirect fishery-related losses as well as subsistence, cultural, or ceremonial impacts related to COVID-19. This relief package will help support America's fishermen, seafood farmers, and seafood processors along with a portion of the recreational fishing industry such as charter boat captains. We stand with the men and women working to provide healthy and safe seafood during this uniquely challenging time, while our U.S. fisheries work to continue to support 1.7 million jobs and to generate \$200 billion in annual sales.

NOAA Fisheries will continue to evaluate the effect of COVID-19 on the seafood industry as the year progresses and as data on economic impacts becomes more readily available across industry segments and regions. Summer is the most important revenue earning season for fishery participants, and NMFS will closely monitor the impacts to industry, and continue to look for ways to support it during these unprecedented challenges.

I would also like to discuss some of the other ways NMFS is assisting the fishing community. In addition to disbursing the CARES Act funding, NOAA Fisheries is providing technical assistance to the U.S. Department of Agriculture (USDA) to expand the range of species

purchased by USDA for food assistance programs. Also, NOAA Fisheries' Fisheries Finance Program, which has over \$500 million in outstanding loans to the seafood sector, has modified and extended loan repayments upon request to seafood companies (within the limits and flexibilities of existing authorities) to assist companies with short term liquidity needs. In addition, NOAA Fisheries is working with the regional Fishery Management Councils to closely monitor the COVID-19 situation. There have been a number of requests for emergency actions to help address impacts the industry is facing and we are working through the Council process to address them. In addition, NOAA Fisheries has already implemented some emergency measures that have been recommended by the Councils. We encourage the public to stay up to date by monitoring councils' websites and other media as the COVID-19 situation progresses.

Finally, from the early stages of the pandemic, Sea Grant, a congressionally established partnership between NOAA and 33 university-based organizations that work to create and maintain a healthy coastal environment and economy, has worked with the National Marine Fisheries Service Office of Aquaculture to identify the most critical areas in which it can assist the aquaculture and seafood communities. Sea Grant worked with their state programs to identify priority topics for the aquaculture industry, including: (a) developing response plans for recovery; (b) education and implementation of previously developed knowledge or tools directed towards improving cash flow and business sustainability (e.g. product storage techniques, direct marketing best practices for fishers; cooperative research; etc.); (c) assistance with accessing other relief programs (e.g. the CARES Act), including assisting stakeholders with business records and loss documentation; and (d) developing processes to make industries more resilient against future disruptions to their respective supply chains.

The National Sea Grant Office (NSGO) is also committed to supporting local response to the challenges listed above by investing a total of \$3.4 million in fiscal year (FY) 2020 funds. Summaries of funded projects will be posted on the Sea Grant website, and will be provided to the relevant committees and Member offices. Additionally, the NSGO has created a webpage (<https://seagrant.noaa.gov/seafood-resources>) to provide pertinent and timely information and resources to the U.S. seafood industry - both wild harvest and aquaculture. While content is currently focused on challenges related to COVID-19, this page will continue to serve as a valuable resource to the U.S. seafood industry well into the future.

### **Executive Order Promoting American Seafood Competitiveness and Economic Growth**

On May 7<sup>th</sup> the President signed a new [Executive Order Promoting American Seafood Competitiveness and Economic Growth](#). This historic Executive Order will propel the United States forward as a seafood producer by strengthening the American seafood economy; improving the competitiveness of American industry; ensuring food security; providing environmentally safe and sustainable seafood; supporting American workers; and ensuring coordinated and transparent Federal actions. The 2020 COVID-19 crisis has created a turning point in the way the seafood industry does business and—in addition to other efforts and financial support—this Executive Order and the funding available through the CARES Act creates new opportunities to address long-term challenges to expanding our sustainable domestic seafood sector.

In particular, the Executive Order gives added emphasis to increasing production of America's wild caught fisheries, opening export markets, strengthening international requirements for sustainable fishing, and renewing efforts to expand responsible U.S. aquaculture production. These actions will be taken without compromising America's world-class marine stewardship and environmental requirements.

### **Conclusion**

We will continue to work to understand and mitigate the immediate and long-term impacts of the COVID-19 pandemic on U.S. fisheries and our nation's living marine resources. Longer term, NOAA will explore ways to rebuild and create a U.S. seafood industry that will be more resilient to future market, environmental, or other shocks.