



PAT MCCRORY
Governor

DONALD R. VAN DER VAART
Secretary

MEMORANDUM

TO: HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE ON AGRICULTURE AND
NATURAL AND ECONOMIC RESOURCES
The Honorable Jimmy Dixon, Co-Chairman
The Honorable Pat McElraft, Co-Chairman
The Honorable Roger West, Co-Chairman

SENATE APPROPRIATIONS COMMITTEE ON NATURAL AND ECONOMIC RESOURCES
The Honorable Andrew Brock, Co-Chairman
The Honorable Bill Cook, Co-Chairman
The Honorable Trudy Wade, Co-Chairman

FISCAL RESEARCH DIVISION

FROM: Brad Knott, Deputy Director of Legislative Affairs

SUBJECT: Oyster Research Reporting, Division of Marine Fisheries

DATE: February 26, 2016

Pursuant to Session Law 2015-241, the Division of Marine Fisheries and the University of North Carolina at Wilmington shall annually report no later than March 1 to the chairs of the Senate and the House of Representatives appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division regarding the funding for oyster research and restoration activities provided by this act. The report shall include detail regarding the use of funds, including activities completed and additional personnel supported by the funds. The attached report satisfies this reporting requirement.

If you have any questions or need additional information, please contact me by phone at 919-707-9335 or via email at Brad.Knott@ncdenr.gov.

cc: Chief Deputy Secretary John Evans
Division of Marine Fisheries Director Louis Daniel



Division of Marine Fisheries

Oyster Research Reporting

2016 Annual Legislative Report

In 2015, per Session Law 2015-241, the N.C. General Assembly provided \$450,000 to the Division of Marine Fisheries to contract with the University of North Carolina Wilmington to develop oyster brook stock to provide seed for aquaculture. The N.C. General Assembly also provided \$600,000 to the Division of Marine Fisheries for cultch planting.

The University of North Carolina Wilmington's Shellfish Research Hatchery will use the resources provided by this funding to expand and strengthen its selective breeding program with the goal of developing lines of oysters that perform well (fast growth, high survival) in the estuarine waters of North Carolina. As lines are developed and production is expanded, oysters not required to maintain the breeding program are allowed to be sold to a licensed shellfish dealer to offset the hatchery's operational costs. Any harvest and sale shall be by licensed harvesters and in compliance with all Division of Marine Fisheries rules and regulations.

Initial funding provided to the University of North Carolina Wilmington will modify and expand existing production systems to:

- Increase oyster production;
- Provide supplies and equipment to support increased oyster food production;
- Improve water quality to enhance oyster growth and conditioning; and
- Assess genetic diversity to maintain the integrity of the breeding program.

Funds will also be used to purchase equipment and operational supplies and conduct research. Personnel, including two technicians, a graduate student, and four undergraduate technicians, will be hired to staff hatchery operations, conduct molecular genetic analysis, and investigate strategies for improving setting rates that would increase oyster production.

To date, the Division of Marine Fisheries and the University of North Carolina Wilmington are working through contract terms and no funds have been expended.

The Division of Marine Fisheries Shellfish Rehabilitation Program's dedicated cultch planting funds were increased from approximately \$300,000 to \$600,000 annually, effectively doubling cultch planting efforts. As a standard, the division typically purchases shell throughout the year and marl in February, thus many of the expenditures for this fiscal year have not yet been incurred. Presently, the division has purchased oyster shells totaling 31,209 bushels for \$62,418 from Carolinas Best Seafood and 16,186 bushels for \$32,372 from Quality Crab Company. The division expects to purchase an additional 47,000 bushels of oyster shells for \$94,000 in the 2016 planting season. The balance of funds will be expended purchasing approximately 330,000 bushels of other cultch material such as marl. In total, the division expects to spend approximately \$700,000 on cultch material and transportation this fiscal year.