**Connecticut Survey on Impacts of COVID-19 Pandemic on Aquaculture Industry**

**Background**

The Governor of Connecticut issued a “Stay Home, Stay Safe” order except for essential businesses on March 23, 2020. The Commissioner of Agriculture clarified, per Executive Order 7H, that aquaculture operations are considered “essential businesses”. To better understand the impacts of the COVID-19 pandemic on the state’s aquaculture industry, the Connecticut Sea Grant Program and the Connecticut Department of Agriculture implemented an anonymous survey of Connecticut’s aquaculture producers which includes predominantly oyster and clam farmers, and also seaweed and inland finfish producers**.** As of March 24, 2020, 33 of 49 aquaculture businesses had completed the survey (response rate = 67%).The survey questions are included at the end of this preliminary summary statement.

**Preliminary Assessment of Impacts**

While the survey was anonymous, based on the number of employees represented in the responses, we are certain that the responses cover the vast majority of production (in terms of volume) in the state. However, the views expressed do not represent the views of the entire industry as small, medium and large businesses owners have different business structures, needs and impacts. For the purposes of this preliminary assessment, we only use the term “majority” to put in context the impacts of the COVID-19 pandemic on total production.

Ninety-five (86%) of respondents indicated that business revenue was affected in February and March 2020. Shellfish hatchery operations have been able to complete some seed orders, otherwise the business revenue would be near 100%. Total revenue was down, and the reduction from this period last year ranged from to 75% to 100%, with an average reduction of 93%. The majority of raw, unprocessed shellfish is sold to restaurants, and restaurants were ordered closed except for take-out beginning on March 16, 2020. Hence the near halt in aquaculture sales statewide. However, some businesses are selling through local farmers markets and farm stands and online. Of those who are not already, many expressed interest as those venues may be the only way to make sales.

Half of the respondents indicated that they had laid off employees in February and March. It is important to note that most Connecticut aquaculture operations are small, family-owned businesses with less than five employees. Of the businesses that have responded, 242 full-time employees and nine (9) part-time employees for a total of 251 total employees have been laid off, representing 70% of the workforce.

Half of the respondents had product returned or destroyed following delivery to wholesalers or restaurants that were subsequently closed or out of business. The top factors reported as currently impacting businesses are restaurant closures and reduced demand for product. While the majority of respondents claimed that “some” of their customers were paying their invoices, they also reported that a large number of customers were behind on payments.

When asked what issues they are most concerned about in the near term (over the next few weeks), respondents noted:

* cash flow for overhead, payroll, rent or lease fees
* how soon the market will recover
* defaulting on government loans and invoices
* owners’ access to unemployment (resolved; while businesses need to have staff on property, owners are allowed to collect unemployment)
* access to direct sales
* lose employees to other industries
* long-term or permanent restaurant closures
* cancellations in shellfish seed orders
* shipping to wholesalers
* people staying healthy

When asked what issues they are most concerned about in the near term (over the next few months), respondents repeated most of what appeared on the previous list, plus:

* product demand
* ability to travel to markets
* ability of CT Department of Agriculture and CT Department of Energy and Environmental Protect to maintain essential services for aquaculture
* Paying health insurance premiums

Some of the dire messages that have been expressed include:

* “We are in a total free fall”
“This is having a ripple effect through multiple communities”
* “Farmers market shutdowns or exclusion of guest vendors shuts down a massive revenue stream”
* “..We will have a lengthy dip in business as people won’t be going out for dinner”
* “Nervous for upcoming season opening, permit approvals and weather opening and closures”

**Early Assistance**

We asked producers to identify ways that NOAA, Sea Grant or the State of Connecticut can help them. The responses included:

* Information on grants
* Information on loans, low interest loans, operational loans and bridge loans (many respondents feel loans are of no value because they do not have the cash flow to make payments or they are fearful of having to personally guarantee the loan)
* Information about online sales, shipping and packing options
* Eliminate lease fees

The Connecticut Sea Grant/UConn Extension program distributed guidance on direct marketing aquaculture products to all producers. The State Department of Agriculture/Bureau of Aquaculture is working with local health departments/districts to fast-track producer applications for sales at these venues. Connecticut Sea Grant/UConn Extension is assisting producers with their applications for direct sales and Small Business Association loans and working with the Department of Agriculture to identify additional aid to producers.

The agencies are posting updates for producers at <http://aquaculture.uconn.edu>.

**NOAA Survey on Impacts of COVID-19 Pandemic on Aquaculture Industry (\*Connecticut\*)**

1. Were your February/March 2020 revenues affected in response to COVID-19?
2. If so, by how much (what percent) do you think revenues are down in comparison to this period last year?
3. Did you lay off any employees because of COVID-19 in February/March 2020?
4. If yes, how many FULL-time employees did you lay off in February/March 2020?
5. If yes, how many PART-time employees did you lay off in February/March 2020?
6. What was your total number of employees (before layoffs)?
7. Was market product returned or destroyed in February/March 2020?
8. What COVID 19 factors are currently impacting your business? (Identify and write “most important” and “very important” from the list below)

\_\_\_      Reduced opportunity to export product

\_\_\_      Lower market prices

\_\_\_      Restaurant closures

\_\_\_      Reduced demand for product (includes both restaurant and household demand)

\_\_\_      Reduced domestic landings

\_\_\_      Other (please describe)

1. Are your customers (restaurants, other) being able to pay their invoices? (Check one: \_\_All/\_\_Most/\_\_Some/\_\_None)
2. What percentage of your customers are behind on payment?
3. Are you interested in starting up a farm stand or other type of direct sales, or are you already selling in this manner?
4. Are there any other impacts from COVID-19 on your business that we should know?
5. What issues are you most concerned about in the near term (over the next few weeks)?
6. What issues are you most concerned about in the mid-term (over the next few months)?
7. Suggest ways that NOAA, Sea Grant or the CT Department of Agriculture can assist you with the issues you identified above:

What issues are you most concerned about in the mid-term (over the next few months)?