



RECEIVED  
2002 JUN 24 PM 2:40  
PENNSYLVANIA  
FARM BUREAU COMMISSION

June 17, 2002

Pennsylvania Department of Agriculture  
Bureau of Market Development  
Aquaculture  
Attn: Leo Dunn  
2301 North Cameron Street  
Harrisburg, PA 17110-9408

Dear Mr. Dunn,

The Pennsylvania Farm Bureau appreciates the opportunity to provide public comment on proposed rulemaking involving the Department of Agriculture, [7 PA. CODE CH. 106]—Aquaculture Development Plan. The proposed rulemaking was published in the Pennsylvania Bulletin, Vol. 32, No. 20, May 18, 2002, pp. 2468-2488.

The aquaculture industry in this Commonwealth is a very important one, with over 165 registered production facilities and over 100 suppliers. Many of these individual operations are members of the Pennsylvania Farm Bureau, and several of the aquaculture farmers actively participate in Pennsylvania Farm Bureau's State Commodity Programs. Aquaculture is a key piece in the agricultural success of Pennsylvania and our organization, and for that reason we wish to provide comments to your Department on the proposed Aquaculture Development Plan [7 PA. CODE CH. 106.]

Overall, we have found the proposed regulations regarding the Aquaculture Development Plan to be an excellent basket of tools for promoting and preserving the aquaculture industry within the Commonwealth. We are especially enthused with Subchapter E (relating to aquaculture product identification program) and Subchapter G (relating to aquaculture export promotion program.) We feel these two components of the overall aquaculture development plan will provide many benefits and incentives to Pennsylvania fish farmers.

Subchapter A sets forth the Aquaculture Production Development Program and provides for low-interest loan financing for a portion of the costs of land, building, machinery, equipment, working capital, and training to businesses unable to fully finance these projects with equity, bank financing or other private and public sources. Relating to this Subchapter, Farm Bureau has several questions:

- (1) In regards to the low interest loans, we question whether the requirement that to qualify for a low-interest loan, the fish farmer must be turned down by a lending institution or other public/private source. We feel this requirement would exclude most fish farmers in the Commonwealth and would contradict the purpose of the Aquaculture Production Development Program. Specifically, is this requirement an Act restriction?
- (2) Secondly, several fish farmers who are members of Farm Bureau questioned whether

machinery, such as live-haul trucks, and land, such as ponds, are included in the list of acceptable projects for low-interest loan financing. Live-haul trucks and ponds are important pieces of many aquaculture operations and should be included as acceptable items for this program.

- (3) Under Section 106.5, we would recommend that, under terms of agreement for low-interest loans, loans used for real estate have a repayment period of up to 15 years. A repayment period of only ten years would have negative effects on the early cash flow needed for most fish farms in the Commonwealth. We would also recommend that loans for working capital have a repayment period of up to 5 years.
- (4) Also under Section 106.5, (1) *Relocation*, we believe the requirement that a borrower of the low-interest loans not be allowed to relocate from one area of the Commonwealth to another without at least a 25% increase in net employment to be excessively burdensome on the farmer. We feel that if a fish farmer were to receive a low-interest loan, and then move their operation outside of the Commonwealth, they should be required to repay the loan in full to the Commonwealth. However, if a fish farmer finds that he or she must move to another part of the Commonwealth to keep their operation economically healthy, the farmer should have the right to do so without the requirement of a 25% increase in net employment.

Several Farm Bureau members have also voiced concerns about the feasibility of Subchapter D, the Aquaculture Market Information Program. Their argument is that this aspect of the program does not seem feasible because fish farmers already know the pricing of their product in the different markets that exist. They state that the pricing system in the aquaculture industry is totally distinct from other ag-related pricing systems such as those for hogs and soybeans and that this Program may not work for the aquaculture industry.

Thank you for the opportunity to submit comments to your Department in regards to the proposed rulemaking for the Aquaculture Development Plan. We believe the plan will serve the aquaculture industry well and, with our recommended changes, will be even more beneficial to this important industry. Thank you for the consideration of our public comments.

Sincerely,



Michael Pechart, Director  
Commodity Programs