

Congress of the United States
Washington, DC 20510

December 29, 2022

The Honorable Thomas J. Vilsack
Secretary
U.S. Department of Agriculture
219A Whitten Building
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretary Vilsack,

Northeast fisheries face ongoing stock surpluses of Atlantic pollock, haddock, and redfish, as well as continued economic instability from market uncertainty. Fisheries in other parts of the country with similar surpluses and economic conditions have benefited from regular purchases by the U.S. Department of Agriculture (USDA) Section 32 program after they opted to harvest and process their surplus fish. We write to ask USDA to reevaluate Section 32 applications from Northeast fisheries that have surpluses in the form of *unharvested* quota at sea, and treat them the same as these other fisheries. Doing so will provide critical support to Northeast fisheries and ensure that all fisheries markets selling similar products are treated equally.

The Section 32 program allows USDA to “support prices of commodities in surplus by purchasing them in the marketplace,” and can direct excess product to domestic sources, including to our nation’s food banks.¹ In 2020, after a solicitation through the Section 32 program for Atlantic pollock, haddock, and redfish, USDA made its first purchase of Atlantic seafood in decades; this followed years of Gulf and Pacific seafood product purchases.² After a second solicitation, USDA purchased an additional \$25 million of Atlantic Pollock, ocean perch, and haddock.³ We are grateful for USDA’s approving these Section 32 purchases of unharvested surplus. They have been a lifesaver for northeastern fisheries.

¹ USDA Domestic Food Procurement Programs and Expenditures, https://www.ers.usda.gov/webdocs/publications/40862/54240_aer766c.pdf?v=0#:~:text=Section%2032%20refers%20to%20that,USDA%20to%20distribute%20commodities%20domestically

² USDA, Press Release, *USDA Announces Additional Food Purchase Plans* (May 4, 2020), <https://www.ams.usda.gov/press-release/usda-announces-additional-food-purchase-plans>.

³ Caroline Losneck, *Northeast groundfish: retail sales recovering, but prices stay down*, National Fisherman (Aug. 5 2020), <https://www.nationalfisherman.com/northeast-groundfish-retail-sales-recovering-but-prices-stay-down>.

Most recently, in January 2022, USDA issued a pre-solicitation announcement for another purchase of Atlantic groundfish products.⁴ However, this pre-solicitation has yet to be fulfilled, potentially owing to confusion over the definition of commodity surplus, especially as it is applied to Atlantic and Pacific fisheries, respectively. This has left the Northeast groundfish industry vulnerable to collapse.

The last two years of Section 32 purchases have helped keep the New England seafood industry afloat by creating a market for Atlantic surplus stocks, which exist in the form of unharvested quota at sea. In this fashion, USDA's Section 32 purchases of unharvested Northeast groundfish have helped stabilize the New England market much in the same way its purchases of regularly harvested Pacific fishery stocks have shored up West Coasts markets.⁵ If USDA were now to decide that unharvested surplus from the Atlantic groundfish industry no longer merits Section 32 purchases, that decision would have major, negative economic consequences for the northeastern groundfish industry.

These repercussions would come in the form of industry-killing price drops. During the last quota year, from May 2021 to the end of April 2022, less than 50 percent of the allowable catch of haddock, redfish, and pollock was harvested.⁶⁷ Without an additional Section 32 purchase to provide a market for this surplus quota, these percentages are expected to drop even lower, with significant price impacts. Current industry estimates suggest that, without Section 32 purchases of Atlantic groundfish, prices of Atlantic pollock will fall from \$1.20 per pound to \$0.75 and Atlantic haddock will fall from \$2.00 per pound to \$1.50.⁸ According to producers, that decline in prices would create economic conditions that would disincentivize Atlantic groundfish producers from fully harvesting this resource and bringing it to domestic markets. On the other hand, if USDA were to fulfill its pre-solicitation and purchase Atlantic groundfish under the Section 32 program, USDA could provide a ready supply of healthy domestic seafood to our nation's food banks and ensure economic stability for an important domestic agricultural industry.

Finally, we also ask USDA to clarify the definition of "surplus" under Section 32 and other commodity purchasing programs. If USDA now intends to treat unharvested seafood surplus differently from surplus that producers choose to harvest, Northeast and other seafood producers need to understand why and be able to plan accordingly. Guidance to the New England congressional delegation and seafood industry on long-term procurement programs, such as the

⁴ USDA, Press Release, *Pre-Solicitation Announcement for Section 32 Purchase of Atlantic Groundfish Products*, (Jan. 19, 2022), <https://www.ams.usda.gov/content/pre-solicitation-announcement-section-32-purchase-atlantic-groundfish-products>.

⁵ USDA, Press Release, *USDA to Purchase \$159.4 Million in Nutritious Consumer-Ready Seafood and More for Food Assistance Programs* (May 13, 2021), <https://www.usda.gov/media/press-releases/2021/05/13/usda-purchase-1594-million-nutritious-consumer-ready-seafood-and>

⁶ NOAA Fisheries, *Commercial Summary Table Catch Monitoring* (Aug. 12, 2021), https://www.greateratlantic.fisheries.noaa.gov/ro/fso/reports//Sectors/Commercial_Summary_2021.html.

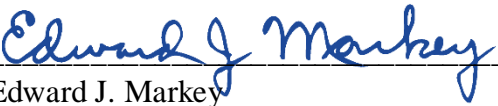
⁷ NOAA Fisheries, *Commercial Summary Table Catch Monitoring* (Dec. 15, 2022), https://www.greateratlantic.fisheries.noaa.gov/ro/fso/reports//Sectors/Commercial_Summary_2022.html.

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National School Lunch Program, would also be helpful in order to ensure that healthy, fresh fish is accessible to as many Americans as possible.

Thank you in advance for your consideration of this request. We stand ready to help facilitate your engagement with the fishing and seafood community however we can. If you have any questions, please contact Violet Doucette on Senator Markey's staff at violet_doucette@markey.senate.gov.

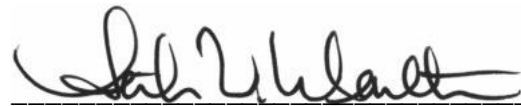
Sincerely,



Edward J. Markey
United States Senator



Elizabeth Warren
United States Senator



Seth Moulton
Member of Congress



William R. Keating
Member of Congress