

**AGENDA
BOARD OF TRUSTEES
DEPARTMENT OF AGRICULTURE & CONSUMER SERVICES
JANUARY 18, 2007**

Item 1 Minutes

Submittal of the Minutes from the December 5, 2006 Cabinet Meeting.

(See Attachment 1, Pages 1-3)

RECOMMEND APPROVAL

Item 2 Aquaculture Lease Fee Structure

REQUEST: Maintain the current aquaculture lease fee and fee structure.

STAFF REMARKS: The Commissioner of Agriculture requested staff to bring this item to consider maintaining the current aquaculture lease fees and fee structure in lieu of implementing a scheduled lease fee increase. Chapter 253, F.S., provides that only the Board of Trustees can set the aquaculture lease fee and fee structure. At the November 23, 2004 Cabinet meeting, the Board of Trustees discussed the aquaculture lease fees and staff was directed to review the aquaculture lease fees in Florida. Staff presented its findings at the February 1, 2005 Cabinet meeting where the Board of Trustees voted 3 to 1 to double the fee beginning in January 2007.

Since the February 1, 2005 Cabinet meeting, the industry has suffered significant impacts from the 2005 hurricanes. Hurricanes Dennis and Wilma directly affected over 70 percent of the farmers who have leases. The impact of the 2004 and 2005 hurricanes were measured by the most recent survey conducted by the Florida Agricultural Statistical Service during the spring of 2006. That survey showed sales of clams, clam seed, and oysters decreasing to \$10.7 million in 2005 down from \$13 million in 2003. Additionally, there were 50 fewer producers with sales in 2005 and the average price for clams was lower than it was in 2003.

The 2005 hurricanes destroyed most of the clams growing on aquaculture leases by either covering them with sand or washing clam bags off the leases and into open waters. Since clams take from 12 to 18 months to grow to market size and planting clams is done in the spring, the summer of 2006 was the first opportunity for most farmers to have any product to sell. The 2005 year statistics clearly show the economic impact that the hurricanes have had on the farms. Based on the impacts of the hurricanes of 2004 and 2005, the long standing policy of the Board of Trustees to encourage the growth of this fledgling industry, and the continuing pressure caused by waterfront development, the Commissioner of Agriculture recommends that the Board of Trustees maintain the current aquaculture lease fee and fee structure.

(See Attachment 2, Pages 1-3)

RECOMMEND APPROVAL