

Testimony By Scott Knoche, Director of Morgan State University PEARL
Senate Bill 434: Restorative Aquaculture Pilot Program
March 1, 2023

Maryland Senator Klausmeier,

As the Director of the Morgan State University Patuxent Environmental and Aquatic Research Laboratory (MSU PEARL) and an environmental economist by training, I was very pleased to see **Senate Bill 434: Restorative Aquaculture Pilot Program**. I stand in strong support of this bill, which would provide financial incentives to the Maryland shellfish aquaculture industry that I expect would increase shellfish production.

Shellfish such as oysters are filter feeders that contribute to reducing excess nutrients - a key issue impeding the restoration of the Chesapeake Bay. Oysters also provide habitat for fish and blue crabs, which benefits commercial watermen and recreational fishers. The production of oysters through well-managed aquaculture benefits Maryland seafood consumers, supports small businesses and generates regional economic impacts to coastal communities and economies.

As an environmental economist by training, I understand very well the power of incentives in motivating individuals to undertake private actions that contribute to the public good. The nature of the Maryland shellfish aquaculture industry is well-suited for the implementation of an incentive program, as the industry consists of small businesses cultivating shellfish for commercial sale while concurrently generating public benefits such as improved water quality and habitat provision for recreationally and commercially important species. Because these public benefits accrue to broader society and are currently of no direct financial benefit to the shellfish industry, shellfish production by the Maryland aquaculture industry is lower than what is socially optimal. By providing well-targeted financial incentives through a Restorative Aquaculture Pilot Program, Senate Bill 434 would help increase shellfish aquaculture production to a more optimal level that reflects both the private and public benefits of shellfish aquaculture.

Thank you for the opportunity to voice my support for Maryland Senate Bill 434. Please do not hesitate to reach out if you have any questions.



Dr. Scott Knoche
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