

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Marine Resources Commission
Virginia Administrative Code (VAC) Chapter citation(s)	4VAC20-720
VAC Chapter title(s)	Pertaining to Restrictions on Oyster Harvest
Action title	2024-2025 Public Oyster Harvest Season
Date this document prepared	June 14, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Final

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>This regulation will establish the 2024-2025 areas of public harvest, public oyster harvest seasons, and oyster resource conservation measures.</p> <p>The length of the public oyster harvest season will increase by 2 weeks in Fall 2024 which is an increase in season length and revenue of 10%. This increased season length will result in an estimated \$1,369,000 of income to harvesters.</p> <p>Direct Costs: \$80,000 for every week of harvest using scrapes or dredges. Areas open to harvest by scrape or dredge consistently require shell planting of two bushels of shell (approximate cost of \$4.00 per bushel) for every bushel of harvest from the area. 80% of harvest is by these gear types since 2018. ~\$2.5 million is spent annually to maintain harvest areas open to these two gear types.</p> <p>The increased season of 2 weeks will result in an estimated \$160,000 of replenishment needs.</p> <p>Indirect Costs: Any regulatory changes that allow for increased harvest may result in a higher direct benefit. However, increased harvests in the near term may result in management changes in the future to maintain an economically and ecologically sustainable long-term fishery. A significant portion of Virginia’s seafood industry is largely dependent on the public oyster fishery for nearly 6 months of the year.</p> <p>Direct Benefits: Estimated benefit of \$684,500 per week of open harvest (12,500 Bushels per week x \$54.76 per bushel)</p> <p>Approximately 12,500 bushels of oysters are harvested from public ground each week of the public oyster harvest season. The average dockside value (paid to the commercial fishermen) per bushel of public oysters were \$54.76 over the last 5 years. There is some fluctuation in price due to market conditions.</p> <p>The length of the season will increase by 2 weeks which is an increase in revenue of 10%. This increased season length will result in an estimated \$1,369,000 of income to harvesters.</p> <p>Indirect Benefits: Increased market products from oyster fishery and support sectors.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>

	(a) \$160,000	(b) \$1,369,000
(3) Net Monetized Benefit	\$1,209,000	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	MRC Mandatory Harvest Reporting Program and Voluntary Seafood Pricing Survey.	
	<p>The <i>Mandatory Harvest Reporting Program</i> is an MRC run program that requires all commercially licensed seafood harvesters in Virginia to report all harvests of seafood on a monthly basis.</p> <p>The <i>Voluntary Seafood Pricing Survey</i> is an MRC run pricing survey that solicits dockside prices of seafood from Virginia Seafood Dealers on an annual basis.</p>	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Unknown</p> <p>Indirect Costs: Approximately 80% of harvest is undertaken with gear types (hand scrapes and dredges) that do not have a season established by Virginia Code. If a season is not established each year through regulation, it is unknown as to what level of harvest effort would occur with the season outlined in Code.</p> <p>Direct Benefits: Indirect Benefits: It is probably that less replenishment effort would be required in areas that are only open to the gears established in Code.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		

(5) Information Sources	
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Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Indirect Costs: Direct Benefits: Indirect Benefits:	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: N/A Indirect Costs: N/A Direct Benefits: N/A Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: N/A Indirect Costs: N/A Direct Benefits: N/A Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs:</p> <p>Indirect Costs:</p> <p>Direct Benefits: A considerable portion of the participants in the Virginia public oyster fishery are likely small or independent businesses. These businesses will realize that same benefit as outlined in Table A1.</p> <p>Indirect Benefits:</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b) The majority of the Direct Benefits listed previously would go to independent watermen
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
4 VAC 20-720-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	31	0	-10%*	-3.1
Grand Total of Changes in Requirements:					(M/A):0 (D/A): 0 (M/R): 0 (D/R): -3.1

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
4 VAC 20-720-10	Increase in Season Length in Fall 2024 by 10%*	\$12,209,000 (Value of the fishery based on Harvest - Replenishment)	\$13,418,000 (Value of the fishery based on Harvest + 2 weeks)	10% increase in value \$1,209,000*

*The length of the public oyster harvest season will increase by 2 weeks in Fall 2024 which is an increase in season length and revenue of 10%. This increased season length will result in an estimated \$1,369,000 of income to harvesters. This will also require in an estimated \$160,000 of replenishment needs.

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden