

# Canoe Lagoon Oysters LLC

To Whom It may concern:

My name is Brian Herman, and I am the new owner of Canoe Lagoon Oysters LLC, Located on Blashke Island. One of my main concerns with the purchase of the farm was logistics and cost associated with growing oysters in remote areas. Alaskan oysters in the lower 48 are priced much higher than oysters grown in the lower 48. My research into this project showed that the Premium placed on the oysters was bearable due to quality, but I could not asses the top end of where that premium could be pushed.

the farm currently sells approximately 2500 dozen oysters per year. Which equates to approximately 50 dozen per week. That translates to \$3.74 per dozen. Currently price points are right around \$10 per dozen, and the farm could not withstand to capture all of those costs, so it would be passed to the consumer. I am certain that a 37.4% price increase will close many of our markets in the Lower 48. Those numbers are based on an assumption of one weekly delivery. Historical data from the farm shows that there are high and low volume months which will moderate that increase per dozen down a bit, but even at a 50% reduction, a 18.7% increase to the consumer is drastic.

with all of that being said, we do have plans for expansion to grow and sell over 10k dozen oysters per year, but the time line on that is several years down the road.

I realize that I am new to this business, and I do not know all of the fine details yet, but it seems to me that there has to be a better solution with onsite testing. The former owner was using Jellett rapid PSP test kits as a self check method to ensure quality. I realize that there are regulations in place requiring Laboratory testing, but this I believe is where a solution should be explored. If it is possible to develop a protocol for self testing and reporting, it could be a help to the smaller farms. It would also solve some of the logistical challenges of getting the samples to the lab. Our farm currently has to take a sample by boat 30 miles to Wrangell to be placed on an airplane to get to the lab. Not only is that expensive to ship the samples, but it is also very difficult. weather, flight schedules, handling etc all play a role.

Thank you for your consideration of my comments