

Matagorda Bay Cooperative Development Project (Consent Decree Paragraph 56)

Status Report – April 2026

The purpose of this mitigation project is to form a Matagorda Bay Fishing Cooperative and other cooperatives, such as netting or transportation cooperatives, if necessary, to support the Fishing Cooperative.

The Trust has executed contracts with the Federation of Southern Cooperatives totaling \$5,006,820.50 to support the development of the fishing cooperative(s) and affiliated enterprises of which \$4,664,683.00 has been expended by the Federation as of the end of 2025.

The Matagorda Bay Fishing Cooperative held its first membership meeting on February 24, 2024 and elected its board of directors. It also authorized the filing of its articles of incorporation which were filed with the Texas Secretary of State on February 27, 2024. The Matagorda Bay Fishing Cooperative held its second annual membership meeting on February 22, 2025. The Matagorda Bay Fishing Cooperative held its third annual membership meeting on March 30, 2026. The Board of Directors holds monthly meetings.

Using funding from the Trust, the Federation provided a no-interest loan in the amount of \$3,300,000.00 to the Matagorda Bay Fishing Cooperative for the acquisition of the Miller Seafood processing and dock facilities in Port Lavaca and Seadrift and for startup capital of the Cooperative. The purchase of the Miller Seafood processing facility was closed on September 22, 2025.

Texas A&M SeaGrant and the Texas A&M AgriLife Marine Extension agent for Calhoun County have facilitated aquaculture training and apprenticeships so the fishermen can gain experience in the aquaculture industry. Cooperative members attended training at the Texas A&M University Oyster Farming Workshop in Palacios. Field visits and hands-on learning were conducted at the Three Sisters Oyster Farm in Olivia, Texas. Cooperative members met with equipment suppliers to become familiar with various equipment options.

The Cooperative worked with Texas A&M SeaGrant to leverage grant funds provided by Texas A&M SeaGrant to acquire oyster mariculture leases and permits for the Cooperative. The permit applications for 30 sub-permittees (individual Cooperative members) were submitted to Texas Parks and Wildlife Department (TPWD) in August 2024. The oyster mariculture permit was submitted to the US Army Corps of Engineers in September 2025. The Cooperative has received all permits (U.S. Army Corps of Engineers, U.S. Coast Guard, GLO, TCEQ and TPWD) needed to start construction and operation of the 60-acre Keller Bay oyster farming operation. The Cooperative exercised their right under the TPWD permit to bring the first 32 acres online immediately. Once that phase is operational the Cooperative intends to exercise their right to bring on the remaining 28 acres.

The Matagorda Bay Fishing Cooperative developed a business plan for the oyster farming initiative and is exploring potential business ventures with local oyster farming operations.