

ECSGA
1623 Whitesville Rd.
Toms River, NJ 08755
www.ECSGA.org



Bob Rheault,
Executive Director
401-783-3360
bob@ECSGA.org

Value of Virginia Aquaculture Topped \$60 Million in 2014



— Photo by Karen Hudson, VIMS

Oyster larvae being applied to shell. Remote setting is a rising sector of Virginia's shellfish aquaculture industry.

Virginia still leads all states in shellfish production, but the most recent 2016 harvest numbers have not been tallied yet. It will be interesting to see if those harvest numbers rebound after a slight dip in 2015, when the total farm-gate value dropped to \$48.3 million.

Due to a tough winter that year, oyster sales slipped 11 percent and clam harvests dipped 24 percent.

The Virginia shellfish industry is certainly healthy.

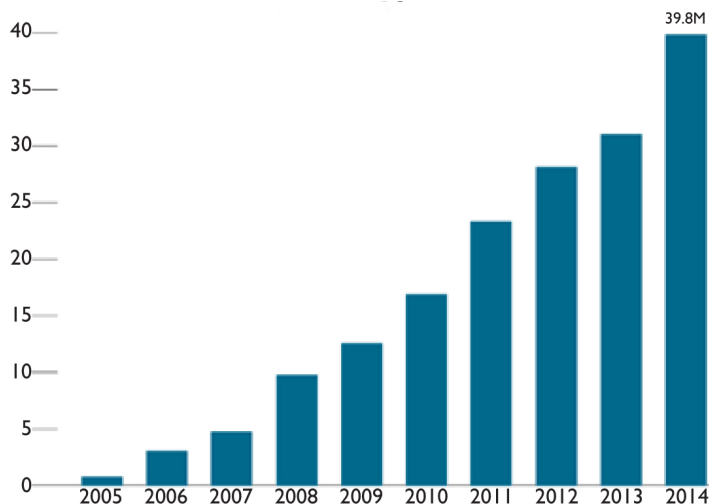
Prices are strong and companies are investing in new gear and hatchery capacity.

The report estimates the sector was directly responsible for more than 300 full-time jobs and more than 150 part-time jobs. The production and marketing of cultured shellfish has a ripple effect that multiplies its impacts on Virginia's economy (see table below).

The 2016 Virginia Shellfish Aquaculture Situation and Outlook Report can be found at:

www.vims.edu/research/units/centerspartners/map/aquaculture

Millions of Oysters Sold by Virginia Growers



Total Economic Impact of Shellfish Aquaculture in Virginia - 2013			
	Hard Clams	Single Oysters	Total
Sales (\$ millions)	\$76.3	\$24.43	\$100.7
Jobs	859	288	1,147
Wages (\$ millions)	\$21.2	\$12.4	\$33.6
Taxes (\$ millions)	\$3.0	\$1.5	\$4.5



Aquaculture Production Changes 2005 to 2013

Total Clams

↑ 45% to \$123M

Hard-Clams

↑ 8% to \$65M

Total Oysters

↑ 75% to \$180M

East Coast Oysters

↑ 100% to \$54M

Total Mussels

\$12M

Total sales of aquaculture products

↑ 26% to \$1.37B

Value of Cultured Shellfish from Virginia to Maine (\$111M) Surpasses Groundfish Landings (\$83M)

For more info visit:

[www.agcensus.usda.gov/
Newsroom/2014/09_29_2014.php](http://www.agcensus.usda.gov/Newsroom/2014/09_29_2014.php)

EU Shellfish Trade Embargo: The Log Jam Continues

Since 2009 the European Union has banned imports of molluscan shellfish from the U.S., claiming that our shellfish pose a health risk to their consumers. But it's far more likely that the ban is simply a retaliatory reaction to our banning of shellfish imports from the European Union. We believe our shellfish are among the safest in the world and that EU markets represent a significant and lucrative export opportunity for U.S. producers. In the days before the ban, many of our members sent tons of shellfish "across the pond" each year.

Sanitation Program Equivalency

When FDA inspectors audited certain EU member states in 2009, they found significant deficiencies, reporting that the EU depuration protocols did not provide adequate protection from viral pathogens such as Norovirus. In retaliation, European regulators alleged a series of deficiencies related to our products, but FDA officials rightly insisted that the U.S. has the most stringent shellfish-sanitation standards in the world. This back-and-forth has dragged on for years.

Negotiations at an Impasse?

An agreement finally seemed imminent last year, but it now appears that progress has been stalled for the past 15 months. In 2014 the FDA agreed to audit pristine growing areas in several EU states to see if we could allow imports of shellfish that did not require treatment in depuration plants. These inspections went well and the door was opened for further negotiations. Following EU inspections of some of our state sanitation programs, we thought all the obstacles had been surmounted.

In December 2015 the FDA met with EU officials and reached a preliminary agreement that our shellfish sanitation protocols are equivalent. However, at this point only two states (Massachusetts and Washington) and two EU nations (Spain and the Netherlands) will be recognized for trade. Before the FDA can finalize the equivalency agreement, a public process needs to be completed. More importantly, a streamlined process to evaluate and allow other states and EU countries to reopen trade still needs to be devised.

Since the health-related issues appear to have been resolved, we had hoped that the FDA negotiators and their counterparts in the EU would prioritize these agreements. In fact, the FDA told us over a year ago that the only thing left to be done was a posting in the Federal Register announcing the rule change, which was targeted for the summer of 2016.

We are still waiting!

We remain hopeful that the new administration will provide some urgency to get this done.

— Robert Rheault, ECSGA Executive Director

Member Profile: Cherrystone Aqua-Farms

The Eastern Shore of Virginia, down at the tip of the Delmarva Peninsula, is arguably the epitome of the word “rural.” Visitors can get there either by driving across the mouth of the bay on the 23-mile-long Chesapeake Bay Bridge from Norfolk, or by driving four hours



Cherrystone's new purging/
wet storage facility.

down the Peninsula from Baltimore. Once you arrive, there's not a whole lot to see, but that's part of the charm. And this is where you will find several of the biggest clam farms in the U.S. One of the early pioneers in the clam-farming business is Ballard Fish and Oyster Company, a fifth-generation sea-

food company started by the Ballard family 115 years ago.

Chad Ballard III now runs the firm that includes Cherrystone Aqua-Farms and Chincoteague Shellfish Farms. Chad's family has built a shellfish empire that employs 150 full-time workers and another 75 part-time employees. They also work with another 100 full-time co-op growers who grow out clam seed on a contract basis.

Ballard sells farm-raised clams and cultured oysters (under the names Watch House Points, Misty Points and Chincoteague Cultured Salts), as well as wild clams and oysters (both shucked and in-shell).

When asked what his biggest challenges were, Chad didn't skip a beat, “Water quality and regulations. Water quality issues in the hatchery seem to be the biggest hurdle we face each year. Our hatchery production is critical. If we have no seed we have no sales, so we have spent quite a bit of energy trying to improve our control over water quality. Still, consistent hatchery production remains elusive,” he said.

As anyone working in the shellfish world knows, regulations can be



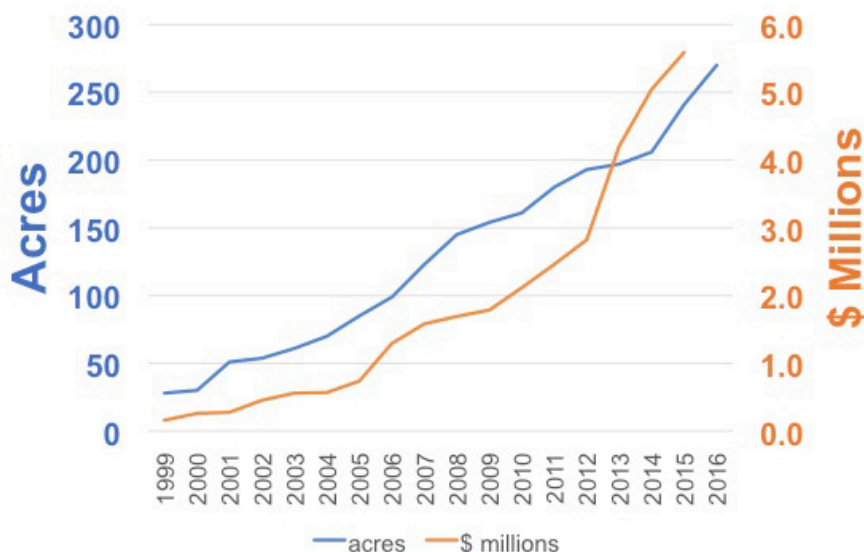
Cherrystone's main packing facility.

a huge challenge for businesses. Chad notes, “With most governmental agencies experiencing budget shortfalls, they're looking for ways to ‘tax’ businesses so they do not have to cut their budgets. While we support most of the regulations designed to improve product safety, we think that a lot of the record-keeping requirements are over-burdensome.”

He's excited about the future potential for growth, concluding that, “we're always looking for ways to increase production. We are continually looking for new growing locations with acceptable water quality for shellfish production.”

— RBR

Rhode Island Aquaculture Production



2016 Rhode Island Aquaculture Industry

Farm gate value
\$5.7 million in 2015

Number of farms
↑ to 70

Total lease acreage
↑ to 270 acres

In 2014 the cultured oyster overtook the hard clam as the top-value seafood product landed from R.I. state waters.

Aquaculture Trends

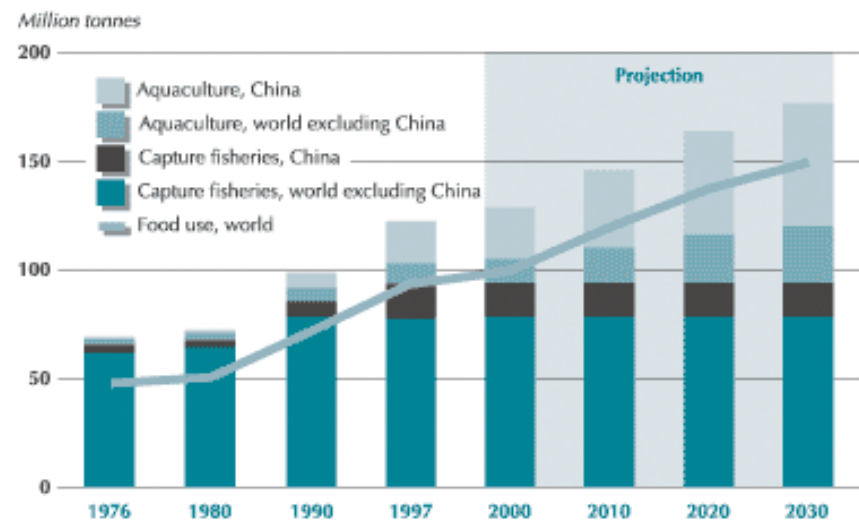
- ❑ The U.S. imports 91% of the seafood we consume, and half of that is cultured overseas. We could capture much of that economic activity here in the U.S. if we resolved permitting challenges.
- ❑ Population growth will demand a doubling of global aquaculture production by 2030. Most of that production is projected to come from China (see graphic below).
- ❑ American aquaculture has proven to be a sustainable and well regulated industry. If we can streamline permitting and provide some of the same technical assistance we give to land farmers, the industry should take off.
- ❑ Oyster production on the East Coast has doubled in just the past five years!
- ❑ A mussel farm in Washington state recently won a 12-year permitting battle, but only after spending \$2 million in legal fees.



— Photo by Cindy West

Percy West with some oysters harvested from the family farm in Point Judith Pond, on Rhode Island's south shore.

FIGURE 47
World fish production and food use consumption 1976–2030



Note: Data are from the Global 1 report; in general they are supported by the Global 2 report.

From FAO Report, *State of World Fisheries and Aquaculture*.
www.fao.org/docrep/005/y7300e/y7300e08.htm

The East Coast Shellfish Growers Association represents over 1,200 shellfish farmers from Maine to Florida. These proud stewards of the marine environment produce sustainable, farmed shellfish while providing thousands of jobs in rural coastal towns.

The ECSGA informs policy makers and regulators to protect a way of life.

www.ecsga.org

Executive Director, Bob Rheault

(401) 783-3360

bob@ecsga.org