Value of Virginia Aquaculture Tops $45 Million in 2013

Karen Hudson and Tom Murray, Virginia Institute of Marine Science

Virginia’s shellfish growers sold an estimated 31 million single oysters and 214 million clams in 2013, for an all-time-high, farm-gate value of $45.1 million, a 24-percent increase over 2012. Those numbers represent a 10-percent increase in oysters sold and a 25-percent increase in clams sent to market.

The Virginia Shellfish Aquaculture Situation and Outlook Report has been produced annually by Virginia Sea Grant extension partners at Virginia Institute of Marine Science (VIMS) since 2005. The 2014 annual Grower Report will be available in the spring of 2015 and is expected to show continued growth in harvest value. The current report shows that the shellfish industry is healthy. The increase in oyster sales documents what has become a long-term positive growth trend, while the recent increase in clam sales reflects more typical annual variability of a more mature agricultural industry. The report estimated that Virginia’s shellfish culture industry was directly responsible for more than 300 part-time jobs and more than 150 full-time jobs.

Supporting shellfish hatcheries by investing in water-quality research is critical to the continued growth of aquaculture. Better understanding water-quality parameters impacting hatchery production will lead to the development of mitigation strategies to ensure consistent hatchery production.

As the production and marketing of cultured shellfish multiply throughout Virginia’s economy, overall economic activity increases.

The full report can be found at:
www.vims.edu/research/units/centerspartners/map/aquaculture/docs_aqua/20140411_Shellfish_Aq_Report.pdf
EU Shellfish Trade Embargo Goes On and On

Since 2009 the European Union has banned imports of molluscan shellfish from the U.S., claiming it poses health risks to consumers. However, we strongly suspect that the ban is nothing less than retaliation for U.S. policies prohibiting EU products in our markets.

We believe EU markets represent a significant and lucrative export opportunity for U.S. producers. Not long ago, many of our members sent quite a bit of shellfish “across the pond,” but no longer. Because European oyster production has taken a huge hit from herpes virus outbreaks, both demand and prices are at an all-time high.

Viral pathogens persistent

When FDA inspectors audited certain EU member states in 2009, they found significant deficiencies in their various shellfish sanitation programs. The FDA maintains that European programs do not provide adequate protection from viral pathogens such as norovirus.

Although our shellfish sanitation programs are similar, there are some notable differences: in the U.S. we sample growing waters, but EU states monitor meats. More European growers work downstream of sewage treatment plants, later depurating their shellfish in land-based tanks. Our FDA auditors believe that these depuration plants do an adequate job of ridding shellfish of bacterial pathogens, but are not up to the task of removing viral pathogens, which can be far more persistent.

EU alleges algal-toxins a problem

Over the past five years European regulators have alleged a series of deficiencies related to our products, despite the FDA’s insistence that the U.S. has the most stringent shellfish-sanitation standards in the world. Most recently the EU allegations seem to have coalesced around our algal-toxin monitoring protocols. EU regulators have indicated that if we were to beef up our algal-toxin monitoring, they might allow us to enter the European markets.

Darcie Couture of Resource Access International in Brunswick, Me., noted that our state labs currently don’t have the required equipment, and the cost to get up and running would be prohibitive for most.

She estimated that if a lab wanted to gear up for NSP testing they might need to spend close to $1 million. Even with all the equipment in place, sampling costs could run close to six figures a year, with no guarantee of eventually gaining access to the EU markets.

Clearly, these EU demands for algal-toxin monitoring are outrageous and unaffordable. It is highly unlikely that many states would be willing to pick up the costs associated with additional algal-toxin monitoring, suggesting that this is just another negotiating gambit being advanced by EU regulators intent on protecting their markets.

We remain hopeful of a resolution, either through continued negotiations between the EU and the FDA, or through the Transatlantic Trade and Investment Partnership (T-TIP) negotiations that are being advanced by administration officials.

— Robert Rheault, ECSGA Executive Director
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 I asked Chad what his biggest challenges were he 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 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.”

Chad gets excited when he talks about the future potential for growth, “We are always looking for ways to increase production. We are continually looking for new growing locations with acceptable water quality for shellfish production,” he concluded.

— RBR

**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 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 seafood company started by the Ballard family 115 years ago.

Cherrystone’s main packing facility.

In 2014 the cultured oyster passed the hard clam to become the top-value seafood product landed from Rhode Island state waters.

2013 Rhode Island Aquaculture Industry

- **Farm gate value**: 49% from 2012 to $4,204,656
- **Aquaculture employment**: 21% from 2012 to 127
- **Number of farms**: to 52
- **Total lease acreage**: 190 acres
- **Average Productivity**: $22,000 per acre

Rhode Island Oyster Production

(Million $) Farm-Gate Value

In 2014 the cultured oyster passed the hard clam to become the top-value seafood product landed from Rhode Island state waters.
Global Aquaculture Trends

As an oyster farmer I tend to be mollusk-centric in my thinking, but the aquaculture universe is much larger than that. It behooves us all to consider the gravity of some global “mega-trends” and how they will impact us in the next decade or two.

In our lifetimes we have witnessed the transition from a marine hunting-and-gathering mentality to a farming mentality. This transition has greater implications for the future of our species than almost any other development in food production since the first cultivation of cereal grains. With nearly 75% of the earth's surface covered in water, there's a huge potential for the future production of finfish, mollusks and algae. We are talking about a change in production, policy and stewardship that will have profound implications for our species!

Unlike finfish growers, shellfish growers don't have problems with fecal waste, escapes or sustainable feeds. Shellfish can be held out as an example of the compatibility of commercial-scale aquatic food production and sound environmental stewardship. Even now finfishpen technology is making strides with those problems, and alternative feeds from plant proteins are being perfected. It is critically important that we build support for aquaculture generally.

When faced with detractors who say, No, without offering an alternative, we need to educate. The U.S. imports 91% of its seafood, with half those imports being farmed overseas. While U.S.-grown seafood is subject to strict environmental and food safety controls, less than 2% of imported seafood is inspected. Most people are unaware of the coming train wreck in the global seafood supply. By 2030 the earth will have another two billion mouths to feed and China’s emerging middle class will comprise the biggest seafood market in the world. According to the World Bank, the planet will need to double the amount of cultured fish and shellfish, or global seafood prices will increase by 20-40%. Aquaculture has the potential to alter those projections. This is no time to close our minds and hamstring a fledgling industry with insurmountable regulations or a constant barrage of negative press. Now is the time to get out there and encourage innovation and entrepreneurship. We can either grow it in the U.S. or buy it from Asia. The challenge lies with us.

— Steve Plant,
Noank Aquaculture Cooperative

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

The Results Are In: Vibrio Survey

Recently we sent around a survey asking our industry members about investments they had made to comply with Vibrio regulations. Of the 84 growers who responded, most had installed shade structures, bought coolers and Xactics totes, and made significant investments in ice. Several respondents indicated they had spent over $100,000 to comply.

39% say new regulations had forced them to restrict harvest and lose sales;
77% think the new regulations were needed to protect public health;
59% think that, “some regulations are absurd and have little value in protecting public health;”
89% say they are in compliance at all times;
62% believe that other industry members are still not in compliance;
41% think regulators don’t understand their own regulations;
44% think that growers are being written up for minor infractions even when the important things are being done well.

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.

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