

# Shellfish Mariculture Finance Resources

This resource guide is meant to provide information for those interested in pursuing economic opportunity in the cage shellfish mariculture industry. The shellfish mariculture industry, specifically oysters, has grown substantially in South Carolina over the last five years. Coupling advances in gear and equipment technology with ample demand for high-quality locally produced shellfish has helped to grow an industry with a natural connection to South Carolina's maritime heritage. Below are resources related to the financial basics of starting a cage shellfish mariculture business operation, including options for loans and start-up capital, existing options for crop and equipment insurance, cage bonds, and existing producer associations.

## Business Planning Resources

### S.C. Sea Grant Consortium

S.C. Sea Grant Consortium (Consortium) is equipped with specialists in shellfish aquaculture, living marine resources, and coastal economics to help foster sustainable economic development and stewardship of coastal industries. Resources provided by the Consortium include this financial resources guide, providing technical assistance, a spreadsheet business planning and profit estimation tool for cage oyster farming, an aquaculture permitting guide, and a seed supply guide.

### Contacts

**Sarah Pedigo, Shellfish Aquaculture Specialist**

[sarah.pedigo@scseagrant.org](mailto:sarah.pedigo@scseagrant.org)

**Graham Gaines, Living Marine Resources Specialist**

[graham.gaines@scseagrant.org](mailto:graham.gaines@scseagrant.org)

287 Meeting St., Charleston, S.C. 29401

(843) 953-2074

[www.scseagrant.org/aquaculture-toolkit](http://www.scseagrant.org/aquaculture-toolkit)

## The Clemson Extension Program

The Clemson Extension Program is equipped with an agribusiness extension specialist who can help mariculturists with business planning, profitability scenarios, feasibility assessments, and securing loans and insurance.

### Contact

**Steve Richards, Agribusiness Master Extension Associate**

18 John Galt Rd., Beaufort, S.C. 29906

(843) 473-6024

[stricha@clemson.edu](mailto:stricha@clemson.edu)

[www.clemson.edu/extension](http://www.clemson.edu/extension)

## The South Carolina Small Business Development Center

The South Carolina Small Business Development Center (SCSBDC) works to advance South Carolina's economic development by helping entrepreneurs grow successful businesses. The SCSBDC provides consulting services, workforce training opportunities, access to market research data for industries in South Carolina, and access to information regarding regulations, grants, guidelines, laws, and best practices. Also included is the [Veterans Business Program](#), which helps active and reserve duty military and veterans reach their potential as entrepreneurs.

### Contact

**Jim Johnson, S.C. State Regional Director**

300 College St., Belcher Hall #343, Orangeburg, S.C. 29117

(803) 536-8445

[jjohns47@scsu.edu](mailto:jjohns47@scsu.edu)

[scsbdc@sc.edu](mailto:scsbdc@sc.edu)

[www.scsbdc.com/locations](http://www.scsbdc.com/locations) (variety of local offices)

## The South Carolina Farm Bureau

The South Carolina Farm Bureau (SCFB) works with state and local legislative bodies to promote the interests of the state's agriculture industry, and provides members with information on issues that affect them. Members join at the local county level and may bring topics to the organization that are debated

and voted on at state and national conventions to adopt policy. The SCFB also offers benefits such as discounts on equipment and insurance services to members.

## Contact

### **Chalmers Mikell, Assistant Director of Government Relations**

724 Knox Abbott Dr., Cayce, S.C. 29033

P.O. Box 754, Columbia, S.C. 29202

(803) 936-4288

[cmikell@scfb.org](mailto:cmikell@scfb.org)

[www.scfb.org](http://www.scfb.org)

## The South Carolina State Department of Commerce

The South Carolina State Department of Commerce promotes economic opportunity for individuals and businesses in the state through initiatives like workforce training, incentives to attract businesses to South Carolina, certifying licensed businesses, and business start-up checklists.

## Contact

### **South Carolina State Department of Commerce**

1201 Main St., Suite 1600, Columbia, S.C. 29201-3200

(803) 737-0400

[www.sccommerce.com](http://www.sccommerce.com)

# Loan and Start-Up Capital Options

## The U.S. Department of Agriculture's Farm Service Agency

The U.S. Department of Agriculture's Farm Service Agency (USDA FSA) provides a variety of loan programs and other forms of support for shellfish mariculture operations. Special ones are targeted at new farmers, with ten years or less of production experience, as well as farmers from diverse backgrounds, women, and youth. USDA FSA also offers low interest loans for the purchase of a variety of necessary equipment including vehicles, ice machines, freezers, and other related items that support shellfish mariculture operations.

### Contact

#### **USDA FSA State Office**

1927 Thurmond Mall, Suite 100, Columbia, S.C. 29201

(803) 806-3820

[www.fsa.usda.gov/state-offices/South-Carolina/index](http://www.fsa.usda.gov/state-offices/South-Carolina/index) (local offices in each county)

## The U.S. Small Business Administration

The U.S. Small Business Administration (SBA) is an independent agency of the federal government that provides a variety of services to enable small businesses in the U.S. Support services include information to start, build, and manage successful operations. [The Section 7\(a\) loan program](#) is the SBA's primary program for providing financial assistance to small businesses. The agency also provides guarantees for loans from local banks to make them more secure for the lending institution. Offices exist throughout the country to address localized issues.

### Contact

#### **South Carolina SBA District Office**

1835 Assembly St., Suite 1425, Columbia, S.C. 29201

(803) 765-5377

[www.sba.gov/offices/district/sc/columbia/resources](http://www.sba.gov/offices/district/sc/columbia/resources)

## The USDA Rural Development Program

The USDA Rural Development Program in South Carolina offers a variety of services to rural agriculture operations, including shellfish mariculture farms. These services include [The Value-Added Producer Grant](#)

[Program](#) to help producers enter into value-added activities related to the processing and marketing of new products, and [loan guarantees to lenders for their loans to rural businesses](#) to help rural agriculture producers obtain secure financial assistance.

## Contact

**Wieslawa (Vee) Gartman, Agricultural Marketing Specialist**

531 Robertson Blvd., Suite A, Walterboro, S.C. 29488

(843) 549-1822 ext. 119

[wieslawa.gartman@usda.gov](mailto:wieslawa.gartman@usda.gov)

[www.rd.usda.gov/sc](http://www.rd.usda.gov/sc)

## South Carolina Department of Agriculture's Agribusiness Center for Research and Entrepreneurship

The South Carolina Department of Agriculture's Agribusiness Center for Research and Entrepreneurship (ACRE) supports farmers in the state by hosting agribusiness workshops, running grant competitions for entrepreneurs, teaching new and beginning farmers the business skills they need to prosper, funding research, and supporting farmland transfer. ACRE partners with Matson Consulting, an agribusiness consulting firm in Aiken, in order to produce a [comprehensive guide to agribusiness grants](#).

## Contact

**Kyle E. Player, Executive Director of ACRE**

1200 Senate St., Columbia, S.C. 29201

(803) 734-2324

[kplayer@scda.sc.gov](mailto:kplayer@scda.sc.gov)

[acre-sc.com](http://acre-sc.com)

## AgSouth Farm Credit and ArborOne Farm Credit

AgSouth Farm Credit and ArborOne Farm Credit provide a variety of loan products for farmers, including operating loans, equipment loans, and farm improvement loans. The Farm Credit System is a nationwide network of borrower-owned lending institutions and specialized service organizations. Congress established the System in 1916 to provide a reliable source of credit for the nation's farmers and ranchers. Lending staff with these institutions are specialized in financing agriculture operations. All three are headquartered in South Carolina - with AgSouth and ArborOne serving South Carolina specifically.

## Contacts

### **AgSouth Walterboro Branch – Serving Beaufort, Colleton, and Jasper Counties**

529 Bells Hwy., Walterboro, S.C. 29488

P.O. Box 1168, Walterboro, S.C. 29488

(843) 549-1584

[www.agsouthfc.com/Locations/South-Carolina-Branches/Walterboro.aspx](http://www.agsouthfc.com/Locations/South-Carolina-Branches/Walterboro.aspx)

### **AgSouth Summerville Branch – serving Berkeley, Charleston, and Dorchester Counties**

702 Kate Ln., Summerville, S.C. 29486

PO Box 1590, Summerville, S.C. 29484

(843) 821-6758

[www.agsouthfc.com/locations/summerville-branch](http://www.agsouthfc.com/locations/summerville-branch)

### **ArborOne Farm Credit Conway Office**

1720 Millpond Rd., Conway, S.C. 29527

(843) 248-4214

[farmcredit.com/location/conway-office](http://farmcredit.com/location/conway-office)

# Crop and Equipment Insurance Options

The practice of farming shellfish in marine waters carries with it a variety of risks including disease, poor product quality, poor water quality, competition, equipment failure, and natural disasters. Knowledge of these risks, their likelihood, their severity, and how best to manage them, is imperative for ensuring the success of your shellfish mariculture operation.

## Crop Insurance

### The USDA Risk Management Agency

The USDA Risk Management Agency (RMA) offers federal crop insurance options for the nation's farmers. While the following two general programs do not target aquaculture products specifically, aquaculture products do fall within their purview. First, there is the [Whole Farm revenue protection program \(WFRP\)](#) which provides protection against the loss of up to \$8.5 million in insured revenue due to an unavoidable natural cause of loss (however, in many cases, premium amounts can be prohibitive if producing under three different species of crops). Second, there is the [Noninsured Crop Disaster Assistance Program \(NAP\)](#). This program provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters. In addition to these two programs, there is the [Cultivated Clam program](#), a specific federal crop insurance program administered by USDA RMA that clam farmers in South Carolina are eligible for. Quality records of inventory are required for all of these crop insurance programs.

### Contact

**Phillip Elliott, Ag. Program/GIS Specialist**

1927 Thurmond Mall, Suite 100, Columbia, S.C. 29201

(803) 806-3820 ext. 104

[phillip.elliott@usda.gov](mailto:phillip.elliott@usda.gov)

[www.fsa.usda.gov/state-offices/South-Carolina/index](http://www.fsa.usda.gov/state-offices/South-Carolina/index) (local offices in each county)

## Equipment Insurance

Equipment insurance, as with most types of property insurance, can be purchased privately. **Bankers Insurance**, a member of the East Coast Shellfish Growers Association, offers equipment and other types of insurance to seafood producers. They also have a useful [Aquaculture Insurance Primer](#). **Southern Farm and Wind Insurance** provides fishery insurance services to aquaculture operations in the south as well. Finally, business property and casualty insurance options are available through the **South Carolina Farm Bureau Mutual Insurance Company**.

## Contacts

### **Bankers Insurance LLC**

(800) 541-1419

[www.bankersinsurance.net/business-insurance/seafood-insurance](http://www.bankersinsurance.net/business-insurance/seafood-insurance)

### **Southern Farm and Wind Insurance**

2502 C1 Jerry Jones D, Suite #2, Valdosta, GA 31602

(800) 385-1559

[sfw@southernfarmins.com](mailto:sfw@southernfarmins.com)

[www.southernfarmins.com/fishery-insurance](http://www.southernfarmins.com/fishery-insurance)

### **South Carolina Farm Bureau Mutual Insurance Company**

PO Box 2124, West Columbia, S.C. 29171

[www.scfbins.com/find-agent](http://www.scfbins.com/find-agent)

# Cage Bonds

In the state of South Carolina, performance (surety) bonds are required for off-bottom cages used by shellfish farmers. These bonds are payments held in escrow to cover the cost of cleaning up abandoned gear after major storm events, or from terminated or abandoned leases. Cage bonds are available through several private financial institutions, and prospective farmers are encouraged to reach out to various entities to compare terms. One vendor that provides cages bonds in South Carolina is listed below.

## Contact

### **Traveler's Insurance Company**

[www.travelers.com/surety-bond](http://www.travelers.com/surety-bond)

[agent.travelers.com/sc](http://agent.travelers.com/sc) (Offices and Agents throughout South Carolina)

# Producer Associations

## The South Carolina Shellfish Growers Association

The South Carolina Shellfish Growers Association (SCSGA) is a member-driven organization of clam and oyster farmers and harvesters. The SCSGA works on behalf of its members on a broad spectrum of issues, including environmental protection, shellfish safety, regulations, technology, and marketing.

### Contact

**Julie Davis, President**

PO Box 204, McClellanville, S.C. 29458

(843) 442-7946

[scshellfishsecretary@gmail.com](mailto:scshellfishsecretary@gmail.com)

[scshellfishgrowers.org](http://scshellfishgrowers.org)

## The East Coast Shellfish Growers Association

The East Coast Shellfish Growers Association (ECSGA) represents over 1,500 shellfish farmers from Maine to Florida, and advocates for industry interests at the national and state level to prioritize legislation aimed at benefiting shellfish farmers along the East Coast.

### Contact

**Bob Rheault, Executive Director**

1623 Whitesville Rd., Toms River, NJ 08755

(732) 349-1152

[Bob@ecsga.org](mailto:Bob@ecsga.org)

[ecsga.org](http://ecsga.org)

## The South Carolina Seafood Alliance

The South Carolina Seafood Alliance works to promote the production of seafood produced in South Carolina, enhance the ability of South Carolina seafood producers to compete with imports, and preserve working waterfronts that are critical to sustaining South Carolina's seafood industry.

## Contact

### **Amy Mackown**

1220 Penny Cir., Mt. Pleasant, S.C. 29464

(843) 437-0008

[scarolinaseafood@gmail.com](mailto:scarolinaseafood@gmail.com)

[www.southcarolinaseafood.org](http://www.southcarolinaseafood.org)

## Oyster South

Oyster South is a 501c3 non-profit organization that connects communities and provides resources to foster the success of oyster farming in the southern United States. Their goals are to spotlight and expand the environmental and economic benefits of oyster farming in the South, increase sustainable seafood production, improve the health of our waters, increase the prosperity of our coastal communities, and elevate appreciation for southern farm-raised oysters. Oyster South serves southern oyster farmers, chefs, seafood dealers, and equipment manufacturers as its members.

## Contact

### **Bethany Walton, Executive Director**

[slurp@oystersouth.com](mailto:slurp@oystersouth.com)

[www.oystersouth.com](http://www.oystersouth.com)