



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

Senate Bill 433

Economic Development - Woman- and Minority-Owned Shellfish Aquaculture Enterprise Fund

Date: February 21, 2023

Position: **Support**

To: Education, Energy & Environment Committee

From: Allison Colden, Sr. Fisheries Scientist

Chesapeake Bay Foundation (CBF) **SUPPORTS** SB433 which establishes the Woman- and Minority-Owned Shellfish Aquaculture Enterprise Fund to provide loans to business owners traditionally underrepresented in the Maryland aquaculture and seafood industries. The fund, administered by the Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO), would provide funding to support lease application assistance, operating and capital expenses, and training to start or expand shellfish aquaculture businesses in the state.

Shellfish aquaculture, also known as oyster farming, is a nascent, but growing, industry in Maryland. Since 2010, annual harvest has grown from less than 10,000 bushels of oysters per year to nearly 100,000 bushels. The industry currently supports nearly 500 Maryland jobs¹ and more than \$8 million in economic benefits.²

However, opportunity for new entrants into the aquaculture industry is limited. Starting a new aquaculture business is capital intensive: costs for starting a new aquaculture business range from \$100,000 to \$450,000 depending on the size of the business. For those who are not already participants in the seafood industry with access to boats, heavy equipment, waterfront property, and labor, the costs can be even greater. Due in part to these financial barriers to entry, which result from historical and ongoing discriminatory practices and biases, people of color and women tend to be underrepresented in the aquaculture industry.

SB 433 seeks to address these gender and racial gaps by providing an additional source of start-up funding. These funds could be used for vessels, equipment, or training that would be necessary for new entrants into the seafood industry.

Existing MARBIDCO shellfish aquaculture loan programs have been utilized for more than a decade with great success. In fact, a recent study indicated that Maryland's MARBIDCO shellfish financing programs resulted in the highest chance of success and financial return when compared to traditional financing or self-financed operations.³ SB 433 builds upon this long history of success by ensuring equitable opportunities are available to anyone seeking to join Maryland's burgeoning aquaculture industry.

CBF urges the Committee's FAVORABLE report on SB433.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

¹ Maryland Department of Natural Resources. Maryland Oyster Overview. Briefing to the House Environment and Transportation Committee. 31 January 2023. Slides available [online](#).

² Analysis of the Economic Benefits of the Maryland Shellfish Aquaculture Industry. 2020. Available [online](#).

³ Parker, M., Lipton, D., and Harrell, R.M. 2020. Impact financing and aquaculture: Maryland oyster aquaculture profitability. Journal of the World Aquaculture Society 51: 875-895. Available [online](#).

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