



2026 Oyster Industry Outlook

Tuesday, March 3, 2026



FARM CREDIT

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Bob Rheault



Executive Director



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RESOURCES OVERVIEW

Farm Credit Shellfish Aquaculture in New England



BOB RHEAULT

**EXECUTIVE DIRECTOR
EAST COAST SHELLFISH
GROWERS ASSOCIATION**

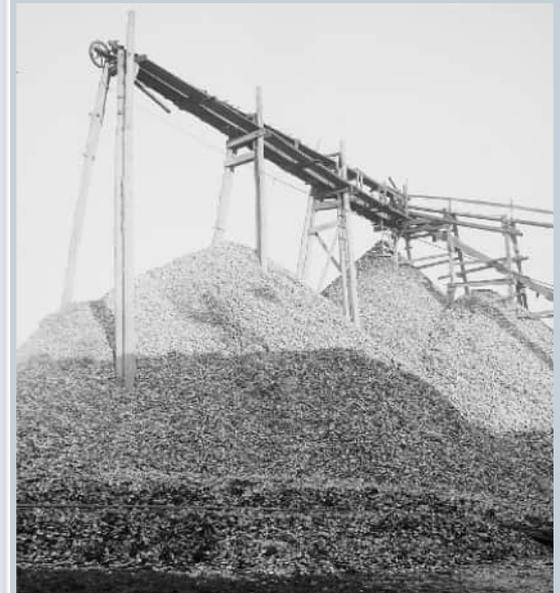
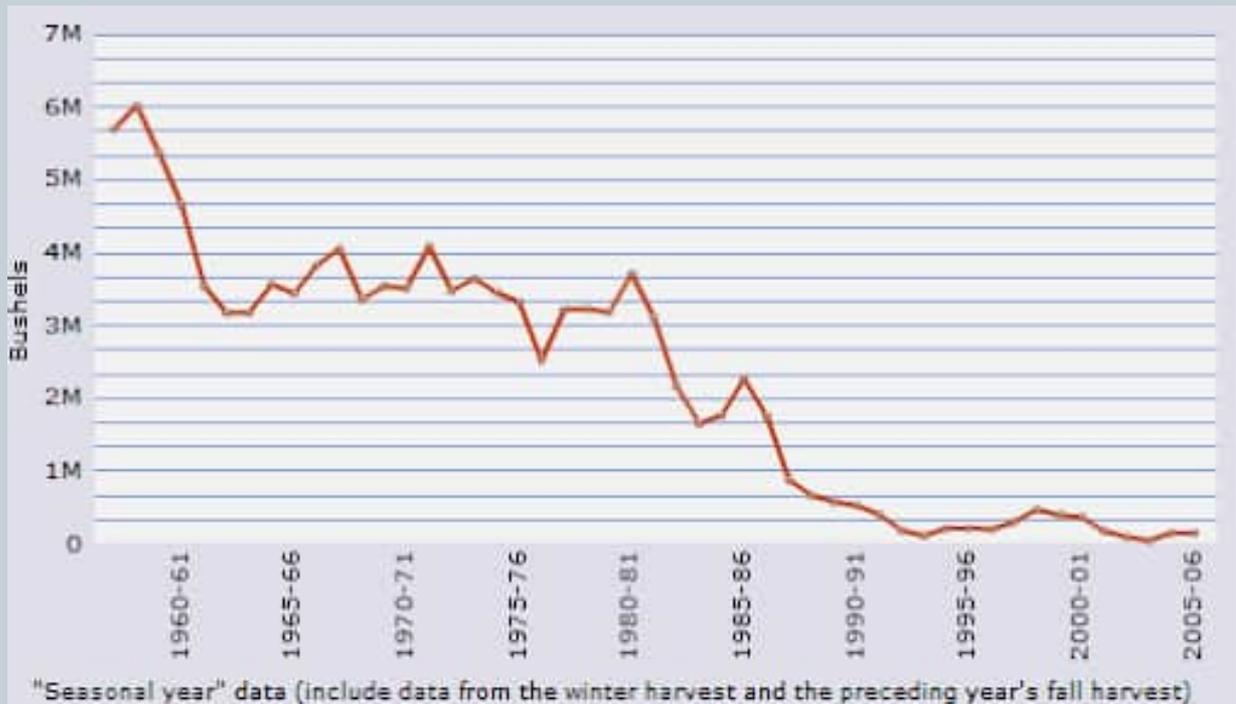
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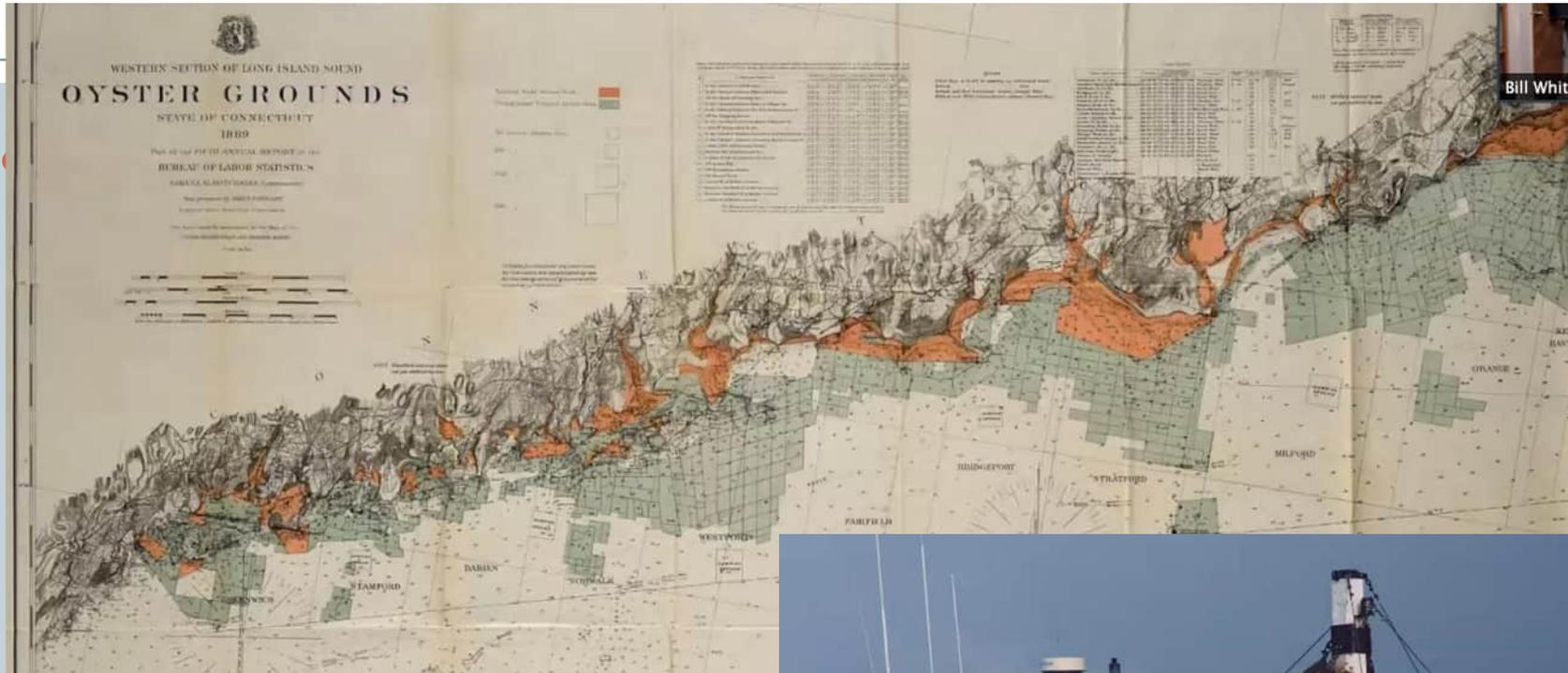
Sustainable Shellfisheries



- Wild harvest shellfisheries have been in decline for decades



Rudimentary Fisheries Enhancement



Bill White



Bill White

Historical Landings



- National landings peaked at 27M bu. in 1890.
- By 1920 landings had declined by 50% because of overharvest, habitat destruction.
- At the turn of the 20th century, oysters were a readily available, poor man's protein. New Yorkers consumed an estimated 500,000bu. (~660 per capita) annually.
- The invention of the flush toilet and the discovery of the germ theory of disease revealed that holding oysters in big-city estuaries caused outbreaks of typhoid fever and norovirus, resulting in many deaths.
- Demand collapsed, prices declined, seeding ceased.
- In 1925 the U.S. Public Health Service developed national public health control measures to ensure shellfish were only harvested from safe waters.

Shellfish Sanitation Today

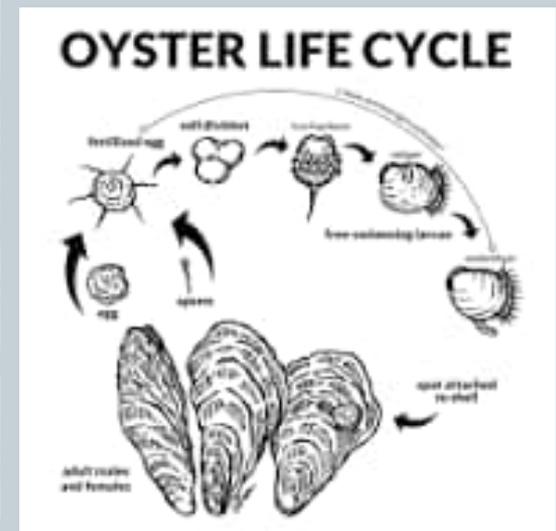
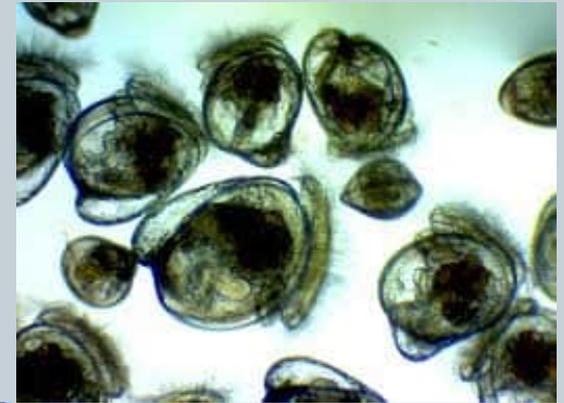


- 1920s - Cities developed wastewater treatment plants.
- 1945 - Harvest area testing became routine.
- In 1972 the Clean Water Act was passed by Nixon.
- The National Shellfish Sanitation Program today operates with a 570-page regulatory manual.
- Water quality sampling, enforcement, handling, distribution, dealer facility inspections, tagging, trucking, cooling, and traceability requirements.
- The press accounts of closures and recalls indicate that the program is working! Shellfish are safe! The inflation-adjusted price has returned to what it was in 1900!
- Nonetheless, our challenging history remains an issue.

The advent of shellfish farming



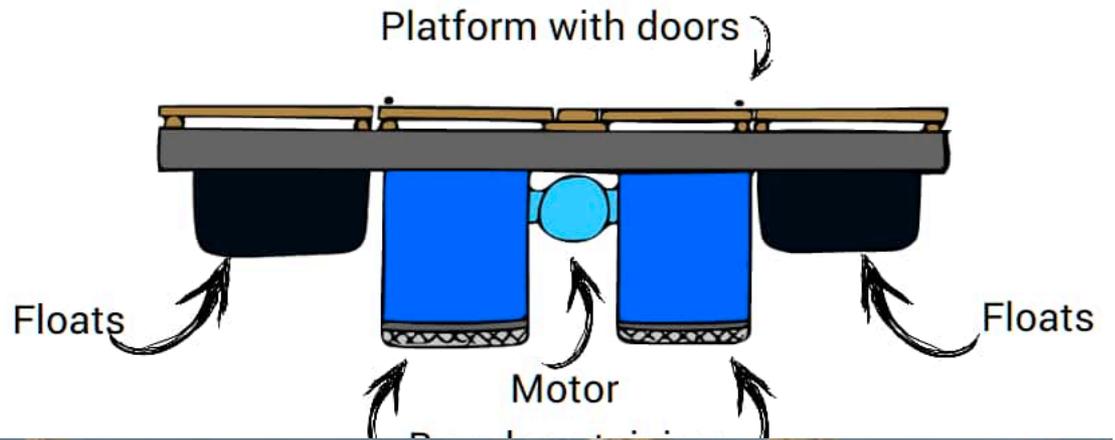
- Sustainable shellfish farming
- Hatcheries developed in the 1950s
- Algal culture



Shellfish Growout from Nursery to Harvest



Upwellers



Seed Culture Methods



Nursery timeline



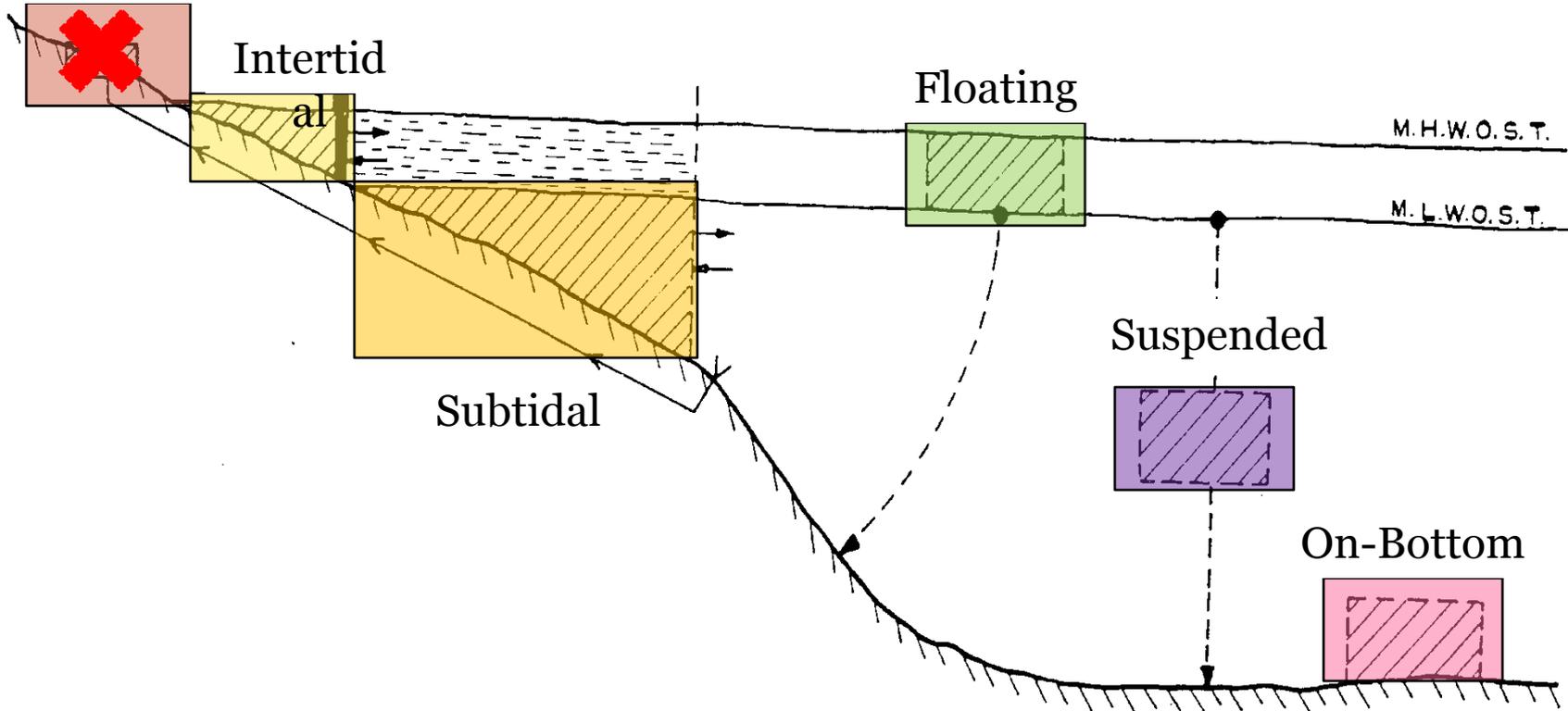
- Lots of grading and sorting
- In six weeks a million 1-mm oysters grow from one quart to 60 totes of 10-15-mm seed



Grow-out Options



Land-based





On
Bottom

(Intertidal)

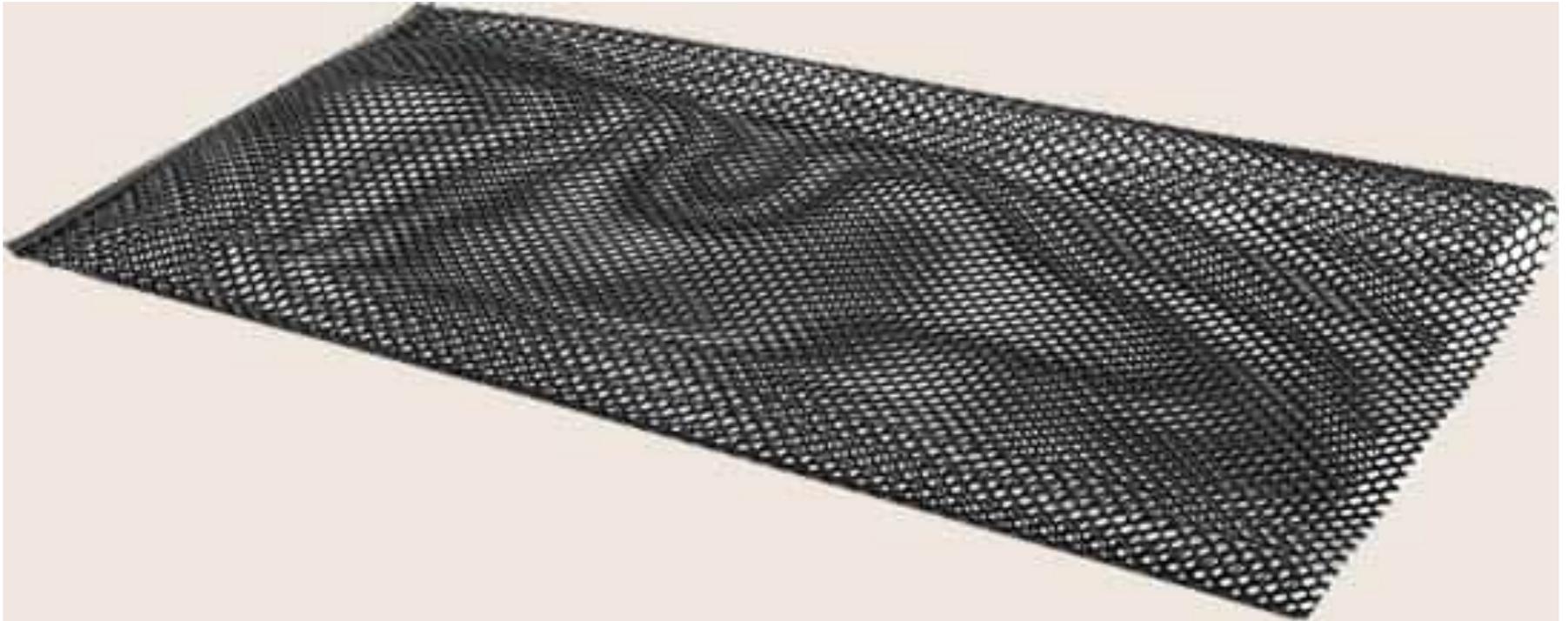
Dredging bottom planted oysters



Oysters in trays directly on bottom



The oyster bag (ADPI or OBC Bag)



RWU Rack & Bag system



Bottom cages





Management ~ fouling control~



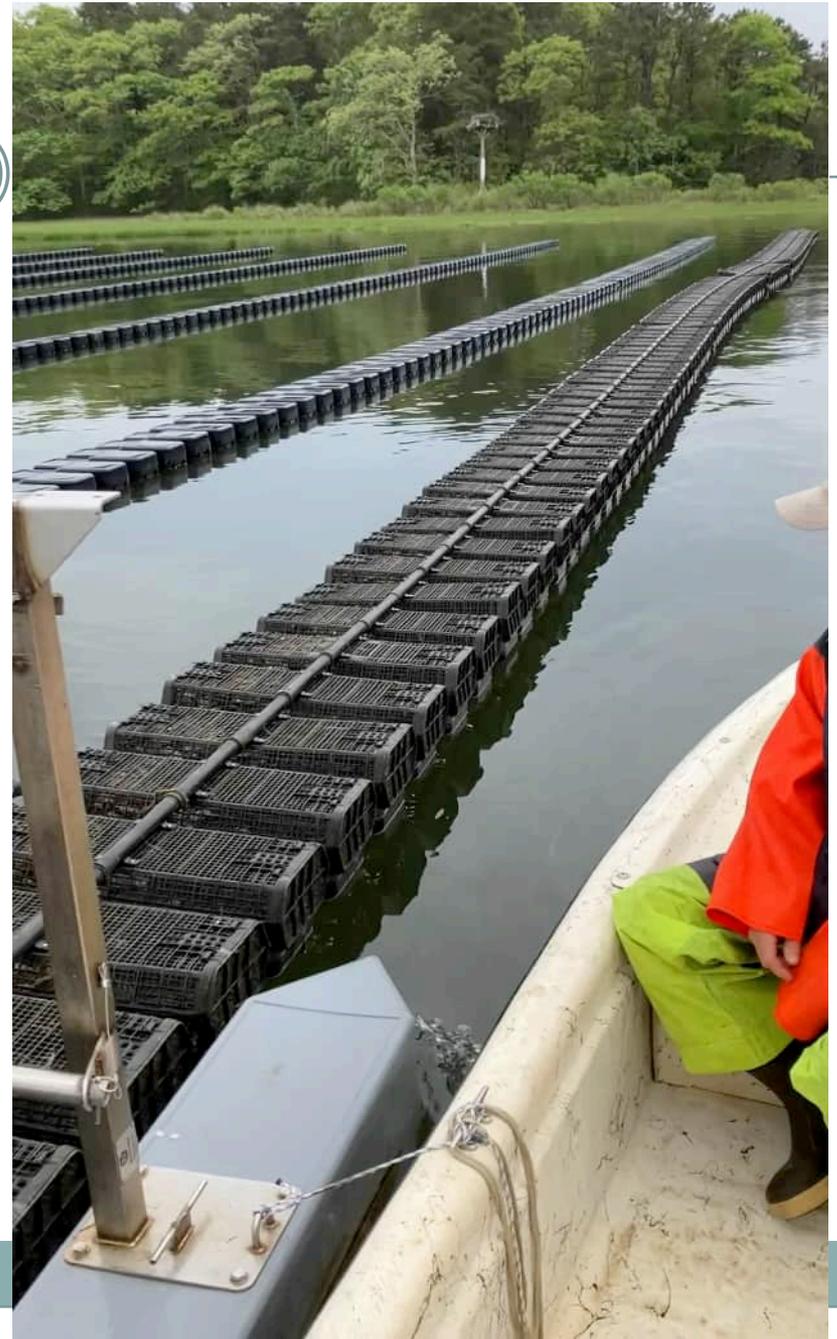
Photo: Clair Carver

OysterGro System



Flip Farm

automation of
fouling control
through air drying



Harvest from bags/trays



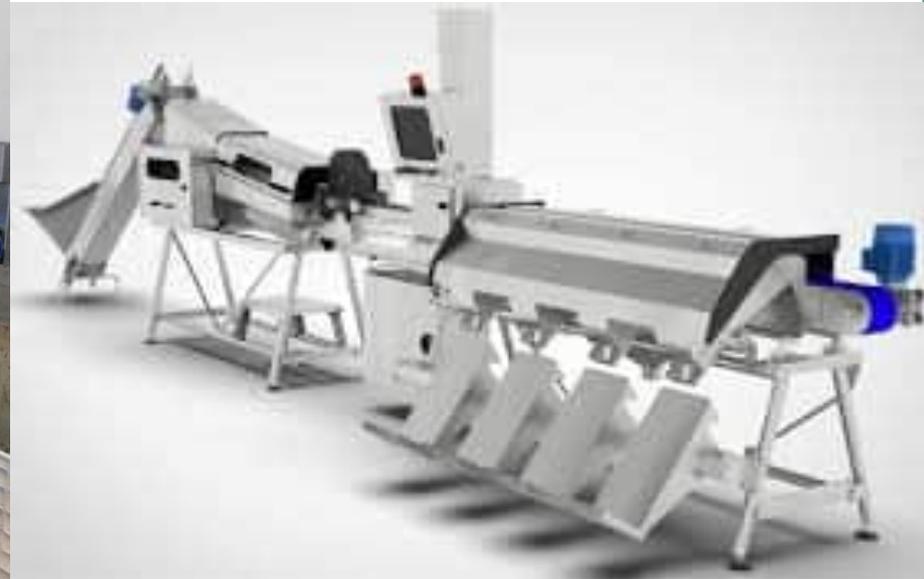
Grading & Culling



Tumbler/Sorter



Optical Vision Sorters



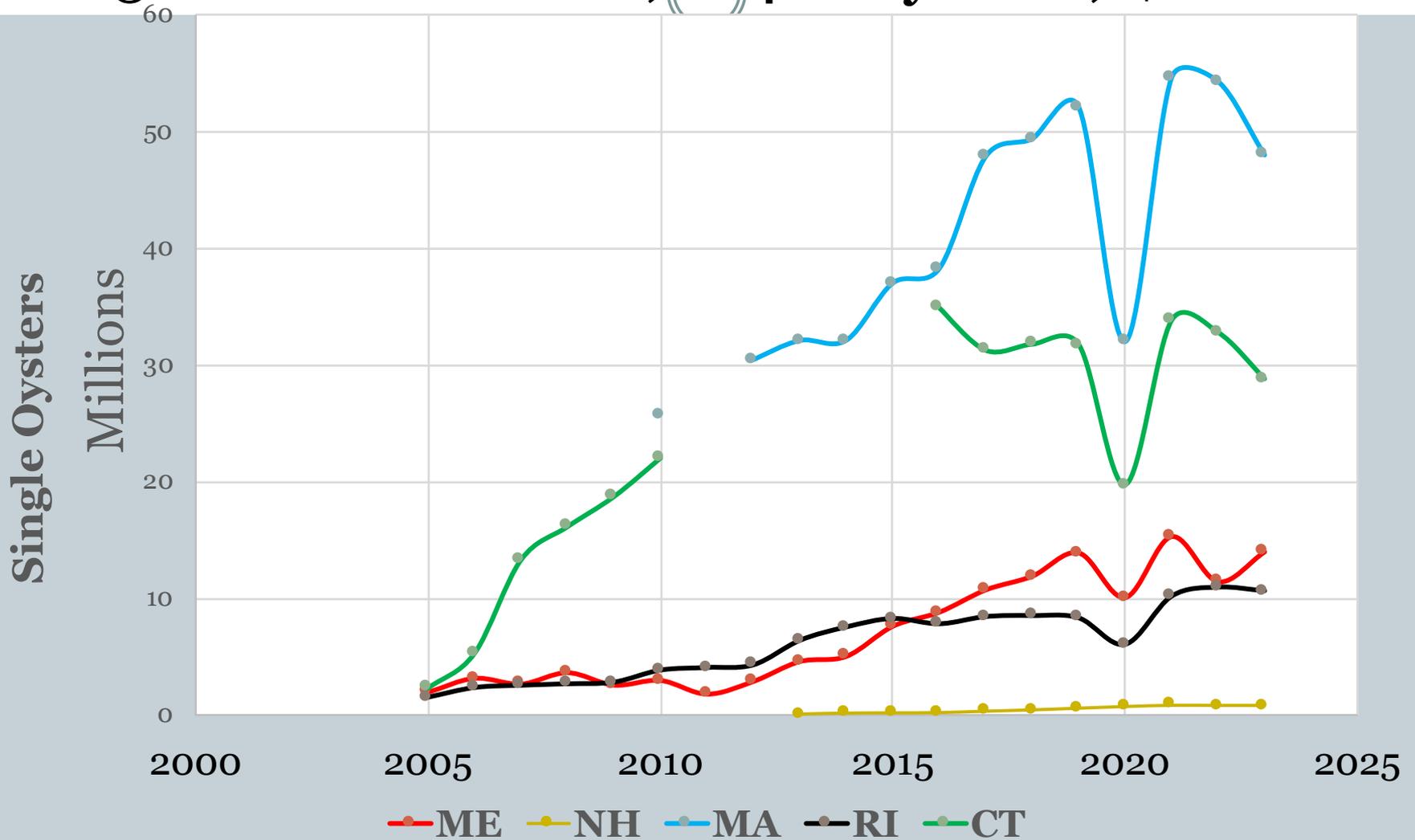
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Market Development



- Hatcheries allowed for uniform seed
 - Production of single oysters
 - Sustainable year-round supply
 - Selective breeding for growth and disease resistance
- Hundreds of farms began marketing trademarked brands like fine wines, celebrating regional flavor and quality differences.
- Refined production methods improved quality and consistency.
- Year-round supply allowed for the proliferation of rawbars.
- Customer preference evolved to a smaller 3"-3.5" oyster.

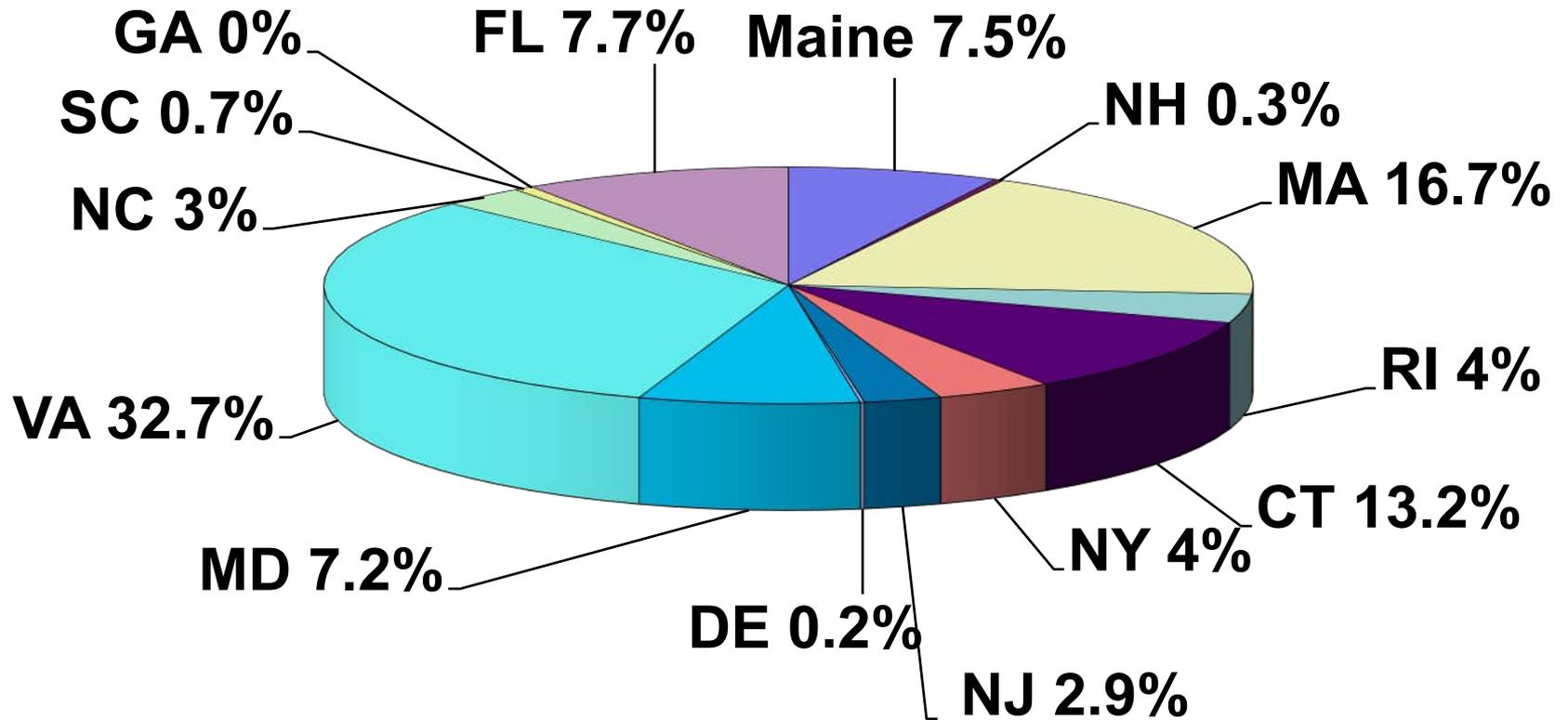
Regional Production – 580 leaseholders, (114M oysters, \$68M



Shellfish Aquaculture by State percent of total East Coast

\$195 million farm gate

40% clams, 60% oysters



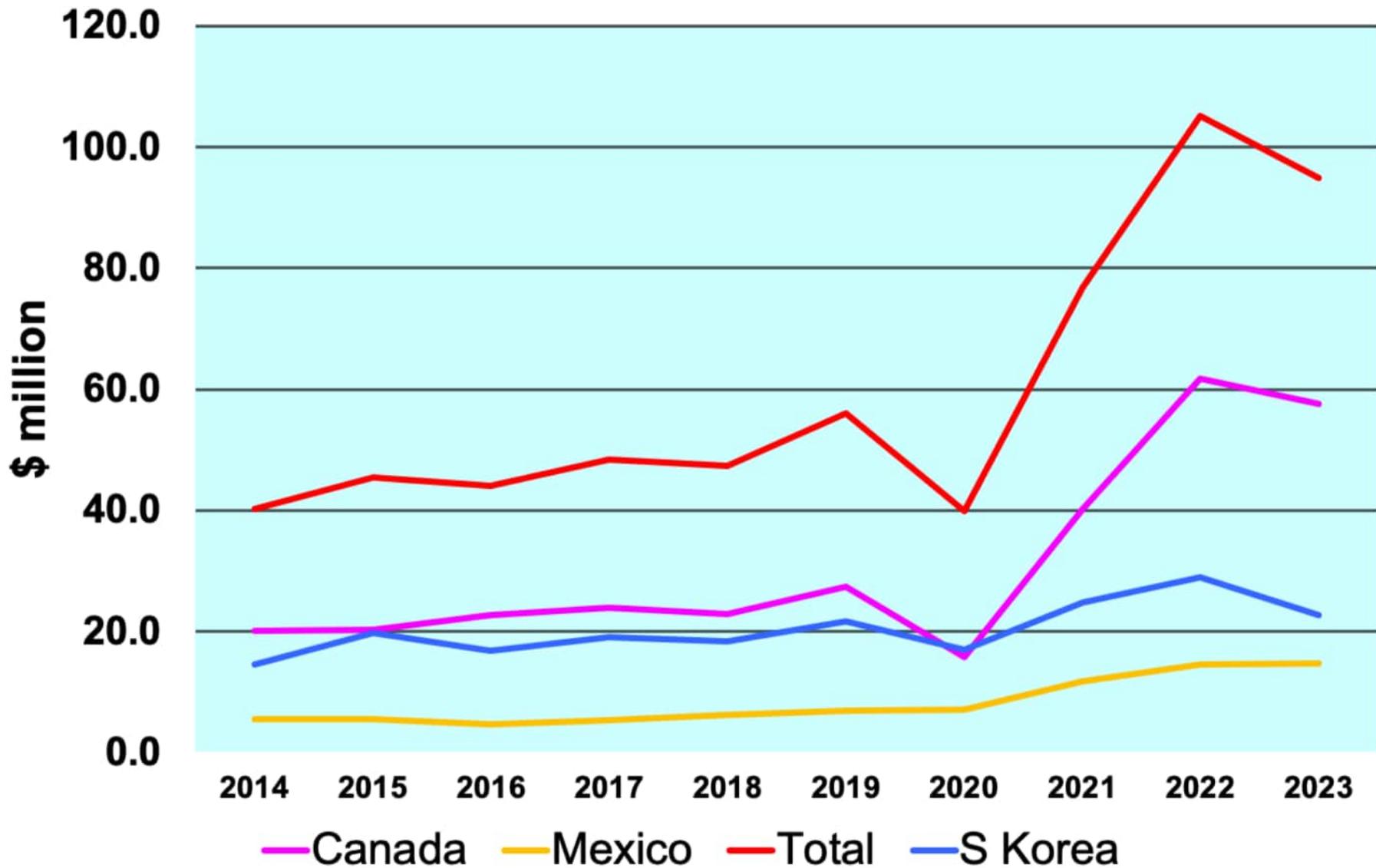
Recent Production Issues



- Farm-gate prices frozen despite inflation
- Input costs have soared –
 - Labor
 - Gear
 - Shipping
- Inflation has caused restaurant prices to soar. Fine dining establishments often charge \$4-6 each.
- Inflation has hit disposable income.
 - Declines in fine dining – more fast casual and take-out.
 - Fewer diners are ordering appetizers, desserts, and expensive items.

Oyster Imports from Canada and Mexico and S. Korea

\$ Millions



Dramatic Economies of Scale



- Firms producing 2-3M a year have a per oyster production cost of 40c, while smaller farms producing a few hundred thousand have a break-even price of 60-70c.
- New England towns often restrict lease size, limiting the ability of farms to expand to achieve profitability.
- Our waters are crowded with pleasure boaters, and waterfront homeowners often sue to block new farms (especially with efficient floating gear).

Farmed Oysters



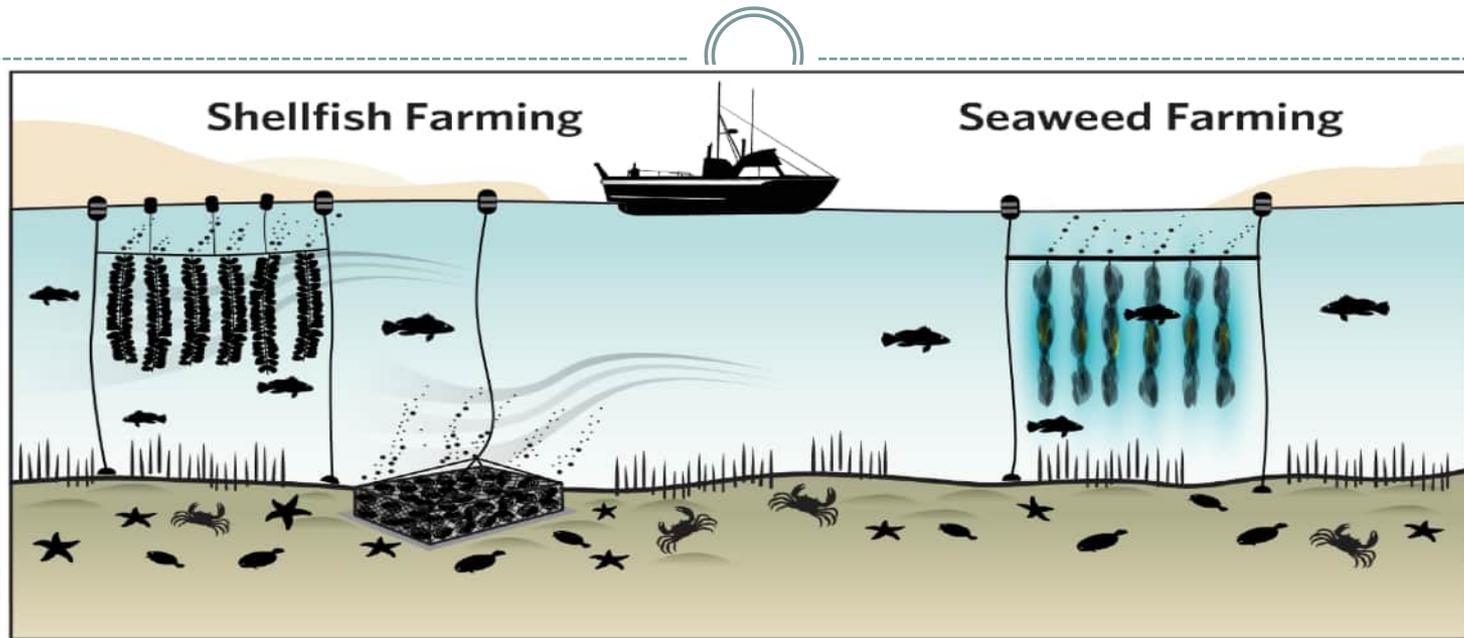
- High value per acre ~20,000/ac.
- Most sustainable protein
 - No fertilizer or feed
 - Replant seed every year
 - No herbicides, drugs or chemical use
 - Lowest greenhouse gas emissions per pound
- Heavy labor cost, hard, smelly, muddy, cold, wet
- Low profit margin b/c of high input costs
- Regulatory burden avg. ~\$30,000/ year

Ecosystem Services



- Filter feeders
 - Removes excess nitrogen
 - Improves water quality and clarity
- Provides fish habitat
 - Improves abundance and biodiversity
- Stabilizes the benthos – slows erosion
- Jobs and economic development
 - 2300 shellfish farms on the East Coast
 - Thousands of jobs in rural coastal communities
 - Supports shippers, dealers, restaurants, boat builders, and equipment manufacturers

Restorative Aquaculture - TNC



A **single hectare** of restorative farms...

REMOVES

more than half a ton of nitrogen
(which would cost ~US\$50K to remove
through wastewater treatment)

FILTERS

up to 25M gallons of water per
day (about 40 Olympic-sized
swimming pools)

INCREASES

the abundance of wild fish
by up to 5 tons per year

CAPTURES

carbon dioxide in coastal
waterways and prevents
ocean acidifications

Recommendations



- Avoid local competition, which depresses prices
- Develop other markets in heartland cities
- Cut production costs – automation, efficiency
- Marketing –
 - Target younger consumers
 - Emphasize sustainability, nutritional value, celebratory nature
- Develop value-added products
 - Top-off frozen topped products for home consumption
- Consolidation of farms
- Cooperative marketing



