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# Taylor Shellfish gives US offshore producer Catalina Sea Ranch a head start

Company anticipates its first commercial crop by early next year.

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by Drew Cherry

The pioneering effort to grow shellfish in US offshore waters got a major boost this month with a little help from one of the world's leading providers of mussels, oysters and geoducks.

Catalina Sea Ranch, which is in its final round of fund-raising to develop 100 acres of rope-grown Mediterranean mussel farming operations about 6 miles from Huntington Beach, California, was given an early Christmas present from Washington-based Taylor Shellfish of 3,700 pounds of juvenile mussels, which the group will grow to market size by early next year.

Catalina Sea Ranch CEO Phil Cruver told **IntraFish** that Taylor -- a part investor in the operation -- had excess mussel seed after a recent stripping, and offered them to Catalina to raise on its new project.

The juveniles, which are at about 3/8" currently, will be grown on two of Catalina's 40 longlines, and yield around 35,000-40,000 pounds of mussels when fully grown.

Catalina, which officially began its drive to become the first US offshore shellfish farmer in 2011 at the urging of the National Oceanic and Atmospheric Administration (NOAA), received approval from the US Army Corps of Engineers in 2012 and the California Coastal Commission in 2014, but Cruver said the company has moved slowly and deliberately

toward commercialization, focusing on securing both the technology and expertise, as well as the investors.

“When I’d tell investors we were developing the first offshore shellfish operation in the United States, I could hear them in the background giggling,” Cruver said.

Then he’d lay out the numbers. For starters, the US imports 30 million pounds of live mussels from Prince Edward Island annually, so a domestic competitor is already poised to take a slice of that.

In addition, with no feed necessary and a fast growth cycle of around 6- 8 months in the warm Southern California waters (compared with a growing time of up to two years in PEI), the company can easily show figures that put earnings before interest, taxation, depreciation and amortization (EBITDA) margins at 50 percent.

“It goes to 80 percent when we move to 1,000 acres,” Cruver said.

That potential for expansion is another attention-grabber.

“The first question investors want to know is, ‘Does it scale?’” he said. “We can say, ‘Absolutely.’”

The San Pedro shelf where the company is operating has 40 square miles of suitable growing space, and provided the company is a commercial success, the plan is to develop 1,000 acres for mussel farming.

The company has a marquis investors and advisors, including top executives from Santa Monica Seafood and Fortune Fish. In addition, several companies have already committed to purchasing Catalina’s products when they reach market.

“I can say with certainty that our 100 acres are already sold out,” he said.

New Zealand experts are currently assisting with the installation of anchors for the longline rope-growing system, and by next year the farm should be fully operational.

While mussels is the company’s cash crop, Catalina is currently testing a project for growing purple hinge rock scallop. It’s a risk, Cruver concedes, but with the high value of scallops, it’s one worth taking, albeit cautiously.

The final round of fundraising for Catalina’s project is nearing its completion, Cruver said, with around \$700,000 left to raise, which he expects they will do.

“We have takers,” he told **IntraFish**.

To date, some \$4.8 million has been raised in five funding rounds for the project. Upon full commercialization, the company expects to produce 2.5 million pounds of mussels annually.

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