

FINANCING FISHING AND AQUACULTURE BUSINESSES



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Where Can I Find Financing for My Business?

Website: Maryland Shellfish Growers Network

<http://www.cbf.org/how-we-save-the-bay/programs-initiatives/maryland/maryland-shellfish-growers-network/>

Go to: Aquaculture Funding Database – **30 listings in 6 categories**

You need to have a **Google account** to manipulate the spreadsheet

Categories: Research Grants; Improvement Loans; Emergency Recovery Loans; Production Grants; Multi-Purpose Loans; Emergency Coverage

Shown in: Spreadsheet with columns providing information on program, description, requirements through contact data

Information Column Headings

- Program Name
- State/Federal/Private
- Organization or Agency Name
- Description of the Program
- Requirements
- Eligible Expenses
- Amount (usually includes minimum and maximum levels)
- Program Details (interest, term)
- Collateral (if required)
- Repayment information
- Application Due Date (if needed)
- **Contact Info**
- **Useful Websites**
- **Application Link** (website URL)

Research Grants

- NOAA Small Business Innovation Research – I)new project within NOAA priority areas; II)research & development; III)commercialization
 - Phase I \$120k max, 6 mo. limit; Phase II \$400k max, 2 yr completion plus 1 yr for completing commercialization report
 - Contact: NOAA SBIR, Silver Spring MD
- NOAA Saltonstall-Kennedy Competition – Research & Development for harvest, processing or marketing; increase economic benefits & promote sustainable practices; *fishing community involvement is highly considered*
 - Min \$25k, max \$300k; 2 yr period max with less welcome
 - Contact: NOAA, Silver Spring MD

Research Grants

- SARE Farmer Grants: explore ways to improve sustainability or profitability; NOT for normal operating expenses
 - Includes labor, materials, travel, services, equipment rental; \$2.5-15k; most for one year; paid on reimbursement basis (so have capital to pay up front)
 - Contact: USDA NIFA SARE Program, Washington DC (MD contact available)
- Maryland Industrial Partnerships (MIPS): development and commercialization of products & partnerships through industry/university linkage; provides funds for research
 - One & two year projects w/review after first year; funds for Bay research that includes aquaculture; company must provide min 10% cash, 35% in-kind
 - \$5k min, \$100k small, med & lg firms; \$90k start-ups
 - Contact: MIPS, University of Maryland

Production Grants

- USDA Value Added Producer Grants – new products, expanding markets for new small and medium farms; can also be used by cooperatives
 - Planning or working capital: planning grants max \$75k; capital grants max \$250k; must match 50%
 - Contact: USDA Rural Development Administration, Dover DE
- USDA Environmental Quality Incentives Program (EQIP) – supports conservation with water quality and habitat; MD provides funds for bottom habitat enhancement for leases
 - Set schedule of funds for lease renovation and addition of new cultch; can be arranged for direct repayment of MARBIDCO loans
 - Contact: Natural Resources Conservation Service in your county (MD)

Production Grants

- USDA Local Food Promotion Program – develop and expand markets to boost domestic economy; process, distribute or store local or regional food products
 - Planning grants \$25-100k, 18 mo.; Implementation \$100-500k 36 mo.; 25% cash or in-kind funding match required
 - Contact: USDA Ag Marketing Service, Washington DC
- Kathleen A.P. Mathias Ag Energy Efficiency Program – implement cost-effective energy efficiency upgrades; save \$ & increase efficiency
 - Must be MD farm or ag business; detailed proposal min. \$20k, max \$50k
 - Grants fund up to 50% of total project costs
 - Contact: Maryland Energy Administration

Multi-Purpose Loans

- USDA Direct Farm Operating Loans – purchase of farm equipment, operating, improving buildings, refinance for certain debts
 - Max loan \$300k; general operating repayment w/in 12 mo or when ag commodities sell; equipment repayment max 7 yrs
 - Contact: Farm Service Agency, Annapolis MD
- Farm Credit System – ability to make loans for commercial aquaculture; operates as a member-owned cooperative bank w/60% of profits returned to members/borrowers
 - Longtime funding for variety of agricultural crops; operates AgBiz Master Program for learning business skills (\$225 w/possible scholarships)
 - Contact: Local Offices or Mid Atlantic Farm Credit, Westminster MD

Multi-Purpose Loans

- Maryland Shellfish Aquaculture Loan Program – start-up and expansion of shellfish aquaculture (clam or oyster); payment for substrate, seed or equipment w/15 yr lifespan
 - Must have lease, provide business plan, pay ¼ interest at 3%; principal goes to 5% at payback but w/40% reduction in principal on 1st \$100k
 - Contact: MARBIDCO, Annapolis MD
- Maryland Revolving Loan Fund for Agriculture – purchase of shell, seed, cages & equipment (no vehicles)
 - Develop or expand aquaculture in AA, CA, CH, PG & SM counties; min \$10k to max \$20k; 4.5% for 1-4 yrs; repayment quarterly
 - Contact: MARBIDCO, Annapolis MD (w/SMADC)

Improvement Loans

- Maryland Remote Setting Shellfish Aquaculture – promote remote setting for spat on shell seed production
 - Nursery permit required; business plan; TFL required for at least 1 person; credit score 620 or above; min \$5k to max \$30k; int 5%; 5-6 year term
 - Contact: MARBIDCO, Annapolis MD
- NOAA Fisheries Finance Program – purchase or improve equipment, purchase existing, build new or improve current facilities for fisheries or aquaculture
 - Individual/family, profit organization in commercial fishing or aquaculture, includes processing and distribution; qualified to operate and repay loan
 - Fixed interest rate; terms 5-25 yrs; up to 80% of total cost of project
 - Contact: NOAA, GARFO

Improvement Loans

- USDA Farm Operating Microloans – to aid operating cost of small farms, purchase essential tools and materials essential to function
 - Max \$50k; int 3.875%; max term 7 yrs; general operating or family expenses w/in 12 mo; collateral in property or products for 100% of amount
 - Contact: FSA Annapolis or local county office
- USDA Farm Storage Facility Loans – construct or improve on-farm storage with purchase or improvement of equipment
 - Purchase aquaculture commodities, facility construction & upgrades, purchase of equipment with lifetime up to or exceeding life of the loan
 - 2.625-3% (varies w/term); 3-12 year term; \$100 application fee; min down payment of 15% required
 - Contact: FSA Annapolis or local county office

Additional Program

- NOAA Capital Construction Fund – for purchase of new vessel or refurbishing existing of at least 2 net tons; operates like a 401K
 - Dedicated account for up to 100% of taxable fishing income; applied to project and becomes tax-free; depreciable basis is decreased by amount of CCF money placed in the project vessel
 - Contact: NOAA, GARFO

Thanks to NOAA and the ASMFC for funding the Maryland Shellfish Growers Network and the Chesapeake Bay Foundation for creating the Aquaculture Funding Sources database as part of the project!!

Don't forget to attend the Maryland Shellfish Growers Conference on Feb 12 at the Crowne Plaza in Annapolis for more great information!!

If We Can Help You...

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