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New Mexico Shrimp Farmers Secure USDA Grant to Expand Market Reach

By *Finance New Mexico*

Lemitar is pretty far from the Pacific, but Tim Ott and Abigail “Judy” Armendariz are growing shrimp native to that ocean in a climate-controlled aquaculture plant just north of Socorro.

Their company, Southwestern Seas LLC, has been selling New Mexico-farmed white Pacific shrimp at the Santa Fe Farmers Market for about a year.



The business partners in late November received a \$49,500 value-added producer grant from USDA that they plan to use to market their unconventional “crop” to other farmers markets around the state and thus increase sales.

High-Altitude ‘Ocean’

Southwestern Seas received its first shipment of young shrimp in the summer of 2014, when Armendariz’s garage served as the nursery. The company then built a 7,000-square-foot facility and equipped it with everything needed to replicate the saline, sea-level ocean environment where these shrimp typically live.

The shrimp farmers add oxygen to the water in the facility’s giant saltwater tanks so the shrimp can survive at an altitude of more than 4,500 feet. They keep the building’s temperature at 85 degrees and maintain an elevated humidity level.

Biofilters and recirculators sustain water quality inside the 65,000-gallon tanks, which are replenished regularly with water from an on-site well.

Ensuring a consistent, naturalistic environment makes it unnecessary for the company to treat the shrimp with antibiotics and growth hormones and allows the shrimp to gain weight naturally and remain healthy.

The shrimp spend their first month at the farm in smaller “nursery” pools before being moved to the larger “raceway” tanks, where they grow to a mature length of 7 inches.

Southwestern Seas sells 40 to 50 pounds of shrimp each week to farmers market customers in Santa Fe and Los Alamos and to select Santa Fe restaurants. The owners want to expand their client base and eventually begin producing tiger and freshwater shrimp.

Grants Offered Annually

Asian countries produce the vast majority of commercially grown shrimp — usually raising them in exterior ponds near the ocean.

Southwestern Seas chose to create an ocean-like environment — a habitat free of contaminants, predators and natural stressors — in the middle of the desert. The company hopes to recoup that initial investment by expanding its market reach and thus increasing the efficiency and profitability of its operation.

The USDA's Rural Development program awards value-added producer grants to businesses like Southwestern Seas on a competitive basis every fiscal year. The grants provide up to \$100,000 for planning and \$300,000 for working capital to help agricultural producers create new products from agricultural — and aquacultural — materials.

The program gives priority to beginning farmers and ranchers or those considered socially disadvantaged because of race or gender. Cost sharing is required: The business owner must match the requested grant amount, either in cash or in-kind contributions of space, equipment and time.

And applications may only be submitted during the prescribed period. These are solicited annually through a notice of funding availability published in the Federal Register. Applications for the annual grant will be accepted again in October.

For more information about New Mexico's value added producer grants, contact Eric Vigil at eric.vigil@nm.usda.gov or 505-761-4962.

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