

# U.S. Oyster Aquaculture Market Outlook

NOAA Fisheries Office of Aquaculture commissioned a report examining market potential for oysters produced in the United States. Highlights, as follow, provide insights to guide private businesses and public policy decisions towards supporting a thriving oyster industry.



## Current Market Landscape

Current U.S. oyster supply is roughly balanced by weight, consisting of 26% wild harvest, 32% aquaculture, and 41% imports. In 2023, the estimated value was \$327 million for aquacultured oysters, \$240.5 million for wild harvest, and \$199.8 million for imported oysters (USDA Census of Aquaculture, NMFS). NMFS statistics show roughly 10% of U.S. farmed-oyster production is exported. Canada consumes about \$10 million worth of U.S. oysters. Hong Kong's imports have declined by half to about \$3 million since 2019. The rest of Asia imports about \$2.6 million, and Europe and South America report minor imports. Atlantic Canada is increasing exports to the U.S., mainly to the eastern seaboard. Mexico primarily sends oysters to West Coast establishments.

Efficient refrigerated trucking allows rapid delivery of shellfish between major cities. Shellfish harvested in New England can reach Washington, D.C. the next day or Chicago in less than 48 hours. However, getting shellfish from remote harvest locations to these hubs can be expensive and inefficient. Longer distances, especially across the country or internationally, typically require more expensive air freight with special packaging.

## Regional Oyster Production

Oyster aquaculture dominates in the Northeast and West Coast, where wild harvest is minimal. Intensively farmed, hatchery-reared oysters are less common in the Gulf and Southeast.

**New England** Dominated by small growers often limited by access to large leases, preventing economies of scale enjoyed by larger firms or importing countries.

**Mid-Atlantic** Historically major producers, production was decimated by diseases, but development of disease-resistant lines allowed a resurgence of farmed oysters. Virginia expanded production dramatically after 2010 and has returned to being the top East Coast producer. Maryland also adopted favorable lease laws and joined the top producers.

**Gulf Coast** Louisiana historically had significant production and state harvest data suggests its production still tops the entire East Coast, although intense aquaculture is rarer compared to other regions. Intensive culture is being introduced in Florida, Alabama, Mississippi and Texas, allowing production in higher salinity waters for more desirable, higher-priced products.

**West Coast** Production is dominated by Washington State. The native Olympia oyster industry crashed in the late 1800s and industry shifted to the Japanese Pacific oyster, initially relying on imported seed. Hatcheries became well-established by the 1970s, supplying seed primarily from Washington and Hawaii. Notably, Alaska oyster production has grown in recent years but the remoteness of most farms and limited transport options present challenges to market access.

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## Market Evolution

U.S. oyster aquaculture has expanded significantly over the past two decades, driven by a rapid increase in demand for half-shell oysters, technological improvements, breeding programs, training, and regulatory changes. This increase in production has not caused a decline in prices, as sales have risen and extended beyond traditional raw bars.

The market has evolved from selling oysters by region with distinct flavor profiles and safety reputations. Initially, the preferred size for raw oysters was 4-5 inches, but by 2010, the preferred size for fine dining and raw bars dropped to about 3 inches. A smaller, uniform oyster with a deep cup is now the most common market type. Hatchery-reared oyster "seed" and modern husbandry practices produce consistent oysters, marketed like fine wines.

The proliferation of refrigerated trucking and triploid oysters (which remain firm and non-spawning in summer) enabled year-round availability of quality oysters. This led to restaurants adding raw bars and a "renaissance of oyster consumption". Production of farmed single oysters in states like Rhode Island, Massachusetts, Virginia, and Washington exploded to meet this demand.

The retail market channel for oysters is small because most consumers do not know how to shuck oysters or fear injury. Producers rely almost entirely on restaurants. Once oysters leave the farm, they must be sold to a licensed shellfish dealer. Dealers are subject to regulations for handling, packing, and distribution, including strict tagging and recordkeeping for trace-back in case of illness outbreaks.



## U.S. Oyster Industry Insight

The industry is composed of diverse players, including small growers and larger firms. Expert interviews revealed recurring themes about U.S. oyster aquaculture.

### Market Trends

Demand for half-shell oysters is strong, especially in raw bars and white-tablecloth restaurants. Softening demand has been observed since early 2025 and industry participants suspect the price point has reached the max of consumer willingness to pay. The shucked oyster meat market is flat and producers have not seen price increases, despite higher retail market prices and rising input costs, especially labor. Products like tinned or smoked oysters, and frozen "top off" and oven ready items offer opportunities, but face competition from imports.

### Challenges

Limited distribution channels, high profit margins for restaurants and retailers compared to growers, low marketing budgets, challenges in finding labor, and the high cost of labor.

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## U.S. Oyster Industry Insight (continued)

### Siting & Regulatory Issues

Inconsistent enforcement for sanitation and harvest closures are challenges. Access to new or expanding leases for oyster farming is a significant challenge.

### Food Safety & Press

Bad press related to consumer advisories and illnesses (i.e. "Flesh-eating bacteria," Norovirus) and harmful algal blooms pose significant threats, damaging markets for weeks or longer.

### Marketing Needs

There is a widely recognized need for market research, targeting new consumers, sharing the "farm story," and a national marketing effort to promote a consistent message about sustainability, health, and co-benefits of aquatic farming with clean water and as habitat for marine life, including recreational and commercially important fisheries. Public education is needed to dispel myths and provide context for public concerns about oyster safety. Government investment in public education can dispel myths and improve public acceptance (e.g. social license).

### Opportunities

Exploring international markets with government assistance. Public education and marketing that emphasizes quality, sustainability, and culinary experiences. Developing value-added products. Wet storage to manage supply and market interruptions. Genetic selection for disease resistance and production traits. Mechanization to cut production costs and labor.

### Threats

Increasing temperatures and storm intensity and frequency all pose threats to producers. Changes in the range and severity of harmful algal blooms, predators and parasites, and declines in water quality also threaten oyster production. Pathologists continue to struggle to define the causes of periodic unexplained mortality events that can cause devastating losses.

Negative press linking oysters to illness or contaminants (i.e. microplastics, PFAS) reduce restaurant demand, despite minimal human health risk and limited evidence of risk. Economic downturns and events like the COVID-19 pandemic can decimate restaurant demand.

Declining consumer confidence and economic uncertainty have an oversized impact on demand for half-shell oysters. Increased imports from foreign countries with lower production and labor costs, and massive economies of scale or government subsidies pose a threat by undercutting U.S. prices.

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