

Lesson 9: North Carolina Business Perspectives on Aquaculture

Interview with Sam Thomas of Thomas Seafood – Soft Shell Crab Aquaculture

Interviewer: Okay. Thank you for agreeing to do this interview. And just to start out, could you please share your name, your business name, and the county in which your business operates?

Sam Thomas: Sam Thomas. Company name is Thomas Seafood of Carteret, Inc. And we are in Carteret County, North Carolina.

Interviewer: Okay. And so, just to get started, speaking a little more broadly, can you talk about the kinds of aquaculture species that you raise? And then, if you could, for a lot of the interview, we'll be focusing mostly on the soft-shell crabs. But could you just start out by telling us kind of everything you work with?

Sam Thomas: Yeah. Most of my experience has been in the crab industry. Basically, processing the Carolina blue crab, processing for crab meat. We do the whole cooked product for the supermarkets. And more recently, we got into shedding crabs for the soft-shell market. We started shedding out here at this location, I think in probably the mid-90s, and a relatively small operation. We've expanded a little bit almost every year. And a couple years ago, we went in and re-did the shedding operation, installing new tanks, and went from a pass-through system on the water to a recirculating water system. We did that two years ago, and it's really been a big advantage to us.

Sam Thomas: So, as far as aquaculture, this will be our first venture into an aquaculture project. Shedding the crabs, I guess, falls under aquaculture, but really, we were buying the products, and buying what we call peeler crabs from individual fishermen. And we'd reach out and buy peeler crabs in the early part of the spring, all the way down as far as Georgia, and then bring them back up here to shed them. And then as the peelers started showing up farther North, it's almost like you can follow them.

Sam Thomas: Starting in Georgia, maybe the middle of March, and South Carolina maybe a week or two later, and then North Carolina a couple of weeks behind that. And by the time they get up here, we're well into April — and toward the end of April — before we see any crabs here in North Carolina, the peeler crabs. And then we'll follow them on up to the North Carolina-Virginia line. And purchasing crabs from individual crabbers, sometimes from dealers, transporting them back down here, and putting them in our shedder tanks, and shedding them out.

Sam Thomas: That is a form of aquaculture, but really, we're only holding them for a short period of time. The project we're working with now is going to be a little more detailed, and a little more along the lines of actual aquaculture mariculture. And we will be buying or putting stock into a pond, or ponds, and raising the crabs up to the size we feel like is going to be ideal for our shedding operation. We will remove them from the pond, and

put them in our shedding tanks. Hopefully, within two or three days after taking them out of the pond, they will shed and become a soft crab, and we will market them. So, that's the theory behind this. And there's a lot of ifs. A lot of ifs.

Sam Thomas: But we're trying to do everything right, and we got very knowledgeable people in this area. Harriet Perry, from the University of Southern Mississippi — she'll be hatching the crabs that we'll be using for stocking the ponds. So, what will happen, Sea Grant's involved. And the Sea Grant people here in North Carolina will take North Carolina female crabs down to Harriet when they're ready to spawn, and she will take the eggs from them and raise them to a stage that they're suitable for stocking the ponds. And that'll take a few weeks for her to do that. And then they'll come back up here. We'll stock the ponds at the rate that she recommends. And then the monitoring will be done by students and faculty and members of the Sea Grant program here, as well as the college. Carteret Community College will be involved, also. So, we've got a lot of good people involved, and we're going to use all their expertise to try to make this thing work.

Sam Thomas: If it works, we'll be shedding crabs the first time from the ponds, sometime in the fall, maybe as early as September or early October. That's our goal, anyway. And then if that goes, then next year we'll add two more ponds and extend the operation. And then, once we finish this project, if it looks like a good project, then Thomas Seafood will invest in more ponds and more shedding facility, and hopefully this thing will grow from there.

Interviewer: That's really exciting to get to be a part of this early stages of this venture, and to get to work with all these different people to hopefully make it happen.

Sam Thomas: Absolutely. We're very excited about it. And like I said, I can't express enough how important it is to have the people involved that are. Like I said, Chuck Weirich with the Sea Grant program, Dave Davison has done some work with the crabs and ponds, and then Harriet Perry down in Mississippi. These people are going to be key to making this thing work right. Clay and I will be here, and we're going to be looking at things. Students will be monitoring the growth. And her idea is to shed crabs when they reach that point of maturity that we can put them in our shedders. So, most of this work and most of the oversight is going to be done by people who know what's going on, rather than me.

Interviewer: You described this a little bit, but I was wondering if you could tell me a little bit more about what kinds of everyday work you do to maintain and keep this business running, to take care of the crabs, and any other sort of things that you kind of have to make sure you take care of on a daily basis.

Sam Thomas: Well, basically, as I told you earlier, most of my business has been in the crab meat and crab business, as marketing soft shells came in later. The soft shells have been...Only about six or eight weeks of the year is involved in shedding the soft crabs for us. We're only doing it when, what we call the peeler run, makes enough peelers available for us to be, I guess, commercially viable for us to go out and buy them. Crabs do shed year-round, but the volume of crabs is high enough in the spring that we can fill up our

shedder tanks and keep them running steady for six or eight weeks. Sometimes it doesn't last that long, and sometimes it may go a little bit longer.

Sam Thomas: And when that's running, that's pretty much 24/7. You have to have somebody back there monitoring the shedding operation round the clock, taking the crabs out when they get to the point where we're able to pack them and ship them on the live market. Most of our soft crabs are sold live. So, that becomes a very critical stage. We can't take them out too early, because the shell is too soft, and the crabs have a tendency to collapse on themselves. They don't have enough structure in the shell, enough firmness in the shell even to hold it up. So, when you take them out of the water, the shell kind of collapses on them and they suffocate.

Sam Thomas: So, we let them firm up long enough to where the shell can maintain its structure, its shape, when you take them out of the water. And we pack them, and we keep them cool, and we can ship them. So, that is an important part of this. As they shed, we move them to holding areas for firming up, and we have to monitor that very closely. If we let them stay there too long, they get too firm, and they're no longer a soft crab. If we take them out too early, then their life expectancy gets shortened quite a bit, and that doesn't work well when we're shipping them across the road. We ship sometimes to New York —

Interviewer: Wow.

Sam Thomas: — to some people...Yeah, a lot of the people that buy from us actually come pick up right here, and they go distribute to restaurants. But you still have to have a life expectancy out there that can get this crab from us to a restaurant and still be alive. So, that's the important thing. And this is pretty much traditional in all of the shedding operations here in North Carolina. Everybody doing it understands that, and they're very careful about handling their crabs properly. So, during that six or eight weeks, it's very intense.

Sam Thomas: And that's pretty much...What we want to do here with this, we want to extend that, and have enough crabs available for us so that we can increase our market out there. Instead of just six or eight weeks of live crabs, maybe we can get five or six months of live crabs. Wintertime, we're not sure if we'll be able to raise these crabs during colder weather. But maybe we can get them in the ponds early enough, we can get an early start next spring, following this fall running that we hope to have.

Sam Thomas: Does that answer that question, or does that cover that the way you were expecting?

Interviewer: Yeah, that does. And that kind of brings in something really interesting to think about, which is, I mean, even fluctuations in things like time of year and temperature matter a lot, especially in these kinds of operations where, to an extent, you also have to wait on the life cycle of the animal in order for it to work out.

Sam Thomas: Yeah. You're exactly right. Temperature is very critical. Transporting, like I said, early part of the spring, we went down to...Some of the crabs we shed here were as far as

Brunswick, Georgia, and we transport them up back up here. So, transporting them becomes a critical issue. At that stage, the peeler crabs, actually, they're harder to ship and transport than the soft shell is. So, we have to be very careful about them. And we try to...If we picked our crabs this afternoon, I would try to have them back here by late tomorrow morning, 1 or 2 or 3 o'clock in the morning, and get them put into the shedder tanks before we got too much time on them.

Sam Thomas: We started out this year back in March. I think our first pick-up down south was in March. We transported them. We had good transport on those because the outside temperature was still cool. But then, once we put them in our tanks, the nighttime temperature had gotten low enough that our water temperature got too low. So, the crabs weren't shedding out as quickly as we wanted them to. So, we actually had to add heat into our shedding operation to bring the water temperature up to around 70 to 72 degrees. The crabs shed much quicker and they have less problems when the water temperature is up in the 70 to 74. So, we actually had to put heat in our facility because of the cool nights. We were getting nights down in the low 50s and 40s back in late March and early April. So, we bring our room temperature up, and that heats the water up a little bit, but we are recirculating. And we were able to have a real good shed during that period of time.

Sam Thomas: And then, as it progressed on, the outside temperature got much warmer, and adding heat became less of a problem. By mid-April, we shut the heating elements off, or actually just removed them from the room in the facility, and just operated on the daytime temperatures and nighttime temperatures on the outside and did very well. And most of that was with our North Carolina crab. We'd already finished the Georgia and South Carolina crab by that time. And so, our North Carolina crabs, we didn't have to add heat, which is a tremendous expense —

Interviewer: I can imagine.

Sam Thomas: Yeah. Tremendous expense, yeah. And then, when you finish the operation, taking them out of the warm water and packing them, we bring them into a coolant around 40 degrees — 40 to 42 degrees. And they'll stay there during the rest of their cycle, hopefully in the trucking process, shipping to our customers, and all the way to the restaurants. And that seems like a good temperature for the crab to stay alive, for several days sometimes, and reach to his final destination.

Interviewer: All right. That is very intricate, but also really interesting. And so, you mentioned lots of different things. You mentioned things like heating elements, and tanks, and ponds, and shipping materials, and trucks that you use for transit. And so, I was wondering, what kinds of equipment and resources — what other resources and equipment did you need when you were starting your business? And what were the main primary start-up costs?

Sam Thomas: Oh, God, wow. Well, you go all the way back to 1979 when my dad and I built this building. It started back then. At that time, it was just strictly a crab-picking operation. We did a little bit of frozen crab out of here, but most of it was fresh-picked crab meat. And this operation ran that up until — picking operation until '98. And in 1998, we

stopped the picking operation. It was no longer profitable for us to pick crab meat in this location.

Sam Thomas: And at that time, we were actually involved in...Of course, there was a soft-shell crab operation came in, like I told you, about the mid-90s. We started shedding a few soft crabs. It was a very small operation. And it was only just a few weeks of the year. So, it really, it was just a bonus. It really didn't add a lot to our bottom line at that point.

Sam Thomas: So, we started just buying and re-selling crab meat. And a lot of it was foreign crab meat. We were buying crab meat out of Mexico, we were buying crab meat out of the Asian countries. And all we would do is just bring it in, and pass through them, and just take a slight mark-up, or a commission, if you want to put it that way. And that was pretty much our business in the late '90s and the early part of this century.

Sam Thomas: Then, as our soft-shell operation, we expanded that a little bit. And the foreign meats, we're not completely out of that, but we don't do as much of that as we did back 10 or 12 years ago. We're still a little bit, but most of our business now is local product. Clams, oysters, a few fish, and of course the soft-shell crabs.

Interviewer: Okay. And so, I know you said that things have kind of changed around over the years, but I guess —

Sam Thomas: Oh, absolutely, yeah. But cost-wise, back in '79, we had a lot of our labor in building this building. So, we didn't have a tremendous amount of money, but the property and building. Back then, we probably had \$100,000 invested by the time we got it opened up. And over the years, we've made some improvements. It would be foolish of me to go back and...I mean, we'd just make them as we needed. It is, "Well we need to do this, or we need to do that." And the soft-shell operation, we bought some used pieces from some friends over in Aurora, over in Beaufort County, and brought that over here and installed it. We picked up some used pieces that were actually donated or given to us. People wanted to get rid of them. We built a shed-type roof back in, I think, 2000, to cover the tanks that we had.

Sam Thomas: And I guess our biggest single investment more recently was, we went from a pass-through system to a recirculating system. And that required us to put in larger reservoir tanks, which hold about 6,000 gallons of water — I think between 6 and 7,000 gallons of water. And then, we re-did all of our shedding tanks and added to it. So, we did that, and we expanded the shed, the cover, the roof line, and enclosed it a little bit for the heating purposes. So, that change over to the recirculating system was three years ago, and that cost us probably around 10 or 12 grand. A sizable investment for us, a small business like us, but it really has paid off.

Interviewer: So, you would say...So, this is kind of complicated, probably, given all the changes that you've been making. But how many years would you say it took you to turn a profit from some of these big changes that you made?

Sam Thomas: Oh, the changes are almost, they're pretty much a turnaround right away. We started making those changes here in the fall, and by the time the peeler crab season came around, we had it ready to go. So, even that first season, we were able to cover most of our costs on that and show a slight profit. But again, you have to look at it, that profit is only for a six- or eight-week period. So, that doesn't carry much of the business. There has to be a lot of other things going on with an operation like that. Six weeks of the year just doesn't cut it.

Interviewer: Mm-hmm [affirmative]. I'm sure.

Sam Thomas: So, that's the idea. This new project is to extend that six weeks — hopefully get a longer period of time that we can operate the shedding tanks.

Interviewer: Mm-hmm [affirmative]. And so, you mentioned that time is essentially of the essence, and it's such a short season available to you. And you've mentioned how important temperature is. So, are there other reasons that might cause you to have a less profitable season?

Sam Thomas: Oh, absolutely. I mean, you're talking about a wild-caught item at this point. So, storms, which do affect us, bad weather. I guess just variations in the wild catch that come about for whatever reason. Maybe, again, bad weather, maybe pollution. Maybe just an off-year for crabs. It's hard to say. I mean, there's so many factors that get involved when you're looking at a wild-caught product.

Sam Thomas: And we go down as far as Georgia to acquire some of the crabs. Crabbers sometimes don't crab. They want to do something else. So maybe they get better jobs and they quit crabbing. So, then you're out of a source for that particular area until you can re-establish yourself. And they're very independent people. They don't want to crab every day, they don't crab every day. And sometimes you get more than you can handle. So, that also becomes an issue. Then you got to start looking for places to go with them to move the extra, because once they take them out of the water, you need to use the product rather than lose it. So, it can be an oversupply very quickly. It can be a shortage of supply very quickly. And then you can have things that just work perfect every year, two or three years in a row.

Sam Thomas: So, fortunately, the last couple of years have worked out very well for us. Went down south, got an early start on the crabs, bringing them up here. And being able to recirculate the water allows us to get that water temperature up when we add heat in that recipe. If we were using the pass-through, when we were doing before, that water's coming straight out of the river, just running through the tanks, and going right back out. So, you almost can't control that temperature. By having it in a recirculating system, now we can bring that temperature up by adding a little heat in the facility. Okay?

Interviewer: Yeah, that makes sense.

Sam Thomas: But look, the supply is always an issue. But wild-caught is always an issue. You can have abundance, you can have shortages. And the reason for them can be many. I mean, you got so many variations, you got so many factors that become involved in catching any type of wild seafood item. Bad weather, stormy weather, you might have high winds, they can't get out for two or three days. And sometimes they even lose their traps because of high tides and high winds, where they can't find them. So, you might be down for a week. And with the peeler operation, that may cost you part of the season. I mean, if you only got six weeks, and the crabber loses a week, he can't get out because of storms, or high winds, or strange tides, or whatever, then you lose that. You don't get it back. You just have to wait and hope for a better one next year.

Sam Thomas: So, we're thinking that, the idea is maybe if we can control that a little better by the pond situation. Not only control the supply side, as far as what you're going to have, but also look at it from the stability of having something on a more consistent basis, more weeks of the year. And if you've got multiple ponds, maybe you can stagger those where one pond comes off in September, another pond comes off in October. And then maybe if you had four ponds, you could say, "Well, I've got a pond for August, September, October, November." And let's say, you don't overload your system, but you have something that now runs you 12 weeks, rather than just six or eight.

Interviewer: Mm-hmm [affirmative]. And I'm sure people that go to the restaurant [crosstalk 00:23:28].

Sam Thomas: Well, that's right. I mean, and look, everybody prefers the live crab. The live crab runs a much higher price. You have a lot of frozen soft-shells on the market. Most of the people who are cutting and freezing soft-shells wait until late in the season, when the soft shells and the peelers have moved up north up toward the Virginia line and Maryland line, because we got some tremendous shedding operations up in Virginia and Maryland. Even in the northern part of North Carolina, some operations that shed just many, many more times the crabs than I do. And the market becomes overloaded with live soft shells, so the price drops. It drops drastically.

Sam Thomas: And so, they used to do these operations, will then sell them to a cutting house or somebody who's going to freeze and cut them and freeze them. A frozen crab might sell for \$24 a dozen, where in the spring, we might sell a live soft shell of \$60 a dozen. So, it's a big difference. So, the live market is much stronger. Everybody prefers buying a live crab. So, if we can supply them with a live crab more parts of the year, we're going to have more money coming back to us out of the live crab than we would by having to cut them and freeze them, when we're actually overloaded. And that happens, not every year, but it happens quite a lot in this business.

Sam Thomas: Well, it's been about a month ago, when the soft-shell price went so low that, boy, they had to stop buying the peeler crabs from the guys. And the market went down to probably \$18 or \$20, and that's when these freezing operations start buying them up. So, they'll buy a tremendous amount of crabs, they cut them and freeze them, and then, they'll put them out as frozen product later. It's good product. Don't get me wrong, it's an excellent product when they do a good job, but people do prefer live crab.

Interviewer: Wow, I didn't realize it had dropped so much recently. But that is interesting. And I can see why people would prefer live, even if the frozen is perfectly good. There's something...I can see people finding that more appealing in some ways.

Sam Thomas: They do. And I can't explain it to you, because if you got a good operation, and they do the product the way they're supposed to and handle it properly, the frozen crab...You've got something that can hold in good frozen storage for 9 or 12 months, and still have an excellent product going out. But the live crab does bring a much better price.

Sam Thomas: And they use the distributors to go to the restaurants, and they'll tell the restaurant, "I've got live soft shells." They'll take one of the boxes in, open the top, show it to them, and the crabs are all there. And they're moving their eyes around, and they're smiling. Not really, but...And the prices, they'll go extremely high in the early part of the spring. In late February and March, prices going at the restaurant level are probably reaching above \$70 a dozen. And of course, a lot of that comes back to us, which helps us out. But we've sold crabs the last two years in that \$60 a dozen range. That's a great price for us. We really like that.

Sam Thomas: This year, we started out about 60. By the time we finished up, we were selling crabs around \$36 a dozen. Still a good price, but that's what happens as you get more and more on the market. And then, we finished up ours before the price really fell too low. But just a few days after we had finished our last crab, the price, as it got farther North up around the Virginia line and into Virginia with the peeler crabs, the price went down below \$20. So, a little low.

Interviewer: All right.

Sam Thomas: All right?

Interviewer: And so, shifting gears a little bit, a couple questions about the business kind of more generally. So, you're based out of Carteret County. Are aquaculture businesses common in Carteret County and in the surrounding area?

Sam Thomas: Well, if you consider the shedding operation as aquaculture, I don't want to say it's common, but there are several around, and have been for many years. Carteret County, going way back even when I was a child, there were people operating small shedding operations. When I say small, in that time, their shedding was in floats. They didn't have on-land facilities. They actually built little floats that set out in the water, like a boat. And they had cages underneath them about 6 inches deep, and they would put their peeler crabs in that. And they would wade out to them, or take a small skiff and pull out to them, and pull the soft shells out as they shed. So, I don't know if you want to call that aquaculture, but that was way back when I was a kid. I remember that.

Sam Thomas: And I guess it was sometime in the early '70s, they started pumping water and putting their tanks up on land, building the stands for them. And it became a much more workable operation, easier to tend to, easier to watch over. Because floats out there, the seagulls were eating their crabs. Other predators, the eels would get in there and

eat the crabs. So, about anything that you can think of would get in there and destroy the crabs. And so, by moving these tanks up on the shore and just pumping water to them, they were actually going to increase their production and make it a lot easier on the people doing it. They didn't have to wade out. They didn't have to get in a skiff and pull it out to their floats. So, production picked up, and that's been going on for years.

Sam Thomas: And with us, we've got ours in an enclosed facility now, and a recirculating system. So, that's just another advancement. Again, ours is not the first of that kind, but I think we're the only one, certainly in Carteret County, that is using a recirculating system. And that allows us to buy those crab early. That Georgia and South Carolina crab are not available to some of these boys who don't have closed-in facilities, because the outside temperature is just getting too cold during the night, and that makes it difficult. The crabs tend to just hang out, they don't shed properly, and the longer you have to settle them, the more loss you have. So, by being able to warm our water up in that early part of the season, we're able to shed those crabs from Georgia and South Carolina in mid-March.

Interviewer: All right. And so, you had mentioned that you started working with your dad on this in the '70s. And so, was this a business venture you all entered in together? Or was this a business your father had started, and you've worked together? And did you know someone in the business to give you advice as you went along?

Sam Thomas: Well, let me tell you. I graduated from NC State 1971. I went straight into the seafood business from there with a group out of South Carolina. They were canning crab meat. At that time, it was probably the largest producer of crab meat in the world, probably, I would guess. And they had two locations — they had one inside Beaufort, South Carolina, and one in Belhaven, North Carolina. So, I worked with them for seven years, and then I left. They had me stationed down in Beaufort, South Carolina. And we built a brand-new modern facility down there to process crabs. And again, we were processing a tremendous amount of crabs, but it was a canning facility. So, most of our crab meat went into a 6-ounce can and was sold at the grocery level.

Sam Thomas: And I think it was in '78, one of my former professors, Frank Thomas, was over at Syme Hall. And Frank called me up, and they said they had a position open here in North Carolina, and I decided to take it. So, I left the Blue Channel Corporation, came home, and worked with the bagger of the Agricultural Extension, and at that time, Sea Grant and Agricultural Extension supported my position here in Carteret County. I was director of the Seafood Lab.

Sam Thomas: So, my father had retired from law enforcement. He was the chief of law enforcement with the North Carolina Marine Fisheries for many years, and he retired. And he worked for some years doing some electrical work with friends, just odd jobs to keep himself busy. So, while I was home, he decided he wanted to do a crab plant, so he and I got involved in the crab plant. So, it's been a series of events over a lifetime to get to where we are today.

Interviewer: That's a good story, though, and I like this kind of winding path that you took that ultimately brought you back to North Carolina. And it's neat that you started this business with your dad.

Sam Thomas: Yeah. It's been a winding path, let me tell you. Look, I've followed blue crabs into Mexico. I've been down there, setting up facilities. I've been in Colombia, South America, I've been in Ecuador. I spent a month in Nigeria trying to set one up, but that didn't work. And we bought crab meat out of the Philippines, bought crab meat out of Indonesia. So yeah, I've had quite a winding path.

Interviewer: That's so cool.

Sam Thomas: But it has been fun. It's been fun.

Interviewer: Yeah. And I think that's really neat that you also got to travel as part of this business. Because I think that's something that maybe people don't necessarily think about, is that you can also take this globally, in some cases.

Sam Thomas: Absolutely. And it's been an experience, and it's been wonderful. I've enjoyed the travel, enjoyed the people I met, and I still have a lot of friends in Mexico, Ecuador and Colombia.

Interviewer: That's so great. I have just a couple more questions for you. And so, thinking about this long, winding journey that you've had, what was a challenge that you encountered that you didn't anticipate?

Sam Thomas: God. Well, I don't know if you could say I didn't anticipate it. I mean, any time you go into a venture, you try to prepare yourself for worse cases. I can't think of anything that really caught me off-guard or surprised me. I mean, things have always had difficulties, and have not always worked out the way we wanted them. But I can't say that I was surprised by it. I mean, you prepare yourself for things that are going to let you down. And when it happens, it happens, and you just move on. So, I can't say that I was ever caught off-guard or...I don't know. I don't even know how to answer that, other than that way.

Interviewer: No, I mean, that's perfectly fine. And so then, just my last two questions that kind of go together is, what is a piece of advice you would give to someone who's interested in getting into the crab industry? And I think I kind of might know the answer, but would you do this over again?

Sam Thomas: For me, yes, I would. I think as you go back, I would look at a few things I would change if I knew in advance what I'd done wrong. But yeah, I would do this again. I've thoroughly enjoyed the things I've done. And like I said, I've met some really fine people and had some, in my early career, with the Blue Channel Corporation, some of the most knowledgeable people in this business. And they're all gone now, but I learned a lot from them. And they're just memories I'll always have. And of course, Frank Thomas

with the university was a great asset to my career, and just an extremely fine...He's no kin to me, by the way. But an extremely fine man, and a great asset to me.

Sam Thomas: As far as recommending something to somebody like this, I think if they're truly interested in the crab business, they need to find somebody they can go and work with that's doing this for a short period of time. Don't jump into this feet-first. It's not for everybody, it really isn't. I think, like I said, I've been lucky. I got in with a good group of people early, learned a lot from them. And I don't think, had it not been for those first eight years with the Blue Channel Corporation, I don't think I would have stayed in this business, or even got in this business.

Sam Thomas: So, I think anybody that's thinking about it, spend enough time to do your homework, and look at it, and understand what you're getting into. In the business world, there's very few things likely that's going to make you millions of dollars, like YouTube, or the computer industry does. There's a lot of work involved in it. And it is not for everybody, it really isn't. I mean, sometimes it's dirty work. I mean, you go home smelling like hard crabs, to the point where you actually take your clothes off on the back porch and rinse yourself down with a water hose. And so, it's just not for everybody.

Sam Thomas: But if you like it and enjoy it, and you want to do it, then look at it and see where the benefits are, see what you can do to improve the business. I think that's something we need today, is more ingenuity. The crab picking business, which I told you I started out in, it's pretty much the same as it was 100 years ago. I mean, there's been very little innovation in picking crab meat. I think young people, with their access to information today, could probably step in and really bring us into the 21st century. We still hand-pick crab meat. We still cook the crabs the same way we did way back, and put them on tables. And we have pickers that go in and pick the crab meat out, and pack it in, either fresh or sometimes pasteurized. But there's been very little innovation in trying to mechanize that operation. And I think we're probably, from a business standpoint, we're way behind the rest of the food industry. We're just not making those advances in how we do things.

Interviewer: I like that you close on what it sounds like really solid advice to me, and a call to move forward, and keep thinking about what we can with this industry, because it makes it sound like there's a lot that people can do in the future, just got to get going with it.

Sam Thomas: And it's going to take, I think...I see it in the younger people, my grandchildren. They're much smarter than I was at that age. And I think they realize, things have been up, too. We've got to look at this industry differently from what we have in the past. I mean, to give an example, the crab-picking industry, when dad was still picking out here, and there were 38 crab plants in North Carolina. And this is fresh crab meat being produced in North Carolina. And those 38, some of them would produce 2,000 pounds of crab meat a day. Some would produce 800. Today, we've got five active crab plants.

Interviewer: Oh, wow.

Sam Thomas: And none of them...And I think there's one in Columbia that probably can produce a couple of thousand pounds a day. There might be one over in Aurora that can produce about 15 hundred pounds a day, and that's it. I mean, so you look at it from that standpoint, they're still doing it the same way, they're still hand-picking. Finding pickers to fill the slot is becoming more and more difficult, because young people don't want to go in and get dirty like that, they don't want to smell like crab when they go home to their families. They want clean jobs, whatever it is, they just want something just a little different. So, it's harder and harder to find pickers.

Sam Thomas: And the industry's changing, and unless somebody comes in with some way to mechanize or improve the picking operation, we're just going to continue to get less and less good-quality crab meat. That's why the imports have become the biggest part of our crab meat supply here in North America. We rely on mostly Asian meats today, coming out of Vietnam, Indonesia, the Philippines, and a little bit out of Mexico. And they've still got labor situations where they can get people in to pick the crab meat. And it's becoming more and more difficult here, and there, too. As their economies improve, people find what they consider a better job, something that's more attractive to them.

Sam Thomas: When I started with the old Blue Channel Corporation, we had over 200 employees in the Beaufort plant, and we had about 160 at the Belhaven plant. And most of them, even then, most of them were older. I mean, some of the ladies that worked in the Belhaven plant were 65, 70, and some of them even into their 80s. And my wife's grandmother picked crab until she was 92.

Interviewer: Wow.

Sam Thomas: Yeah. So, and as those older women...and it was mostly women back in the '60s. Today, it's still a few men that are picking crab meat. Back then, it was almost all women. And as they either quit, when they didn't show up, I guess they aged out, or maybe they died off, it was harder and harder to get young people to come in. And again, there's the same thing. They could go uptown and work in a dress shop, or they could go on the beaches and work in a hotel. And they could come home, and they're nice and clean, and they work in an air-conditioned room that didn't smell like crab all day long. So, they prefer that, and they probably made decent money.

Sam Thomas: Now, when the crab industry paid them, and has always done this, we paid them what we call piecemeal work. So, if they produced more, they got more money. But we still met minimum wage. So, you meet minimum wage, but the pickers that could pick six or seven pounds an hour could really make a very decent salary back in the '70s and '80s. But everybody couldn't do it. So, that's where we are.

Sam Thomas: And today, when you check on, the number I gave you on five plants, that might be off a little bit, but it's certainly not many more than that. It might even be less this year. But not many picking operations around. And give you an example, Georgia has no picking plants left. There's no pickers left in Georgia that I know of.

Interviewer: Wow.

Sam Thomas: South Carolina doesn't have any picking plants yet. North Carolina's down to just a few — I think there's two. Probably 15 or 20 in Virginia, and maybe Maryland has 10 or 12. And that becomes a problem for the crabbers, too, because now the crabbers, if they have big catches, where do they go with their crabs? The basket market takes up a little bit of it. They can take the big crabs, the big what we call Jimmy crabs, the big male crabs, put them in baskets, and sell them on the basket market up in Baltimore and Philadelphia, and even in New York, for a good number. But what's left is the lower-quality crab — where are they going to go with that? There's no picking houses to take them. There's not as many. So, a lot of these crabbers are finding it more and more difficult to find a market for their daily catch.

Interviewer: And so, this goes back to your idea of, we need this kind of innovation in this industry in order to move this forward, and to, I guess, re-work it. Or even — you could think of it as almost change, or save it in its own way.

Sam Thomas: I think so, yup. I would say that's exactly what I think. Of course, there's a lot of people that don't agree with me. But that's the way I think. I think we have to look at improving this, bringing this industry into the 21st century.

Interviewer: All right. Well, I want to thank you so much for your time. I really appreciate your insight. And I certainly learned a lot in this interview, and a lot about, not just your business, but also just the crabbing industry at large, because I didn't know a lot about it before this conversation. So, I just want to thank you for giving your time.

Sam Thomas: Okay, Katelyn, glad I could help you. And if you're down this way, I'd be glad for you to come by.

Interviewer: Well, thank you. I appreciate that. You have a good day.

Sam Thomas: Bye-bye.

Interviewer: Bye.