

J & R Seafood: from Local Maryland Eastern Shore Distributor to Global Seafood Supplier

J & R Seafood is a seafood processor and dealer located on the beautiful eastern shore of Maryland. In operation since 2005, the company buys seafood from local waterman and then packages and distributes crab, shrimp and oysters to wholesalers, restaurants and international supermarkets in the Washington DC areas.

Situation

Owner Lin Hwang has always looked ahead to growing J & R Seafood.

In 2008 J & R Seafood was looking to purchase the land where they operated when tragedy struck. A severe fire destroyed their facility and immediate plans for expansion.

But Lin Hwang refused to give up. Despite this setback, J & R Seafood continued to operate and Lin continued to look at expansion opportunities - specifically via exports into international markets. For the past few years he had attended international trade shows to build interest with buyers and to understand their needs regarding packaging, timing and price.

Lin came to the conclusion that J & R Seafood needed to have the capability to quick-freeze seafood as it arrived, fresh from the boats. This would allow them to purchase more from waterman during the active fishing months when supply was plentiful and the cost lower, and to then store and export the seafood overseas.

But J & R Seafood needed financing to both purchase the new quick-freeze equipment, and additional working capital to cover the longer cash flow cycle associated with international sales. And they needed it fast - before the prime fishing season was over.

Lin attended an Asian American Business conference at the University of Maryland looking for contacts and advice. In speaking with Michael Jackson from the SBDC, Mr. Jackson suggested that in order to meet his timing and financial requirements, Lin should apply for a SBA-backed loan, and should go directly to SunTrust Bank. Even though this was not J & R Seafood's current business bank, Mr. Jackson recommended, "With SunTrust Bank the loan process will be easier and quicker."

Solution

Deanna Whittington, the local SunTrust business banker in Cambridge, MD, immediately leapt into action. Working with the SunTrust Bank loan team, Deanna made sure that J & R had all the paperwork required for the Export Express loan application process. Even when the team encountered the usual "unusual" snags, such as getting the needed land lease papers after the fire, Deanna worked with Lin to make sure they quickly addressed each step and moved the process to completion.

They met their goals of money and time. J & R Seafood qualified for its needed SBA Export Express \$100,000 line of credit and a \$55,500 SBA Express Loan for the new equipment. And they were able to get the cash by mid-September, just in time for peak Blue Crab season, when the crabs are plentiful and the price is right.

Results

And the benefits of this loan are already multiplying:

- With their traditional business model, J & R Seafood bought 18,000-40,000 pounds per month in fresh crab. Since receiving their SBA loans they purchase 100,000 pounds/month.
- J & R Seafood shipped 80,000 pounds to Korea in October and will ship at least another 40,000 pounds in November.
- J & R Seafood is now providing a much-needed market for local waterman in the early fall season. The local economy is benefiting, as more waterman are able to sell their catch to J & R.

Lin Hwang continues to look ahead and is already looking at expanding into fish exports into Korea and the lucrative European market.

When asked about whether he would recommend an SBA loan from SunTrust Bank to other business owners, Lin responded, "Absolutely! The process was quick and Deanna made everything a lot easier. This investment will help our business even more down the line. And we will just keep getting better."