

CHESAPEAKE *currents*



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Oysters and Kellum Seafood's new generation



The processing plant at W. Ellery Kellum in Weems is cool, clean and efficient. An electric eye monitors the flow of oysters from chilled storage into stainless steel bins that rotate above the shuckers at their stands, making sure the supply matches their rapid pace.

Yet if you look closely at this modern complex, you might be able to detect Captain Ellery's original oyster house. He and his son Curtis salvaged scrap metal, traded it for cinder block, and built the modest structure themselves in 1948. The family's third generation of business owners didn't have the heart to tear the old place down—or the stomach for spending the company's money unnecessarily.

"I attribute our success to a conservative-minded business approach," said Vice President Tommy Kellum. "That, and family. There's not a school in the country you can go to that prepares you to run an oyster business."

Kellum and his brother Jeff began working around the plant by the age of 8 or 9. At that time, there were 12 oyster houses on Carter's Creek. Then the Chesapeake Bay oyster population began its steep decline. Kellum left

home to pursue a career in mechanical design and sales. But when it came time for the next generation to step into the family business, Tommy and Jeff joined

W. Ellery Kellum uses its steel buyboat to purchase oysters from local watermen. Tommy, Joe and Curtis Kellum (left to right) carry on the family business that was founded 60 years ago. The family has made its living from the water for at least four generations.

their Uncle Joe as partners in 1996. Joe's son, Brandon, began managing plant operations in 2001.

Today, W. Ellery Kellum buys from watermen in Virginia, Maryland and four other states. One of the Northern Neck's two or three remaining oyster houses, it sells primarily to retailers, restaurants and food service distributors.

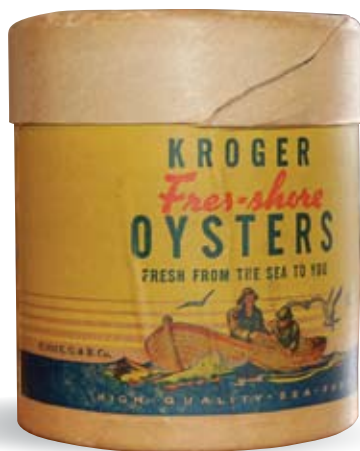
It's a business that is as much about logistics and strategic planning as it is about good, old-fashioned hard work. Federal regulations govern food safety during processing and transportation. State marine resource policies limit where oysters can be harvested. One big storm can drown a reef in sediment, killing thousands of oysters.

When Hurricane Gustav was moving in on the Gulf Coast, for example, Kellum moved even faster,

supplementing from the James River oyster supply to ensure they could meet anticipated customer needs.

"In a natural resource-based business, you never know if and when you'll have a product to sell," Kellum explained. "You have to prepare for shortfalls, because when you lose resources, you lose customers. When I first came back to the business, I thought I was going to apply all the management theories I had learned to even out things like that. Then I realized we answer to Mother Nature."

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Seafood company builds on hard work, strategy

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Kellum brand oysters can be purchased in 32 states, thanks to a contract with Kroger and the company's own distribution network, which reaches as far west as Chicago. You also can find Kellum oysters locally. Tri-Star Supermarket in Kilmarnock consistently rings up the most single-store sales. And when you order oysters at many restaurants and clubs in the lower Northern Neck, it's likely they were shucked the same day at the Kellum plant on Carter's Creek.

To remain competitive, the company has been innovative in finding and developing markets for its products. An affiliated aquaculture facility in China, for example, grows bay scallops from Eastern Virginia stock. Kellum also restores oyster reefs for the Virginia Marine Resources Commission.

There are more predictable industries where making a living is easier. Tommy Kellum knows it's worth it when he looks at the seafood trucks with his grandfather's name on them.



During the peak demand months of November and December, Kellum's oyster plant runs 24 hours a day, 6 days a week. The shells that accumulate are used to restore oyster beds.

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