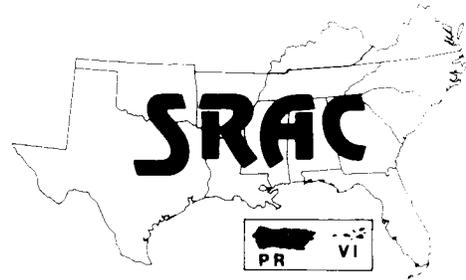




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Forage Species Return on Investment

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In general, production strategies for producing forage fish for stocking in private waters vary greatly from state to state and even within a particular state. Production strategies for forage fish may also be species specific which often lead to additional variation in production costs. In addition, the retail nature (marketing directly to pondowners) of most forage fish sales makes the use of cost estimates from the baitfish industry difficult to use.

Cost considerations

Cost considerations that prospective producers should address should include pond construction and water supply. If extensive land clearing and dirt work are necessary to prepare a site, pond construction costs could increase substantially. In addition, water supply costs will vary depending upon aquifer depth. Costs associated with fertilizer and feed requirements may vary considerably between species and also be affected by the size of fingerlings desired for

market. Broodfish costs may also vary substantially depending on availability. However, harvest equipment, hauling and holding facilities and chemical costs associated with production and marketing should not vary substantially between species or levels of production on a per acre basis.

While input costs for forage fish production are generally lower than for baitfish production (due to reduced scale of most operations), careful consideration should be given prior to initiating production of any forage species. Fortunately, ponds constructed at most retail fingerling operations are suitable for the production of a variety of species which helps to reduce the risk of adding a new species to the operation.

Estimates of return

Estimates of return on investment for forage fish production may vary greatly. One contributing factor that compounds cost estimation is the retail nature of forage sales which creates problems of supply and demand within a particular region. Prospective forage fish producers

should first determine if a demand for a forage species exists before initiating culture activities. If the demand for a particular forage species does exist, the second consideration should be to determine the quantity of fish necessary to meet the market demand.

Finally, prospective producers should consider the role of competition for the forage fish market in their region. Producers that offer a wide array of both forage and sport species are generally more competitive than producers of limited numbers of species. In addition, refined live hauling techniques have resulted in an increase in competition from non-local producers.

(See back of page for sample budget.)

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