

Introduction to Catfish Economics

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Assumptions

- Land is already owned
- Fixed costs NOT included
- Stock 6000 fingerlings per acre
- Size at harvest 1.8 lbs.
- Feed conversion ratio 2.0:1
- Survival 80%
- Limited sales first year
- Sales price of \$0.80/lb
- Each pond is 10 acres

Initial Investment

	10 Acres	50 Acres	100 Acres	150 Acres
Pond Construction	\$19,150	\$95,750	\$191,500	\$287,250
Water Supply	\$39,000	\$45,000	\$52,500	\$60,000
Equipment	\$63,000	\$78,600	\$98,100	\$117,600
Other	\$4,929	\$14,647	\$26,794	\$38,940
Total	\$126,079	\$233,997	\$368,894	\$503,790
Investment per acre	\$12,610	\$4680	\$3689	\$3,359

First Year of Operation

	10 acres	50 acres	100 acres	150 acres
Sales	\$16,000	\$80,000	\$160,000	\$240,000
Fingerling	\$4,800	\$24,000	\$48,000	\$72,000
Feed	\$5,100	\$25,500	\$51,000	\$76,500
Other	\$7,812	\$22,754	\$41,431	\$60,108
Total Variable Cost	\$17,712	\$72,254	\$140,431	\$208,608
Returns Above VC	\$1,712	\$7,746	\$19,569	\$31,392

Years 2 and Beyond

	10 acres	50 acres	100 acres	150 acres
Sales	\$67,200	\$336,000	\$672,000	\$1,108,000
Fingerling	\$4,800	\$24,000	\$48,000	\$72,000
Feed	\$24,300	\$121,500	\$243,000	\$364,500
Other	\$14,462	\$46,630	\$86,841	\$127,052
Total Variable Cost	\$43,562	\$192,130	\$377,841	\$563,552
Returns Above VC	\$23,638	\$143,870	\$294,159	\$444,448

Years 2 and Beyond

	10 Acres	50 Acres	100 Acres	150 Acres
Sales	\$67,200	\$ 336,000	\$ 672,000	\$ 1,108,000
Total Variable Cost	\$ 43,562	\$ 192,130	\$ 377,841	\$ 563,552
Return above VC	\$ 23,638	\$ 143,870	\$294,159	\$ 444,448
Break Even Price above VC	\$0.52/lb	\$0.46/lb	\$0.45/lb	\$0.45/lb

Years 2 and Beyond

(price drops to \$0.55/lb)

	10 Acres	50 Acres	100 Acres	150 Acres
Sales	\$39,600	\$198,000	\$39,600	\$594,000
Total Variable Cost	\$35,692	\$152,284	\$289,025	\$443,765
Return above VC	\$3,908	\$45,716	\$97,975	\$150,235
Break Even Price above VC	\$0.50/lb	\$0.42/lb	\$0.41/lb	\$0.41/lb

Catfish Summary

- Economies of scale
 - Larger your size, the smaller your production cost per pound
- Larger farms are more profitable
- Need to have enough money to operate the first year with limited sales
- Price drops greatly influence profitability

Further Assistance and Information

- NCDA & CS Publications and Staff
 - <http://www.ncagr.com/aquacult/pubs.html>
 - Matt Parker
- NC Cooperative Extension Service
 - Mike Frinsko and Steve Gabel
- Other Farmers
- Aquanic
 - <http://www.aquanic.org>