

Introduction to Hybrid Striped Bass Economics

Matt Parker

NCDA & CS

Aquaculture Business Specialist

Assumptions

- Land is already owned
- Fixed costs NOT included
- Stocking density of food fish 3800 fish/acre
- Size at harvest 1.7 lbs.
- Feed conversion ratio 2.4:1
- Survival 80% food fish, 85% fingerlings
- Zero sales first year
- Sales price of \$2.50/lb
- Each pond is 4 acres

Initial Investment

	8 Acres Foodfish	24 Acres Foodfish	75 Acres Foodfish	100 Acres Foodfish
Pond Construction	\$33,138	\$99,413	\$310,664	\$419,219
Water Supply	\$44,125	\$52,375	\$78,672	\$91,563
Equipment	\$84,225	\$105,675	\$174,047	\$207,563
Other	\$7,129	\$16,386	\$45,893	\$60,358
Total	\$168,616	\$273,848	\$60,9276	\$773,701
Investment per acre	\$15,329	\$8,298	\$5,908	\$5,627

First Year of Operation

	8 Acres Foodfish	24 Acres Foodfish	75 Acres Foodfish	100 Acres Foodfish
Sales	0	0	0	0
Fingerling	\$7,153	\$21,459	\$67,059	\$89,412
Feed	\$4,347	\$13,042	\$156,750	\$54,340
Other	\$6,582	\$14,773	\$40,879	\$53,676
Total Variable Cost	\$18,063	\$49,273	\$148,693	\$197,428
Returns Above VC	\$18,063	\$49,273	\$148,693	\$197,428

Years 2 and Beyond

	8 Acres Foodfish	24 Acres Foodfish	75 Acres Foodfish	100 Acres Foodfish
Sales	\$103,360	\$310,080	\$969,000	\$1,292,000
Fingerling	\$7,153	\$21,459	\$67,059	\$89,412
Feed	\$25,505	\$76,517	\$239,115	\$318,820
Other	\$27,107	\$68,437	\$200,177	\$264,755
Total Variable Cost	\$59,766	\$166,413	\$506,351	\$672,987
Returns Above VC	\$43,594	\$143667	\$462469	\$619,013

Years 2 and Beyond

	8 Acres Foodfish	24 Acres Foodfish	75 Acres Foodfish	100 Acres Foodfish
Sales	\$103,360	\$310,080	\$969,000	\$1,292,000
Total Variable Cost	\$59,766	\$166,413	\$ 200,177	\$672,987
Return above VC	\$43,594	\$143,667	\$462,469	\$619,013
Break Even Price above VC	\$1.45/lb	\$1.34/lb	\$1.31/lb	\$1.30/lb

HSB 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 zero income from HSB
- Can be very profitable

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>