Catfish industry facing pond full of problems

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INDIANOLA, Miss. — Once considered river trash, the whiskered catfish is turning up in avant-garde restaurants from coast-to-coast, fast-food menus and the dinner plates of soldiers and sailors around the world. "I eat in a lot of places around this country...many of them now have catfish on the menu," said Craig Claiborne, cookbook author and retired New York Times food editor.

In 1989, farm-raised catfish was fifth among the nation's top five seafoods, behind only tuna, shrimp, cod and Alaska pollock.

In years past, the fish-loving river variety of catfish were caught with a cane pole with worm bait. The fish were cleaned, rolled in cornmeal and deep-fried, usually served with hush puppies — small fried balls of cornmeal dough. Now consumers can buy pond-fed catfish in grocery stores as whole dressed fish, steaks, filets, strips and nuggets. Recipes offer ways to poach, barbecue, grill, smoke, stir-fry, fry, bake, steam, braise, stew, blacken, sauté or grill them.

"French chefs I've talked with are fond of both the flavor and texture of pond-raised catfish," Claiborne said.

Even though catfish is popular eating fare, the boon predicted for the aquaculture industry in the 1980s hasn't come to pass.

"The pie is getting larger, but the pieces are getting smaller," said Roger Barlow, catfish marketing director for the Mississippi Department of Agriculture.

The Mississippi Delta industry is facing rising costs, labor demands, increasing processing competition, softening sales and problems with industry leadership.

"The basic problem is that the industry lacks leadership," said Dick Stevens, president of the nation's second-largest processor, Isola-based Country Skillet Catfish Co. "Right now, the course we're on says we're not being led very well."

Nutritional value and the consistent taste brought by high-protein feed allowed the industry to grow by leaps and bounds. But the growth also has brought more competition, especially in processing, Barlow said.

"This is a small adjustment, not a large slump," he said.

Catfish farming started in Mississippi in 1966 with 40 acres.

Now, the industry is the state's fourth leading agricultural crop. In 1989, the industry contributed more than $300 million to the state's economy.

Many Delta farmers jumped on the catfish bandwagon in the early 1980s because the traditional agriculture industry was slimming. Aquaculture allowed farmers to use their land and skills and brought new economic strength to the state.

The new industry also provided thousands of new jobs for unskilled and semi-skilled workers. Machinery had replaced many jobs throughout the Delta, traditionally an impoverished region.

The state's catfish industry now employs more than 6,000 people, with an annual payroll of more than $76 million, according to The Catfish Institute in Belzoni, Miss., which is located in Humphreys County, the Catfish Capital of the World.

This year, catfish operations in the state will raise, harvest and process more than 360 million live pounds of fresh catfish this year.

The fish is processed by 25 to 30 companies, most of which are in the state, including the nation's largest two. But a glut in processing has forced four processing plants to close in 1989-90.

"There has not been a dramatic drop to indicate a dynamic change," however, Barlow said.

Many processors are pinched by higher prices they pay to farmers.

About 85 percent of the catfish supplied to processors in Mississippi is produced by members of the Catfish Bargaining Association, which fixes selling prices for processors. Processors are paying farmers 89 cents a pound this year, compared to 71 or 72 cents last year.

Some processors say this year's price is about 10 cents too high.

Country Skillet has even threatened expanding into farming unless it can secure lower prices from Delta farmers.

"If we're faced with no option, we'll start farming," said Stevens. "We can't afford to buy fish at what prices are today. We have to buy raw materials relevant to market prices."

Stevens said retail sales and sales of live fish are slowing because of the higher prices.

"I guess the farmers wanted to make a sackful of money," Stevens said. "Instead of creating a good situation, farmers have created a nightmare."

Country Skillet, which is owned by food processing giant ConAgra Inc. of Omaha, Neb., is among major catfish processors in the Delta that are rebelling against efforts by farmers to control the price of whole fish.

But many processors are cooperative catfish growers, who benefit from higher base prices.

Delta Pride Catfish Inc. of Indianola — the nation's largest catfish processor — is owned by a 180-member farmer cooperative, and it supports fixed prices.

But soft sales and an uncertain future for the industry may be factors in failed negotiations between the company and its striking union workers.

United Food and Commercial Workers went on strike against two Delta Pride plants on Sept. 12 after turning down a contract proposal two days earlier.

Delta Pride offered a 4.8 percent average wage increase in the first year and pay increases averaging 35 to 90 cents per hour over the life of the three-year contract.

The workers, many of whom are unskilled or semi-skilled black women, say the raises are not enough.

Company officials say that they won't agree to a resolution that will "jeopardize the future of the company and in turn the lives of our employees and the local and state economies that depend on farm-raised catfish for revenues."

The increased demand is one of the best safeguards that the industry will survive, Barlow said.

"Entries will be made into the catfish industry from other arenas," Stevens said. "The catfish industry tomorrow won't be the same as the catfish industry today. Catfish will be grown, processed and sold — but not by the same people."

Catfish workers harvest the whiskered fish in the Mississippi Delta region. While catfish is gaining popularity across the nation, higher fish prices and increased demands from laborers are predicted to change how the industry operates.