State’s seafood farmers will ‘hold own’ in 1990

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National and state officials who oversee agriculture in the country and in Louisiana are predicting that Louisiana seafood growers will see slow growth in 1990, but that those who run a tight ship will “hold their own.”

U.S. Department of Agriculture and Louisiana Extension Services data indicate that the industry will survive what may be a “roller-coaster ride” in 1990.

Slow growth in total supply of edible seafood can be expected in 1990 because the U.S. population is expected to grow by less than one percent. A key to industry growth will be in how rapidly per capita consumption increases, and this will depend on overall economic conditions.

In 1989, price increases slowed for edible seafood products. Catfish, crawfish, shrimp and salmon producer prices were generally lower last year. Only a few seafood prices ended the year higher - notably oysters. Among farm-grown species the best prospects of regaining ground lost in 1989 are catfish and salmon.

Louisiana held onto its second ranking in value of aquaculture products for 1988. The farm level value was estimated at approximately $100 million. The state was first in production of crawfish, oysters and alligators.

Last year, producers enjoyed a mixed bag of results. Crawfish farmers produced a smaller crop because prices were below historical parity levels. Catfish farmers increased in numbers. Feed costs decreased, but much of the production sold in 1989 was grown on 1988’s higher feed costs. Oyster farmers experienced much higher prices in 1989 - but this was offset by a much smaller supply. Alligator farmers produced a record number of farm raised animals, but in late 1989 the price fell dramatically. Overall, more alligator sales were made in 1989.

Farmers, relying on the soft-shelled crawfish crop took a beating in 1989. Many producers gave up on the softshell because of the heavy expense in producing and marketing them. But, because the softshelled crawfish was beginning to attract a loyal following, the odds are that it will be back, larger and tastier than ever, the experts say.

The 1989 experience of Louisiana producers, indicated that a strong seafood market does not guarantee prices high enough to make all sectors of the seafood business profitable.

The USDA and state extension service, in predicting what should happen in 1990, believe that catfish farmers could experience a price increase if a new bargaining association is successful. There will be more producers in Louisiana this year, even with increased government requirements to build ponds. Catfish will become the largest aquaculture revenue producer in the state.

The agencies are not as encouraging to crawfish farmers. Fewer acres will be harvested because of sustained low pricing. The European market resulted in the only bright spot in 1989. It is anticipated that 4 to 6 million pounds will be harvested for European consumption this year. Graded crawfish could earn more money for farmers, with far lower production.

One Breaux Bridge crawfish processor predicted last month that some processors could elect to back out of the business because of increasing governmental regulations and bureaucratic requirements.

Oyster beds were worked so feverishly in 1989 because of high price levels that the 1990 supply has been left in question. Louisiana should retain its ranking as the leading oyster producing state.

Some companies are experimenting with hatchery technology, and an oyster depuration (cleaning) plant may open in 1990, but these developments may not affect this year’s activities.

Alligator farm production will increase drastically in 1990, increasing in size, tens of the harvest from the wild. Prices were weakening as 1989 drew to a close. Last year many new alligator farmers entered production from the summer egg harvest. The fastest growing segment of the Louisiana agriculture industry will face a critical test in mid- to late-1990. Costs have been rising and some signs of price weakening has been indicated.

Softshelled crawfish farmers are relying on new technology and better management techniques to stabilize this industry, which has been in a decline. A new trade association is actively promoting the product, and a book on overseas markets and should halt further deterioration in prices. But the economic climate is not ready to support an increase in this crop, according to the agency.

In another aquaculture activities, a few farm raised redfish, may be marketed in 1990. A few operations remain in business, although not on a commercial scale. Production remains speculative. Capital is scarce, so rapid expansion is not anticipated.