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Paddlefish ranching as an economically sustainable use of farm ponds

The aquaculture industry in the United States is rapidly expanding into a booming sector of the farm economy. Many farmers in Missouri and the surrounding states have small- to medium-sized ponds on their property; however, these farmers tend to overlook the potential for income associated with these ponds. The purpose of this study is to examine the economic factors of farming paddlefish from the perspective of a farmer or landowner, and possible ways to group these landowners together, making negotiation and production more efficient. Osage Catfisheries, Inc. began as a game fish production operation, which expanded into paddlefish farming. Paddlefish are harvested for both their meat and eggs (caviar), and this business requires large amounts of fresh water. Farm ponds provide an ideal environment for paddlefish to thrive. The fish cause no damage to the existing ecosystem, and actually improve water quality by feeding on algae. Paddlefish farming requires no work or maintenance on the part of the landowner, only permission to use their reservoirs. The maturity process takes seven to nine years, after which the fish are harvested and the landowner is compensated accordingly. Using net present value analysis we analyzed the returns to leasing water currently being offered by Osage Catfisheries, Inc. to landowners. OCI currently has contracts with over 400 landowners in Missouri for paddlefish production, but is looking to expand its operation and streamline the production process. We computed an average net present value of \$180/surface acre of water paid to the landowner for entering into this contract. We will next be evaluating the value to landowners of pooling ponds & lakes to offer a large group of water impoundments package to enhance the terms of the contract for the landowners.