National Aquaculture Checkoff: Aquaculture Investing in the Future of Aquaculture

Engineering a New Seafood Paradigm
NCR Aquaculture, Toledo

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Global Reality Check:

- By 2050, global food production must **DOUBLE**

- In the next 20 Years, the global middle class will increase by **2.5–3 Billion** people

- Most of this growth will be in **developing Asian countries**, not in the US

- This growth in buying power is creating new **competition** for the seafood that is currently imported by the United States
Global Reality Check:

- 91% of the seafood consumed by Americans is currently imported.
- The current US trade deficit in seafood products is >$12 Billion.
- Aquaculture accounts for over 50% of all seafood consumed in the World, and Growing!
Ironic Facts:

World Aquaculture Compared to US Aquaculture

- World Aquaculture Value ($100 Billion)
- US Aquaculture Value ($1 Billion)
What is the Future of US Aquaculture?

- depends on Social Acceptance and Capital Investment

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Seafood: An Essential Animal Protein

Blue Bayou

Restricted

Capital

High

Social

Acceptance

Investment

Available

Left Behind

Stuck in Second Gear

Low
What is a Checkoff?

- Industry imposed self-tax on product
- Participation is Mandatory once established
- Can be used only for research, promotion and education
- Fund utilization is directed by an elected industry board
What is a Checkoff?
The New Seafood Logo?
How Does this Help?

- Promotion and education can be directed to positively influence public acceptance of U.S. aquaculture and farm-raised seafood

- Greater acceptance helps shape the political landscape
How Does this Help?

- Improved Aquaculture image boosts domestic consumer confidence in US products.
- Improved domestic markets improve profitability, resulting in greater investment and growth.
How is it established?

- Through USDA or by Act of Congress

- Requires 60% approval of all parties covered by the assessment (Actual Vote)

- Review referendum after 3 years to re-approve or eliminate

- Referendum every five years after that (so it has to produce results, or it ends)
Who is included?

- MANY potential variations
  - Domestic product
  - Include some and Exclude some
  - It depends who wants to play ball

The Devil will be in the DETAILS.

IF the current $1Billion industry contributed 1/10 of 1%, the checkoff would raise $1Million annually.
What is the Assessment Based on?

- The best would be as a percentage of gross revenue at first point of sale:
  - Works across all species
  - Works regardless of relative input costs
  - Everyone pays a “fair share” based on relative value of products
Where does this stand today?

- Discussion only, there is currently no formal effort
- The objective is to stimulate discussion of how to move the US Industry forward
- Broader discussion needed between producer organizations
Open Discussion:

- I like it
- I hate it
- Tell me more. This is interesting, but I’m not sure.
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