

National Aquaculture Checkoff: Aquaculture Investing in the Future of Aquaculture

Engineering a New Seafood Paradigm

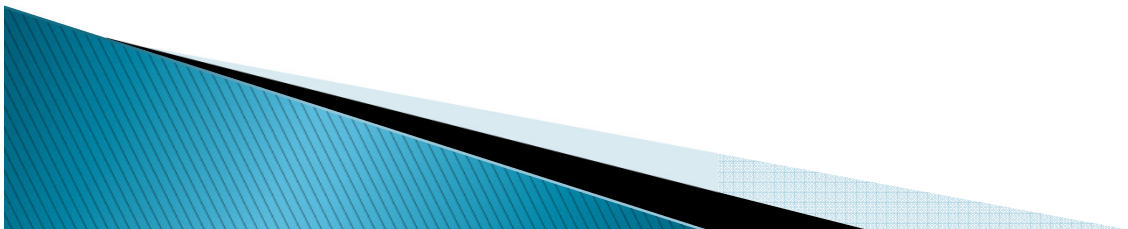
NCR Aquaculture, Toledo

Dan Vogler



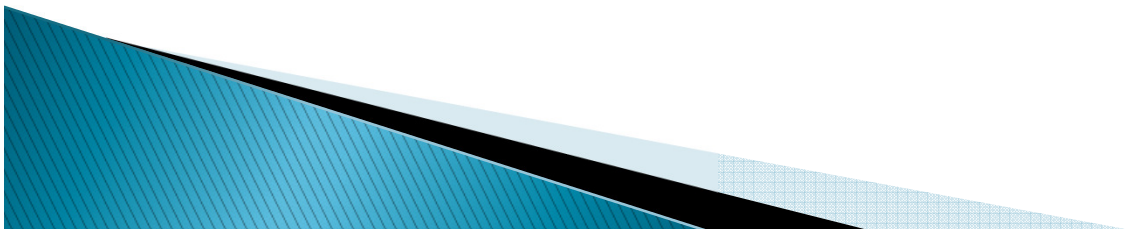
Global Reality Check:

- ▶ 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



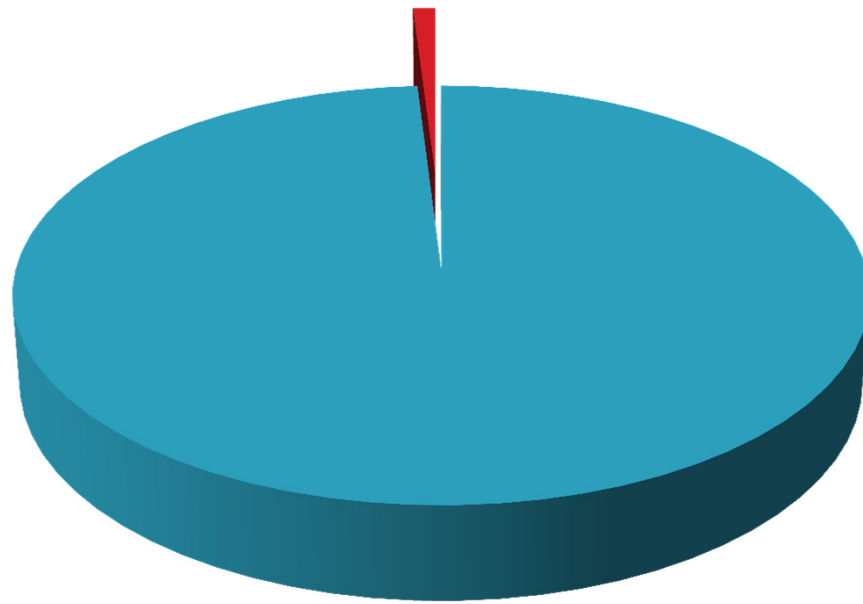
Global Reality Check:

- ▶ 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!

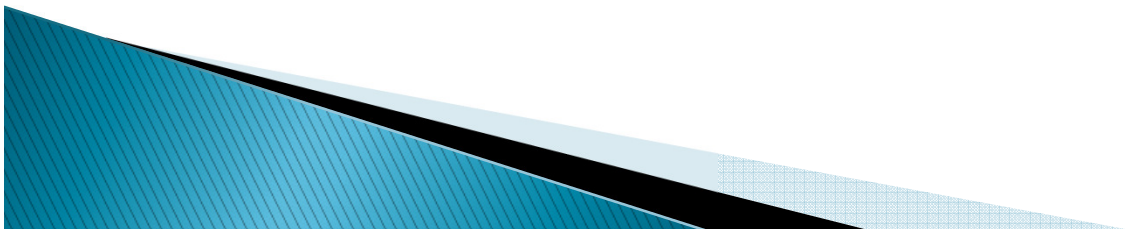


Irony Facts:

World Aquaculture Compared to US Aquaculture

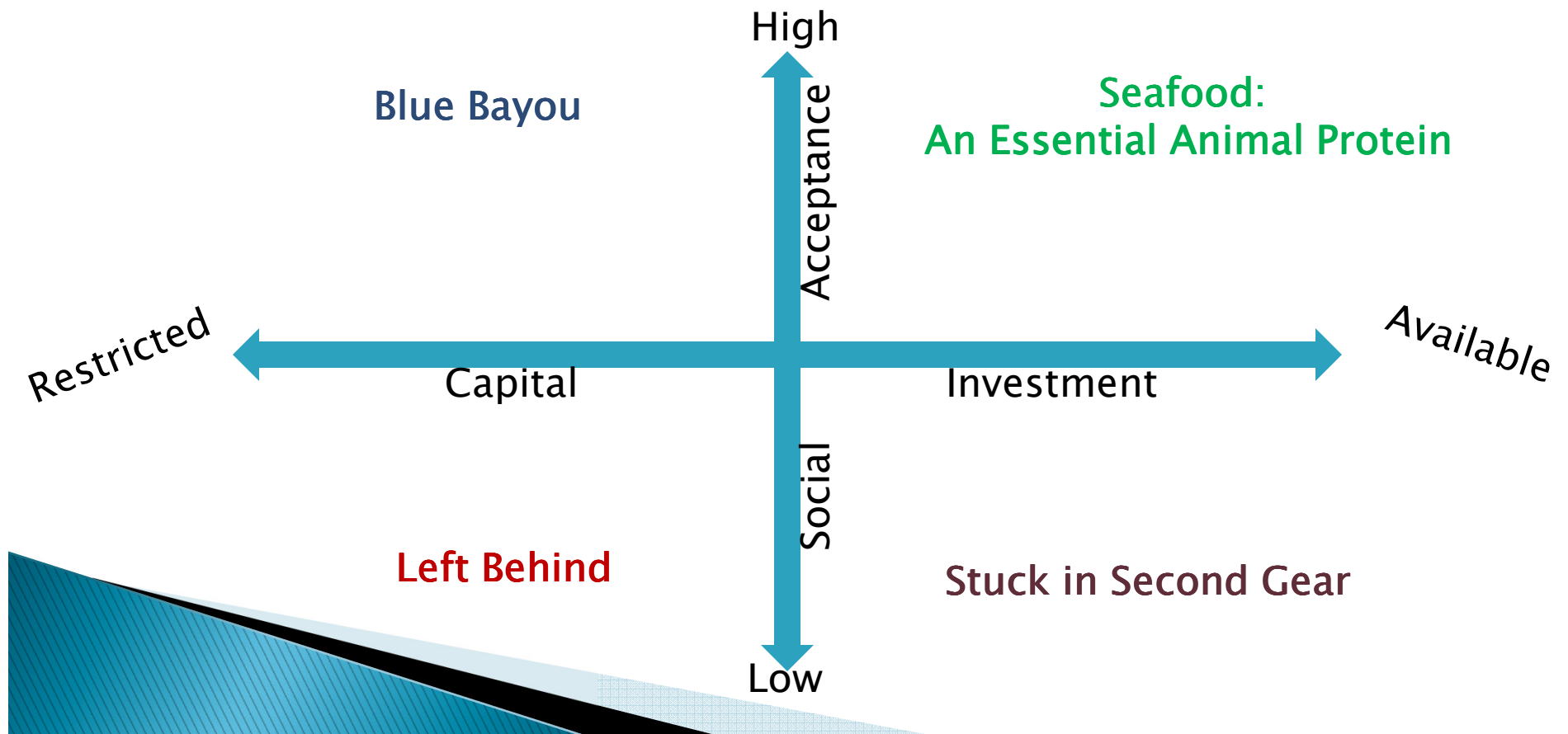


- World Aquaculture Value (\$100 Billion)
- US Aquaculture Value (\$1 Billion)



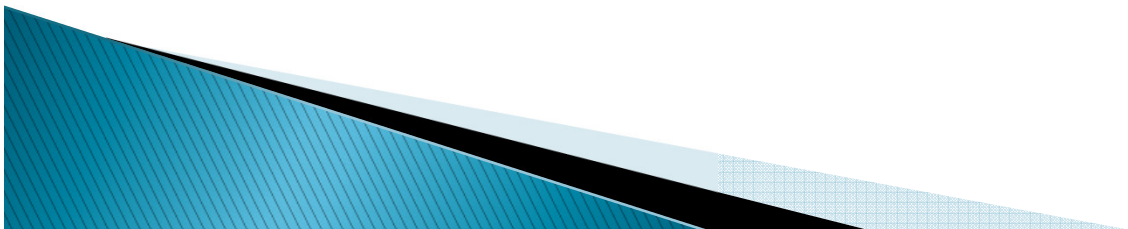
What is the Future of US Aquaculture?

- ▶ depends on Social Acceptance and Capital Investment



What is a Checkoff?

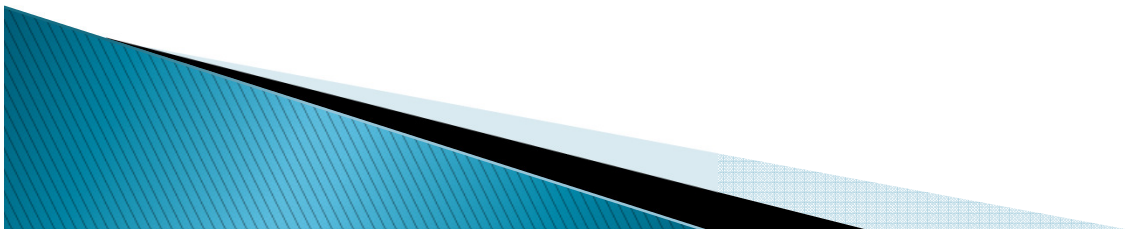
- ▶ Industry imposed self-tax on product
- ▶ Participation is Mandatory once established
- ▶ Can be used only for research, promotion and education
- ▶ Fund utilization is directed by an elected industry board



What is a Checkoff?

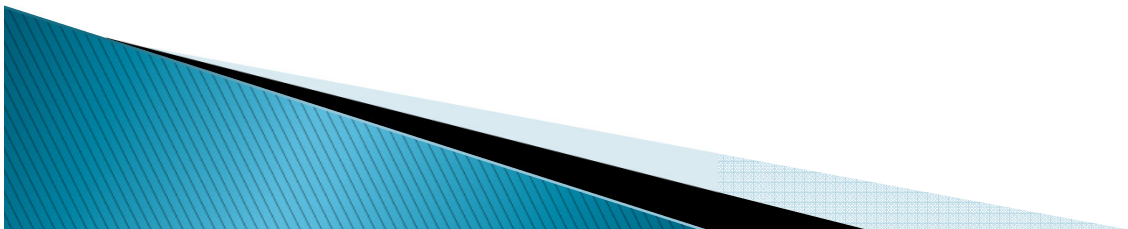


The New Seafood Logo?



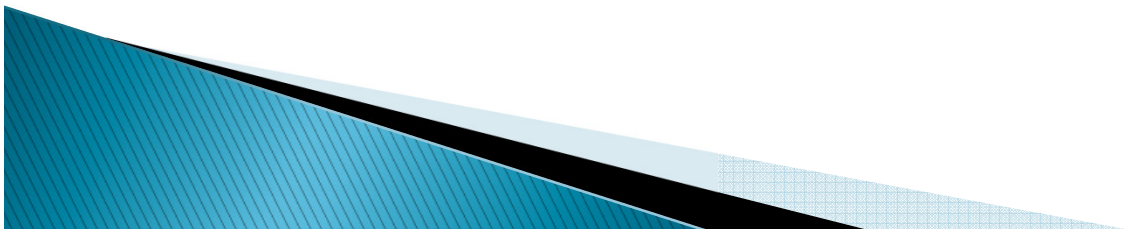
How Does this Help?

- ▶ 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)

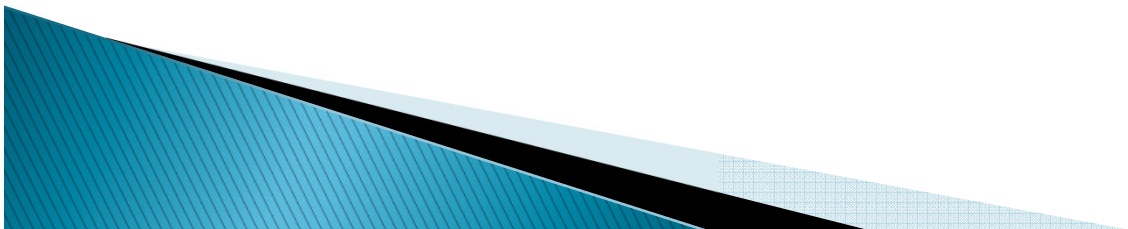


Who is included?

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

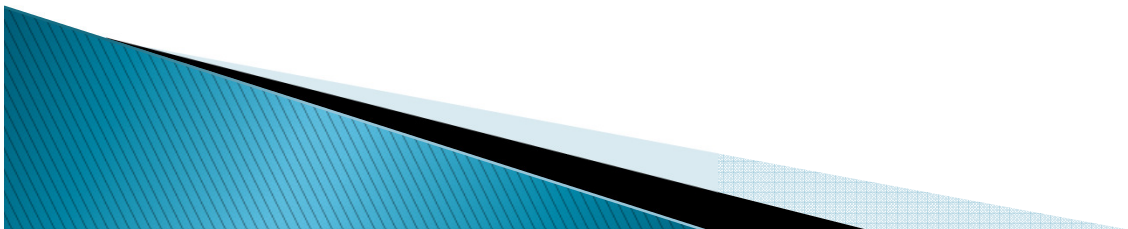
The Devil will be in the DETAILS.

IF the current \$1 Billion industry contributed 1 / 10 of 1% , the checkoff would raise \$1 Million annually.



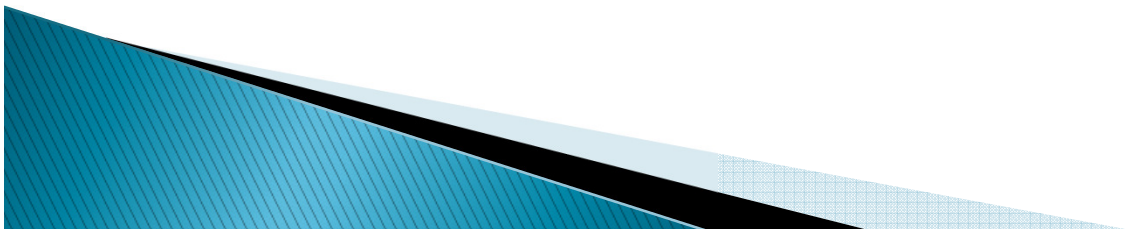
What is the Assessment Based on?

- ▶ 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



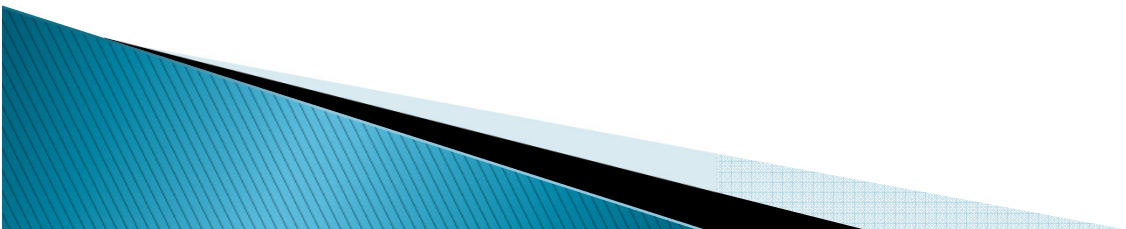
Where does this stand today?

- ▶ 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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