

IMPLEMENTATION OF COLLECTIVE ACTION ALTERNATIVES IDENTIFIED FOR THE US CATFISH INDUSTRY

Reporting Period

April 1, 2014 – August 31, 2014

Funding Level Year 1.....\$125,000
Total.....\$125,000

Participants University of Arkansas at Pine Bluff.....Carole Engle (Project Leader)
Auburn University.....Terry Hanson
University of California at Davis.....Rich Sexton
University of Missouri.....Michael Cook

PROJECT OBJECTIVES

- Objective 1. Provide support and guidance to the industry as it moves forward to implement a federal marketing order and an appropriate cooperative structure.
- Objective 2. Explore and implement alternative contractual models for the U.S. catfish industry.
- Objective 3. Assess the potential impact of the specific provisions of the federal marketing order and cooperative structure.
- Objective 4. Develop packets of information on the expected benefits of the federal marketing order, cooperative structure, and closer vertical integration and make these available to extension aquaculture specialists and participants in the catfish industry throughout the U.S.

ANTICIPATED BENEFITS

The anticipated benefits of this project will be that the catfish industry has the support, guidance, and information necessary as it explores the potential for collective action as a means to improve its global competitiveness.

PROGRESS AND PRINCIPAL ACCOMPLISHMENTS

The final approval for this project was received in March, 2014. Thus, this report reflects accomplishments for the first six months of the project.

Objective 1. *Provide support and guidance to the industry as it moves forward to implement a federal marketing order and an appropriate cooperative structure (project team).*

There have been a series of meetings with Board members of the Catfish Farmers of America to develop a strategy to move forward to implement a federal marketing order and an appropriate

cooperative structure. Committees composed of industry representatives of various farm sizes and states have been formed to move the initiative forward.

Objective 2. *Explore and implement alternative contractual models for the U.S. catfish industry.*

University of California at Davis and University of Missouri

The University of California at Davis is working to identify how the ownership and control of processing/packing functions in the catfish industry differ across organizational structures. Contract models being utilized in related industries are under review. The applicability of alternative models to the catfish industry are being assessed.

The University of Missouri is working on research on the history, structure, growth, opportunities and challenges of the catfish cooperative, Delta Pride. The purpose is to prepare a mini case study to inform development of alternative contractual models.

Objective 3. *Assess the potential impact of the specific provisions of the federal marketing order and cooperative structure.*

University of Arkansas at Pine Bluff

The baseline model to assess the effects of alternative contract frameworks on market demand and industry costs has been developed. Results of the assessments from Objective 2 will be used to complete this objective.

Objective 4. *Develop packets of information on the expected benefits of the federal marketing order, cooperative structure, and closer vertical integration and make these available to extension aquaculture specialists and participants in the catfish industry throughout the U.S.*

University of Arkansas at Pine Bluff and Auburn University

Work is underway to prepare the relevant packets of information on the expected benefits of the federal marketing order, cooperative structure, and closer vertical integration. Once these are completed, efforts to disseminate the materials at a variety of venues will be initiated.

IMPACTS

It is too early, after just 6 months of the project, to have impacts.

PUBLICATIONS, RESEARCH PAPERS SUBMITTED, AND PRESENTATIONS

Presentations

Engle, C.R. 2014. Can a US catfish marketing order and bargaining cooperative stabilize prices? Annual Meeting of the Catfish Farmers of Arkansas, Hot Springs, Arkansas.

Engle, C., M. Dey, R. Sexton, T. Saitone, T. Hanson, and M. Cook. 2014. Can Collective Action Make the U.S. Catfish Industry More Competitive in a Global Market? Annual Meeting of the Catfish Farmers of Arkansas, Hot Springs, Arkansas.

Sexton, R. 2014. Creation of a Federal Marketing Order for U.S. Farm-Raised Catfish. Annual Meeting of the Catfish Farmers of America, New Orleans. Poster presented at the 2014 Arkansas Aquaculture Field Day, Pine Bluff, Arkansas.

RESULTS AT A GLANCE

The team of economists on the project continues to provide support to the Catfish Farmers of America as it considers various forms of collective action.