

3.0 Economics

Script:

One of the things that's very important to understand about the in pond raceway systems is that it is expensive, and it really does require somebody that's not a subsistence farmer. You need to be a medium to large scale farmer in order to consider this kind of system because there's a high investment cost. There's also a high running cost in terms of the fact that you have to add more feeds and you have to be much more aware of what's going on.

The most important and critical part of the system is you need to have power 100% of the time. You cannot go down for more than a few minutes. It's a system that needs to have water running in a river system all the time. So when we talk about a typical pond situation, the profitability of an open pond system may be between 10 to 20%? Maybe less if you have poor survival. With the raceway system you get a much higher profitability because you can, again, you have a higher volume coming out. You have greater control over the quality of your fish, the fish quality is higher, and you're able to oftentimes have more cycles per year.

From a community standpoint we're in Vietnam right now. In Vietnam the thing is that there's a lot of communes, and so you have groups of people who are working together and have common resources. They can actually come together to create a larger pond system which may have multiple raceways. You may have 15 raceways in one pond, which allows you to stage the production so you have staggered production over time, allows you to have a constant yield coming from these raceways. It allows you to maybe target export markets because now you can actually get up to the volume that allows you to sell to those export markets.

It's something that's predictable. When you have an open pond system it's difficult to predict what's actually happening until you actually harvest the pond. With raceways, it's much more predictable. You can see what's going on, you can assess the quality of the stock, you can grade if you need to and you can harvest easily because again all the fish are in one place.

Key Points:

- The IPRS is an expensive system.
- Best for medium to large scale farms.
- High cost to operate.
- Need access to power 100% of the time.
- The raceway has much higher profitability because you get a higher volume of production.
- It's a very predictable system.
- If done correctly an IPRS can harvest year round, not just during harvest season.