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When Feed Was Cheap, Catfish Farmers Got Help Buying It

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One of the more unusual offshoots of Congress's drought-relief efforts was a \$34 million assistance program for catfish farmers.

Under the 2003 Catfish Feed Assistance Program, announced in August of that year, commercial catfish farmers in Mississippi, Arkansas and a handful of other states got government credits for feed equal to \$34 per ton.

All they had to do was apply at their local feed mill. The amount they received was based on how much feed they had purchased at the mill in 2002 -- not any actual losses.

The USDA advertised the program as "an innovative relief to catfish producers who have experienced losses due to adverse weather and natural disasters," according to a news release. The agency said a 2002 drought had driven up the price of feed.

To be sure, some of the states had suffered drought, but not all. Moreover, feed prices for catfish in 2002 were among the lowest in a decade, according to federal data and agricultural economists. They didn't spike again until mid-2003.

The struggles of catfish farmers appeared to have more to do with economics than with bad weather. After expanding for a decade, the industry was contracting in 2002 and 2003 and faced competition from foreign imports that drove prices to record lows. Even though farmers were selling more catfish, their revenue was slipping. Some received separate foreign trade adjustment payments from the government.

"Prices went down in 2002 and 2003. A lot of people had to give up [catfish] farming," said Terry Hanson, an agricultural economist at Mississippi State University. "But feed prices were very low in 2002-2003, about \$200 a ton."

Mississippi reeled in by far the largest share of federal dollars -- nearly \$19 million, records show. It has more catfish farms than any other state. It also has a powerful U.S. senator, Republican Thad Cochran, then chairman of the agriculture committee and second-ranking majority member of the Appropriations Committee, looking out for the industry's interests.

It was Cochran who inserted language into a wartime appropriations bill in 2003 to ensure that

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catfish farmers received relief. Cochran also lobbied USDA officials to adopt feed credits of \$35 to \$40 per ton.

"The catfish industry is in a very precarious situation," Cochran wrote to then-Agriculture Secretary Ann M. Veneman in March 2003. "Higher feed costs . . . have added tremendously to a catfish producer's cost of production." Fish-eating birds and fish-killing parasites had also "decimated the catfish farmers' hope of making a profit," he wrote. Cochran did not respond to requests for an interview.

Most Mississippi catfish farmers did not receive their feed credits until 2004, according to the Mississippi Department of Agriculture and Commerce. By then, catfish prices were rising.

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