

**"Aquaculture, not the Internet, represents the most promising investment opportunity of the 21st Century" (Peter Drucker)**

# **STURGEON MEAT MARKET – KEY ISSUE FOR STURGEON AQUACULTURE SUCCESS**

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**Acadian Sturgeon and Caviar Inc**  
**New Brunswick, Canada**

## Presentation objectives:

1. To analyze the present sturgeon meat market and the possibilities of developing it further.
2. To back up the business advantages of developing the sturgeon meat market.
3. To demonstrate that:

STURGEON = ~~MEAT~~ + CAVIAR  
and NOT

STURGEON = CAVIAR + PRODUCTS TO "GET RID OF"



## Why sturgeon?

1. Produces caviar – “Black Gold”
2. Good quality meat, no bones
3. Resistant – diseases, low oxygen
4. Good growth – large size
5. Good name - Queen’s fish



## Why not sturgeon?

1. Late first time sexual maturation
2. Weak meat market
3. Large inland production spaces
4. Scarcity of stocking material
5. Technological bottlenecks



## Outline:

1. Background on sturgeon products production & market
2. Development stage of sturgeon meat market
3. Business benefits from valorizing the sturgeon meat
4. Ideas for developing sturgeon meat market



# 1. Background on sturgeon products production & market



# 1. Background on sturgeon products production & market

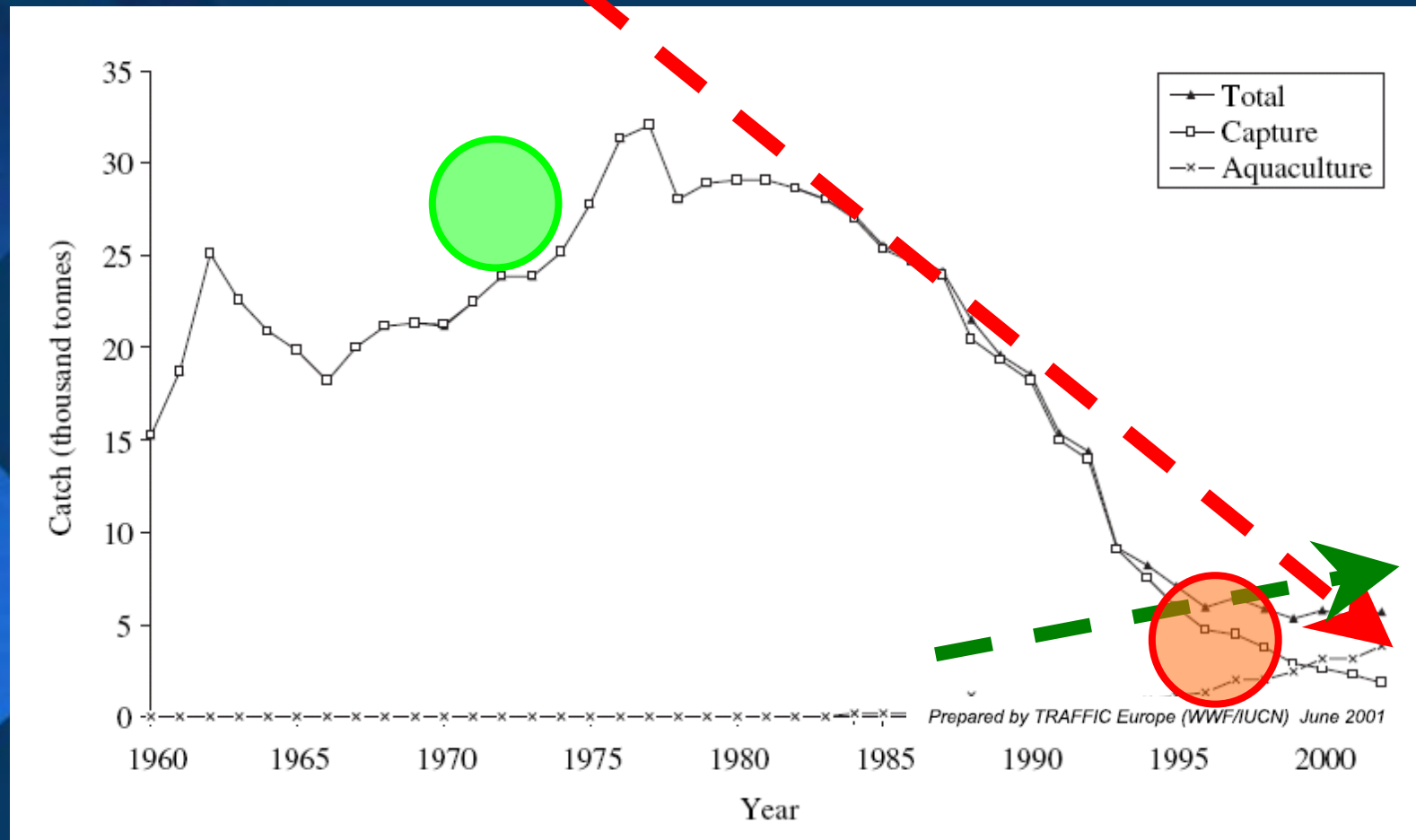
Over 90% of the world sturgeon production use to come from the Ponto-Caspian Region





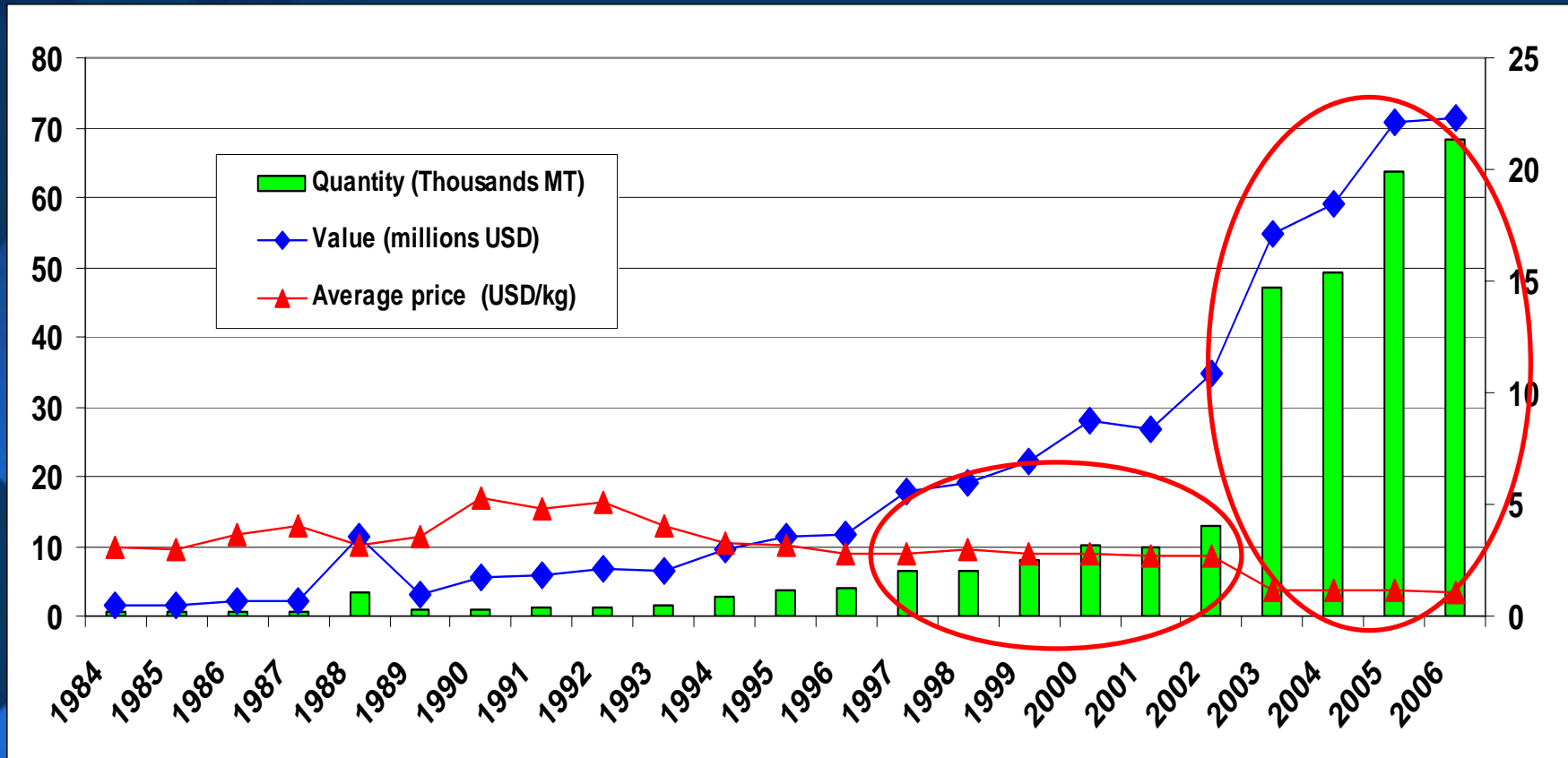
# 1. Background on sturgeon products production & market

## Evolution of sturgeon captures and aquaculture production



# 1. Background on sturgeon products production & market

## World aquaculture production, volumes and values



Prepared by Cornel Ceapa with data from FAO Fishstat Plus

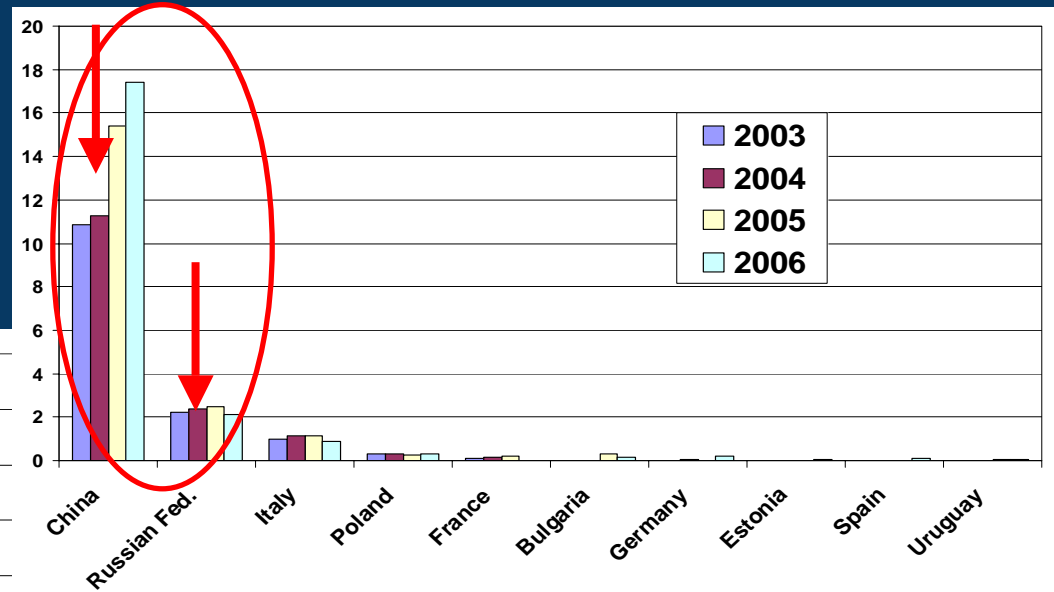
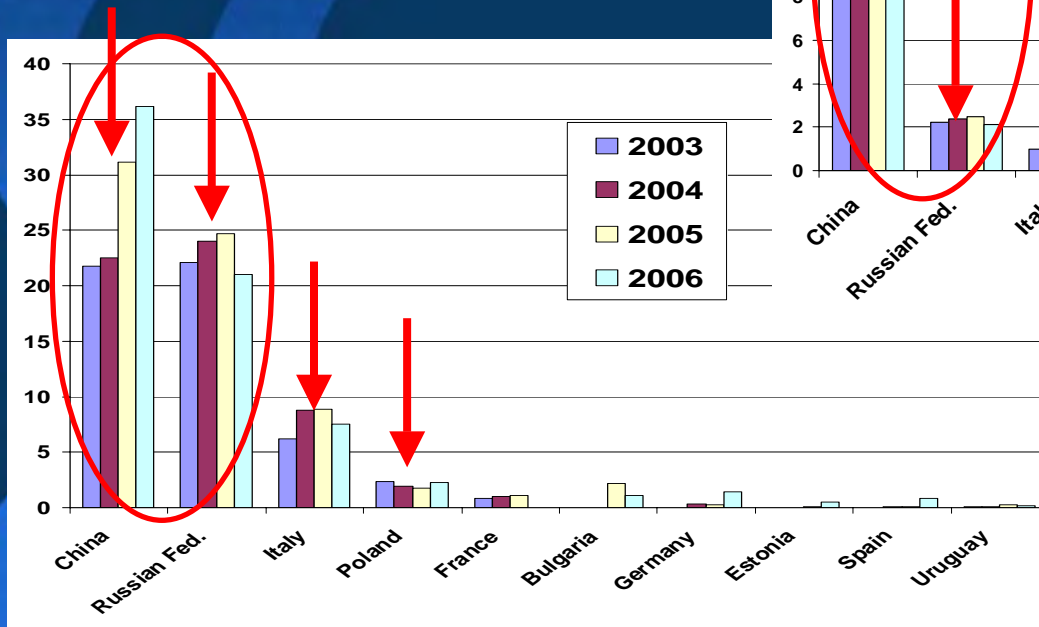




# 1. Background on sturgeon products production & market

## World aquaculture production by countries (2006)

Quantity  
thousands MT (2006)



Value  
millions USD (2006)

Prepared by Cornel Ceapa with data  
from FAO Fishstat Plus



# 1. Background on sturgeon products production & market

## The main constraints in developing sturgeon aquaculture:

- Technological knowledge on sturgeon aquaculture;
- Availability of high quality spawners;
- Late maturation of the females;
- Large production spaces;
- Weak meat market comparing to the caviar market.



# 1. Background on sturgeon products production & market

## Conclusions 1:

- Soon there will be virtually no wild sturgeon product on the market, but only from aquaculture;
- Based on the 1990-2000 statistics, there is a minimum export market of 300 t of caviar/year, which would be equivalent of a minimum 3,000 t meat/year;
- Reported captures of 15-30 thousands t/year (1960-1992), point to a potential market of 1,500-3,000 t of caviar and the corresponding meat market of 15,000-30,000 t;
- Prices for caviar are constantly growing (1,500-10,000 USD/kg) while seems that meat prices stabilized around 8-10 USD/kg.



## 2. Development stage of sturgeon meat market



## 2. Development status of sturgeon meat market

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Huge unbalance between the caviar : meat export markets (CITES quotas: 1:0-1:4 instead of 1:10-1:15, reality ???).

### Statement to analyze:

“Most of the meat trade is directed towards domestic markets, and this DEMAND IS SO GREAT that very little of the 2001 catch quota for meat declared under Decision 11.58, totaling 1,182 tonnes from the Caspian Sea, is exported.”

CITES World, #8, 2001



## 2. Development status of sturgeon meat market

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### Reality:

Historically the sturgeon meat was consumed locally, around the rivers where it was fished, being made available for free or for very little money as a subsistence food to large, poor communities.





## 2. Development status of sturgeon meat market

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### Today:

As the demand was created in such regions during the periods when sturgeon meat was easily available, with the decrease of the sturgeon catches, the meat prices in countries like the ones in the former Soviet Union exceeds the prices on the Western countries (over 10-15 EUR, Mikhail Chebanov personal information)!



## 2. Development status of sturgeon meat market

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### Comment:

The existence of a real sturgeon meat market is in our opinion true when consumers (WILLING TO) PAY a reasonable price for that product, unsubsidized or not influenced by social or political reasons.

For this reason we consider that the former local markets (as for example the former Soviet Union or Native Americans in North America) not real markets but only potential markets to be developed by aquaculture.



# Markets

- [illegible]

## 2. Development status of sturgeon meat market

### Quantities/Prices (e-mail survey, Internet)

1. Answers from Austria, Poland, Florida (US), Canada, France and California (US).
2. Most of the meat sold live or fresh.
3. Most sold to restaurants or large markets.
4. Quantities: very small comparing to other species, except Poland & California (where market took 10-15 y to create).
5. Prices: 6-20 EUR/live; 8-10 EUR/bullet; 15-75 EUR/smoked





## 2. Development status of sturgeon meat market

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Why sturgeon meat market is not developed as much as the caviar market ?

1. Product available fresh only over limited periods of time (migration in the rivers).
2. Products available in relatively remote areas and hard to preserve or transport.
3. Socio-economic and political regime in the countries producing the majority of sturgeon (former Soviet Union, Iran).



## 2. Development status of sturgeon meat market

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### Conclusions 2.:

- Traditional meat markets for meat are in reality potential markets to be developed using aquaculture products.
- Recently established meat markets took a very long time to develop (10-15 y).
- Most of the markets are in incipient phase of development and meat is still regarded as a product "to get rid of".





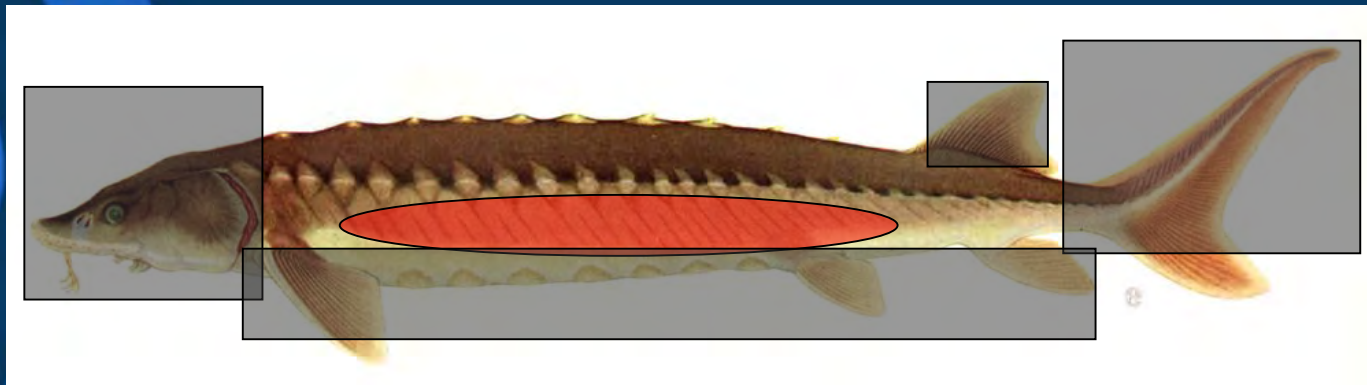
### 3. Business benefits from valorizing the sturgeon meat



### 3. Business benefits from valorizing the sturgeon meat

#### Sturgeon products:

- Caviar ~ 10%
- Meat (fresh, frozen, smoked, ready to eat) ~67%
- Secondary products (skin, cosmetics, medicine, etc)



### 3. Business benefits from valorizing the sturgeon meat

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#### Sturgeon aquaculture business strategy now:

- Most of the actual sturgeon aquaculture is focused on caviar (less than 10% of the whole sturgeon).
- Meat has been largely considered a secondary product from caviar production.
- Reconsidering meat production could point to changing the production strategy, even farms design.
- Giving the long time for introducing a new product on the market, should the decision to reconsider the meat be taken if/when the caviar market will fall or NOW?



### 3. Business benefits from valorizing the sturgeon meat

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#### Advantages:

- Cash flow during business start-up phase.
- Even distribution on local markets all over the year.
- More constant market price levels.
- Shorter production cycle (2-4 years).
- Larger potential market.
- Less “risky” production technology.

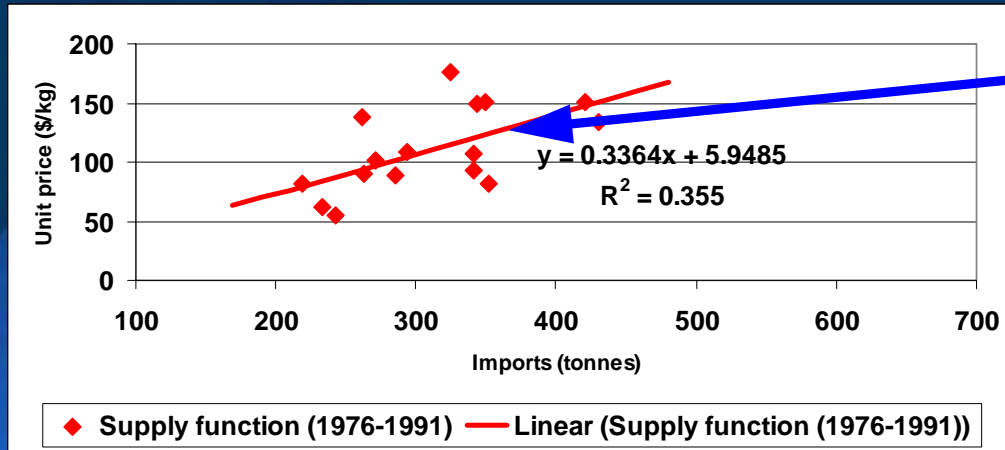
#### Disadvantages:

- Competition with other species.
- Competition with other production systems
- Undeveloped market.



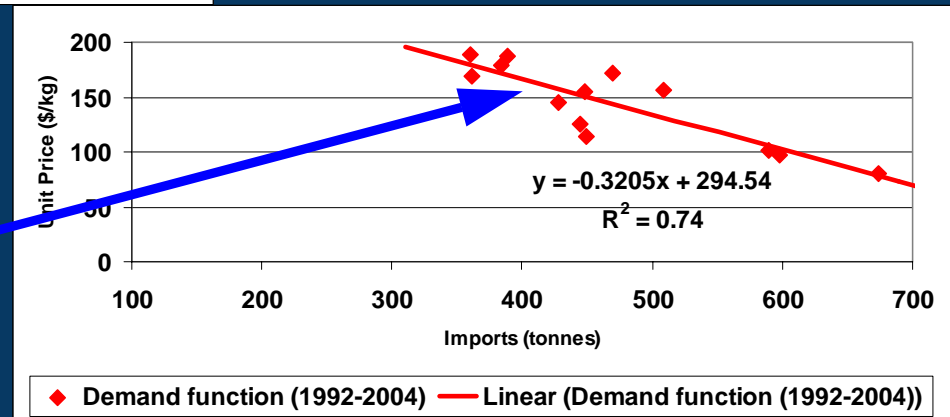
### 3. Business benefits from valorizing the sturgeon meat

#### Discussion on price elasticity of demand for caviar



Elasticity of supply ~ 3

Elasticity of demand ~ 3



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### 3. Business benefits from valorizing the sturgeon meat

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#### Discussion on price elasticity of demand for caviar:

- High elasticity of demand (3) – elastic, as for all the luxury products, means that when the supply will start catching up with the demand the price should decrease abruptly;
- Quantity supplied (QS)  $\lll$  Quantity demanded (QD) so the market equilibrium was not reached yet.
- If/when the QS  $\geq$  QD then the caviar price will drop, the minimal price heading toward the substitute caviar (USD 100-200) and the price elasticity will decrease;





### 3. Business benefits from valorizing the sturgeon meat

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#### Discussion on price elasticity of demand for meat:

- No reliable price and quantity data available for meat to calculate the price elasticity;
- Approximate elasticity of demand should be comparable with the one of other fish products like salmon (0.42) – relatively inelastic;
- There is a good market opportunity for diversifying the meat market and substitute the salmon face to the media campaigns against it (“Farmed and Dangerous”)



### 3. Business benefits from valorizing the sturgeon meat

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#### Advantages of aquaculture produced sturgeon meat:

- Controlled environment conditions (customer concern);
- Availability as fresh all over the year;
- Good public perception of the land based production; systems (environmental friendly-(er));
- Market size selectable fishes.



### 3. Business benefits from valorizing the sturgeon meat

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#### Conclusions 3.:

- Developing the meat market is a logical choice for diversifying the product offer and addressing a different market segment than the caviar;
- As markets take a very long time to develop sturgeon aquaculture producers should start as soon as possible promoting meat products;
- End products as smoked sturgeon, cooked or semi-cooked and terrines as well as the fresh meat available year round through aquaculture are means to turn the sturgeon aquaculture into a source of good quality seafood.

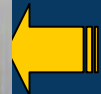


## 4. Ideas for developing sturgeon meat market



## 4. Ideas for developing sturgeon meat market

- Know your customer needs, be market oriented (size, preparation, presentation)
- Develop easy to cook or ready to eat sturgeon meat products;



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## 4. Ideas for developing sturgeon meat market

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- Brand your products/company, build your reputation





## 4. Ideas for developing sturgeon meat market

- Advertise, keep good PR, be present on the Internet

Google [Szukanie zaawansowane](#) [Ustawienia](#)

sturgeon meat Canada Szukaj

Sieae Wyniki 1 - 10 spośród około 152,000 dla zapytania **sturgeon meat Canada**. (Znaleziono w 0.07 sek.)

**STURGEON MEAT MARKET – KEY ISSUE FOR THE LONG TERM SUCCESS OF ...**

in Carters Point, NB, **Canada**, with a designed capacity of 165 tonnes of **sturgeon meat** and 15 tonnes of caviar. The owner/operator of Acadian **Sturgeon** and ...

<http://acadian-sturgeon.com/Cornel%2520Ceapa%2520EuroTier%25202006.pdf> - [Kopia](#) - [Podobne strony](#)

[Acadian Sturgeon and Caviar Inc.](#)

We are developing the markets for our caviar and **meat** products and looking for distributors and restaurants in all major cities of **Canada**. ...

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## 4. Ideas for developing sturgeon meat market

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- Be environment friendly – it will pay back on long run
- Educate people about sustainability of sturgeon aquaculture
- Educate customers on cooking sturgeon meat, develop recipes, participate in restaurant chefs competitions
- Develop a vertically integrated sturgeon company/industry
- Associate with similar companies to share costs (marketing, lobbying, distribution)
- Be diverse, innovative and use native species of sturgeon



General conclusion:

We believe that developing the sturgeon meat market is a key issue for maximizing long term success and minimizing risks of failure for a new or existing sturgeon aquaculture business.





### **Cornel Ceapa – founder, owner & operator Acadian Sturgeon and Caviar Inc, Canada**

- ☑ **company founded in 2005 in Carters Point, New Brunswick, Canada;**
- ☑ **producing and selling live sturgeon (Atlantic / Baltic and shortnose) as stocking material for aquaculture, restocking, research, ornamental (Poland, Germany, USA, Korea, Taiwan);**
- ☑ **producing sturgeon meat and caviar in our own processing plant, from wild sustainable harvested sturgeon in Saint John River;**
- ☑ **developing a grow-out facility on 2.5 ha of land in Carters Point, NB, Canada, with a designed capacity of 165 tonnes of sturgeon meat and 10 tonnes of caviar.**



# *Acadian Sturgeon and Caviar in images*



# *Thanks! QUESTIONS?*



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**Acadian Sturgeon and Caviar Inc, Canada**

