

Challenge

Looking to markets

The technical results that private sector is obtaining on the improvement of fingerlings and table sizes production are now calling for deepening the look at the market perspectives of the sector, for defining the future strategy. The first law in marketing approach is to maintain a balance between offer and demand, for avoiding a strong market prices decreasing. Thanks to the longstanding experience of the GAFRD, and with the support of the Italian Experts, the MADE project is going forward in realizing deep analysis of the local and international markets. These analysis aims at providing the private investors with clear indications on the actual profitability and trends of the aquaculture sector, for supporting them in shaping the most suitable marine aquaculture business models for the national context. The early results are suggesting that the current price trends, market volumes and dynamics, in front of the relative structure of local productive costs, could offer interesting profitable investment opportunities if opportune business strategies are undertaken.

The Reports of the MADE project will be discussed at the occasion of the National Conference where all the stakeholders will be invited at debating the analysis and the solutions proposed, for coordinating all the future public and private efforts for jointly paving the path toward the creation of new investment opportunities.

Newsletter No -3 march 2013



New business strategies

The main factors determining the economic performance of a new aquaculture activity are linked to the choices on production and marketing. In these terms high density productions in marine cages could represent a strong diversification element in the Egyptian aquaculture sector.

Market segmentation and positioning allows individuating the relative opportune marketing channels. A strategic choice concerns the decision if to limit the production to the primary step, or to increase the added value by processing the fish (salted, smoked, frozen, canned or filleted). Nevertheless the key element at the basis of a business strategy remains the selection of the species to be reared. Different species have different parameters that determine their profitability, starting naturally by the average selling price and the price variability due to the harvesting time. On the other side feed costs represent most of the operative costs, so that the different Food Conversion Rate (quantity of feed needed for one kg of production) of the species is critical.

Selecting the species

Considering the characteristics of the Egyptian economy, the growth rate and the relative length of the rearing cycles is one the more relevant factor in selecting the aquaculture species. In fact high nominal and real interest rates, and difficult access to credit, require short time of return on the investments.

The cobia (technical features presented in the *Microscope* section), can reach a size of 6 kg in 12 months, letting to the investor to receive a return after only one year of production, so partly overcoming the credit constraint. At the same time the international price of this species (around 8\$/kg) place the product in a high market segment of white marine fish, diversifying from the current national production. Its Food Conversion Rate is higher than other species (3:1 in front of 2:1 of some other species), but still its profitability remains high.



MICROSCOPE

New candidate species for Egyptian marine aquaculture:

*Cobia (*Rachycentron canadum*)*

Cobia is one of the species having most interesting perspectives in Egyptian marine aquaculture. Captive spawning started in 1990 in Taiwan. In 1997 the technology to raise large quantities of cobia fry had been developed for grow-out in cage systems. At present the main producers of Cobia are in China, but it is also farmed in Bahamas, Belize, the Dominican Republic, Mexico, Philippines, Puerto Rico, United States of America and Viet Nam. Arab Emirates are recently starting to consider this opportunity.

The high potential for the cobia as new species for aquaculture is given by the following characteristics: it prefers warm water (>20 °C), spawning multiple times from April to September, with activity peaking in July. Salinity tolerance is from 30-35 ‰ till to 5 ‰ with good FCRs and growth rates for juveniles. Sexual maturity is reported in males at 1-2 years and in females at 2-3 years, with females growing both larger and faster with maximum sizes up to 60 kg. Females release several hundred thousand to several million eggs (1.4 mm diameter). The eggs are heavily pigmented, buoyant, and hatch in approximately 24 hours. Cobia larvae grow rapidly and are large in comparison to most marine species at 3.5 mm TL. They reach approximately 30 g (around day 75 post-hatch), which is considered the minimum size for stocking in cages. The grow-out period is generally about 1-1.5 years, with fish reaching a final weight of 6-10 kg at harvest densities of 10-15 kg/m³. Production costs for this species are minimal because of a short hatching period so very competitive with several other species of marine fish being cultured. Cobia has several desirable traits, most importantly a rapid growth rate and good flesh quality, appreciated also for sashimi. The Cobia, along with other species, is presented in the MADE report: Main and new candidate species fact sheets, and they will be presented during the National Conference as well submitted to GARFD Experts.



NEWS IN EVIDENCE

New helmsman for the GARFD.

Dr. Khaked Elhassani is now the new GARFD Chairman and MADE Project coordinator according to a dedicated Minister Decree. The new Chairman has a great experience in the financial project control, with a strong capacity in the project monitoring and evaluation, essential factors in order to adapt the projects to the changing conditions during their life. Since the beginning of his work, Dr. Elhassani is giving a news enthusiasm to the Authority staff and , now according to Chairman indication, MADE experts are preparing a new project idea/Concept Note, for supporting the private sector in marine aquaculture.



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