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Agriculture investors set their sights on aquaculture

By Natalia Real

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Agriculture investors are placing their bets on aquaculture as the next big moneymaker as demand grows for farmed fish to feed the burgeoning worldwide population's need for protein.

Although people in China and other quickly developing countries have been altering their diets to include more expensive sources of protein such as red meat, the move is not sustainable due to the excessive amounts of water and grain needed to raise cattle.

Many believe farmed fish is the answer to this problem.

Kevin Schwartz, a partner at US private equity firm Paine & Partners, noted that there exists a major interest in fish that can both provide an alternative source of protein and which can be raised sustainably, Laura MacInnis reports for Reuters.

"Aquaculture is a way to meet that demand," he said to the bankers, fund managers and investors who came together at the Global AgInvesting Europe 2010 conference last week in Geneva.

The meeting is the third event in the Global AgInvesting series and gathered leading institutional investors, fund managers and public and private sector industry experts from across the globe to talk about the main ways to push value creation in agricultural production and trade.

Farmed fish such as tilapia would have no trouble finding bountiful consumers around the planet, said Rich Gammill, managing director of Black River Asset Management, part of agri-business giant Cargill.

"It just makes sense economically for people to turn to fish as a low-cost source of protein," he said.

Gammill suggested that aquaculture would avert ecological destruction from overfishing stocks and thus attract developed market customers as well.

"From a sustainability point, this needs to be developed," he stated at the conference.

Gammill went on to say that about 80 per cent of the popular product frozen tilapia that is sold in the US now originates from China.

"There is an opportunity for Central America, for southeast Asia and for other markets who have control over their water quality and practices to play a much greater role," he added.

The UN's Food and Agriculture Organisation (FAO) calls aquaculture the fastest growing food sector in the world.