

# Caviar dealing becomes a fishy business

Many in the U.S. are turning to lucrative illegal imports and catching rare species

By Scott Canon  
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**K**ANSAS CITY, Mo. — The Missouri River's pallid sturgeon, pushed to the brink of extinction by the industrialization of its home, now faces a new threat — the world's love of caviar.

The country-club craving for the black salty fish eggs has all but emptied the Caspian Sea of beluga sturgeon. Just this month, a federal ban halted imports of beluga caviar, imposed for the same reason it is illegal to bring elephant ivory, rhinoceros horns or tiger pelts into the country.

The caviar shortage, in turn, supercharges an already powerful demand for eggs from the shovel-nose sturgeon cruising the muddy bottoms of the Missouri and Mississippi rivers.

Even before the import ban, small-time Midwestern fishermen supplied a business linked to a black market in New York, involving Russian and Eastern European smugglers. Those traffickers mislabeled their eggs and, fishermen say, stiffed their Missouri suppliers.

Scientists say the hunger for caviar poses a growing danger for the ghostly pallid sturgeon, a bottom-feeding, spine-backed lunker that predates the dinosaur. It looks and reproduces much like its shovel-nose cousin and gets snagged by the same nets.

## Fish in danger

The increased hunt for eggs also could challenge the survival of the shovel-nose's fragile population.

"The stakes have gotten pretty high," said Edward Grace, a special agent for the U.S. Fish and Wildlife Service.

On much of the Missouri and Mississippi rivers, commercial and recreational fishermen alike can legally take the shovel-nose sturgeon — a fish that prowls the same currents as its endangered relative. Commercial fishermen, in fact, may tangle as many shovel-nose as their licensed nets can hold.

Experienced commercial fishermen insist it is easy to tell the two apart, and that their licenses are too valuable to risk by not tossing the endangered species back.

But amateurs — either hobbyists with the \$25 Missouri commercial fishing license or rod-and-reel recreational anglers — might not sort out the species so easily. And the pallid sturgeon can grow much larger, meaning a female with a bellyful of environmentally priceless eggs can net a fisherman a quick \$200 in caviar trade.

"The only way to catch somebody is probably through undercover operations," said Jim Milligan, a fisheries biologist involved in endangered species restoration for the U.S. Fish and Wildlife Service in Columbia. "That can take two or three years with no guarantee."

In the meantime, fishermen set hooks and nets for sturgeon in hopes of capitalizing on a worldwide caviar market that is only getting more lucrative.

Said a state fisheries biologist, "They're out there catching as many as they can now thinking they need to get it before the Missouri Department of Conservation shuts down the sturgeon fishing."

In a way, we've been here before. Americans, at least the wealthy, began to develop a taste for caviar when German dealers came to North America, buying sturgeon catches in the 1870s.

Before then, sturgeon was disdained by white Americans, its flesh seen as fit for only servants and slaves, its roe best used as fertilizer.

But when Germans paid a then-hefty \$1 a fish, America's upper classes began to take an interest in caviar. As the Germans had done with their own rivers, Americans wrecked the populations of Atlantic and shortnose sturgeon on the East Coast, the white sturgeon on the West Coast and other varieties from the Great Lakes.

That eventually shifted the industry to the Caspian Sea, where giant beluga sturgeon — often weighing 100 times the North American species — provided the most plentiful and valued caviar throughout the 20th century.

"The pattern is that people fished the sturgeon until they were virtually wiped out in one place and then moved on to the next," said Inga Saffron, author of the recently published "Caviar: The Strange History and Uncertain Future of the World's Most Coveted Delicacy."

The Soviet Union's tight control of the sturgeon trade manipulated the worldwide price skyward and, Saffron noted, unintentionally protected the sturgeon population.

When the Soviet government collapsed, those controls evaporated. The world market flooded with ever-cheaper caviar, and the U.S. market for the salted fish eggs became nearly middle class.

That and massive pollution devastated the beluga sturgeon population in the Caspian.

Until this month's ban, the United States imported 80 percent of the world's beluga caviar and developed an appetite for all caviar.

One response to that demand has

been a small industry of farm-raised sturgeon and paddlefish. Osage Catfisheries in south central Missouri years ago branched out into the business of raising paddlefish for their roe.

Now, the company ships L'Osage Caviar worldwide, raising part of its catch in golf-course water hazards and housing subdivision ponds.

"It's only getting bigger," said Jim Kahrs, who runs the fish-raising operations with his sons.

And the country's gourmets — prodded by environmentalists wanting to protect the beluga sturgeon — now speak approvingly farm-raised fish eggs. "Pair [paddlefish caviar] with something toasty and a little fatty," said Wine Spectator magazine, "and it makes a fine companion for champagne."

But it can take eight to nine years for a paddlefish, and nearly as long for most sturgeon, to grow old enough to produce eggs.

A much quicker investment is to buy a \$25 Missouri commercial fisherman's license to go after the sturgeon that swim under barges, by the power-plant intake pipes and amid the pesticide residue in the Missouri River.

Historically, the norm for the annual sturgeon catch on the Missouri River in Missouri had been about 1,000 pounds. Through much of the 1990s, the catch sat at about 3,000 pounds. It rose to 7,000 pounds in 1999 and to 10,000 pounds in 2001.

On the banks of the Mississippi River in Missouri, a sturgeon harvest that weighed in at about 5,000 pounds a year for most of the century hit 20,000 pounds in 2000 and 65,000 pounds last year.

Among those drawn to the Midwest wild caviar trade is longtime Center, Mo., building contractor Ron Hall. For six springs, he and his daughter have made a circuit of commercial fishermen from Keokuk, Iowa, to Jefferson City, from the Missouri Bootheel to the Illinois-Indiana border. Paying \$20 to \$30 a pound, they buy plastic bags filled with black river fish eggs collected by hobbyist fishermen and mom-and-pop net tenders.

"The price goes up and down

'The pattern is that people fished the sturgeon until they were virtually wiped out ...'

INGA SAFFRON  
Author



**AFTER** decimating their own sturgeon population, Americans turned to the Caspian Sea for caviar supplies for most of the 20th century. This month, the United States banned imports of Caspian Beluga caviar as part of an international bid to preserve the fish.

and up again," Hall said.

Hall totes the harvest to his northeast Missouri, government-certified fish house to process into caviar.

He runs the eggs through screens to separate them from membranes and washes away the blood and other muck. He cures them in salt and in a few weeks ships fastidiously documented batches to New York.

Last year, Hall sold more than 3 tons, typically holding out until he could get a pledge of \$50 a pound for his processed fish eggs. His primary buyer has been Russian emigre Arkady Panchernikov of Caspian Star Caviar and the Madison Avenue caviar bar Caviar Russe. Panchernikov told Hall the delicacy was served at his Manhattan restaurant and to first-class airline and cruise-ship passengers.

But this month, Panchernikov pleaded guilty to six federal charges of fraud for passing off midgrade fish eggs for the stuff of finest dining, for illegally smuggling in Russian caviar and for illegally exporting American caviar.

Investigators learned about Panchernikov's smuggling schemes through the arrest of Eugene Koczuk, who had used Polish police officers and airline employees to smuggle in 20,000 pounds of caviar over six months.

"It came in unrefrigerated suitcases on 10- and 12-hour flights," said Grace, the Fish and Wildlife Service agent who investigated the cases. "I wouldn't want to eat it."

Panchernikov, who did not return repeated phone calls while free on bail, faces fines totaling \$400,000 and up to 21 months in federal prison.

The Halls say he owes them a small fortune.

Short of DNA analysis, it is virtually impossible to sort the eggs of the now-banned beluga from the endangered pallid or the legal-to-eat shovel-nose.

"If you mixed them up in the same container, there'd be no way

to tell," said Herb Bollig, a project leader at the Gavins Point National Fish Hatchery and one of the key scientists involved in pallid sturgeon spawn.

## A good day's wages

Scientists worry that an immature pallid can be mistaken by amateurs for a full-grown shovel-nose, or that the temptation of a far larger pallid swollen with a good day's wages worth of eggs is too much to resist.

"My guess is that most of these guys know the difference between a pallid sturgeon and a shovel-nose sturgeon," said Milligan, the fisheries biologist in Columbia. "I suspect there's a smaller contingent that doesn't care... If you get a 10- or 15-pound pallid, you could have 5 to 8 pounds of eggs worth 100 to 200 bucks. That is an awful lot of money for somebody who in a typical day may not make enough to pay for his gas."

Edwin Nichols, a meat cutter and sometime fisherman from Hartsburg, Mo., said telling the pallid from the shovel-nose is easy.

"Anybody could do it," he said. Among thousands of sturgeon Nichols caught last year, four were pallid. Lake sturgeon, protected by the state but not on the federal endangered species list, showed up in his nets almost daily.

Steve Krentz, a biologist who leads the team working to restore the pallid sturgeon, said the caviar industry will always remain a threat to fish species. Sturgeon are especially vulnerable to overfishing because they take so long to become sexually mature. Intense sturgeon fishing on a river for just a few years, he said, can cripple the population for decades.

Now, he said, even the rarest harvesting of a pallid sturgeon could be critical. He worries more common sturgeon could be next.

"We may have to list the shovel-nose as endangered before long," Krentz said. ■



**FARM-RAISED** paddlefish are providing an alternative to endangered varieties of caviar in some parts of America. But it takes years to rear the fish, and many fishermen resort to illegal fishing, while some businessmen still import caviar illegally from the Caspian Sea.