

TILAPIA FARMING: A COMPARISON OF ENTERPRISE PROFITABILITY AMONG GHANAIAN FARMERS

Steve Amisah*, Khalid Sualih and Kwamena K. Quagraine

Kwame Nkrumah University of Science and Technology
Kumasi, Ghana
steveamisahl@yahoo.co.uk

Efficient management of a tilapia farm can make the difference between profits and losses even in years with unfavorable prices and costs. Farm management involves more than just taking care of the biological processes involved; it includes paying close attention to economic and financial measures of the farm business also. A comparison is made of economic and financial indicators of 10 fish farmers each in the Brong-Ahafo and Ashanti regions of Ghana, analyzing the performance of the tilapia farm businesses.

A survey was conducted to assess the profitability of tilapia farming in two growing regions – Ashanti & Brong-Ahafo in Ghana. Sampling was non-random aided by government directory and based on ability of respondent to provide information. A total of 10 farmers each from Ashanti and Brong-Ahafo regions (20 farmers) were surveyed. Performance indicators examined included Operating Profit, Net Income, Net Profit, Return to Land and Capital, Break-even Price, Break-even Production, and Rate of return to total investment.

Results suggested that fish farming in the Ashanti region was more profitable than fish farming in the Brong-Ahafo region. Profitability in the Brong-Ahafo region applied to farmers producing fingerlings for sale. Break-even production averaged 913kg in the Brong-Ahafo region compared to 877kg for the Ashanti region. Ashanti region performed better in measures of profitability. Farmer who constructed their own ponds had positive net profit. Ashanti region break-even price of \$1/kg was lower than break-even price of Brong-Ahafo operations. Measures of profitability were generally better for farmers who provided supplementary feed.

Table 1: Average Performance

Performance Indicators	Brong Ahafo	Ashanti	Overall
Operating Profit (\$/ha)	1,062.60	3,501.79	2,386.76
Net Income (\$/ha)	666.13	2,882.21	1,803.73
Net Profit (\$/ha)	-1,590.72	-608.83	-1,171.88
Return to Capital (\$/ha)	392.45	2,665.75	1,560.84
Return to Land & Capital (\$/ha)	617.06	2,810.62	1,739.23
Production (kg/ha)	1,364.18	2,105.50	1,757.38
Pay-back Period	10.40	5.09	7.41
Break-even Price (\$/kg)	1.25	0.99	1.10
Break-even Production (kg)	903.84	876.80	894.56
Rate of Return to Capital (%)	0.70	20.34	11.39
Rate of Return to Total Investment (%)	1.79	19.46	11.40