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SUSTAINABLE AQUACULTURE FOR A SECURE FUTURE

Title: Risk analysis of shrimp farming in Honduras

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Abstract: Honduras is the leading producer of pond-raised shrimp in Central America, but profitability of operations is affected by fluctuating yields and prices which generate economic risk. An analysis of the financial risks associated with different management strategies would provide useful management guidelines. Data from a 1997 survey were used to develop enterprise budgets and a risk analysis for three farm-size scenarios (73, 293, and 966 ha) and for a group of farms exhibiting an alternative, more intensive level of semi-intensive technology (AST farms). Economies of size related to fixed costs and to feed, repair, and interest costs were identified. Net returns/ha were highest for the AST farms while low net returns/ha reported by the other farm groups were connected with low yields, conservative input usage rates, poor survivals, and economies of size. To minimize potential for loss, farms should target a minimum acceptable yield that would vary with farm size.

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