Cluster Membership as a Competitive Advantage in Aquacultural Development: Case Study of Tilapia Producers in Olancho, Honduras

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The performance of individual firms often is enhanced by membership in a group or cluster of other firms engaged in similar activities. This paper examines a cluster of Honduran fish farmers in terms of the patterns of relationships that allowed them to initiate and sustain successful tilapia businesses for an extended period of time. Although there are larger, individual production facilities elsewhere in Honduras, the circumstances of the cluster are unique. The cluster of tilapia farms has been in operation in Olancho, Honduras for over 15 years. Financial analysis describes production costs, prices, and profitability in the context of the cluster. The results elucidate the way relationships among coexisting firms provide a source of competitive advantage for the adoption and development of aquacultural enterprise. Furthermore, the results provide insights into the organizational and contextual factors that facilitate commercial fish culture. As the Olancho model of aquacultural development becomes more widely known, it may be an important means of fostering tilapia culture in other locales. These Honduran producers have been able to sustain the enterprise due to advantages offered by the grower cluster beyond the efficient operation of the individual farms.

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