Business Strategies for a Successful Tilapia Farm

Liz Xu
Economic Development Specialist
Aquaculture and Livestock Support Services (ALSS)
Hawaii Dept. of Agriculture

Developing Sustainable Aquaculture in Hawaii
Why are you interested in aquaculture?

- Self-Sustainability – provide food for self and family
- Small-Scale Commercial – farm profits are not the primary source of income
- Commercial – farm profits are the primary source of income
Focus of ALSS

- Develop sustainable commercial operations
  - Establish tilapia as viable product for food service
  - Continue to support ethnic channels
- Support efforts to maintain health management programs
2011 USDA Dietary Guidelines

- Twice a week, make seafood - fish and shellfish – the main protein on your plate.
  - Seafood contains a range of nutrients, including omega-3 fats
  - According to the 2010 Dietary Guidelines for Americans, eating about 8 ounces per week (less for young children) of a variety of seafood can help prevent heart disease
U.S. Seafood Supply and Demand: Past and Projected

Demand based on new dietary guidelines:
2 seafood meals per week

Demand = Per capita consumption x population

U.S. Harvest

U.S. Supply = Harvest - Exports
Research the market

- Business for profit
- Competitors (local, mainland, overseas)
  
  2011 US imports: 16,700 Metric Tons
  China supplies 70%, followed by Honduras, Indonesia
- Pricing
  
  2011: $1/lb Tilapia Frozen
  $2.6/lb Tilapia Fillet Frozen
  $3.6/lb Tilapia Fillet Fresh
  
  2012: $2/lb Tilapia Fillet Frozen
- Distribution
- Figure out the costs involved
Study your customers

• Who are your target customers (local, mainland, overseas) and why do they want to buy from you
  > Ethnic markets
  > Retailers
  > Foodservices
Branding

• A name to remember and look for
• Differentiate your fish from others
• Symbol of consistent quality
The advantages of a cooperative

- Do not compete with each other
- Save money on marketing, distribution and management
- More negotiation power
Go online

• Online wholesale and retail
• Work with other online wholesalers and distributors
• Study the distribution chain to see what can be moved online – innovative ideas that could be worth millions of dollars
Summary

- Market research and analysis
- Know your customers
- Branding
- Cooperative
- Ecommerce
- Frequently check the financial health of your business
- Be informed
- Passion
- Perseverance
Contact ALSS

• Connect with me through Aquaculturehub and LinkedIn

• Liz Xu
  • 808.483.7104
  • Jing.xu@hawaii.gov

• Address
  • 99-941 Halawa Valley Street, Aiea HI 96701