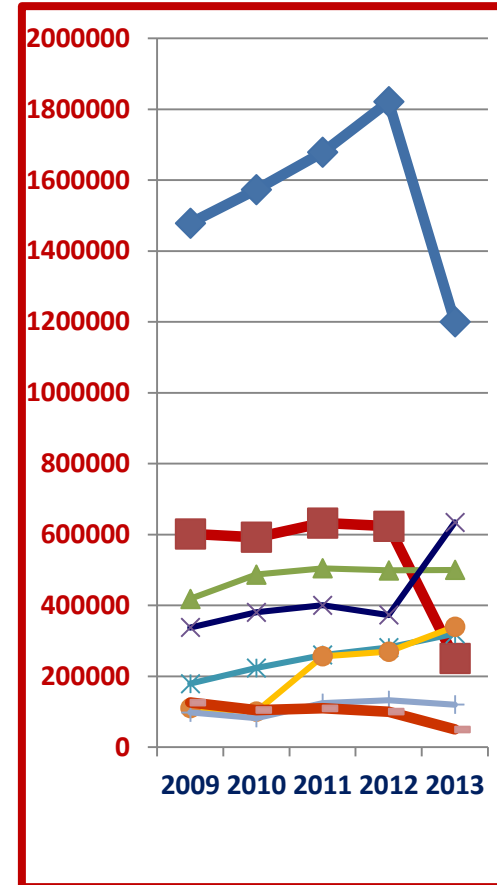
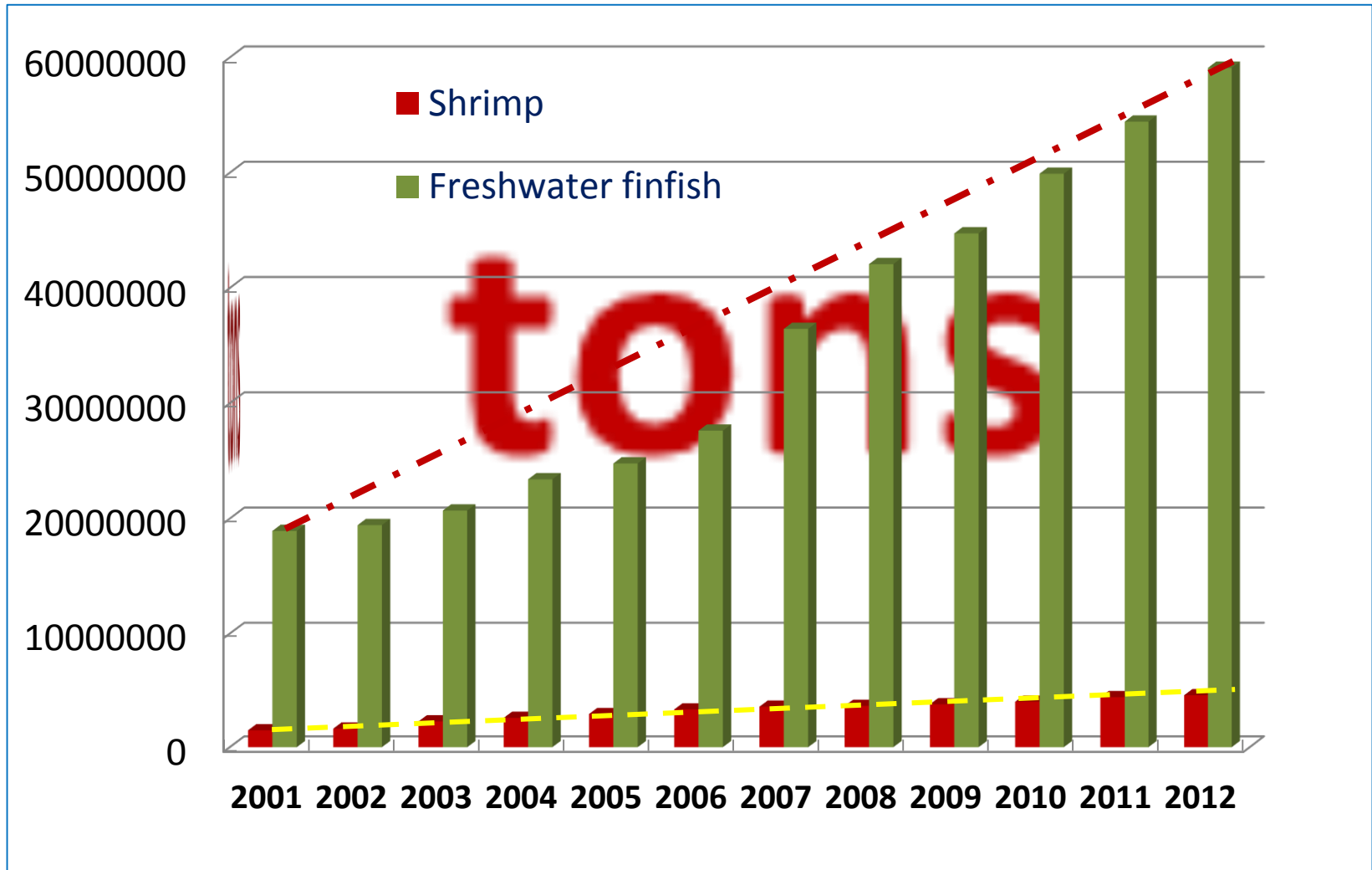


The Situation of Farmed Shrimp Production in Asian Countries Facing EMS.



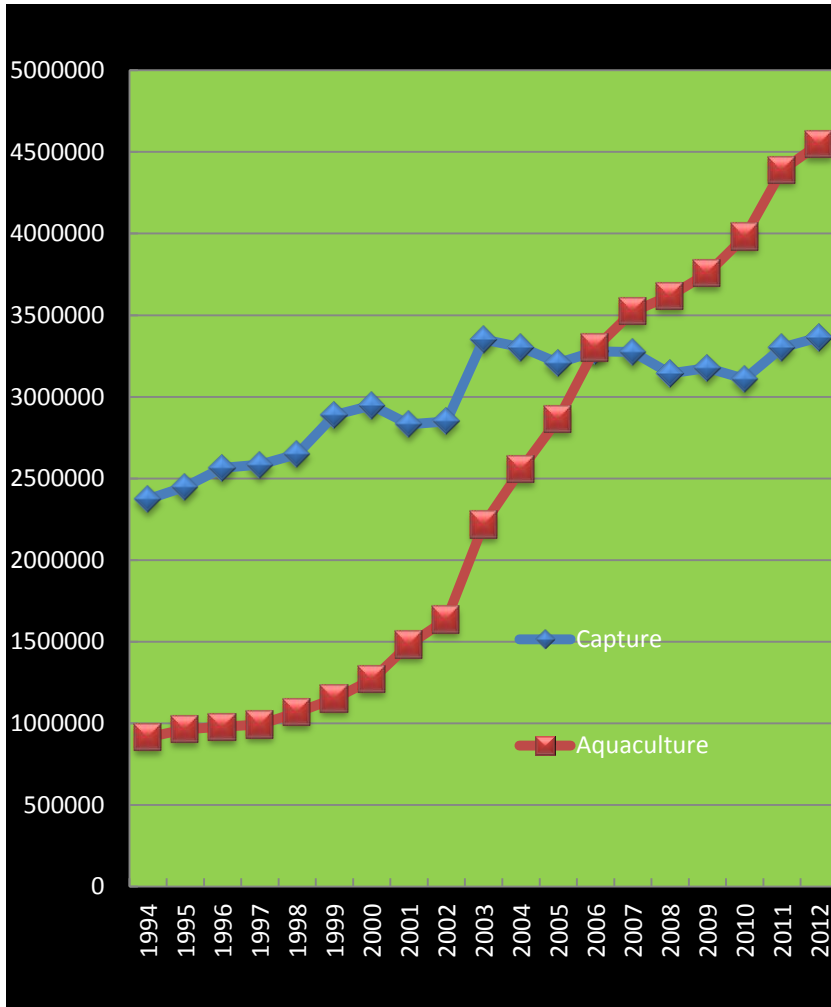
Fatima Ferdouse
INFOFISH

RETROSPECTIVE

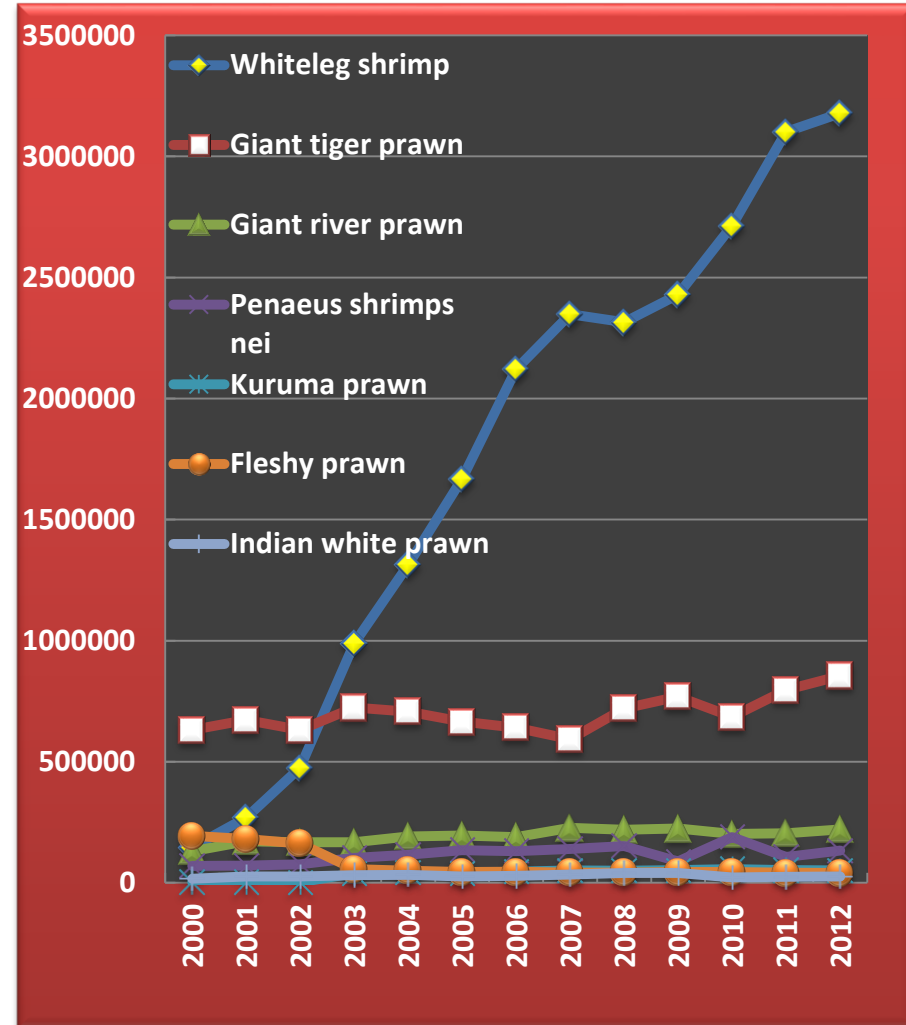


In global aquaculture production, the two species groups namely SHRIMP and FRESHWATER FINFISH gained much prominence in the domestic and foreign markets

Production Trend for Shrimp (in tons)

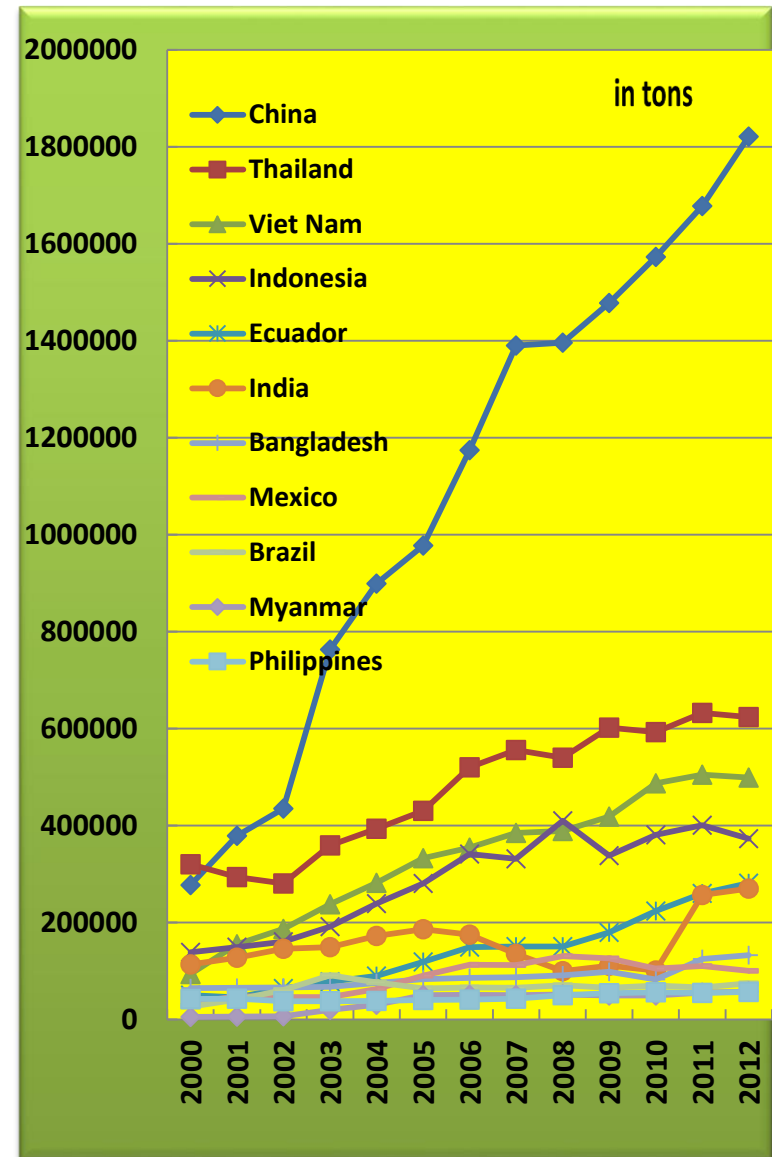


AQUACULTURE

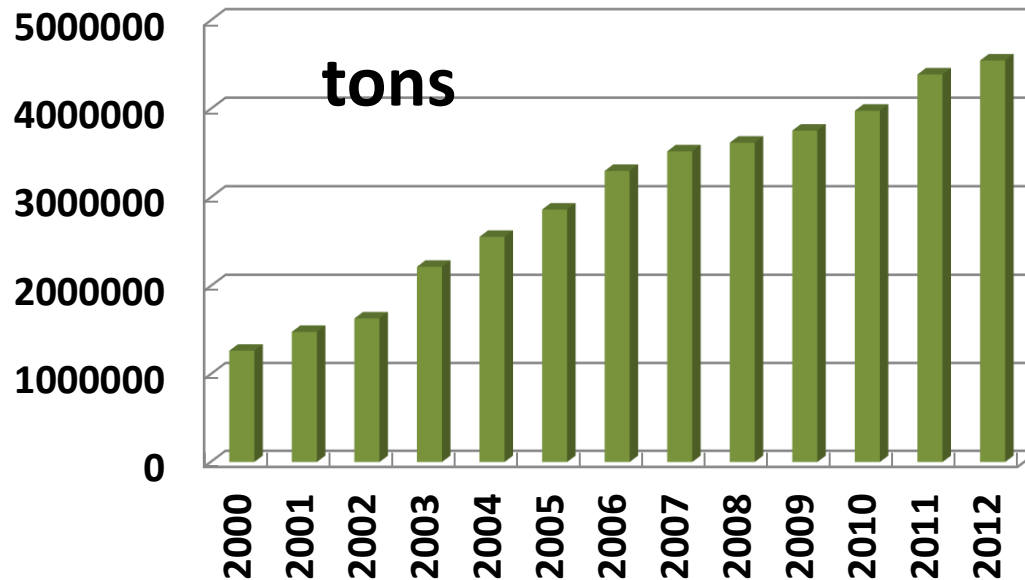


Shrimp production in 2012

- Global shrimp production (farmed and wild caught) increased over the decade reaching close to 7.5 million tons in 2012.
- Nearly 60% of these supplies came from the aquaculture sector at 4.3 million tons in that year, with increasing dominance of *P. Vannamei* in Asian shrimp aquaculture
- Asia contributed 80% towards global shrimp production @ 3.5 million tons; China, Thailand, Vietnam, Indonesia and India were the top five producers
- Latin America's share was 12.5% at 572 000 tons; Ecuador, Mexico and Brazil were the leading producers.



Affected by EMS, aquaculture Production started to decline from 2012 in many countries



2010: Share in supply

- China: 36%
- Thailand : 17%
- Vietnam: 12%
- Indonesia : 10%
- **India: 2.5%**

2012: Share in supply

- China: 40%
- Thailand : 14%
- Vietnam: 11%
- Indonesia : 8%
- **India: 6%**

2013 :EMS SEVERELY AFFECTED LARGE SHRIMP PRODUCING COUNTRIES IN ASIA.

•The EMS (Early Mortality Syndrome) disease first surfaced in China in 2009 and spread into Thailand, Malaysia and Vietnam in the subsequent years. From China to Malaysia farmers lost millions of dollars of crops , infected by EMS.

• Subsequently , farmed shrimp production declined drastically in 2013 . Supply short falls were large and sharp in China, Thailand, Vietnam , Malaysia .

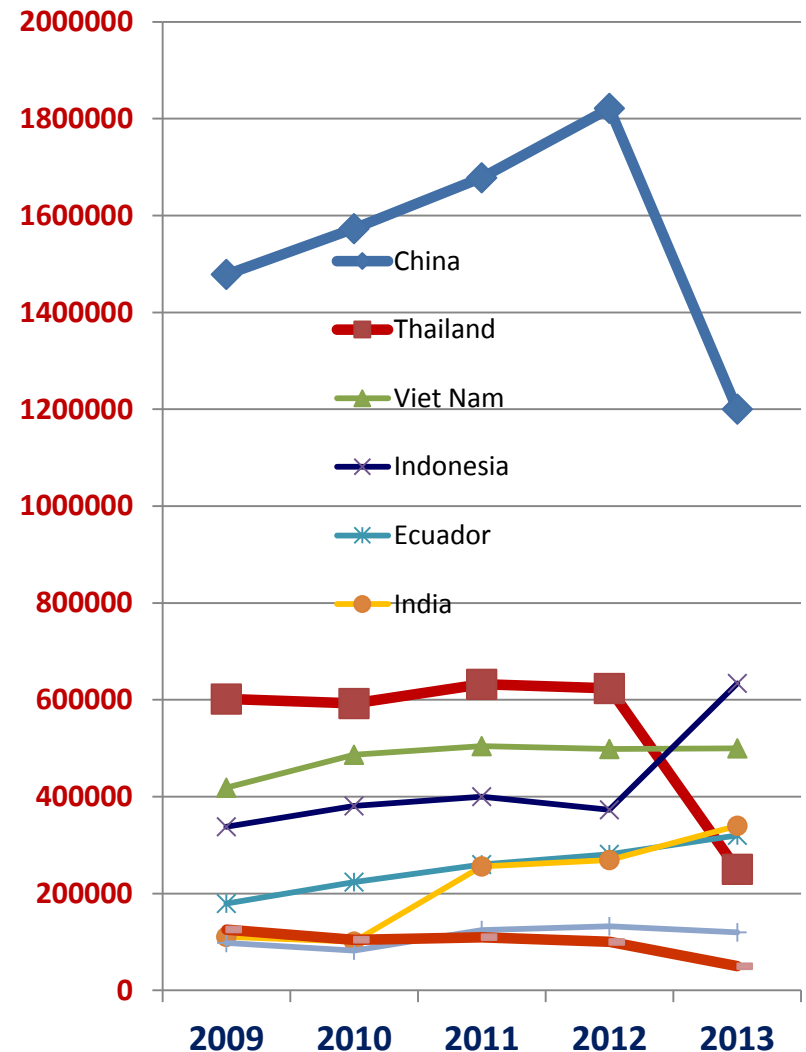
• Shrimp prices increased in the world market.

• Farming areas extended and intensified in Indonesia and India who did not suffer by EMS. However, their extra supplies were not enough to offset over all large short falls in Asia.

•Consequently shrimp prices remained record high worldwide for more than two years (2012-2014) and halted growth in the traditional developed markets - Japan, USA and European Union.

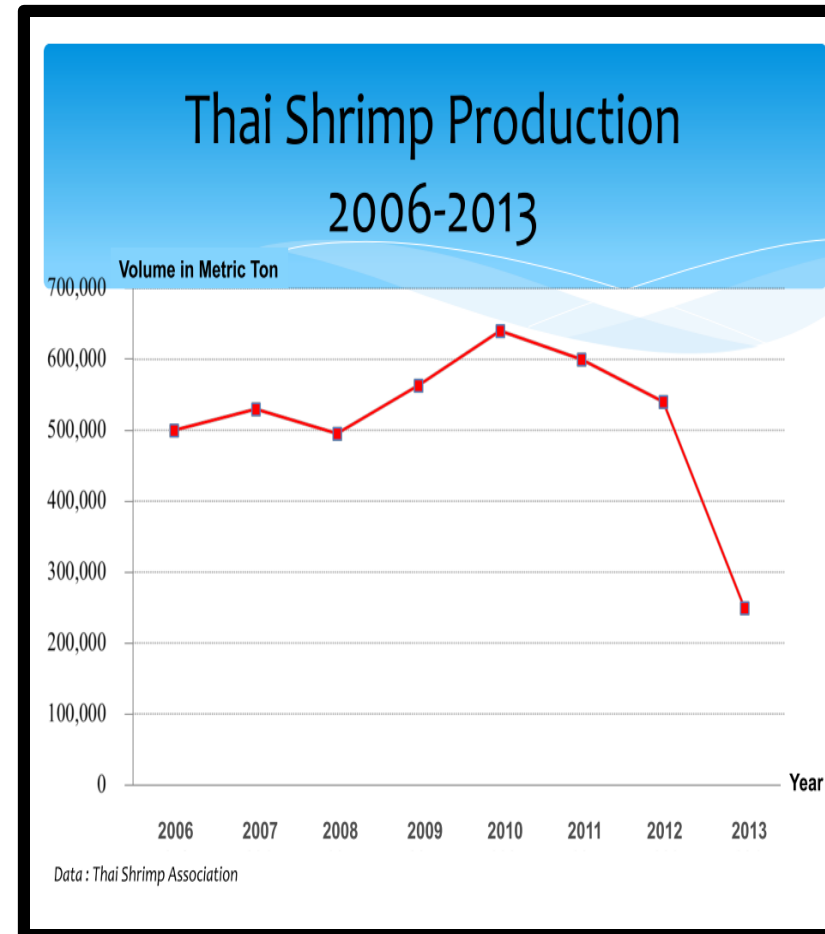
•Supply shortfalls in East Asia prompted strong inter-regional and intra-regional trade

•Shrimp imports increased in Asia for domestic consumption and export processing.



THAILAND : PRODUCTION DROPPED BY MORE THAN 50% in 2013

- EMS problem surfaced in the Eastern region of Thailand during late 2012 and later affected the southern aquaculture belt of the country severely . Farmed shrimp production in Thailand declined by nearly 60% to 250, 000 tons in 2013 .
- The EMS disease seems stopped spreading but unfavourable weather conditions affected shrimp farming first during January-February (unusual cold weather) and again in April-May by with the hot weather and delayed monsoon till August.
- The impact was hard on the export industry and many processing plants were forced to cease operations because of raw material shortage. During the first quarter of 2014, three large companies closed down their processing plants , because of raw material shortage .
The vertically integrated shrimp giant *CP Foods* laid off 1200 workers in a move to focus on value added products. *CP Foods*, also set up a new processing facility in Vietnam which is operational since February this year. Such move by the large companies in Thailand clearly indicates the industry's policy to get away from exports of raw frozen shrimp.
- During mid 2014, ex-farm price of *vannamei* were 60-85% higher than last year's and exports of raw frozen shrimp became uneconomical to Thai processors . Hence they concentrated more on value-added exports to the main markets Japan , US and EU.
- Although the disease problem seems to be under control now, many farmers have reduced stocking density in the ponds to avoid further occurrence of the disease. They are also producing more small sizes shrimp.
- Production in 2014 is likely to fall again by 20% at 200,000 tons compared with 250,000 produced in 2013.



EMS in Vietnam and increased imports of shrimp

- The poor harvest persists in Vietnam since 2012 affected by EMS. Reports indicated that, nearly 80% farms in Mekong Delta area was affected by the disease in 2013 .Lack of adequate bank loans was another problem for farmers.
- While the EMS disease persists in the affected areas, new areas have evolved for *vannamei* farming in 2014. Some have also moved away from rice to shrimp farming due to increased salinity in waters in the Mekong Delta, which has given the recent boost in *vannamei* shrimp production in the country. Farmers also shifted from black tiger to *vannamei* aquaculture which led to 20-30% decline in black tiger shrimp production last year.
- To combat the disease problem , some farmers used antibiotic(*ethoxyquin*) that caused high alert of quarantine in the export markets-particularly in Japan.
- However, Vietnam started to import large volume of shrimp for re-export with or with out processing since 2012 - a trend still continues.
- The industry association in Vietnam, VASEP reported 500 000 tons of production of farmed shrimp in 2013. During January- August 2014 , production reached 317305 tons where the share of *vannamei* was 52%.

CHINA: The world's largest producer of farmed shrimp, produced less .

- The EMS (Early Mortality Syndrome) disease first surfaced in China in 2009. Since then farmed shrimp production dwindled in the country .
- The estimated production of farmed shrimp in 2013 was 1.1 million tonnes - nearly 22% lower (-300, 000 tonnes) than 2012. Some indicated almost a 30% decline in *vannamei* shrimp production .
- This year, production in China has not improved much although some farmers in the southern provinces have moved to the relative new areas with the expectation of better harvests.
- But , there are also news on farmers abundant aquaculture business and moved to the other cities as migrant workers.
- In July, a strong typhoon hit shrimp aquaculture areas in Hainan , causing extensive damage to the hatcheries and farms. Hatcheries in Hainan lost thousands of brood stocks and post larvae and seed production in this area came down by almost 50%, hurting shrimp farming in the southern provinces. Subsequently *vannamei* shrimp supplies became limited from Hainan, Guangxi and Guangdong with rising ex-farm prices of shrimp.
- This year , over all supplies are short , exports are less . To meet rising domestic demand , imports increased from Asia and Latin America.

India and Indonesia produced more

- In response to global demand and spurred by the EMS disease problem, shrimp production has extended and intensified in Indonesia and India .
- Production increased considerably through expansion of *vannamei* farming . Only two years ago, both these countries were large producers of black tiger shrimp.
- However, their extra supplies were not able to offset over all short falls, particularly in Thailand , China and Vietnam.
- Subsequently, supply shortage in export processing has been met so far through large imports particularly for Ecuador and India into Vietnam.
- But Thailand has been conservative in raw material imports.
- China , meanwhile exported less shrimp and imported more for domestic consumption

INDIA became an important producer and exporter of *vannamei* shrimp

- Country's *vannamei* aquaculture increased significantly during the last two years and farmers seem to have learnt how to balance harvest against market demand.
- Official report estimated 230,000 tons of *vannamei* production in 2012. Production increased to 340,000 tons in 2013 . But farming of the indigenous species black tiger (*P monodon*) declined by almost 40% due to this diversion
- As of 2014, India is possibly be the second largest export processing country of farmed shrimp, after Vietnam.
- This year, overall production could be lower than earlier forecast in India. The large increase in *vannamei* production did not happen in southern India- the major producing region, due to the early harvest in April, delayed monsoon till September and the cyclone in October.
- However, there have been additional supplies from the south-eastern states of *Odisha* and *West Bengal* where farmers have moved away from the traditional black tiger to *vannamei* aquaculture.

Indonesia

- The official production data shows more than 600,000 tons of farmed shrimp production in Indonesia in 2013, compared to 368,000 tons produced in 2012.
- New farming areas have developed in Java and farmers are producing more *vannamei* shrimp and large sizes too. This is one of the reasons of volume increase of farmed shrimp in the country .

Supply Trend in 2014!

- **As of October, it is quite clear that global farmed shrimp production in 2014 is not going reach the levels projected during early part of the year.**
- **The areas affected by Early Mortality Syndrome(EMS) in South East Asia and Latin America have not yet been able to recover fully and seems to very slow in this process .**
- **Moreover, the seasonal peak of farmed shrimp in Asia was delayed in Thailand , first due to the prolonged winter , then the hot and dry weather and late arrival of monsoon. Production is expected to be around 200,000 tons in Thailand.**
- **Typhoon and cyclone also caused serious damage to the farming industry in southern China in July and in October in India. Hence overall, supplies remain low to moderate in the producing countries during April - October. The official forecast in India suggested 10-20% production increase during the April 2014-March 2015 fiscal year.**
- **However, farmed shrimp production, particularly vannamei increased in Ecuador, Indonesia, Vietnam and India which kept shrimp prices lower compared with last year but reasonably high through out 2014 with a stable trend till early October . The main season is almost over in most of the countries in Asia.**

-----Supply Trend in 2014!

- **With rising vannamei aquaculture, production of the indigenous black tiger shrimp has declined again this year in India, Vietnam and Indonesia where farmers continue to shift towards vannamei aquaculture . Subsequently prices of black tiger shrimp in the global market remained pretty high compared with vannamei shrimp .**
- **China is still the global leader in farmed shrimp production but with increasing consumption in the domestic market. This year, the global export market seems to be dominated by Ecuador, India, Vietnam and Indonesia.**