

BRAZIL FARMED SHRIMP INDUSTRY: OUTCOMES, CHALLENGES AND PERSPECTIVES

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The marine shrimp farmers from the Northeast Region of Brazil work with the *Litopenaeus vannamei* species and follow strict BPM and Biosecurity controls, in accordance with codes of conduct, since 2000, that include the entire marine shrimp farming production chain and strictly prohibits the use of antibiotics and other products vetoed by ANVISA/Brazil, FDA/USA and the European Union.

Incidentally, it is important to highlight that the Brazilian farmed shrimp industry, although started in the 1970's, in the years 2000 alone has become a real commercial activity and, due the outbreak of WSSV in Ecuador (1999), it has reached a top position in Latin America (2002/2003) in terms of production (90,190 t), exports (58,455 t), and is the world's productivity leader (6,083 kg/ha/2003).

As far as the international market is concerned, 25.05% (21,783 t) of the small-medium marine shrimp sizes (51/60; 61/70 and 71-up) were imported by the United States in 2003, and 25.57% of the tropical marine shrimp were imported by the European Union in 2004, mostly by France, with 28% of the imports (101,049 t/2004).

During this export-oriented phase, it should be pointed out that farmed shrimp held the second position in the Northeastern Region's primary sector exports and the first position (55%) among the Brazilian fisheries sector's exports in 2003.

However, even though it was a clear demonstration of the relevance of this activity towards establishing a new eco-

nomic and social order in that region, as demonstrated by the significant production growth (2,405; 3%) from 1997 (3,600 t) to 2003 (90,190 t) and exports growth (14,513; 75%), between 1998 (400 t/US\$ 2.8 million) and 2003 (58,455 t/US\$ 226.0 million), the sector never received any financial support from the federal or state governments.

Conversely, in 2004, the USA Anti-Dumping Act from the Department of Commerce (DOC) against Brazilian farmed shrimp, even if with a share as small as 7.05%, caused the Brazilian farmed shrimp to lose its competitiveness and, from 2006 to 2019, it was completely out of the American market.

In its second review (2017), owing to the right decision made by the ABCC, through an independent lawyer's involvement, and a unanimous decision made by the ITC (International Trading Commission – USA), the AD order was revoked on Brazilian farmed shrimp. Instead, countries like China, Thailand, India, and Vietnam are still under the above-mentioned anti-dumping order, at least until the next Five-Year Review (2021).

Although the Brazilian farmed shrimp industry made the right decision to concentrate its efforts on supplying the domestic market, today there is consensus that it is time to return to the international market.

For this to happen, the industry needs to go on increasing its production to meet the growing local demand and to enter the international market. Our production is expected to increase to 150,000 tons in 2021 and 200,000 t in 2022.

Therefore, even in the face of

Covid-19, the 2020 Brazilian production of marine farmed shrimp (120,000 t) increased by 33% compared to 2019 (90,000 t). Thus, we are confident that with the production estimates for 2021 (150,000 t) and 2022 (200,000 t), Brazil will undoubtedly need clearance to export farmed marine shrimp from the Brazilian Northeast Region to China and the European Union.

Considering that the United States is an important marine shrimp market, it will always be a secondary option, since that market prefers to import shrimp heads. So, when we assess the future of Brazilian farmed shrimp exports, we must consider two important facts:

1 Even though China is the world's largest seafood producer and exporter and the world's largest shrimp (captured and farmed) producer, it is also the 2nd largest world importer of farmed marine shrimp;

2 Brazil has the appropriate conditions to produce and sell farmed marine shrimp in the sizes (small and medium) Chinese consumers would like to buy.

Within this context, it is important to state that in a survey conducted by the Global Aquaculture Alliance (GAA) for its annual GOAL'2017 event, respondents in Asia reported a move towards production/consumption of smaller shrimp sizes (51-60 and smaller). By the way, the share of small shrimp consumption increased from 27% to 52% between 2010 and 2016.

The Brazilian farmed shrimp

USA: MAIN EXPORTING COUNTRIES

IMPORT SHARE OF FARMED MARINE SHRIMP (09-12 GRAMS HEAD ON) AND HEAD OFF (51/60, 61/70, 71-UP) IN 2003

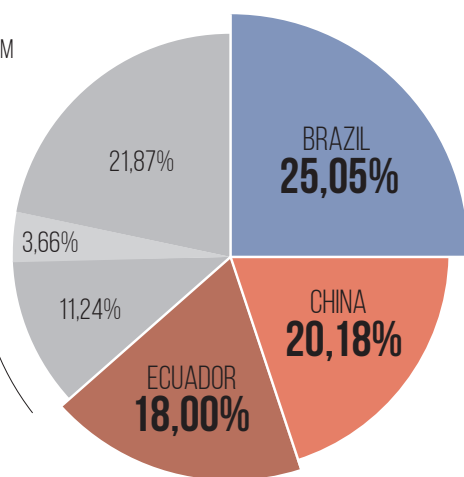
DUE to Anti-Dumping Action, in 2004, even with a share of just 7.05%, Brazilian shrimp, due to neglect of Brazilian policy, lost so much competitiveness that, in 2006, it was completely out of this important market.

However, in 2017, in an unprece-

dent action, the ABCC and the ITC voted unanimously to remove the anti-dumping order on shrimp from Brazil. In the same session, China, Thailand, India, and Vietnam were maintained in the same order at least until the next Five-Year Review (2021).

IN THE RATINGS, SMALL AND MEDIUM (WHOLE 10/12 GRAMS), HEAD OFF: (51/60, 61/70 AND 71-UP), FARMED SHRIMP FROM BRAZIL OCCUPIED THE **1ST POSITION** IN USA IMPORTS, IN 2003

RATINGS:
51/60, 61/70, 71-UP



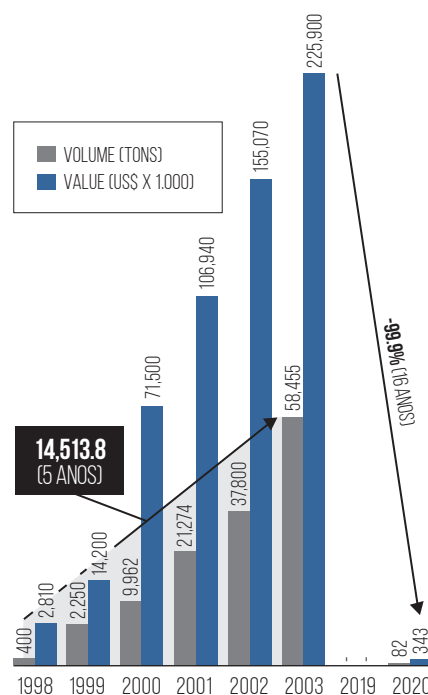
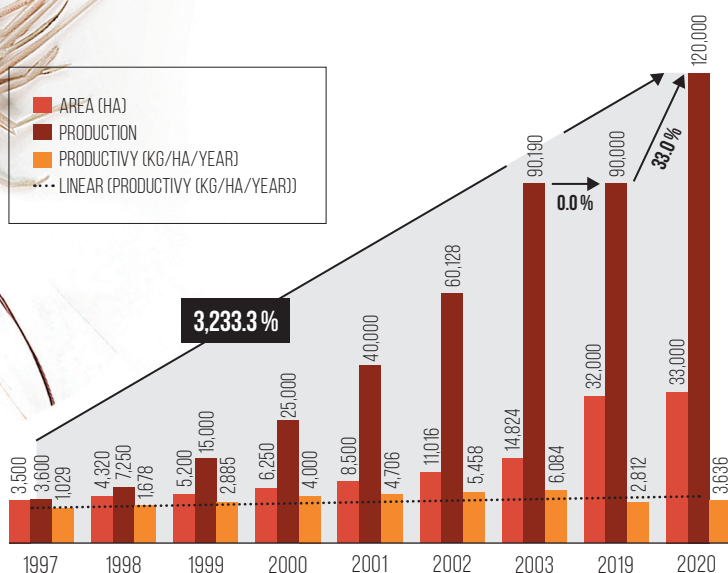
Source: NMFS, 2004, 2017

industry is mature and committed to the mission of increasing farmed shrimp production, starting with a new development phase based on technologies that allow intensive and competitive production, even in the presence of WSSV, of medium size (10 – 20 g) shrimp heads in 60 to 150 PL's/m² stock densities, and reaching 36 t/90 t/ha, in 4-5 cycles/year.

So, considering that China, the world's largest producer of wild and farmed marine shrimp, became the world leader of marine shrimp imports in 2019 (720,000 t), especially the *Litopenaeus vannamei* species – Ecuador (322,636 t), India (155,026 t), Vietnam (34,812 t), Saudi Arabia (29,140 t), Thailand (28,702 t) – we have no doubt that Brazilian farmed shrimp, due to its quality and competitive production and export capacity of shrimp weighing 10-18 grams (50-60; 60-70; 70-80; 80-100, 100-120), will be capable of supplying a substantial share of the "significant base of the Chinese marine shrimp consumption pyramid".

Conversely, the Brazilian market is changing its preference as regards shrimp consumption; the share of fresh head-on is being substituted by the value-added peeled shrimp, including P&D, PPV and Butterfly, which will motivate the consumer and push an increase in production in the upcoming years. ■

EVOLUTION, DECLINE AND RECOVER OF BRAZILIAN FARMED SHRIMP PRODUCTION AND EXPORT (1997-2020)



Source: ABCC, January (2020)