

Asian Farmed Shrimp Industry, Present Situation, Challenges and Outlook



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INFOFISH

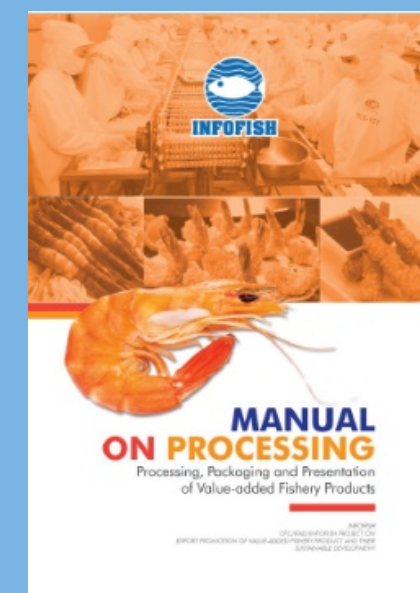
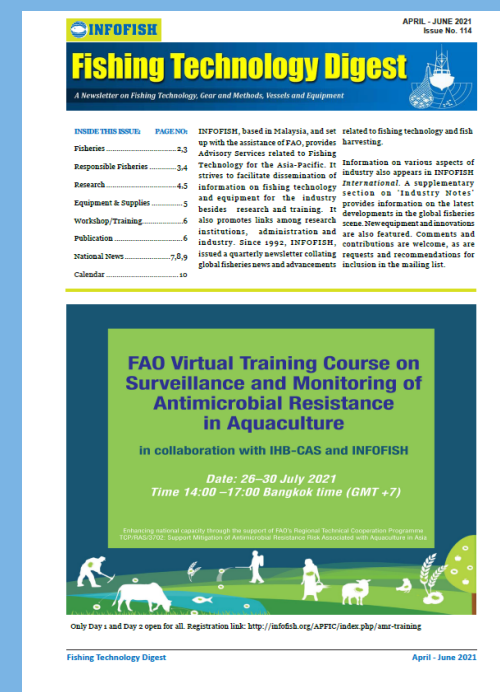
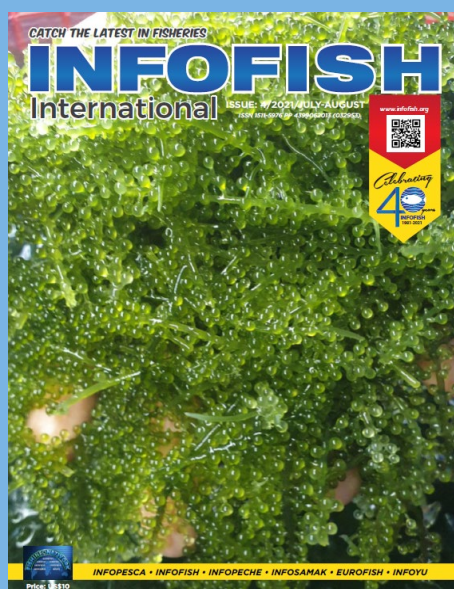
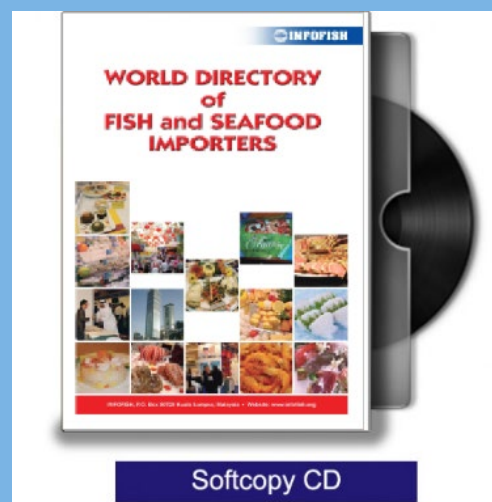
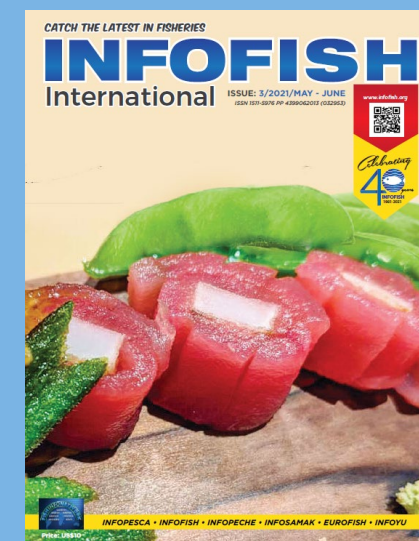
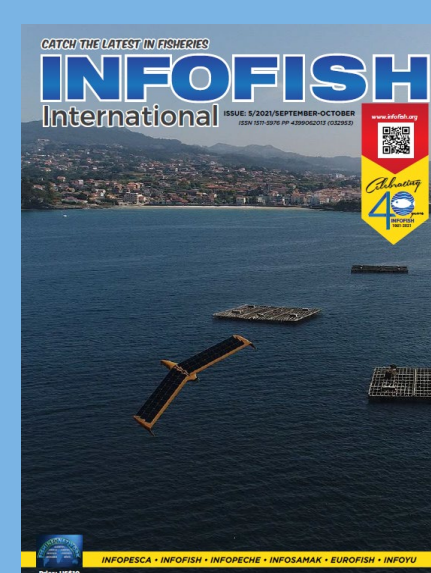
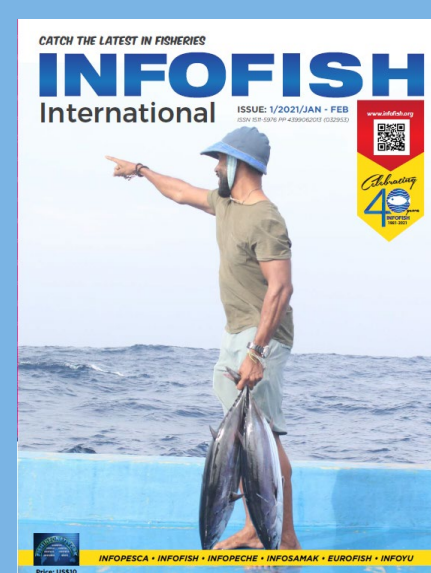
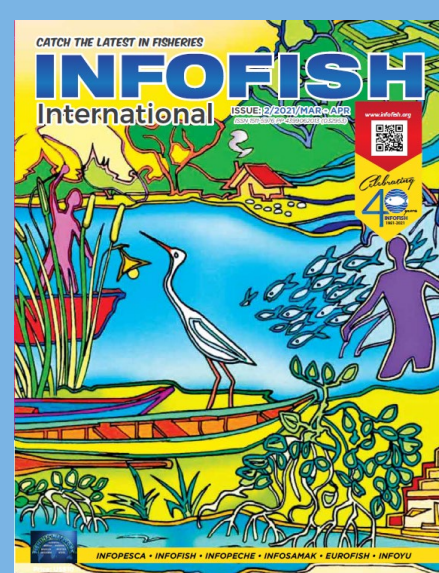
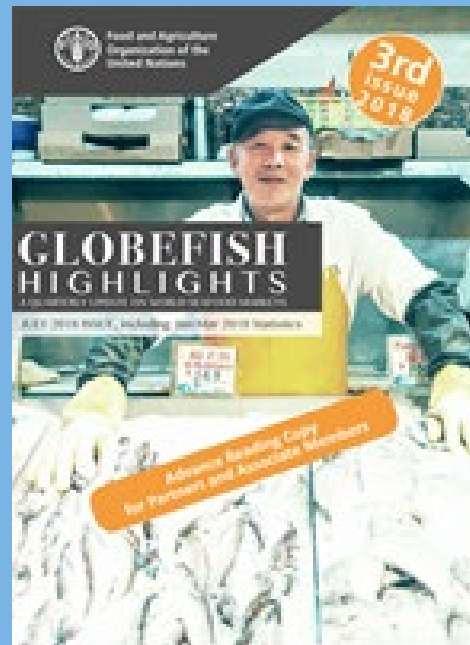


- INFOFISH is an Intergovernmental Organization set up by FAO for marketing information and technical advisory services for fishery products in the Asia Pacific Region and beyond.
- Based in Kuala Lumpur and hosted by Malaysia since its inception in 1981, INFOFISH has as its members: Bangladesh, Cambodia, Fiji, Iran, Malaysia, Maldives, Pakistan, Papua New Guinea, Philippines, Solomon Islands, Sri Lanka and Thailand.
- Training programmes, workshops and seminars, organization of conferences, and by executing a variety of projects in the fields of trading and marketing, processing, aquaculture and fisheries.



Website: <http://infofish.org/v3/>





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Fishing Technology Digest

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PREAMBLE

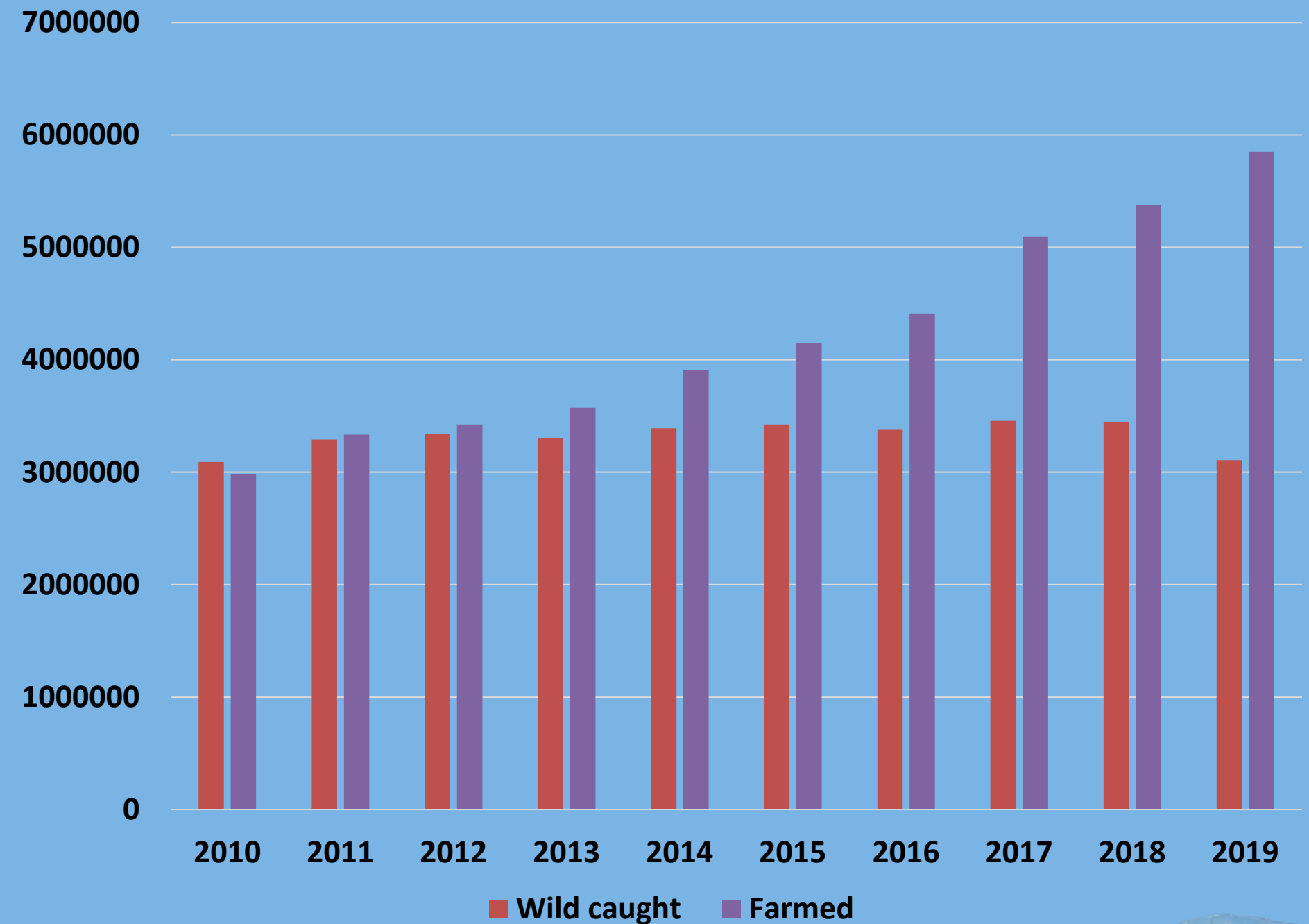
- Changing landscapes in 2022 with the lessening of the pandemic effects
- Businesses are returning to almost normal levels
- Recovery in foodservice, travel and tourism, distribution channels
- Pandemic served as a catalyst for various innovations in delivery, sales, marketing and products: expected to stay on
- Prices are rising with the new change and boost in sales
- On the downside, the war in Ukraine and the Russian Federation brings about concerns and uncertainties
- Trade sanctions and boycotts of Russian products imposed by governments and businesses – developing new trade routes
- **The direction in global shrimp trade has shifted from conventional developed markets to emergent markets with ASIA being at the helm**
- **Domestic demand for shrimp also increased in many shrimp producing countries, where local prices are often better compared with export prices.**



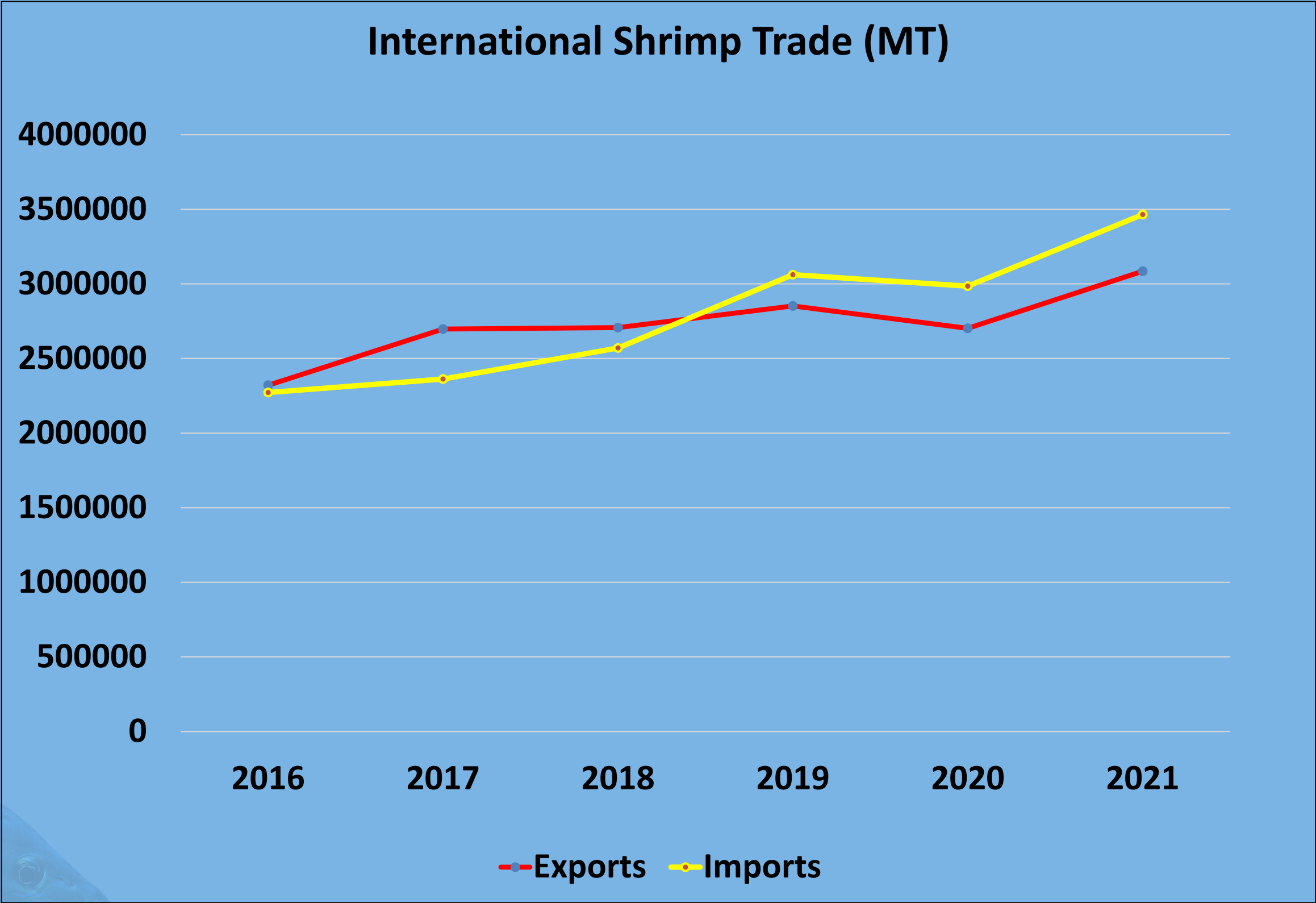
Global Marine Shrimp Production

- According to FAO, global production of marine close to 9 million MT in 2019 (industry sources project lower figures)
- 70% are farmed shrimp
- Wild caught shrimp mostly enters domestic market
- Main non-tariff trade barrier is the Turtle Excluder Device requirement by the US market
- Farmed marine shrimp has grown significantly over the years due to rising demand

Global Marine Shrimp Production (MT)



International Shrimp Trade (MT)



- Global shrimp market remained firm in 2021
- International trade for shrimp in 2021 estimated a historical high at 3.35 MT
- Facilitated by reopening of retail trade and easing of COVID-19 restrictions



WORLD SHRIMP IMPORTERS

	2016	2017	2018	2019	2020	2021	%change over year
USA	605504	666038	697710	700120	747249	895604	19.85348927
EU 27	723306	717423	740465	720772	732259	832864	13.73899126
China	106998	118965	258010	720442	613063	658117	7.349000021
Japan	223557	233161	219226	221649	210122	219334	4.384119702
Russia	32894	38610	42931	47206	58759	89770	52.77659593
South Korea	83002	70946	77258	78760	77925	86088	10.47545717
Egypt	5980	9789	10924	16960	18411	61072	231.7147358
Canada	51100	55959	55689	55091	54199	59290	9.393162235
Hong Kong	51652	48148	46411	45052	42481	48851	14.99493891
Taiwan	34201	41892	45272	49798	54979	47555	-13.50333764
Malaysia	21561	24928	26878	31135	27110	35322	30.29140539
Morocco	29626	18546	23525	37506	30947	35316	14.11768507
Thailand	26026	18919	19690	18929	17387	32560	87.26634842
Total incl others	2272187	2361753	2570915	3061960	2984817	3465497	16.10416987

- Top 4 markets: EU, USA, China and Japan
- USA overtook China and the EU as the single largest shrimp market, since 2020



WORLD SHRIMP EXPORTERS

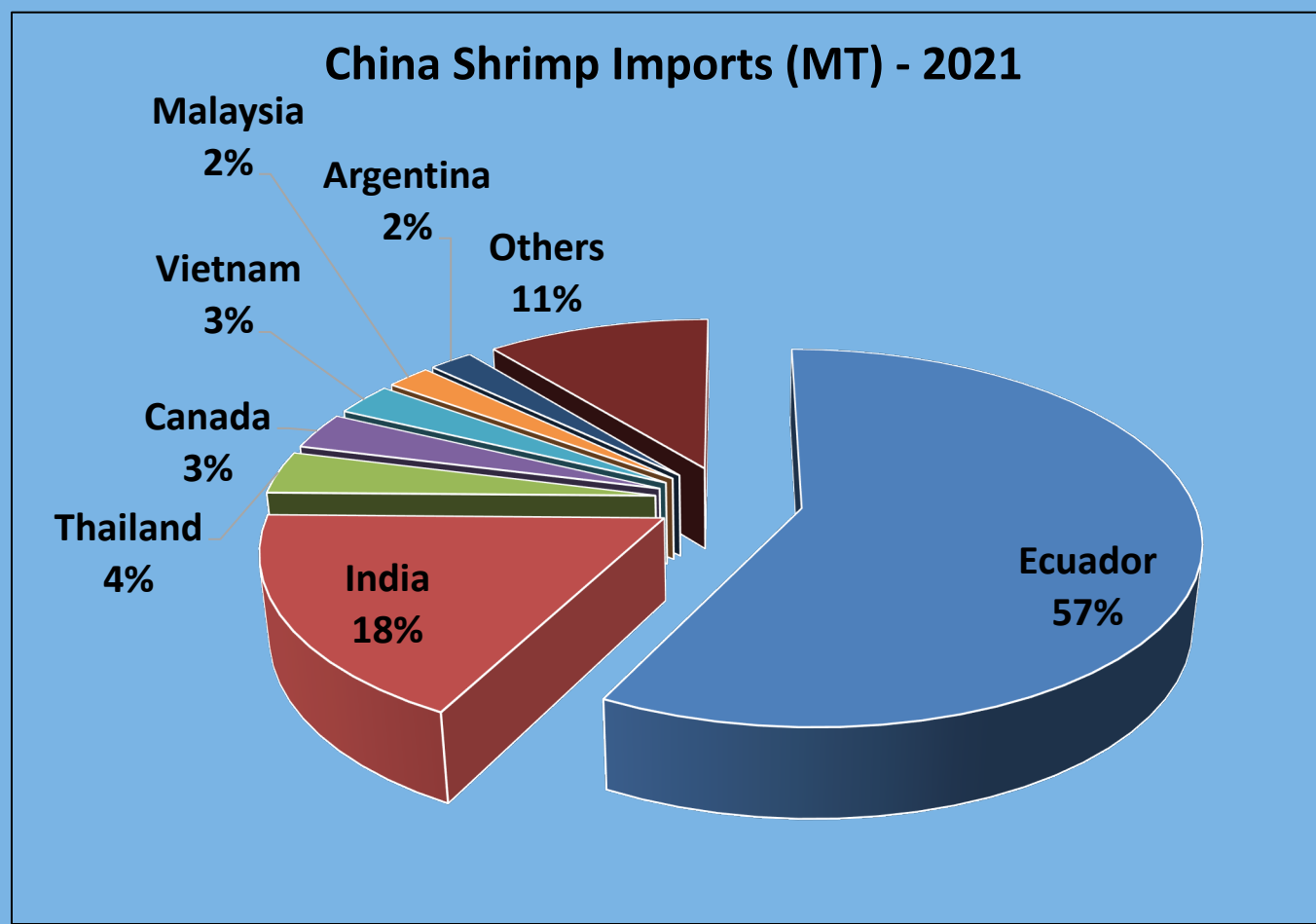
	2016	2017	2018	2019	2020	2021	% change 2021/2020	2020/2019
Ecuador	372622	439660	508870	647770	691961	855095	23.575606	6.8220202
India	436939	575867	617416	672221	579544	736937	27.158076	-13.78669
Indonesia	187992	180130	197006	207277	236340	247481	4.7139714	14.021334
China	205331	200652	202268	155339	151667	170914	12.690302	-2.363862
Argentina	159795	183291	185440	165475	129743	165511	27.568347	-21.59359
Thailand	209381	207553	171535	168050	147338	148516	0.7995222	-12.3249
Malaysia	29655	31948	28767	36300	29819	38689	29.746135	-17.85399

- **Ecuador – overtook India as the largest exporter of shrimp, 855 095 MT shrimp exports in 2021**
- **Increased by 100 000 MT supported by competitive export prices in the world market**
- **52% increase to the US, 23% to the EU and 55% to Russia**
- **Proximity to the US and 0% duty status to the EU**

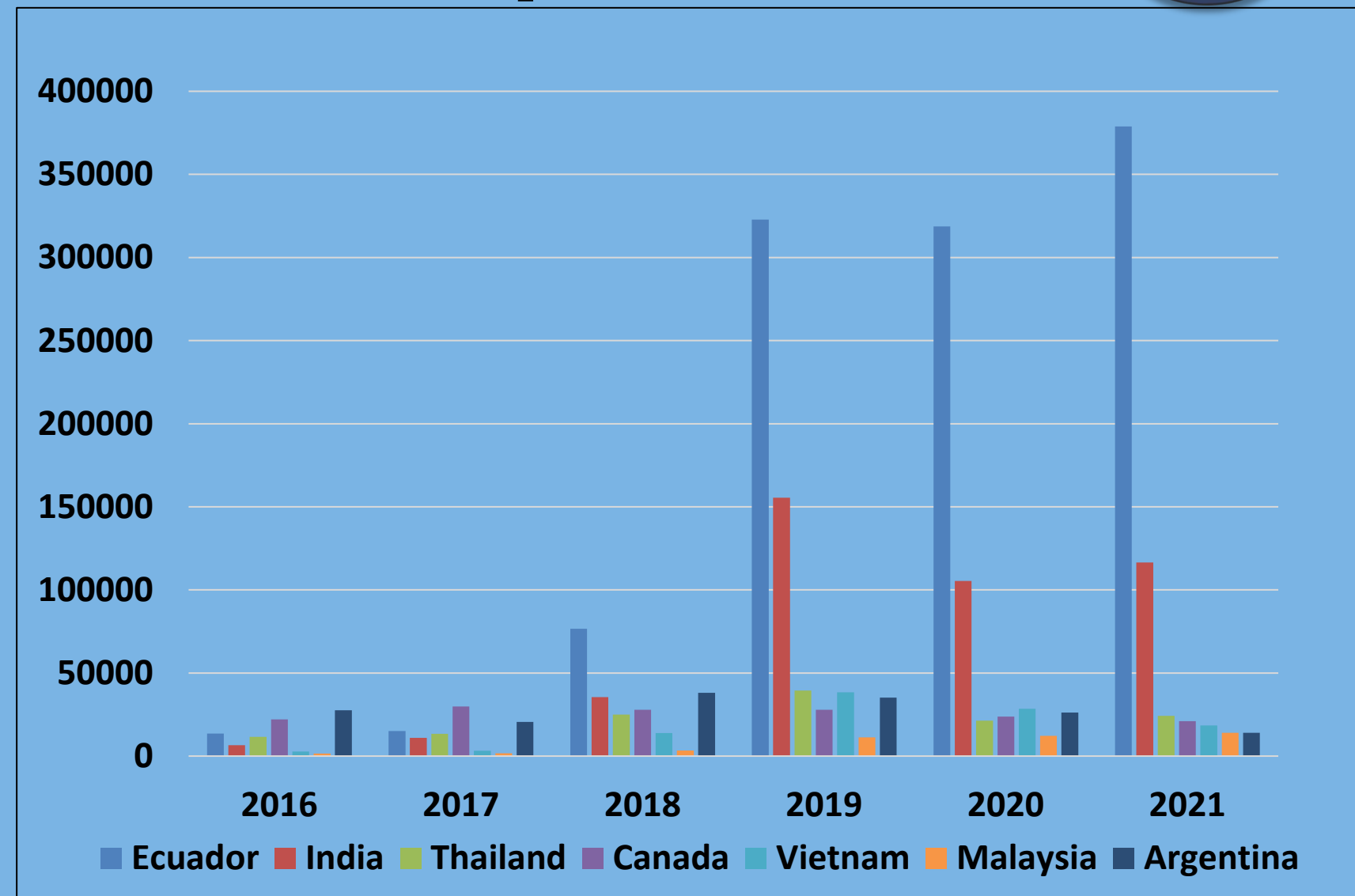


CHINA

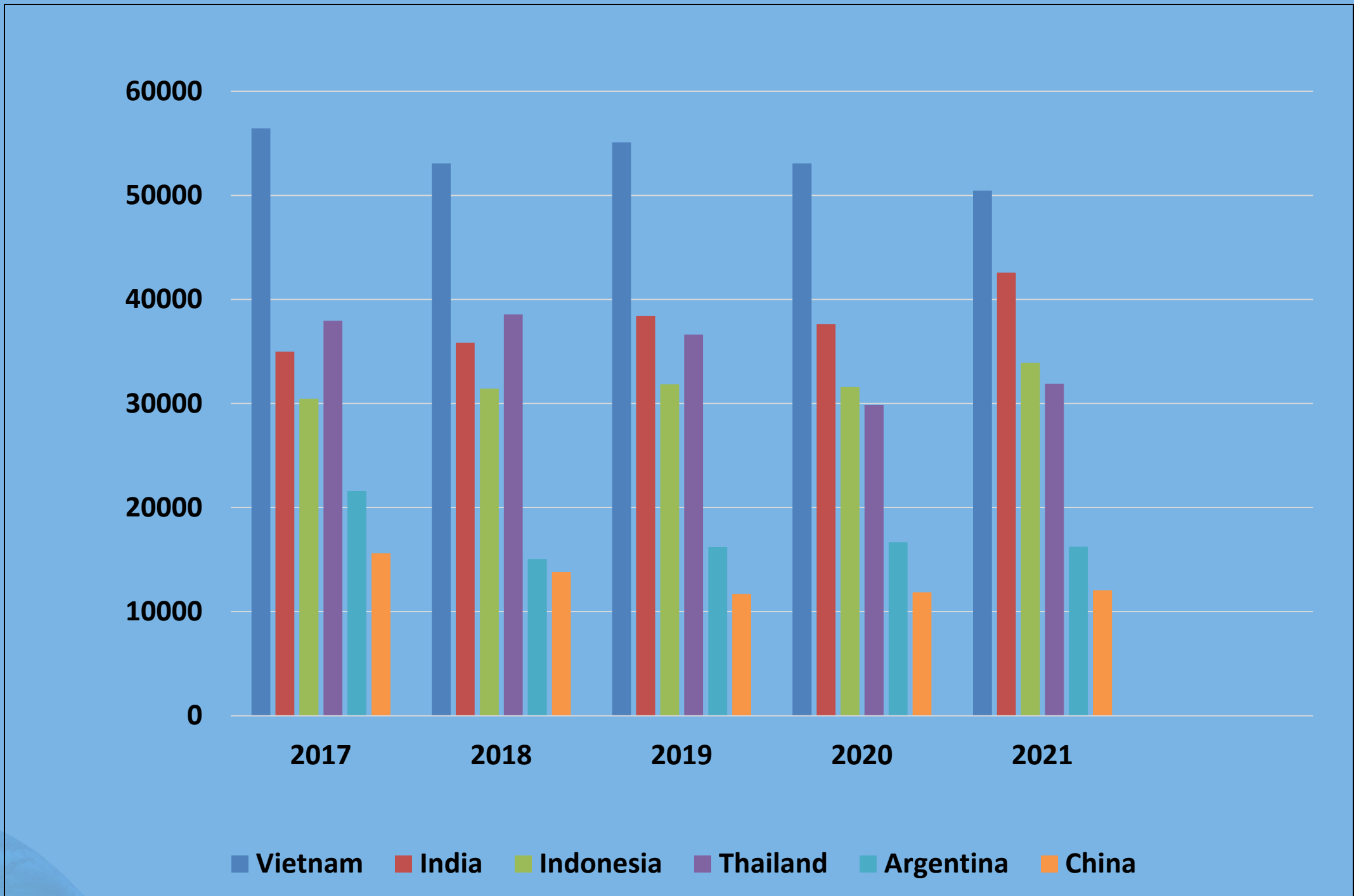
- Ecuador - the top supplier with close to 60% of share
- Shrimp demand improved in the market, facilitated by the rising e-commerce.
- Restaurant business also improved
- COVID 19 restriction and border checks – non tariff barrier



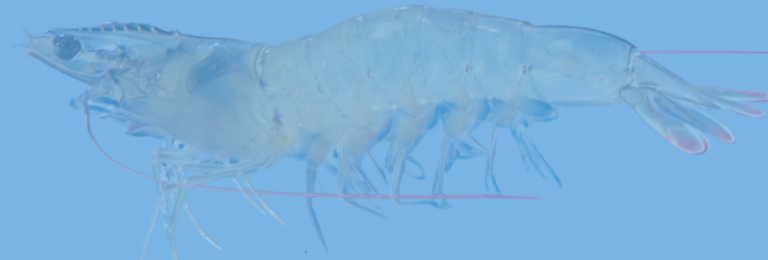
Imports



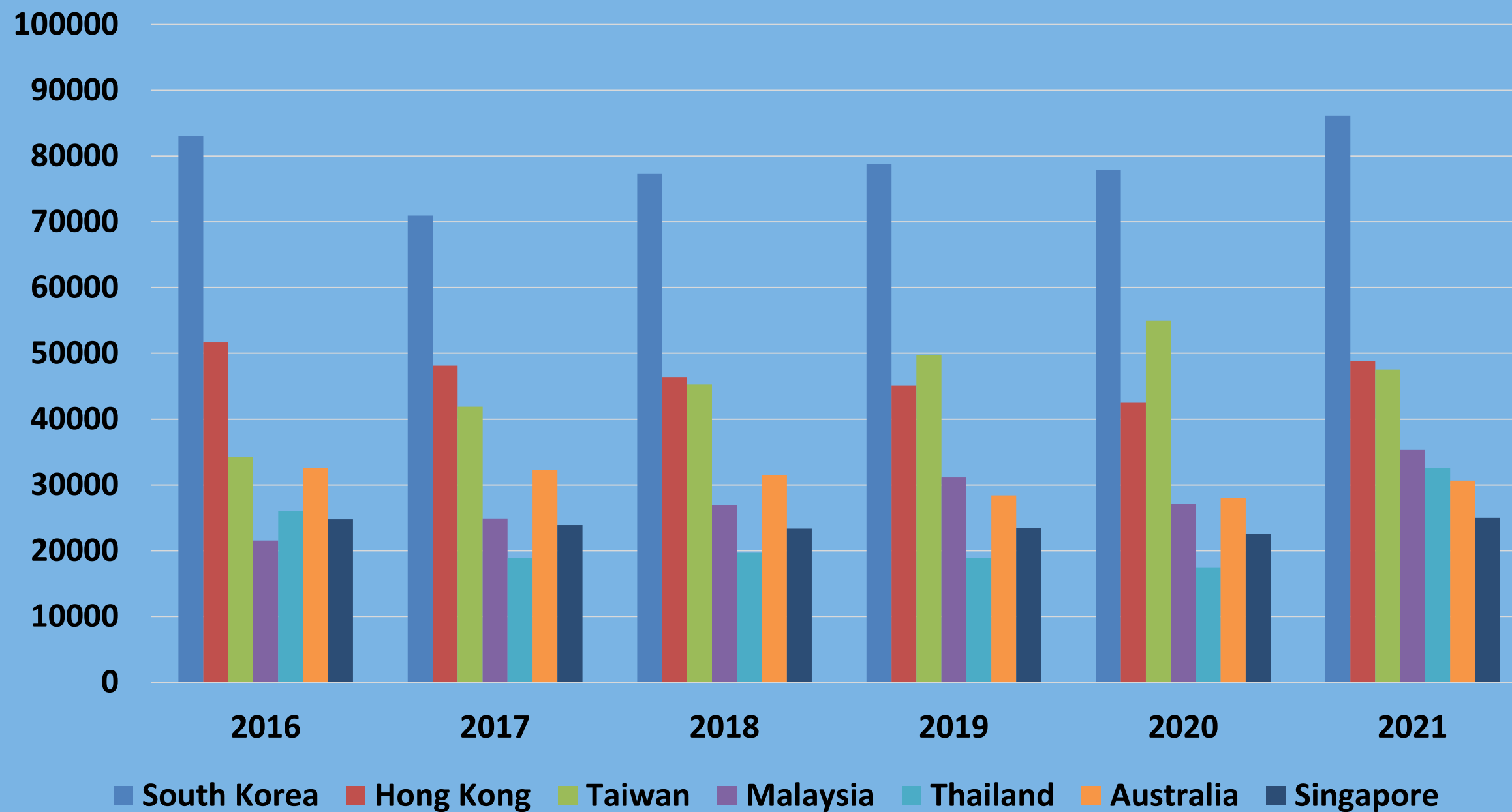
Japan Shrimp Imports (MT)



- Consumption of shrimp remains mediocre
- Restaurant trade has been equally dull
- Imports in 2020 declined to two-decade low
- Imports increased from India and Indonesia



ASIA AND OTHER MARKETS (MT)

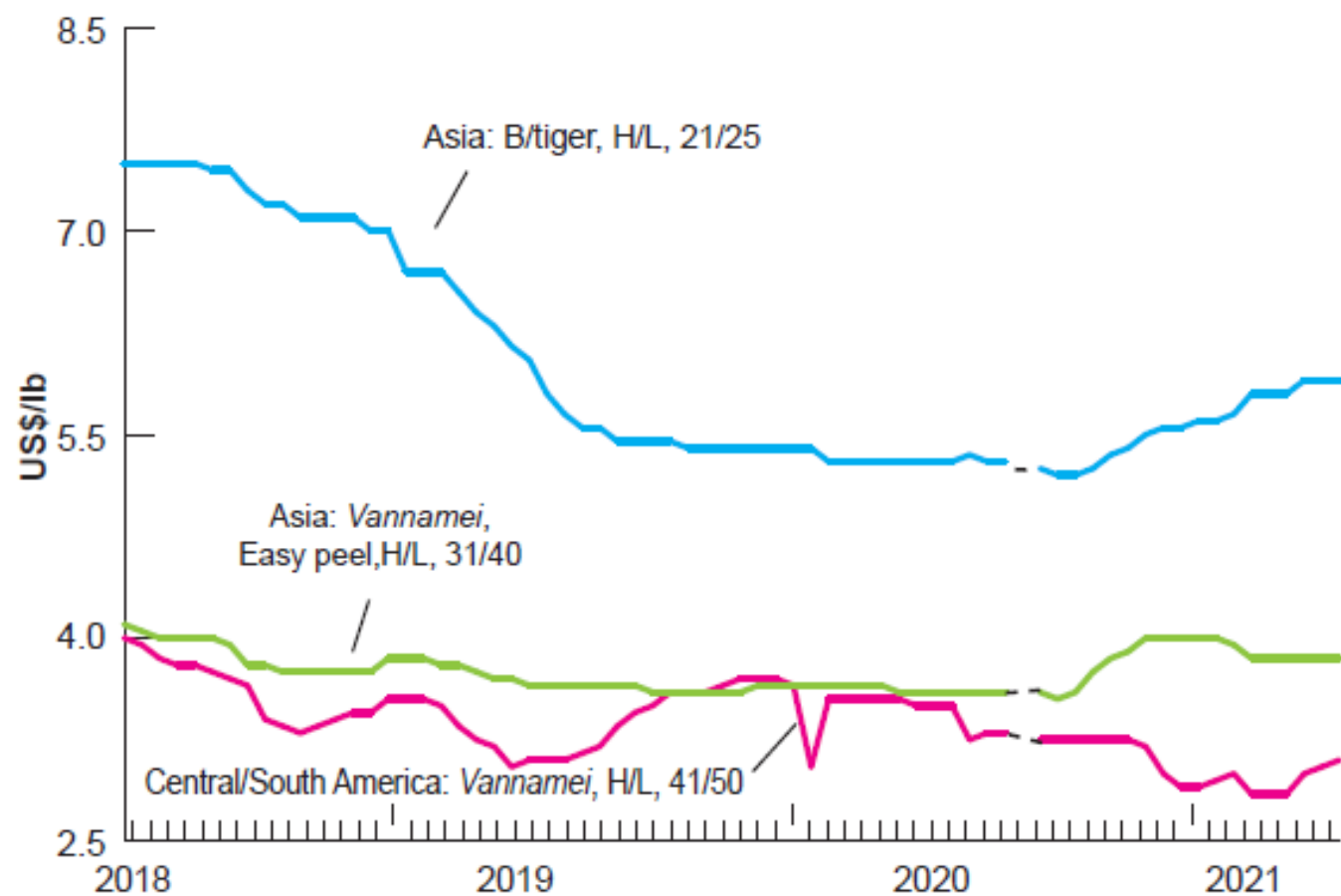


Generally, demand improved in the regional markets with the reopening of the restaurants and easing of restrictions on dining out.

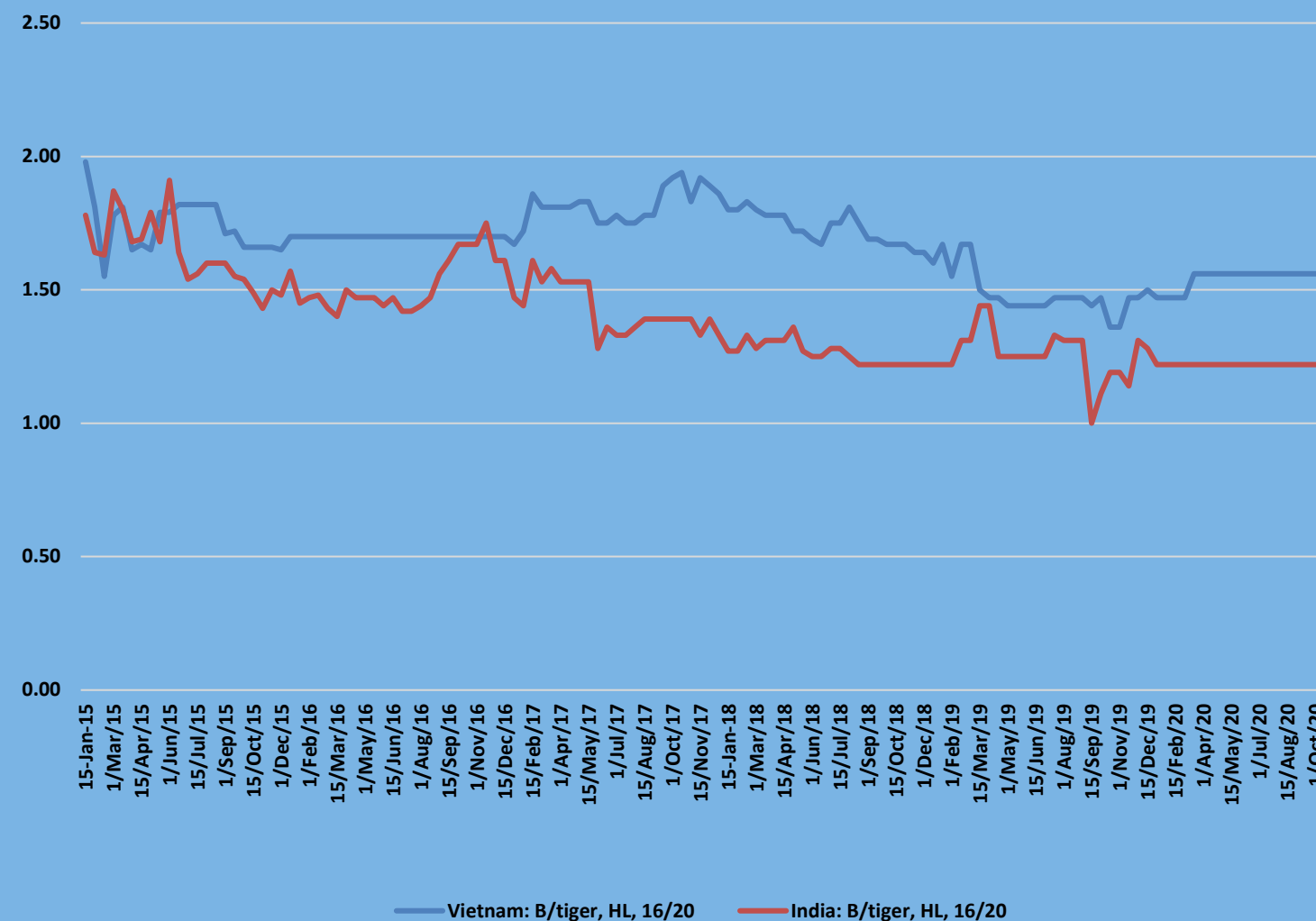


Shrimp Price Trends

FROZEN SHRIMP, USA (ex-warehouse NY, US\$/lb)



Frozen Shrimp Prices, Wholesale Tokyo, Japan (Yen/kg)



- Although prices stopped falling, increases marginal
- New season's harvest in SEA may see some price adjustment for fresh shrimp

THAILAND

- Ten years ago , domestic shrimp consumption in the country was over 50 000 tonnes; it must have increased further in the recent years.
- Locally produced *Vannamei* is widely used in Thai cuisine for cooking fried rice and noodles, tomyam goong” etc.
- However,for popular *Pad Thai* (freshwater prawn is preferred and supply gaps between local production and market demand is met by imported products.



Asian market absorbs more high value seafood compared to anywhere else in the world

- Domestic markets in Asia have developed significantly in the past decade
- Improved cold chain, distribution and marketing systems + the supermarket culture, have supported higher fish consumption in many domestic markets, including in places where fish has not been popular
- Demand in the retail and catering trade takes away supplies from export markets
- Most importantly, rising fish price did not have much negative affect on the consumption growth



Current Non-tariff Trade Barriers in the Shrimp Industry

- Impacts from COVID has created a change to the landscape of the shrimp industry.
- The rising cost of shipping cost and shipping times are putting other producers at the advantage
- The zero COVID policy in China and stringent checks at borders: disrupting the flow of trade
- The Russia-Ukraine conflict makes it more difficult to transport goods and makes the costs even higher.
- Traceability, sustainability and certification are regulating trade as well although its voluntary including social accountability



OUTLOOK



- Ecuador will be playing a bigger role in supply
- Forecast: shrimp production during 2021 – may not go beyond 2020
- Indonesia and Vietnam – likely to see some increases in production
- China is still unclear but production is unlikely to increase much compared with 2020.
- Some price stability or even increases in some cases can be expected
- Better consumer confidence, summer consumption is expected to be better
- Lifting of lockdowns is facilitating some recovery.
- Era of online seafood trading
- Retail/consumer packs for frozen products – consumers eating more at home
- Market diversification has become even more important: New markets sought for supply diversification
- International trading continues to pose obstacles and delays with a lot of with additional checks/requirements at borders etc.
- Domestic market remains the best bet at this point as governments are prioritizing food security

