

XCLUSIVE

FEED & FOOD

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CASES
MORE INVESTMENTS
IN SUSTAINABILITY
AND TECHNOLOGIES

REVIEW
PERFORMANCE
OF BRAZILIAN
PRODUCTION AND
PERSPECTIVES



KEY TO BUILDING A SUSTAINABLE FUTURE

A NEW LEADERSHIP PROFILE, CIRCULAR ECONOMY MODELS AND RENEWABLE ENERGY SOURCES ARE EXPANDING THE PARTICIPATION OF **BRAZILIAN AGRIBUSINESS** IN THE GLOBAL GREEN AGENDA



ASPECTS OF WORLDWIDE AND BRAZILIAN SHRIMP FARMING IN 2024 AND PROSPECTS FOR 2025

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Within the context of the farmed marine shrimp international production and marketing, the *Penaeus vannamei* species, which originated in the Pacific Ocean, was introduced to the Asian continent, the birthplace of the *Penaeus monodon*, by China, only in 1999. However, it has spread to Thailand, Indonesia (2002), Vietnam (2004), India (2005) to such an extent that it now accounts for 80% of the sector's worldwide production.

Conversely, in the face of the global low demand and prices crisis, which has worsened in the wake of the post-pandemic global economic crisis, the Global Shrimp Forum was created. At its 2nd Conference, held in India in July 2024, the central theme hinged around concerns on how the farmed marine shrimp industry, which produces and supplies a healthy and ecologically sustainable protein, can continue to grow to meet growing world demand, and with the indispensable economic and financial sustainability.

In fact, among the several suggestions that emerged from these discussions, the need to associate farmed marine shrimp with the benefits and attractions related to the "blue food" agenda consistently stood out, drawing attention to the need for shrimp to follow the example of salmon with the purpose of becoming one of the noble and sustainable proteins of the future, so that, by following the same path, "pink can meet orange".

In that respect, among the suggestions for a global marketing campaign to encourage shrimp consumption, the following stood out: (1) creating a global brand; (2) highlighting the health benefits of eating shrimp; (3) teaching consumers about the right

preparation of shrimp as a delicacy; (5) turning shrimp into a delicious gastronomic experience; (6) highlighting shrimp on menus in the food service sector; (7) turning shrimp, in addition to its mere recognition as a gastronomic preference, into a brand of love, in order to evoke strong emotional connections and loyalty on the part of consumers; (8) contributing to increase in consumption, in order to benefit the entire shrimp production chain; and (9) making the shrimp industry stronger and more profitable.

As far as the international market is concerned, there is no doubt that the biggest challenge will be to increase shrimp consumption in the sector's current leading markets, notably China, the US, the EU and Japan, but also, obviously, paying greater attention to and focusing on opening up and expanding consumption in emerging markets with growth potential, such as Indonesia and India. The latter has

the world's largest population and consumes only 100 grams of shrimp per capita per year, but, like China and Brazil, it has promising conditions to become important consumer markets.

In Brazil's specific scenario, between 2016 (60,000 t) and 2024 (210,000 t) the role of the domestic market was crucial for the recovery of production and the sector's growth (250%), considering that domestic consumption of farmed marine shrimp has risen from 200 grams in 2003 to 900 grams in 2023 (450%). It is worth bearing in mind that 60% of its entire production has been offered in the form of fresh shrimp, which has a shelf life of 4-6 days, and combined with the fact that, out of the 5,500 Brazilian cities, 5,250 have less than 100,000 inhabitants (i.e., 100 million people), who are not served with fresh shrimp (in natura).

That's why we believe that increasing Brazil's per capita shrimp

SITUATION OF FARMED SHRIMP PRODUCTION IN BRAZIL IN 2024

Nursery area
35,000 HA

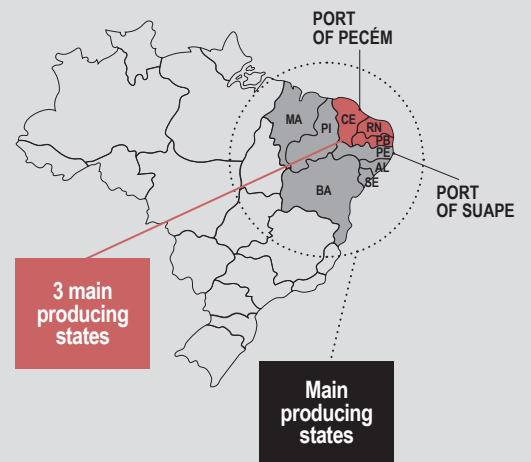
Sales (local market)
100%

3,500 producers
2,450 micro (70%)
525 small (15%)
350 medium (10%)
175 large (5%)

Production
210,000 TON

Fresh Shrimp **60%**
Frozen Shrimp **40%**

150,000 jobs created
RS 6.3 BILHÕES Total production chain revenue in 2024



consumption must primarily involve increasing the supply of processed, value-added shrimp, with a shelf life of up to 24 months. However, given the exceptional capacity for growth, already demonstrated between 1998 and 2003, especially with the increase of inland consumption, a return to exports will be inevitable in the medium term, for fear of having a strangling of the market, or even the sector's collapse.

As regards the international scenario, the priority for Brazilian shrimp farming will be to export at least 40% of its whole shrimp production in the small-medium classifications (70-80, 80-100 and 100-120) by 2030, especially to China, in order to supply its consumer pyramid's huge base, without competing with Ecuador (25-45 grams) and India (18-25 grams), that country's main shrimp suppliers in 2023 and 2024.

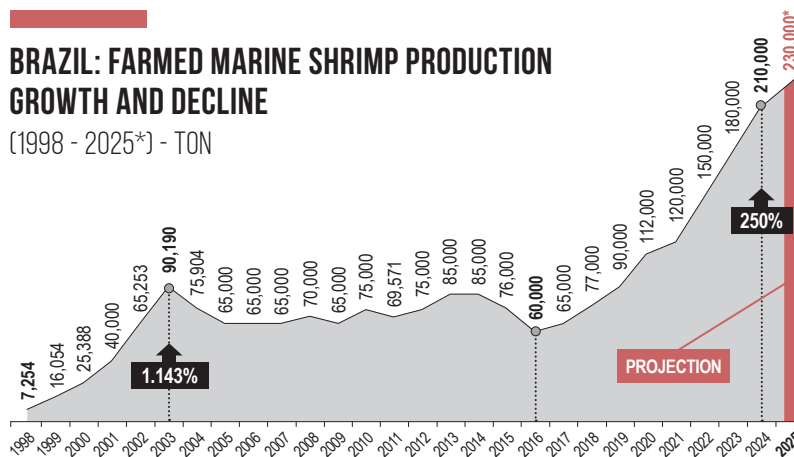
On the domestic front, the challenges in the short and medium term will be to increase the percentage of processed shrimp from the current 40% to 80%, so that its projected production of 500,000 tons (2030) is exported by at least 40% (200,000 tons). This will reduce the pressure on the domestic market, which in turn will be supplied with 20% fresh shrimp and 80% processed shrimp, with added value, whose increased shelf life will allow its distribution and consumption to be widely spread inland.

In fact, when you consider that marine shrimp farming has real prospects of becoming a new and solid economic order in the Brazilian primary sector and, even though it is 100% focused on supplying the domestic market, due to the impossibility of interfering in and controlling its production, it will soon have to turn back to the international market, whose history of successful participation began to materialize in the late 1990s and early 2000s. At that time, on one hand, the production of farmed shrimp grew from 3,600 tons (1997) to 90,190 tons (2003) and, on the other, the exports went from 400 tons / US\$ 2.8 million in 1998 to 58,455 tons / US\$ 226.0 million in 2003.

So, foregoing any pretense of competing with Ecuador, or any other country, but based on robust expe-

BRAZIL: FARMED MARINE SHRIMP PRODUCTION GROWTH AND DECLINE

(1998 - 2025*) - TON

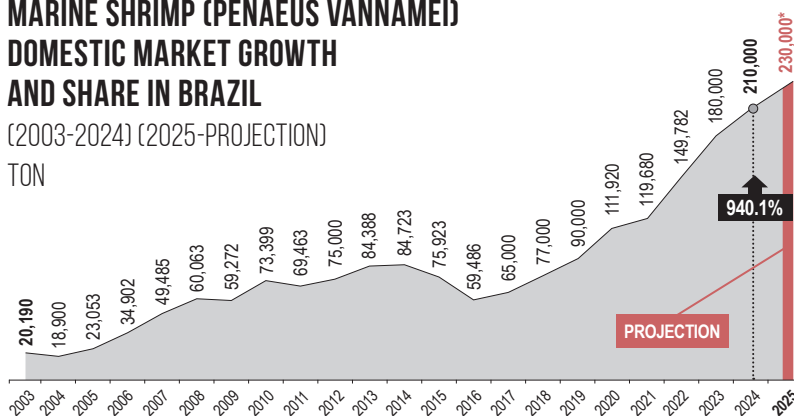


* projection / Source: ABCC, 2025

MARINE SHRIMP (PENAEUS VANNAMEI) DOMESTIC MARKET GROWTH AND SHARE IN BRAZIL

(2003-2024) (2025-PROJECTION)

TON



* projection / Source: ABCC, 2025

rience and knowledge of both the Brazilian and the worldwide potential, as well as the comparative and competitive advantages that Brazil has in all of its macro-regions when it comes to the production of farmed marine shrimp, we have no doubt that the attention of international investors will soon be aroused. Therefore, in the very short term, Brazil will start receiving greater attention from its state governments and the more than 300 municipalities, which are looking at having marine shrimp farming on their lands as a new economic order, one that does not depend on structural investments or rainfall, but rather on the granting of environmental licenses and incentives to attract abundant international capital, which will in turn establish a solid and attractive enough economic order capable of reversing the rural exodus. ■



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