

Shrimp

Heavy rains, low prices and US duties play havoc with Indian shrimp production

A 10-15 percent increase in pond stocking in January indicated a better year for the Indian shrimp industry. But production has not gone to plan.



Summer crop harvests for Indian shrimp have not been as good as in past years, industry insiders told IntraFish. (Photo: Shutterstock)

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Indian shrimp production is suffering as a result of continued low prices, a summer of heavy rains and a fresh round of trade tariffs in the United States, the main market for the world's third-largest producer.

Some farmers harvested earlier than usual, according to one senior industry executive, while others have kept ponds fallow, scaled back production or switched from traditionally dominant vannamei, or whiteleg, shrimp to cultivating fish or monodon – commonly known as black tiger – shrimp.

“Summer crop landings were not as good as in the past,” Krishna Kumar, project coordinator for shrimp farming at Indian export giant Choice International Group, told **IntraFish** in an emailed response to questions. “The weather has been erratic.”

India has experienced unusually high rainfall, particularly in the second half of May, the middle of the country's summer. Heavy rainfall is a challenge for shrimp farmers because it can result in fast and unpredictable changes to water pH, salinity, dissolved oxygen content and temperature.



A Venkata Sanjeev, executive director at Avanti Feeds. (Photo: Avanti Feeds)

These changes can cause stress to farmed shrimp, compromising their immune systems and making them susceptible to disease. White spot disease, a highly contagious viral condition that affects shrimp, has impacted the culture in some parts of the country, said A. Venkata Sanjeev, executive director of Hyderabad-based Avanti Feeds, a major shrimp farmer and feed producer.

An increase of 10-15 percent in seed stocking in January for the year's first production cycle had promised a successful crop in India, Sanjeev said during Avanti Feeds' quarterly investor meeting on Wednesday.

The culture, however, “did not progress as expected and farmers were forced to harvest [early] in some areas, impacting the overall production of the shrimp sector,” he said, citing unfavorable climatic conditions, the presence of white spot disease and fluctuations in farmgate prices.

Lower farmgate prices

Since peaking at 930,000 metric tons in 2021, India's shrimp production has stagnated in recent years as prices have decreased. Annual production is currently estimated at around 850,000 metric tons, with the state of Andhra Pradesh responsible for at least three-quarters of the national output.

This week – week 22 of the calendar year – farmgate prices for larger-sized (30 shrimp per kilogram) shrimp decreased notably in Andhra Pradesh, Odisha and West Bengal states, according to Kontali, a Norwegian seafood data and analysis provider.

Only Gujarat state, in northwest India, saw a slight uptick in farmgate prices for all shrimp sizes, the latest data from Kontali showed.

Kumar, the Choice International official, said low prices had persuaded many farmers to hold back production. Some farmers, he said, had fallowed ponds or switched to production of fish or black tiger shrimp.

Black tiger shrimp commands a higher market price and has lower input costs than vannamei, but takes almost double the time to grow to commercial size. In the southern part of Andhra Pradesh, Kumar said, many had made the switch.

US duties add uncertainty

A [new round of countervailing duties](#) introduced in March by the US Department of Commerce – 4.36 percent in the case of India – has brought added uncertainty to the supply chain, said Sanjeev, the Avanti Feeds executive.

The added cost of the preliminary duties had forced many exporters to scale back production, he said. While shipments to alternative markets had risen, he added, volumes were “not significant.”

“[The duties] have been made on the basis of complaints lodged by the US domestic shrimp industry,” Sanjeev said. The Indian government and the Seafood Exporters Association of India, a trade body, were gathering data with the intention of appealing the decision, he said.

A final determination on the countervailing duties, which also affect rival exporting nations Ecuador and Vietnam, is scheduled in October.

India is the largest exporter of shrimp to the United States. It supplied 296,000 metric tons to the US market last year, worth more than \$2.3 billion (€2.1 billion).

'Part and parcel'

During the Avanti investor meeting, Sanjeev acknowledged the detrimental impact of recent media allegations around labor violations and unhygienic conditions within the shrimp supply chain in India.

The country's shrimp industry has come under intense scrutiny after [the publication in March of separate reports](#) by US-based nonprofit group the Corporate Accountability Lab, the Associated Press news agency and investigative journalism group The Outlaw Ocean Project.

The reports – described at the time by the chairman of the Marine Products Export Development Authority as “[baseless and unsubstantiated](#)” – prompted at least one [Indian responder to suspend ties](#) with an Indian supplier and provoked [a strong response from US lawmakers](#), with [two members of Congress](#) joining a growing chorus of officials calling for punitive action.

Sanjeev said Avanti Feeds had “further strengthened its internal checks and controls to ensure compliance.”

“But we consider these upheavals are part and parcel of business activity,” he said. “They do not hinder the sustainable growth of the industry.”

Sanjeev added that, after a “severe” summer, climatic conditions were now stable and shrimp farmers could look forward to carrying out fresh stocking in the first week of June.

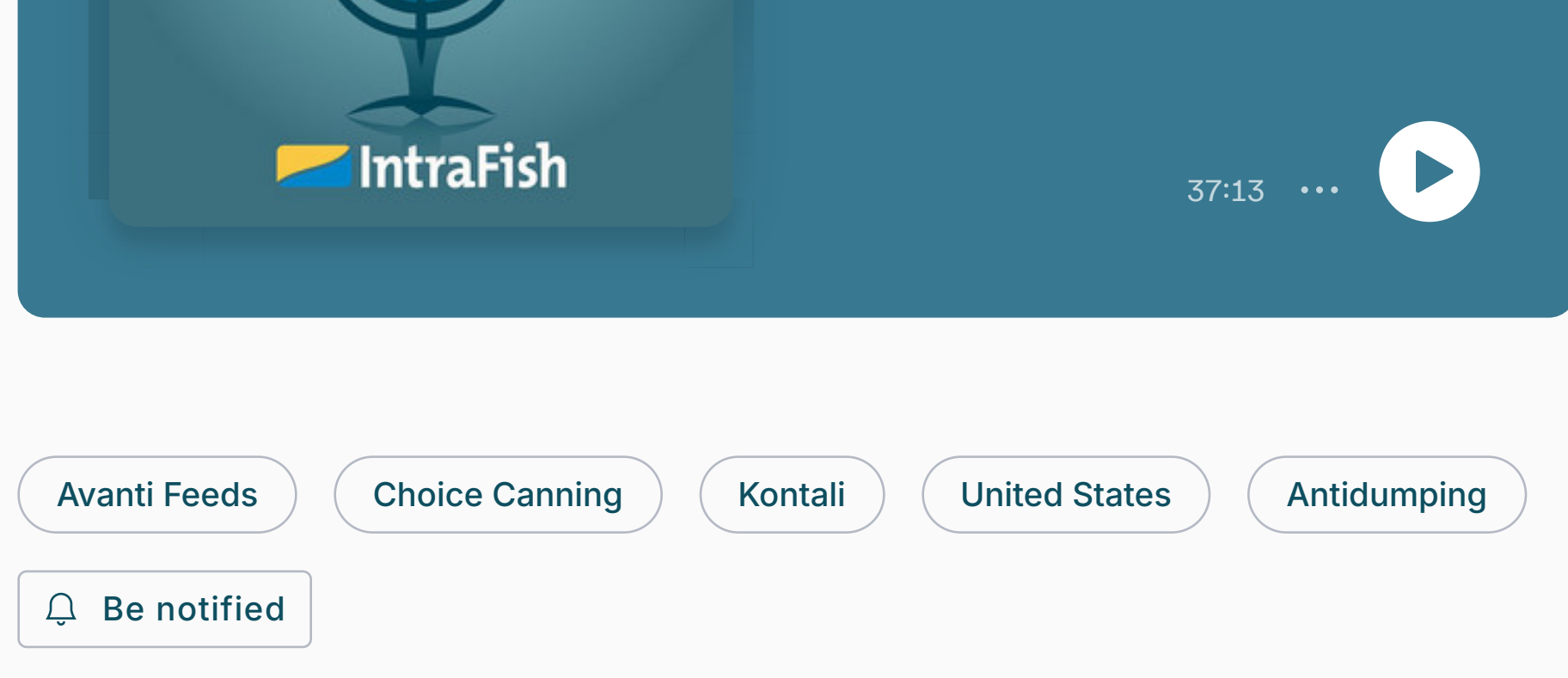
“Hopefully,” he said, “this crop survives the full season of 90 to 120 days and the farmers will be able to make a profitable quarter.”

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