

Indian shrimp supplier accused of labor abuse, antibiotic fraud in new report

The Choice Group has denied the allegations raised by a former general manager via the Outlaw Ocean Project

By Dan Gibson | March 21, 2024 17:31 GMT



□ Shrimp baskets in India. Credit: Archer Dec24 from Shutterstock

Choice Canning, an Indian shrimp packer and trader, is at the center of a flurry of allegations regarding falsified documents, knowingly shipping antibiotic-positive shrimp to the US, and worker mistreatment.

The Outlaw Ocean Project (OOP) -- the same investigative journalism outfit behind [earlier findings of forced labor in China](#) -- published a new report on Wednesday (March 20) in which it shares evidence provided by Joshua Farinella, a former general manager at Choice Canning's Amalapuram factory, in Andhra Pradesh, who joined in October 2023.

It includes accounts of:

- Falsified documents by Choice Canning management intended to mislead auditors about its shrimp sourcing and employee headcount;
- Decisions by management to knowingly ship antibiotic-positive shrimp to the US;
- Management approval of the underpayment of workers, leading to complaints to the local police;
- Staff complaints of inadequate living conditions on sites, including worker dorms without sufficient bedding;
- Workers being prevented from leaving the site;
- Ongoing use of unsanitary off-site peeling sheds hidden from auditors; and
- Repeated complaints from locals regarding pollution from the factory.

During his time running the factory, Farinella told OOP he had to make plans to hide workers ahead of inspections in order to not show overcrowding; mislead customers about the provenance and quality of their shrimp; and confront orders to send consignments of antibiotic-positive shrimp to the US.

Farinella decided to resign and go public in February, heading back to the US after just over four months at the site, and filed a formal whistleblower complaint to the US Food and Drug Administration (FDA), according to OOP.

The full OOP report can be seen [here](#).

□ The Choice Canning Shrimp processing plant in Amalapuram, India, is at the heart of the latest investigative campaign from the Outlaw Ocean Project. Credit: Ben Blankenship/The Outlaw Ocean Project

The factory's parent company, The Choice Group, directed *Undercurrent News* on Thursday to its direct response to the allegations via its law firm, Archer & Greiner, which described them as "plainly false."

"It appears that Joshua Farinella has had a key role to bring false issues to you and to mislead you to believe Choice has engaged in conduct amounting to violations of law, regulation, or otherwise," the company's statement to the Outlaw Ocean Project reads.

Choice attacked the character of Farinella, who "has an extensive criminal record," which includes "multiple guilty pleas to felony fraud and deception crimes," it continued, dating between 2007 and 2014.

"Notably, before hiring Mr. Farinella, Choice was not aware of Mr. Farinella's extensive criminal record, with multiple felony convictions pertaining to fraud, deception, and theft," it said.

The company also addressed each allegation in turn:

"Absolutely no documents have been falsified," the company has said, adding that employee counts vary from day to day as a large portion of the workforce is employed on a contract basis. The Amalapuram factory has a capacity to hold over 600 workers, it noted.

No Choice Canning shrimp shipment has ever been rejected by the FDA for testing antibiotic-positive, the company said. A WhatsApp exchange that appears to show a confirmation from management to ship antibiotic positive product has been misrepresented, it claimed, as the firm runs two screening processes for antibiotics.

These shrimp, it contended, had tested positive for the first confirmation screening, but negative on the second "more vigorous" screening.

There are also no cases of approving the underpayment of workers, the company said.

"Many of Choice's workers are temporary and are employed through third-party labor contractors," it explained. "Choice always has made every single wage payment to a contractor on time." The police investigation, it said, was of one contractor that had failed to distribute wages, not Choice itself.

Choice also pointed to a BCSI social audit, conducted by the Belgian firm Amfori, which entailed interviews of "large numbers" of Choice's workers on their quality of life. The company received an "A" grade in the last such audit, it said.

The company admitted it was aware of one case where a worker was not allowed to leave the premises at 2:30 a.m., claiming this was done for their own safety, with curfews in place forbidding workers from leaving the walled factory enclosure past 10:30 pm. It said the worker was then permitted to leave the next morning.

"Accordingly, there are not workers that are being prevented from leaving the site, such a conclusion is recklessly false," Choice said.

Choice admitted that it had used an off-site facility for a brief period of time, from January-February this year, to address a labor shortage, again relying on a contractor's facility and contract labor to provide the work. The firm provides shrimp both to BAP and non-BAP customers, and it was the latter that was targeted with this off-site work, the company said.

"Thus, it naturally was not included as part of Choice's BAP audits," it said.

Choice has been leasing the Amalapuram plant since June 2022, and was not originally aware that there had been a history of complaints by local residents against the previous owner, pertaining to the smell of processed shrimp. Choice said it has since fixed the effluent treatment plant used to process shrimp.

Choice concluded that it "is prepared to proceed forward with a lawsuit filing against your organization, Outlaw, [founder] Ian Urbina, and any and all other responsible parties for any falsely published stories."

A headache for the GSA

The Choice Group sells frozen shrimp throughout the US in over 48,000 retail and foodservice locations. According to the OOP, it shipped more than \$80 million worth of shrimp to the US in 2023.

Notably, the factory at Amalapuram has also been granted Best Aquaculture Practices (BAP) certification.

Last November, Choice Canning became the first Indian company to become a corporate member of the Global Seafood Alliance (GSA), the body responsible for the creation and oversight of the BAP standard. The GSA has told OOP it would "thoroughly investigate" the issues brought to light.

For his part, Farinella said he was surprised at the high number of shrimp that tested positive for antibiotics, given that the majority of farms it was sourcing from were supposedly BAP-certified -- and therefore should be antibiotic-free, OOP reported.

The company's senior quality assurance manager allegedly replied in a WhatsApp message to Farinella that Choice Canning "never buys shrimp from BAP farms," adding that "India doesn't have even 10% of the BAP farming capacity it claims."

Outlaw Ocean's review of FDA data also shows that while Choice Canning's exports to the US have never tested positive for antibiotics, the agency only tested shrimp from the firm on 21 occasions since 2003. During that timespan, the firm has shipped more than 100,000 metric tons of shrimp to the US.

In response, Choice Canning said that it is the only Indian shipping company to use a mobile lab, engaging in pre-harvesting testing at the farmer level prior to purchase -- hence the high number of positive tests.

"Ask yourself, if Choice was in fact seeking increased profits at the cost of food safety, and looking to 'gamble' that the FDA won't discover during an FDA audit or inspection of antibiotic-positive shrimp, why would Choice spend the funds to implement this pre-harvest testing procedure to establish a testing standard above and beyond any other Indian company?" it wrote to OOP.

The firm added that it conducts internal audits of BAP-certified farms, internal ELISA screening for raw material that arrives at its facility, and external screening at an accredited lab that runs a "more exacting confirmatory LCMSMS test."

On one identified occasion, where both ELISA and LCMSMS tests had failed, Choice claimed that the batch was returned to the farmer and not shipped as usual.

Equally, OOP's additional finding that "at least 730t of antibiotic-positive shrimp passed through Choice Canning's Amalapuram facility in 2023" is contested by the company, which claims the figures have been altered by Farinella.

A third-party firm that specializes in data analysis reviewed these documents and verified that they were not manipulated in any way, according to the OOP.

A tough day for Indian shrimp

The OOP report was released the same day as a separate report from the US human rights legal group Corporate Accountability Lab (CAL) into the Indian shrimp sector, titled 'Hidden Harvest: Human Rights and Environmental Abuses in India's Shrimp Industry.'

The report was followed up with an article in the *Associated Press*, which prompted Sysco Corp., the largest foodservice firm in the US, [to suspend purchases from Nekkanti Sea Foods](#), named in the story, pending further investigation.

Alongside Nekkanti, Apex Frozen Foods, Avanti Feeds, Devi Fisheries (and its subsidiary Satya Sea Foods), and Sandhya Aqua were also named in the CAL report as "generating profit off of shrimp produced cheaply at the expense of workers and the environment." So, too were such US retailers as Aldi, Costco, Hannaford, Kroger, Stop & Shop, Walmart, and Whole Foods; and such food service chains as Red Lobster and the Cheesecake Factory, as well as local restaurants that buy shrimp from Sysco, US Foods and other national distributors.

The Seafood Exporters Association of India (SEAI), which represents the sector's largest traders and processors, published a statement on Thursday (March 21) in which it charges that the *Associated Press* did not give the group an opportunity to respond to the CAL's report, and turned down similar outreach from the US' National Fisheries Institute.

□ Credit: nirapai boonpheng / Shutterstock

"As far as we can tell, AP never presented our association or any of our members with specific details about the infractions they alleged, making it impossible for us to examine them or indeed to establish whether they ever happened," the SEAI wrote.

The SEAI said that "multiple, independent channels" exist for employees to report welfare issues within its member companies.

"They also misleadingly conflate the shrimp exporters we represent with smaller companies that operate only within India's domestic market, leaving readers with the impression that major exporters are involved in the bad behavior they describe without presenting any evidence that that is the case."

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