



# **WORLD SHRIMP PRODUCTION - HOT NEWS -**



**COMPILED BY HERVÉ LUCIEN-BRUN**



**APRIL 15, 2017**



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## **FISHMEAL COMMENTS AND PRICES: PERUVIAN**

*Worldwide - April 15, 2017*

A quiet week in Peru as both Thursday and Friday were holidays this week, at least for most companies.

There has been some comment in the trade reports that the fishing in the south of Peru is falling off and will probably come to an end – not much sense in using up fishing resources if there is nothing to catch.

The IMARPE report on the result of the biomass inspection cruise is expected next week.... everyone is hoping for good results and an early May start to northern Peru fishing. The trade says that no business is being done at present with China well covered for a while so again not too much to report on fishmeal.

Speaking of China, it represents just under 80 percent of all Peru fishmeal exports so far in 2017.

I was looking at the latest IFFO report this week and see that Germany imports as much fishmeal from Morocco and Mauritania as it does from Peru – these three origins count for close to 80 percent of Germany's imports – they imported about 150,000 m/t I total in 2016. It is also interesting to see that Turkey imported 93 percent of its 2017 fishmeal from Morocco and Mauritania.



The IFFO report also shows fishmeal production total for Peru, Chile, Denmark/Norway and Iceland/North Atlantic at 462,600 m/t for 2017 to date, this is up by 86.5 percent over the same time last year. The largest share of the increase is for Peru and Chile.

### European fishmeal prices – FOB North German port.

Type	Protein %	Price per m/t USD
Herring fishmeal	72% protein	1,275
Danish fishmeal	64% protein	1,280
Peru fishmeal	64% protein	1,300
Chile fishmeal	67% protein	1,350
Iceland fishmeal	70% protein	1,280

### Peru – indication fishmeal prices

*All prices shown are in container, on vessel, at origin --- us dollars*

*Minimum shipment of 200 m/t for fishmeal*

Specification	Price per m/t FOB vessel Peru port	Price per m/t Chile port
65% protein	1140/1160 m/t	
65/66 protein	1170/1190 m/t	
67% protein standard steam	1220/1240 m/t	1300/1320
67% protein 150 TVN	1290/1310 m/t	1320/1340
67% protein 120 TVN	1350/1370 m/t	1350/1370
67% protein 1000 hist, 120 TVN	1400/1420 m/t	1400/1420
68% protein 500 hist, 120 TVN	1430/1450 m/t	1450/1470
Fish oil, crude bulk	1350/1400	1250/1300
Fish oil, crude drums	1450/1500	
Fish oil, flexi tank	1600/1650	
Fish oil, Omega 3: 28%EPA/DHA	1800/1900	

*INFORMATION: gtee = guarantee, TVN = total volatile nitrogen, hist = histamine,*

*FAQ = fair average quality (normally flame or hot air dried), SD = steam dried*

*The information contained herein is based on sources that we believe to be reliable, but we do not represent that it is accurate or complete. Nothing contained herein should be considered as an offer to sell or a solicitation of an offer to buy. All references to prices are subject to change without notice. Any opinions expressed herein are solely those of the author. As such, they may differ in material respects from those of,*



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***By Wayne Bacon - Weekly Grain And Protein Report from Hammersmith Marketing Ltd***

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## **BIOMAR PARTNERSHIP CATAPULTS ALGAE OIL PRODUCER INTO AQUACULTURE SPHERE**

**INGREDIENTS FIRM NOW LOOKS FOR PARTNERS IN SHRIMP, SEA BASS AND SEA BREAM FARMING.**

***Denmark – April 15, 2017***

The alternative long-chain DHA source developed by ingredients company TerraVia is one year into its commercial launch and is ramping up production, Walt Rakitsky, senior vice president of emerging business at Terravia, told IntraFish.

The strategic partnership with BioMar gave the company the platform it needed in the global salmon farming sphere, and the exclusivity deal with the feed giant on salmon feed is giving both companies an advantageous position in alternative-based aquaculture feed.

“There’s been a lot of hype about alternative ingredients, but in this case it is happening, BioMar is using the product for its feed and is selling it to salmon producers in Norway, Chile and Scotland,” Rakitsky said.

The company produces the DHA AlgaPrime in Brazil, far from the Amazon, Rakitsky pointed out. It grows algae in closed fermentation tanks, using sustainable sucrose from certified sugar canes, which it turns into DHA-rich oil in a short period of time.

The location of the processing plant, in Sao Paulo, ensures proximity with the non-genetically modified, water-fed sugar cane, reducing costs.



In addition, sugar cane in Brazil is fermented and turned into low-carbon ethanol, transforming the raw material into green electrons used to generate electricity with a very low footprint, another environmental benefit of using the plant for the production of the DHA ingredient.

Although fish resources for omega-3 oils are in recovery after the end of El Nino off the coasts of Peru and Chile, and levels of raw material of these origins are expected to reach highs this year, Rakitsky is confident the search for alternatives will continue.

"It takes time to develop technologies, and yes there is now more availability of raw material but one thing is true: there is a limited amount of resources, the supply from the sea is fixed and we need to compensate it with other sources," he said.

"For aquaculture to grow responsibly, there have to be alternatives to be used to complement current supply, it's not about replacing it."

Rakitsky referred to a study published in October 2016 by the University of Stirling suggesting omega-3 levels in farmed salmon have halved in the past five years.

"Salmon farming has reached a low in levels of omega-3, both fish and humans need higher levels and it's not going to come from the sea," he said.

"This kind of technology will help reach the levels of fatty acids that we need."

**Non-GM is a plus**



The fact that the product uses non-GM crops is important for TerraVia since its market is largely based in the European Union, where GM is not regulated. Norway is responding particularly well to this attribute.

However, Rakitsky sees opportunities for different types of technology, including GM crops, in the future.

"There's been a lot of progress, and we are going to need all technologies. GM crops will be coming soon, but they are not here today, and we are. Our product is not an experiment anymore," he said.

TerraVia produces oils for other industries, such as the cosmetics market, but entering aquaculture has been the right move, and the timing is ideal.

"We are going to see a lot of initiatives establish, there's many companies working in this area, and aquaculture is growing more and more. We are delivering, many people in the industry have heard about research and the need of alternatives, but until now companies were not delivering," he said.

### **Raw material challenges**

However, TerraVia's ingredients are also based on natural resources, and as with any other raw material, there are factors affecting the production and prices.

The main drivers that determine the price and availability of the DHA AlgaPrime are the costs of the sugar, the efficiency of the production of the algae, the output, and the yield of oil per kilo of sugar, Rakitsky said.

Although the ingredient is not meant to be a replacement for fish oil, at the moment, the company is studying how low feed producers can go on fish oil when using DHA AlgaPrime without compromising the quality of the feed.



Looking forward into the future, he said the technology has the potential to be used on its own in the composition of feed.

### **Expanding to other sectors**

At the moment, TerraVia is looking for partners to launch the feed ingredient to the shrimp market in particular.

“We are looking at all fish farming sectors that depend on fish oil, obviously catfish or tilapia are not markets for us, but shrimp and Mediterranean seabass and seabream offer great opportunities,” he said.

TerraVia plans to introduce the ingredient in Asia, and it could be looking into another partnership with BioMar to supply sea bream and bass producers in Greece and Turkey.

***by Lola Navarro – Intrafish Media***



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## **ECUADOR'S "FIRST CLASS SHRIMP TOUR" BOUND FOR BRUSSELS**

*Ecuador - April 14, 2017*

The National Chamber of Aquaculture of Ecuador is taking its "First Class Shrimp Seafood Tour" to Brussels, Belgium this month for the 2017 Seafood Expo Global / Seafood Processing Global event – held from 25 to 27 April – to showcase its Ecuadorian shrimp on a global scale.

As was the case for country's seafood industry representatives in Boston, Massachusetts during March's Seafood Expo North America, Ecuador will be looking to further its mission once more in Brussels by "encouraging people to know and recognize that we, Ecuador, have first-class shrimp," and "that our product not only is the best in the world, but also that there are strong values behind it," according to the collective.

Ecuador is a major shrimp supplier for the European Union, and one of the main suppliers to the United States and Asia, according to the collective. Companies exhibiting under the National Chamber of Aquaculture of Ecuador's umbrella in Brussels include Docapes, Edpacif, Expalsa, Langosmar Organic, Negocios Industriales Real, Omarsa, Promarosa, Quirola Group and Sociedad Nacional de Galápagos Songa. They will occupy booths No. 6-959 and 6-1068.

*By Madelyn Kearns - [www.seafoodsource.com](http://www.seafoodsource.com)*

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## **WITH INVENTORIES LOW, BUYERS HOPE FOR HIGHER FARMED SHRIMP VOLUMES**

PRICES ARE EXPECTED TO REMAIN FIRM AND STABLE DESPITE A PREDICTED INCREASE IN PRODUCTION THIS SEASON.

*Worldwide – April 14, 2017*



The main harvesting season for shrimp is scheduled to begin in May, and although many are expecting a "banner" year in terms of production, others are not so sure.

Regardless, for now prices are firm and steady and this is not expected to change, despite an increase in supply with inventories in both the United States and the European Union running low.

The Seafood Expo in Brussels is only a couple of weeks away, when producers and buyers typically discuss volumes and set prices. This year, a number of elements are in play, industry executives told IntraFish.

Heiko Lenk, CEO at Bangkok-headquartered Lenk Frozen Foods Asia, told IntraFish that during the winter period -- the off season -- supply has inevitably been dramatically less and average prices have moved up around 10 to 15 percent.

"Even though demand has not been that strong, prices for vannamei are at quite a firm level," he said. The outlook for the new season, though, is "very uncertain."

From a raw material point of view, Lenk believes the industry is standing in front of a positive season in Asia, and good weather conditions are pointing to that. Additionally, there is no negative news from India on shrimp health, and Thailand is forecasting 10-15 percent growth compared with last year.

"Everything is looking like an OK season volume-wise and Asia could have a total higher output," said Lenk. "The question is at the end of May, June, where the market will be? Usually prices should come down."

Stock positions are not currently that high in the US and Europe, which should prompt more activity.



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Jiro Takeuchi, director of Bonmea Finest Foods, told IntraFish although many players in Europe are waiting until May when the supply is expected to improve, the questions for him are around low stock levels in Europe.

"Eventually, the business will be taken by those who actually have the goods to deliver rather than those who wait for the low price," he said. "We have also the currency issue anyway so I don't think that the shrimp price level will come down enough to compensate all risks of not having the business."

There was a similar situation in January. EU buyers expected prices to come down after the Chinese New year, but it didn't happen. They came a bit down from the high levels of December but not significantly enough to motivate higher demand, said Takeuchi.

"Why should shrimp prices come down anyway? Even if demand is not strong, supply is not plenty either...and that's going on for a few years already," he said.

Additionally, while Vietnam has lost out its position in the US market, producers there might looking forward to the EU starting to buy as it seems that stock levels are low over here. "With the prices for small shrimps being quite attractive due to good demand, I believe farmers will be tempted to harvest their ponds earlier than believed so there is also some chance that all that 'big' volume that everyone is talking about might not really come," said Takeuchi.

"So I don't really see shrimp prices coming down significantly enough to heat the demand on various segments in the short term."

Prices may fluctuate within a certain range to support the present demand levels, but

"shrimp is not supposed to be a cheap commodity anyway," he said.

One industry source told IntraFish current IQF EZ peel vannamei prices from Indonesia to the United States were averaging at \$4.05 (€3.80) per pound C&F



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east coast for 31/40s, \$4.40 (€4.10) for 26/30s, \$4.70 (€4.40) for 21/25s, and \$5.25 (€4.90) for 16/20s.

Adriaan de Leeuw, managing director at Belgian shrimp importer and exporter Solea International, told IntraFish although it is still early in the year, and difficult to know right now, he is not convinced production will be as buoyant as many expect.

"Some say it is going to be a banner year for shrimp but I really have my doubts," he said. "I don't think there will be a lot more shrimp than there will be demand, so I expect prices to be stable." Prices could creep up, though, he warned especially if significant disease issues return.

Specifically he mentioned India, where production has increased dramatically in recent years, controls are not as stringent, and rejections in both the EU and US due to antibiotic use have piled up.

"If they are using antibiotics or harvesting early so there are still residues of antibiotics in there, there is a reason for that," said De Leeuw. "I am afraid sooner or later another disease outbreak is going to happen and India is one of the candidates for either white spot or EMS or something new right now."

He also confirmed stocks are low in Europe, and clients are already asking for black tiger and vannamei -- a sign which will impact prices. "We also do some fresh water shrimp for the German, Belgian markets mainly and there is a lot of product available because the United Kingdom is not buying as much as it used to buy because of the weak pound," he said.

Additionally, De Leeuw said the Brazil market was one to look out for. There have been talks recently of the Brazilian market opening up and allowing for imports.



If this materializes, then it could have "a huge impact on prices as it's a very, very big market." Brazil currently has its own shrimp industry but prices are a lot higher than other international players.

"So if opens, and allows for imports from Asia, and other South American countries, it would become another big player in market, and most probably would push prices up," said De Leeuw.

### **China's the biggest question mark**

The biggest impact on the shrimp market is most likely to come from China, which is increasingly becoming a much larger importer.

Although the county has its own aquaculture industry, in the south land is becoming more valuable for development projects such as real estate. At the same time, domestic consumption of shrimp is continually increasing.

"I don't think China has real plans to pump up volumes in future... but [it will] become one of the major importers of vannamei shrimp," said Lenk.

If China suddenly starts importing vast amounts, this could immediately impact the market and negate the falling prices during the main season.

*by Dominic Welling - Intrafish media*

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## **THAI UNION RESULTS 'SAVED' BY RED LOBSTER TURNAROUND, EASING RAW MATERIAL COSTS**

**RED LOBSTER'S Q1 PERFORMANCE WILL OUTWEIGH DECLINES IN PROFITS OF THE RECURRING TUNA AND SHRIMP BUSINESSES, ANALYST SAYS.**

***USA – April 14, 2017***



A healthy turnaround in performance by Red Lobster, combined with easing raw material cost pressures, will set Thai Union in shape for a strong second half of 2017, according to Prasit Sujiravorakul, an analyst at Bualuang Securities.

The analyst is expecting Thai Union to post a THB 1.32 billion (€36.1 million/\$38.3 million) net profit for the first quarter, up 7 percent year-on-year and 46 percent quarter-on-quarter. Excluding THB 280 million (€7.7 million/\$8.1 million) in foreign exchange gains, core profit for the first quarter is expected to be THB 1.04 billion (€28.4 million/\$30.2 million), up 8 percent year-on-year but down 20 percent quarter-on-quarter.

However, Sujiravorakul expects operating profit should drop 15 percent year-on-year and 24 percent quarter-on-quarter due to weaker operations at two of its recurring business units -- tuna and shrimp -- because of the higher raw material prices.

"We expect gross margin (GM) to soften to 14.1 percent as TU won't be able to fully pass on higher raw material costs to clients for tuna, shrimp and salmon during the raw material price uptrend in the first quarter of 2017," he said.

### **Red Lobster saves the day**

However, Sujiravorakul believes the results will be "saved" by Red Lobster whose performance will outweigh declines in profits of the recurring businesses.

Equity income from affiliates is expected to turnaround from a THB 51 million (€1.4 million/\$1.5 million) loss in the fourth quarter of 2016 to a THB 170 million (€4.6 million/\$4.9 million) profit in the first quarter of 2017, due mainly to a turnaround at Red Lobster, he said.

"We assume a THB 120 million (€3.3 million/\$3.5 million) net profit for Red Lobster for the first quarter of 2017 -- unusually high against a normal quarterly



profit of THB 60 million (€1.6 million/\$1.7 million) -- swinging from a net loss of THB 110 million (€3 million/\$3.2 million) in the fourth quarter of 2016 (due to one-time restructuring expenses)."

Analysts also expect other income in the first quarter of 2017 to be boosted by Red Lobster's management fees and the 8 percent annual yield of convertible preferred units.

All this should outweigh the declines seen by TU's recurring businesses of tuna and shrimp, said Sujiravorakul.

The analyst is estimating sales in the first quarter of 2017 to reach THB 31.8 billion (€869.6 million/\$922 million), up 1.7 percent year-on-year, but down 5.3 percent quarter-on-quarter, driven mainly by shrimp.

In addition, slower EU tuna sales -- caused by Brexit and a jump in raw tuna prices -- will offset stronger Thai and US tuna sales, "leading to flattish overall tuna sales in the first quarter of 2017."

However, gross margin for branded tuna is likely to drop due to the jump in the raw tuna price to a two-year high of \$1,700 (€1,603) per metric ton in January to February.

Thai shrimp export sales remained strong, but US shrimp trading sales will soften in the first quarter of 2017.

"The raw shrimp price surged to a three-year high of THB 230 (€6.30/\$6.70) per kilogram in February, so the shrimp margin will be squeezed in the first quarter of 2017," said Sujiravorakul.



As for salmon, despite flattish sales -- where higher sales prices were offset by lower volume -- "we expect salmon gross margin to widen and its net loss to be shallower due to sales price increases."

### **Dropping prices ease pressure**

Looking ahead to the second quarter of 2017, Sujiravorakul said raw material prices for tuna, shrimp and salmon are all expected to fall, giving TU's blended gross margin and earnings "a strong boost" in the second half of 2017.

The average West Pacific Ocean (WPO) skipjack raw tuna price is fell down 12 percent month on month to \$1,500 (€1,415) per metric ton in March 2017.

The raw salmon price is also lower at NOK 63 (€6.9/\$7.3) to NOK 66 (€7.2/\$7.7) per kilo in February/March from a peak of NOK 75 (€8.20/\$8.70) to NOK 81 (€8.90/\$9.40) per kilo in December/January, and the 60-count/kg shrimp price has dropped sharply from a recent peak of THB 230 (€6.30/\$6.70) per kilo in February to THB 180 (€4.90/\$5.20) per kilo in April.

"We believe that the lower raw material pricing environment in the second quarter of 2017 will give TU's blended gross margin and earnings a strong boost in the second half of 2017," said Sujiravorakul.

Overall, gross margin for TU's three recurring businesses "will rebound strongly" in the second half of 2017, said the analyst.

"Our Buy rating stands, based on a strong earnings recovery with scope for upside from Red Lobster's new markets."

***by Dominic Welling – Intrafish Media***



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## **CAMANCHACA'S NEW US PRESIDENT READY TO TAKE THE REINS**

**CESAR LAGO PROMISES A SMOOTH TRANSITION AS HE TAKES OVER THE CHILEAN SALMON FARMER'S US SALES AND MARKETING DIVISION.**

***USA – April 14, 2017***

In a way, Cesar Lago, the new president of Camanchaca's US-based sales and marketing division, has been training for his new job for the last 16 years.

Lago replaces Bert Bachmann, with whom he has been selling salmon for more than 20 years. The two began back in the late mid '90s at Heritage Salmon, when the company was owned by George Weston.

They left to join Camanchaca in 2001 and have worked side by side since.

"Bert has always been a great mentor," Lago told IntraFish. "And his style of management has always been very inclusive.

"So as we built up the team, I've been involved in every aspect. His office is right next to mine. I've been in training for 16 years, per se," he said. "So it was natural, I think."

And for Camanchaca's customers this means a very smooth transition, he said. "This is just a continuation of everything -- our culture and what we stand for -- it's all going to continue."

The path forward

Lago takes over at time of recovery for the Chilean salmon sector, following years of production disruptions caused by disease and, more recently, an algae bloom that slashed production across the sector.



Camanchaca, as are many producers, is still recovering from the bloom, and Lago said he expects production to fully recover to pre-bloom levels by September.

The shortage of salmon, of course, has driven up prices, which, on one hand, helped

Camanchaca post 11.1 percent growth in sales in 2016.

EBITDA was \$32.8 million (€31.2 million), up 50 percent from the year prior.

Camanchaca's 2016 sales came to \$488.2 million (€464.1 million), of which \$352.8 million (€335.4 million) came from the salmon business.

But the rising prices have also dented demand from buyers who feel unable to pass on the costs to consumers. Lago expects the market to balance out, as more companies

in Chile return production to pre-bloom levels this year.

"The key is everyone needs to make money. As we get back into normal volumes toward the back end of this year, we'll see some adjustments I'm sure. What we hope is that prices stay at a level where it's sustainable," he said.

A positive side-effect of all of Chile's struggles over the recent past is the emergence of more regulation and control on the sector's production, which Lago said will help stabilize the region's salmon farming industry.

"Chile, in the past, has been erratic with their volumes. What I am seeing down there now with more industry and government regulation is that things are moving more toward what Norway and Canada are doing, so you're going to have more controlled growth," he said. "And that's the key. Once you have controlled growth globally, you're going to see sustainable and more stable prices in the long term," said Lago.

### **Pier 33 and value-added**



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The company's consumer brand, Pier 33, has been in the market for many years and includes salmon, mussels and langostino lobster.

The brand's mussels are its strongest performers and the line's salmon items are going through a revitalization, said Lago.

At the recent Boston seafood show, Camanchaca debuted Pier 33 Ocean Raised Blackened Salmon and Bourbon Glazed Salmon.

"We're seeing in the market that consumers want convenience and they want something they can just take home, it's already marinated, just put it in the oven and they are ready to go. They don't have to touch it, or add anything. You're seeing that evolution and we need to follow that if we want to grow the Pier 33 brand," he said.

And there is a new shrimp addition coming to the brand line.

Camanchaca is teaming with Spanish processor Krustagroup for the launch of Wild Argentine Red Shrimp, which will be branded as "Pier 33 Gourmet by Grand Krust" and is caught and packaged through an exclusive joint venture with Krustagroup.

"In a way we're trying to kick start and grow our brand again at the retail level with these items," he said.

The addition of the product also furthers a company goal of offering a broader range of seafood items to its customers beyond salmon, Lago said. "We're limited to which species we can grow in Chile, so let's see if we can continue growing with partners."



In addition, the company has partnered with other salmon farming companies as part of strategic plan for marketing consolidation to serve the market better.

"With these partnerships we were able to serve our customers when supply was low such as during the algae bloom," Lago said. "With that success, we then looked beyond salmon to serve our customers with other species, and that's how our partnership with Krustagroup devolped."

For Lago, the seafood business is all about relationships. He says roughly 70 percent the company's customers have been with Camanchaca for over 10 years. He's proud of that fact.

"They're like family. These are really, really strong relationships."

*by John Fiorillo – Intrafish Media*

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## **CHINESE GROUP GUOLIAN AQUATIC BACK IN BLACK IN Q1**

**GROUP BENEFITS FROM STRONGER SALES, IMPROVED FARMING OPERATIONS.**

***China – April 14, 2017***

Guangdong, China-based processor and aquaculture producer Zhanjiang Guolian Aquatic Products on Wednesday reported a first quarter net profit of CNY15 million (\$2.2 million) - CNY 20 million (\$2.9 million), a major reversal from a net loss of CNY2.9 million (\$424,000) in the same period last year, according to Reuters.

Stronger sales and farming performance were cited as the reason for the improvement.

Guolian's operations include tilapia and shrimp farms across China. Among its operations US trading operation Sunnyvale Seafood Company.



*by IntraFish Media*

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## **GLOBAL FARMED SHRIMP PRODUCTION IN 2016 MAY HAVE DROPPED, SAYS FAO**

*Worldwide - April 13, 2017*

Global production of farmed shrimp in 2016 is likely to have remained stagnant at the 2015 level, if not lower, due to lower international prices and disease in some leading producing countries, according to an analysis by the Food and Agriculture Organization of the United Nations.

The main season for farmed shrimp in Asia ended in November 2016 in most of the producing countries, with an overall sluggish trend in production. This went against the earlier forecast of increased production in 2016.

Preliminary reports of 2016 production data for farmed shrimp suggest that recovery in Thailand and strong harvests in Ecuador were not enough to offset the falling production of farmed shrimp in China and Vietnam due to persistent shrimp disease and related issues.

The average per hectare harvest in Vietnam reportedly declined by 50% due to poor quality shrimp fry and slow growth. Due to production issues, both China and Vietnam had to import large quantities of shrimp for reprocessing and export.

Overall 2016 production in India and Indonesia, two other large producers of farmed shrimp in Asia, is expected to be lower than the early 2016 forecast.

Earlier this year, the shrimp panel at the Global Seafood Market Conference predicted Chinese production will continue to drop in 2017, with a slow growth in overall global output.



The panel gave a far lower forecast than the level given at the 2016 Global Outlook in Aquaculture Leadership (GOAL) conference which was in China last year.

In Latin America, farmed shrimp production increased moderately in Ecuador, but in Mexico disease and premature harvests negatively impacted volume growth. Farmed shrimp supplies also did not improve in other countries in the Central and South American region.

In terms of wild-caught fish, Argentina had another record year of catches of *Pleoticus muelleri* in 2016, with annual landings expected to exceed 150,000 metric tons compared with 140,000t in 2015.

In contrast, in the US, landings from the Gulf of Mexico declined by 18% during January–October 2016 (36,000t) compared with the same period in 2015, keeping ex-warehouse prices strong at higher levels compared with imported vannamei shrimp.

In September of last year, data presented at the GOAL conference forecasted a further increase in shrimp production in 2018 from a record level in 2017, with one speaker projecting an annual growth rate for 2015-2018 to be 4.2%.

### **India remains largest exporter**

Even with lower than expected growth in shrimp aquaculture, India moved to the leading exporter in international shrimp trade during the first nine months of 2016, followed by Ecuador, Thailand, Indonesia and China. Compared with the same period in 2015, exports from India increased by 11.6%, totaling 315,400t. Ecuador also increased exports by 7.5%, or 276,000t, during this period, with increased sales to East Asia, Russia and Latin America.



Improved farmed shrimp production in Thailand facilitated a 28% rise in exports to 150,000t during the review period and secured the country its third position in the global shrimp export market.

More than 40% of these exports consisted of processed or value-added products. With two-digit rises in Chinese export volumes to the Republic of Korea -- 17.25% -- Hong Kong, 18.90% and Taiwan 18.32%, total Chinese exports of shrimp increased by 9% to total 136,000t.

Shrimp export volumes from Vietnam posted growth in the US of 10%, Japan of 5.5%, EU of 12% and other East Asian markets during January– September 2016 compared with the same period in 2015.

In terms of prices, generally shrimp prices remained soft in global export trade during the review period, dominated by vannamei shrimp. However, exporters of black tiger (produced in Bangladesh, Myanmar and Indonesia) reported firmer price trends following strong demand from the US and Japan.

Supplies of this species have tapered over the years from India, Vietnam and Indonesia.

Despite limited supply of large-sized shrimp in Indonesia, prices have fallen due to weak demand from key markets, particularly from the USA.

### **Shrimp demand up in US, Japan**

Among the top three traditional markets, shrimp demand has improved in the US and in Japan in 2016, especially during the summer and school holiday seasons. This good demand has been supported by the lower import prices. In the European markets, consumer demand has remained flat.



During the review period, shrimp imports increased by 3.5% into the US, by 5% into Japan and by 3.4% into the EU compared with the same time in 2015. High inventories are reported with European importers and distributors due to slow summer demand from consumers.

Imports to Norway fell 22%, and those to Switzerland fell 10%. In contrast, strong import growth of 44% persisted in Russia following the lifting of the food embargo, though this volume remains below January-September 2014 imports of 37,000t.

Positive import trends continue into East Asian emerging markets, including China, whose imports rose 14%; South Korea, whose imports rose 7.7%; Hong Kong, whose imports rose by 12%; Singapore and the Middle East.

During the reporting period, Vietnamese imports of raw frozen shrimp, mostly meant for re-export, exceeded 200,000t with an estimated value of almost US\$1 billion.

## **Japan**

Both retail and catering demand for shrimp improved in Japan during 2016, as the product group remains more affordable to consumers compared with other seafood such as tuna, salmon, white meat marine fish and cuttlefish. In general, market demand for the high-end market segment of head-on sea-tiger and farmed, black tiger shrimp improved; sales of semi-processed, peeled, tail-on shrimp and processed shrimp also increased during the 2016 reporting period compared with 2015.

For the first time since 2013, Japanese total shrimp imports increased during January–September 2016 reaching nearly 155,000t. Vietnam, Thailand, India, Indonesia and China were the top five exporters. In this total, 27% consisted of



processed/value-added products such as cooked and peeled shrimp, ready-to-cook tempura shrimp, sushi shrimp and other types of shrimp-based products.

Raw, frozen, shell-on and PTO shrimp also followed the same import pattern supported by good demand from supermarkets and domestic processors of tempura shrimp.

### **Shrimp still top seafood in US**

Shrimp remains US consumers' top choice for seafood. Lower import prices, which trickled down to the consumer level by mid-2016, and increased disposable income created this needed rise in US demand. Sales increased in the retail and catering trade, reducing domestic inventories. As the single largest shrimp importer, the US continues to influence international shrimp trade.

Import volumes into the market increased by 3.4% during January–September 2016 against the same period in 2015 with a value rise of 1.3% to total \$4 billion. During this period, the average import price was 2% lower than the same period a year ago. There were increased imports of raw, shell-on and peeled shrimp but lesser volumes for processed products. Processed products comprised 20% of US shrimp imports.

In total imports, India replaced Indonesia as the leading supplier to the US followed by Ecuador, Thailand and Vietnam. There was a significant rise in exports from Thailand, 16%. Supplies from Ecuador continued to be lower by 17% to the US market as Ecuador has been increasingly targeting non-traditional markets.

Demand for black tiger shrimp also increased during the reported period; imports increased from Bangladesh by almost 55% to 2,600t.

### **EU consumers conservative in shrimp spending**



In general, the price softening of shrimp supports higher imports. However, European consumers have been conservative in their spending due to the financial difficulties in the EU economy. The 5.3% growth rate in EU shrimp imports from extra-EU countries during January–June 2016 narrowed to 3% during January–September 2016 to total 410,500t.

Supplies from extra-EU sources were close to 74% of total shrimp imports into the EU during the period. Interestingly, imports of the cheaper, cold-water shrimp from Argentina and Greenland were higher by 17% and 21% respectively. Tropical shrimp imports grew from Ecuador by 0.27%, from India by 4% and from Vietnam by 11.7%.

Imports from Bangladesh, generally consisting of wild-caught white and brown shrimp and farmed black tiger, declined due to price competition with cheaper vannamei shrimp.

Among the top five single markets in the EU, Spain imported 112,600t, a 2% increase, France imported 81,200t, a 3.9% increase, Denmark imported 61,000t, an increase of 7.4%, and the UK imported 57,800t, a 7.36% increase during the first nine months of 2016 compared with the corresponding period in 2015.

There was a 4.5% rise in intra–EU trading, a large proportion of which originally came from extra-EU countries.

In the Russian Federation, shrimp imports increased significantly totaling more than 21,000t — up 44% — with large increases in supplies from India, which rose 66%, and Ecuador, which rose 97%.

### **Vietnam still attractive market**



Vietnam continues to be an attractive market for Asian and Latin American shrimp exporters. Vietnamese shrimp imports during the first nine months of 2016 exceeded 200,000t, largely supplied by Ecuador, at 118,000t, and India, at 68,700t.

Shrimp imports into China hit 76,300t during January–September 2016, which is 14% higher than the same time period in 2015. However, there were reduced imports from Canada, Ecuador and India. The top Chinese suppliers were Argentina with 20,700t, Canada with 14,800t, Ecuador with 11,200t and Thailand with 8,000t.

Due to the weaker Chinese currency against the US dollar and high tariffs on imported shrimp for domestic consumption, direct imports declined from Ecuador of 26% and India of 17%. Imports from Vietnam through border trade remained strong for the same reasons.

In South Korea, shrimp imports increased by 17%, totaling 3,500t. In Hong Kong, imports increased by 11.9% and in Singapore by 6.6%. Imports to Taiwan were marginally lower, a drop of 1%, to total 24,500t.

In the Pacific, imports increased into Australia by 3% to total 21,400t, and in New Zealand by 12% to 3,200t, during the reporting period.

*Source: Undercurrent News*

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## **PRICES AND DISEASE HIT GLOBAL SHRIMP PRODUCTION**

*Worldwide – April 13, 2017*

Lower international prices and outbreaks of disease in some leading producing countries meant that global production of farmed shrimp in 2016 remained stagnant, or even fell, compared to the year before.



According to FAO's latest Globefish report, published today, the main season for farmed shrimp in Asia ended in November with an overall sluggish trend in production. This went against the earlier forecast of increased production in 2016.

Preliminary production reports suggest that recovery in Thailand and strong harvests in Ecuador were not enough to offset the falling production of farmed shrimp in China and Vietnam due to persistent shrimp disease and related issues. The average per hectare harvest in Vietnam reportedly declined by 50 percent, due to poor quality shrimp fry and slow growth. Due to production issues, both China and Vietnam had to import large quantities of shrimp for reprocessing and export.

Overall production in India and Indonesia, the two other large producers of farmed shrimp in Asia, is expected to be lower than the early 2016 forecast. In Latin America, farmed shrimp production increased moderately in Ecuador, but in Mexico disease and premature harvests negatively impacted volume growth. Farmed shrimp supplies also did not improve in other countries in the Central and South American region.

In terms of wild-caught shrimp, Argentina had another record year of catches of *Pleoticus muelleri*, with annual landings expected to exceed 150,000 tonnes, compared with 140,000 tonnes in 2015. By contrast, US landings from the Gulf of Mexico declined by 18 percent during January–October 2016 (to 36,000 tonnes) compared with the same period in 2015, keeping ex-warehouse prices at higher levels compared with imported vannamei shrimp.

### **Export summary**

Despite lower than expected growth, India moved to become the leading exporter of shrimp during the first nine months of 2016, followed by Ecuador, Thailand, Indonesia and China. Compared with the same period in 2015, exports from India increased by 11.6 percent, totalling 315,400 tonnes. Ecuador also increased



exports by 7.5 percent (to 276,000 tonnes) during this period with increased sales to East Asia, the Russian Federation and Latin America.

Improved farmed shrimp production in Thailand facilitated a 28 percent rise in exports to 150,000 tonnes during the review period and secured the country its third position in the global shrimp export market. More than 40 percent of these exports consisted of processed/value-added products.

With two digit rises in Chinese export volumes to the Republic of Korea (+17.25 percent), Hong Kong SAR (+18.90 percent) and Taiwan Province of China (+18.32 percent), total Chinese exports of shrimp increased by 9 percent to total 136,000 tonnes.

Shrimp export volumes from Vietnam posted growth in the USA (+10 percent), Japan (+5.5 percent), EU (+12 percent) and other East Asian markets during January-September 2016 compared with the same period in 2015.

Shrimp prices generally remained soft in global export trade during the review period, dominated by vannamei shrimp. However, exporters of black tiger (Bangladesh, Myanmar and Indonesia) reported firmer price trends following strong demand from the USA and Japan. Supplies of this species from India, Viet Nam and Indonesia have tapered over the years.

Despite limited supply of large-sized shrimp in Indonesia, prices have fallen due to weak demand from key markets, particularly from the USA.

### **Import summary**

Among the top three traditional shrimp markets, demand improved in the USA and Japan, especially during the summer and school holiday seasons, which was supported by the lower import prices. In the European markets, demand has remained flat.



During the review period, shrimp imports increased by 3.5 percent into the USA, by 5 percent into Japan and by 3.4 percent into the EU compared with the same time in 2015. High inventories are reported with European importers and distributors due to slow summer demand from end consumers. There were lower imports to Norway (-22 percent) and Switzerland (-10 percent). In contrast, strong import growth persisted in the Russian Federation (+44 percent) following the lifting of the food embargo, though this volume remains below January-September 2014 imports of 37,000 tonnes.

Positive import trends continue into East Asian emerging markets, including China (+14 percent), Republic of Korea (+7.7 percent), Hong Kong SAR (12 percent), Singapore (+ percent) and in the Middle East.

**Source:** [www.thefishsite.com](http://www.thefishsite.com)



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## CHINESE AQUATIC FEED PRODUCTION STATS DRAW IRE

*China - April 13, 2017*

As Chinese aquatic feed manufacturers announce bold production targets and official associations report massive demand, industry people wonder whether the figures can be taken with any seriousness.

Last week, Guangdong Feed, a trade publication, reported that market demand for aquatic feed in Guangdong increased 3% last year to 4.58 million metric tons, on the back of increasing demand for freshwater fish feed.

Freshwater aquatic feed demand increased 6.0% year-on-year to 3.36m metric tons, driven by grass carp and tilapia, it said. Demand for grass carp feed rose 5.6% y-o-y to 1.90m metric tons, while tilapia feed demand rose 10% y-o-y to 1.10m metric tons.

Demand for feed for marine species declined by 5.2% to 1.21m metric tons, albeit demand for shrimp feed was stable at 800,000t. For golden pomfret, demand was described as "extremely good", after surging 33% to 200,000t.

For Chinese snakehead feed demand slumped 21% to 300,000t. Feed demand for sea bass (likely Japanese sea bass) was also much lower, down 20% to 160,000t.

Guangdong Feed is backed by the Guangdong Feed Association and widely cited in China. Guangdong is China's largest aquaculture production region.

But, at 4.58 million metric tons, this makes overall demand for aquatic feed greater than that in Vietnam and India combined, according to figures from Alltech, a US animal nutrition firm.



China's aquatic feed manufacturers are in a race to expand production. Market consolidation threatens anyone not engaging in cut-throat pricing, and margins can only be generated by increasing economies of scale. "At the moment, more frightening than a wave of bankruptcy is a price war," said Fish First, a trade publication.

But, the race is undermining quality and confidence in the figures, which are often used as proxies for actual fish production.

### **Feed conversion rates**

"My numbers for all of China recently have been in the neighborhood of 1.3-1.5m [metric] tons," an industry source outside the country told Undercurrent News, referring to the country's shrimp feed output. Based on an Undercurrent analysis, this would make the official figures for Guangdong shrimp feed demand about double the source's figures.

"FCR [feed conversion rate] is also very difficult," the source continued. "Generally we can get an idea depending on what the average survivals are -- low survival means higher FCR." He reckons shrimp FCR in China is around 1.9, due to disease and high rates of failure. Chinese media report feed conversion rates of 0.8-1.5.

Chinese figures are therefore equal to or better than Thailand, where rates are 1.5 overall and 1.3 for averaging-good ponds, said the source. Chinese media figures likely are influenced by feed manufacturers.

On the ground, the Guangdong Office of Oceans and Fisheries reports that Chinese shrimp feed disintegrates easily when thrown into the pond, or sinks to the bottom of ponds. It added that shrimp feed quality worsened last year compared with the year prior.

### **Company figures**



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China's largest aquatic feed manufacturers -- Tongwei, Haid Group, Guangdong Evergreen Feed, Alpha Feed, New Hope Liuhe, Ningbo Tech-Bank, CP Pokphand, and Yuehai Feed Group -- all say they are developing high-end aquatic feed, including for shrimp, and increasing sales.

But only CP Pokphand provides a breakdown of sales by feed type. In 2015, CP Pokphand's aquatic feed sales volumes in China decreased 12.8% to 400,000t on inclement weather, it said in its annual report.

A website backed by China's Ministry of Agriculture reported that nationally, aquatic feed production decreased by 7% year-on-year in 2015. Surprisingly, among the top-20 feed manufacturers it tracks, production was down a massive 19%. Sources in China have told Undercurrent that provincial data and national data often don't add up, a problem not isolated to aquaculture.

Therefore, when China's largest aquatic feed manufacturer, Tongwei, claims to produce 2.0m metric tons a year and targets production of 4.0m metric tons by 2020, and China's second-largest, Haid, aims to increase production by 20-25% annually in 2017 and 2018, it is very hard for the industry to know for sure.

Note: "Market demand" reported by Guangdong Feed -- as opposed to production capacity, actual production or sales -- was verified by a native Chinese industry source as the correct translation of the original Chinese rongliang. Another Chinese industry person said it meant "market volume".

*By Louis Harkell - [www.undercurrentnews.com](http://www.undercurrentnews.com)*

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**LAND-BASED SHRIMP FARMING: A SNAPSHOT OF A GROWING SECTOR INDUSTRY INSIDERS SHARE THEIR RESEARCH, PRODUCTION EXPERIENCES.**



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## ***Worldwide – April 13, 2017***

Shrimp farming with land-based recirculation aquaculture system (RAS) or biofloc systems is still in its infancy, despite several commercial attempts in the United States and Europe over the past years.

However, investment in the sector is accelerating, especially in Europe, and industry insiders shared the latest in R&D at the EuroShrimp 2017 event in Bremen, Germany, last week.

IntraFish rounds up the tips and tricks for future land-based shrimp farmers.

### **Design concepts**

There are two typical concepts of land-based shrimp farms: RAS and biofloc, with either raceway or round tanks.

Craig Browdy, director of research and development at United States-based feed producer Zeigler Brothers, made a case for biofloc systems during his presentation, saying in the last 10 years it has become the most commonly used system in intensive shrimp culture.

According to Browdy, it offers several advantages, including the potential for controlling nitrogenous wastes without the need for water exchange or external filters, the floc contributes to the nutrition of the shrimp, and the diverse microbial community displaces pathogens.

Browdy also cleared up some "myths" around biofloc systems. One is that they are zero water exchange systems. The systems do require a limited exchange for removal of excess biofloc to keep them stable, he said.



Another misconception is that biofloc systems need molasses or sugar to maintain them, however, Browdy said systems with little or no sugar or molasses are in fact more stable.

In Europe, and especially in Germany, shrimp aquaculture start-ups have opted for RAS systems, adapted from marine fish RAS aquaculture operations.

Gerrit Quantz of Futurefish Aquaculture, one of the pioneers in the field, said in contrast to fish marine farms, operators should focus on area and not volumes. In addition, shrimp have a lower oxygen consumption.

Quantz suggests keeping systems "as simple as possible," however, RAS will require high investment cost in pumping systems.

In terms of other equipment, farms need to have aeration systems, water circulation systems and "most importantly, back-up systems in case of a power failure," Browdy said.

"Maintaining a constant system is key," he said -- and this goes for both RAS and biofloc.

### **The perfect water**

Shrimp thrive best in water temperatures of between 28 and 32 degrees Celsius.

While biofloc systems have zero to minimal exchange, RAS operations get some fresh water every day.

"Many people are claiming that turbid water is better than clear water," said Bert Wecker, general manager of Förde Garnelen, a German RAS farm at the Baltic coast.



"We've been testing it and we don't see any differences," he said. "From our case, we believe clear water has some advantages."

According to Quantz, water treatment systems in classical RAS operations are still "quite expensive" as investment costs for a drum filter, which exchanges the water, are high.

Water salinity is another aspect that has to be taken into account.

"In indoor farming we have the choice of salinity," said Eric De Muylder of Belgian shrimp firm CreveTec.

The higher the salinity, the better the taste of the shrimp, he told the audience, adding there are however downsides to it.

In water with high salinity, shrimp are losing water to the environment, which they have to compensate through drinking.

Salts have to be pumped out, which will have an impact on energy costs. Shrimp can be helped by adding osmoregulants to the feed formula as well as fresh water.

In a low salinity environment, shrimp are unable to take up their requirement for macro-minerals from the water, which means it would have to be compensated through the feed formula.

According to a growth impact study de Muylder conducted, growth rates are bigger in water with higher salinity.

Wecker said water salinity at the Förde Garnelen farm is at about 15-25 grams per liter.



## **Stocking**

Stocking densities and survival rates are closely related, and both are keys to profitability, Wecker said, adding shrimp need a "comfort zone" about 30 percent.

For instance, with 3 kg of shrimp per square meter, the survival rate is less than 20 percent.

"If we assume that 100 percent of the area is used, shrimp are sitting on each other," he said. "That means there is no real comfort zone for the shrimp. As bigger the shrimp are, they change their behavior and the space they use."

He cited research conducted by Förde Garnelen, which "clearly" shows when stocking densities are increased growth slows down and mortalities are higher.

Browdy said the quality and health of post larvae (PL) is "crucial" as new pathogens are constantly emerging.

"You don't want to have that in your closed system," he said. "The key is to move your crops as fast as possible."

PL should be from a genetic selection program, they should be free from excludable pathogens, resistant or tolerant to local pathogens, and genetically selected for growth, and high survival and yield in the culture environment they will be grown, he said.

Quantz said limited PL supply for stocking the farms is still a hurdle. Currently, only one Florida-based hatchery is licensed to sell into the European Union.

## **Feeding strategy**



A lot of research still needs to be done on the optimum feed formulation for shrimp in land-based systems, speakers at the event agreed.

Browdy said the "key is to keep your FCR [feed conversion ratio] low and to use high-quality feed."

The feed "drives the system," especially in biofloc operations. The challenge is that most of the feed remains uneaten and dissolves into the water, which means all focus has to be on reducing the amount of uneaten feed.

Zeigler developed a precision feeding system to eliminate some of the dangers. It provides the animal with the exact amount of feed that it can consume, when it is ready to consume it.

A successful feeding program should contain all the nutrients required by the shrimp, in exact quantities, Browdy said.

The feed also needs to have an optimum size of the particles, and water stability and palatability is of the utmost importance.

The third aspect to be considered are the feeding methods themselves, he said. "You can have the greatest feed in the world in your systems but if you don't use it correctly it's like driving a Ferrari on a dirt road," he told the audience. "Overfeeding is a common mistake and these systems are not forgiving."

### **What else?**

There are a number of other factors to be considered when setting up a land-based shrimp farming operation.



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Cannibalism is one factor to account for in the systems, according to Quantz. He also said that fencing around the tanks is important, as "shrimp like to jump."

One of the biggest problems farmers in Germany have at the moment are sediments, he said, which is why a proper feeding management strategy is crucial.

Wecker and other presenters at the conference said the handling of the animals is also important to avoid stress, calling it "sensitive and complicated."

There are also still questions around the harvest method, Wecker said. "We still do it by netting but it means a lot of stress," adding a better solution has yet to be found.

***by Elisabeth Fischer- Intrafish Media***



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## **QUEENSLAND GROPER SENT TO SOUTH-EAST TO HELP SHRIMP FARMERS BATTLING WHITE SPOT DISEASE**

*Australia – April 13, 2017*

An aquaculture hatchery in far north Queensland has sent 2,500 free fish to farms affected by the outbreak of white spot disease, in what has been described as a "small ray of sunshine" for shrimp farmers.

The Queensland groper fingerlings will be farmed on the Logan River. It is a chance for shrimp farmers to diversify, as many face financial devastation following last year's outbreak of white spot disease. Farms on the Logan River in south-east Queensland have been further affected by flooding in recent weeks. Queensland groper, also known as giant groper, are a protected species and can only be sold when produced in hatcheries and farms.

The manager of the Cairns hatchery supplying the fish, Richard Knuckey, said the company was not trying to displace prawn farming, but wanted to grow the market for groper.

"[When the industry recovers] we're hopeful we would've demonstrated the value of doing groper there, and that those farms would come back into doing prawns but would also maintain a level of groper production," Dr Knuckey said.

*Source: ABC News - Aquafeed.com*

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## **NEW SHRIMP SPECIES NAMED AFTER PINK FLOYD**

*UK – April 13, 2017*

A new species of shrimp has been named after Pink Floyd thanks to a pact between prog rock-loving scientists. The *synalpheus pinkfloydi* uses its large pink claw to create a noise so loud it can kill small fish.



The team behind the discovery vowed years ago if it ever found a new pink shrimp it would "honor" the rockers. Sammy De Grave, head of research at Oxford University Museum of Natural History, said he has been a fan of the band since he was a teenager. And it is not the first crustacean he's named after a rock legend, having already named a species of shrimp after Rolling Stones front man, Mick Jagger - *elephantis jaggerai*.

*Source: BBC*

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## **GLOBALG.A.P. CONTRACTS WITH CHINESE E-COMMERCE SITE TMALL**

*China - April 13, 2017*

A partnership has been forged between Chinese e-commerce platform Tmall Fresh (operated by Alibaba Group) and GLOBALG.A.P. to provide more certified, fresh seafood to the website's customers.

Through the partnership, GLOBALG.A.P.-certified products will be promoted on the online retail interface, enabling such "products to reach China's vast and growing consumer market," according to the partners.

"Tmall.com is seen by many as a destination for quality, brand-name goods catering to increasingly sophisticated Chinese consumers and is the most visited [business-to-consumer] online retail website in the world," GLOBALG.A.P. explained in a news release.

The global certification program said it is looking to bring more responsibly produced seafood and food products to the market as a result of its new Tmall ties.

*By Madelyn Kearns - [www.seafoodsource.com](http://www.seafoodsource.com)*



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## **WHITE SPOT OUTBREAK CAUSES EASTER PRAWN SHORTAGE**

*Australia – April 12, 2017*

FishCo owner John Fragopoulos can't find the words to describe the agriculture prawn season this year, except "disaster".

"We'll be providing more Australian product but the catch has been limited," he said.

The outbreak of white spot disease in prawn catchments across Australia has created problems for the industry, rapidly depleting stocks amid fears the contagion would spread.

Mr Fragopoulos said the majority of prawns were being imported, and catering companies and distributors were coming to grips with the reality of Australian product available.

"There's just not enough to meet the local demand. We have had, from our wholesale distribution, a lot of disappointed customers," he said.

"They are available but very expensive."

Mr Fragopoulos said he would be freezing what stock was coming in to hold out for the next 12 months before the next prawn season.

Ocean Fresh Seafoods owner Chris Russell said he was expecting standard prices for his wild-caught prawns.

Wild-caught prawns aren't victim to the white spot outbreak affecting prawn farms across the country.



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"This season has been very good still, there's been good catches up north," Mr Russell said.

His prawns have been flown into Canberra from north of Townsville the last few nights.

"Average prawn price will be \$35 through to \$45 a kilo," Mr Russell said.

He expected bumper trade this weekend, saying Easter was always a strong point.

"Traditionally with Easter, ten years ago, it used to be all about fish but there's been a swing towards more crustaceans," Mr Russell said.

White spot disease has crippled prawn and other crustacean breeders after hitting Moreton Bay and Logan River in Queensland.

The Queensland Department of Agriculture and Fisheries is working to drain and decontaminate seven prawn farms on the Logan River that were impacted by white spot disease, a highly contagious viral infection affecting crustaceans.

While prawn farms avoided inundation when the Logan River flooded after Cyclone Debbie, heavy rainfall set back efforts to dry them out for decontamination.

The department believes decontamination on all farms south of the river will take months.

Chief biosecurity officer Dr Jim Thompson told Fairfax Media in February it intended to have affected farms operating again towards the end of the year.



Queensland seafood farmers have pushed back against a proposed levy to combat the white spot disease, saying the outbreak was the fault of biosecurity officials.

The federal government's proposed levy would contribute to a \$36 million fund, to be used like insurance for farmers and the government against stock losses, clean-up and eradication.

*By Finbar O'Mallon - [www.canberratimes.com.au](http://www.canberratimes.com.au)*

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## **BROKERAGE: THAI UNION TO BENEFIT FROM RED LOBSTER RECOVERY, LOWER RAW MATERIAL PRICES**

*USA - April 12, 2017*

A recovery from US-based restaurant chain Red Lobster Co. and lower prices for tuna, salmon and shrimp raw materials, mean brokerage Bualuang Securities is bullish on Thai Union Group.

According to a report from the brokerage on the upcoming first quarter results for Thai Union, raw material cost pressures will ease for the processor in the second quarter of its 2017 financial year as prices for tuna, salmon and shrimp started to fall in March-April.

For tuna, skipjack raw material prices have dropped to \$1,500 per-metric-ton for delivery in April 2017, wrote the analyst.

The raw salmon price is also lower, at NOK 63-66 per kilogram in February-March, down from a peak of NOK 75-81/kg in December-January.

The 60-count/kg shrimp price has "dropped sharply" from a recent peak of THB 230/kg in February to THB 180/kg in April.



According to Bualuang's Prasit Sujiravorakul, the lower raw material pricing environment in Q2 of 2017 will give Thai Union's blended gross margin and earnings "a strong boost" in the second half of 2017.

Thai Union, which will report its Q1 results on May 8, could also benefit from Red Lobster's plans to expand in new markets, wrote Sujiravorakul.

The brokerage has Thai Union rated as a 'buy', with a target price of THB 26. The shares are currently at THB 21.20.

### **'Saved' by Red Lobster**

For Q1, Bualuang is forecasting "solid core profit growth" for the company, modeling a THB 1.32 billion net profit, up 7% year-on-year and 46% quarter-on-quarter.

Gross profit should drop 8% y-o-y and 7% q-o-q, and operating profit 15% y-o-y and 24% q-o-q, due to weaker operations at two recurring business units -- tuna and shrimp -- because of the higher raw material prices, however.

Bualuang expects gross margin to "soften" to 14.1% -- compared to 15.5% in Q1 of 2016 and 14.3% in Q4 of 2016 -- as Thai Union "won't be able to fully pass on higher raw material costs to clients for tuna, shrimp and salmon during the raw material price uptrend in 1Q17".

The Q1, however, will be "saved by Red Lobster".

Bualuang is modeling for Thai Union's income from affiliates to turnaround from a THB 51m loss in Q4 of 2016 to a THB 170m profit in Q1 of 2017, "due mainly to a turnaround at Red Lobster".



The brokerage is assuming a THB 120m net profit for Red Lobster, up from a net loss of THB 110m in Q4 of 2016, due to one-time restructuring expenses.

Bualuang is forecasting Q1 sales to be THB 31.8bn, up 1.7% y-o-y, but down 5.3% q-o-q, driven mainly by shrimp.

Slower EU tuna sales, caused by Brexit and a jump in raw tuna prices, offset stronger Thai and US tuna sales, leading to flattish overall tuna sales in the first quarter of 2017, wrote Bualuang's Sujiravorakul.

The gross margin for branded tuna is likely to drop, due to the jump in the raw tuna price to a two-year high of \$1,700/t in January-February.

"Thai shrimp export sales remained strong, but US shrimp trading sales will soften in 1Q17," wrote the analyst.

The raw shrimp price surged to a three-year high of THB 230/kg in February, so the shrimp margin will be squeezed in Q1 of 2017.

Despite flattish salmon sales, with a higher sales price offset by lower volume, the brokerage expects salmon gross margin to widen and its net loss to be shallower due to sales price increases. Pet food sales and gross margin "should remain solid", wrote Sujiravorakul.

*By Tom Seaman - [www.undercurrentnews.com](http://www.undercurrentnews.com)*

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## **STUDY FINDS SUSTAINABLE ALTERNATIVE PROTEIN SOURCE FOR SHRIMP, SALMON**

**FOR THE FIRST TIME, A SINGLE CELL PROTEIN COULD REPLACE A KEY INGREDIENT IN AQUACULTURE FEEDS.**

***Worldwide – April 12, 2017***



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Results from a recent study showed potential to lower aquaculture feed costs and provide a new sustainable alternative protein source.

A study showed results for the first time that a single-cell protein could replace a key ingredient in aquaculture feeds for fish and shrimp.

The study looked at KnipBio Meal as a food for white shrimp, Atlantic salmon, and smallmouth grunts.

"All three species experienced similar or better growth and survival rates when fed a diet containing KnipBio Meal when compared to fish given a diet of conventional commercial feed," said KnipBio. "In blind taste tests, panelists rated the shrimp raised on the KnipBio Meal mixtures as statistically similar to control shrimp."

Researchers at Massachusetts-based biotechnology company KnipBio collaborated with the New England Aquarium, the University of Massachusetts at Boston, Roger Williams University and the USDA Agriculture Research Service.

"In addition to creating healthier fish, there are other inherent benefits to using KnipBio Meal as a replacement for agricultural protein in fish feed," said KnipBio CEO Larry Feinberg. "An estimated 100-acre KnipBio facility can match the protein production of a 10,000-acre soy operation, dramatically reducing the environmental footprint for production.

"The process also eliminates the need for fertilizers and pesticides and reduces energy use."

*by IntraFish Media*

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## **BIOMAR STRENGTHENS PRODUCT DEVELOPMENT IN CENTRAL AMERICA**



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### ***Costa Rica – April 12, 2017***

Dr. John Tinsley will become Technical Director and head of product development for BioMar in Central America from June 1st.

John Tinsley is to join BioMar's team in Costa Rica. Tinsley, who has worked for BioMar R&D based in Scotland since 2012, will undertake the role of driving the development of innovative feed solutions for tropical fish and shrimp in close partnership with BioMar's customers, Jorge Vargas, General Manager, BioMar Costa Rica announced.

BioMar's has rapidly taken the position as the leader in sustainable aquaculture in Central America, and Jorge Vargas wants to continue to build this position in a market with very interesting upcoming aquaculture species like cobia and red snapper and a large established production of shrimp and tilapia.

"John has an extensive background within aquatic health, which he can use to strengthen our product development activities for tropical fish and shrimp with a combined focus on feed performance, prevention of diseases, and sustainability." added Jorge Vargas.

John Tinsley holds a PhD in microbiology from Heriot-Watt University in Scotland, as well as a Master's Degree in Aquatic Pathobiology from Stirling University in Scotland. He has as part of BioMar's team of scientists focusing on health solutions for aquaculture contributed strongly to some of the most innovative product launches from BioMar in recent years.

***by Aquafeed.com Staff***

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## **PERUVIAN SHRIMP EXPORTERS DELAY SOME SHIPMENTS DUE TO FLOODS**



## ***Peru - April 11, 2017***

Peru's top shrimp exporters are continuing operations despite extraordinary rains resulting in billions of dollars of damage to northern cities and infrastructure.

Camposol, Peru's top shrimp exporter, and Acuacultura Tecnica Integrada del Peru (Atisa) continue to make shipments from one of the worst affected areas of the country by the coastal rains caused by El Nino, which have left tens of thousands of people homeless.

Camposol's installations and shrimp ponds have not been materially affected, a company spokeswoman told Undercurrent News. The company is helping workers to recover from damage to their homes besides clearing local roads, she said. Atisa, the country's second-largest shrimp exporter, said it is resuming normal shipments after the rains disrupted incoming supplies and the shrimp's moulting phase.

"We have had to delay some harvests because the rains affected the moulting of the shrimp," Matto said. "But the problems we've had basically have been the arrival of packaging material from Lima, which we've replaced with imports from Guayaquil."

The rains have come from associated warmer ocean temperatures caused by El Nino, which has heavily disrupted the country's anchoveta industry last year. The reconstruction effort to rebuild cities including Tumbes, where Camposol and Atisa have operations, will cost billions of dollars over the next few years, according to president Pedro Pablo Kuczynski. The president has attributed the rains, which have caused more than 100 deaths, to global warming.

The rains have had similar effect on Ecuadorian shrimp farms across the Guayas delta, where farmers delayed exports in February and March, resulting in a shortage of smaller shrimp sizes.



The rains will continue to fall until May, according to the government. The Civil Defense committee issued an alert on April 9 over the potential overflowing of the Tumbes River, which flows into the city of Tumbes. Many of Peru's shrimp farms are located on coastal plains near the city.

The city of Tumbes is the industry's main service center and will require significant rebuilding. The Minister of Economy and Finance on April 10 announced the first of several payments to restore basic services to the city's residents.

The floods come after a successful year for Peru's shrimp exporters, which have avoided major illnesses and have carried out expansions amid prices that were on average 43% higher. Camposol, although selling 13.9% less shrimp in 2016, opened several new intensive farms in 2016 and has a long-stated target of producing shrimp from 400 hectares (988.4 acres) of intensive farms. It is not yet clear how much damage Camposol has sustained from its agricultural operations, also situated in the north of the country, and how the impact will affect its plans to expand the shrimp business.

Atisa, which started out as a laboratory in 1991, opened a processing plant in Tumbes last year and has started selling its own produce and third-party material to its clients in Europe and Asia, Matto said. The company, which traditionally has sold about 500 metric tons, planned a 30% expansion last year, she said.

*By Matt Craze - [www.undercurrentnews.com](http://www.undercurrentnews.com)*

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## **SWISS SHRIMP FIRM DEVELOPS 'COPY AND PASTE' CONCEPT FOR LAND-BASED FARMS**

**THE IDEA IS TO ADD SMALL-SCALE BIOFLOC SYSTEM OPERATIONS TO EXISTING FARMHOUSES.**

***Switzerland – April 11, 2017***



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Aquafuture Switzerland has developed a land-based biofloc shrimp farming system it hopes will catch on across the country's agricultural farmers.

The company, which was founded in 2014, took its first pilot farm online in 2015, co-founder Stacy Ciulik told the audience at the EuroShrimp event in Bremen, Germany, last week.

In 2017, Aquafuture's farm -- which it runs as Aemme Shrimp -- will produce three metric tons of vannamei shrimp, she said.

The company is now planning to sell licenses to investors and consult on "copy-and-paste" projects in the country.

Ciulik said the idea is that the production of shrimp "would simply be added" to the farm. Aemme Shrimp is located in an old farmhouse pig stall.

The idea came up as agricultural farmers are being forced to adapt to the changing local environment, regulations and trends. "Indoor shrimp farming was very attractive," she said.

And the reception of the shrimp in the market has been good so far.

"We're still establishing the brand in the premium market," Ciulik told the audience. "Last year we produced 1 metric ton and we sold it all. This year we're producing 3 [metric] tons, which is the maximum capacity."

Sustainability is, however, key.

"Swiss people are willing to pay a high price but the products have to be sound all the way through," Ciulik said.

This includes sustainable energy concepts and good-quality water, she said.



"We couldn't possibly sell our shrimp if we heated the water with fossil fuels," he said.

*by Elisabeth Fischer – Intrafish Media*

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## **EMS-RAVAGED SHRIMP SECTOR BOUNCES BACK IN BELIZE**

***Belize - April 11, 2017***

The shrimp industry in Belize is on the mend after years of contending with diseases such as early mortality syndrome (EMS), according to a recent report from The Guardian.

Back in 2014, shrimp aquaculture was shaping up to be one of Belize's best earning sectors: exports were garnering the country BZD 90 million (USD 45 million, EUR 42 million) in foreign exchange (14.8 percent of Belize's total export earnings), and production was ramping up. However, EMS originating from a bacterial strain of vibrio parahaemolyticus soon gripped the industry, and many farms began to feel the disease's full effects by March 2015.

"Three months into the disease, most farms had been affected, plummeting production to less than half of what it was in 2014," The Guardian reported.

Last year, Belize's earnings for shrimp exports reached just BZD 10 million (USD 5 million, EUR 4.7 million). Due in part to "an aggressive campaign" put into place to "stop and reverse the effects" of EMS, the Statistical Institute of Belize's report for shrimp exports for January and February 2017 anticipates an almost BZD 2 million (USD 1 million, EUR 944,367) increase over 2016. Exports amounted to BZD 6.8 million (USD 3.4 million, EUR 3.2 million) for the first two months of 2016, and this year, exports have been recorded at BZD 8.4 million (USD 4.2 million, EUR 3.9 million) for the same timeframe. Furthermore, overall marine product exports have already risen from BZD 4.3 million (USD 2.1 million, EUR 2.03



million), recorded in 2016 for the month of February, to BZD 4.7 million (USD 2.3 million, EUR 2.2 million) in February 2017.

Current projections have shrimp production bringing Belize BZD 40 million (USD 20 million, EUR 18.8 million) in export earnings for 2017. More than 1,400 people are employed by the shrimp farming sector in Belize, a workforce consisting mostly of women in rural areas. Collectively, the shrimp farming labor pool for the country earns BZD 7 million (USD 3.5 million, EUR 3.3 million) in income, according to The Guardian.

*By Madelyn Kearns - [www.seafoodsource.com](http://www.seafoodsource.com)*

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## **FIJI MAKES AQUACULTURE A TOP PRIORITY**

**THE COUNTRY WANTS TO INCREASE PRODUCTION, REDUCE IMPORTS SPEND.**

***Fiji – April 11, 2017***

Semi Koroilavesau, minister of fisheries for Fiji, said aquaculture is the "top priority" to help reduce economic loss, as the country spends millions in seafood imports to supply the retail and food service sectors every year, reports FBC.com.

"We're spending about \$20 million [€18.8 million] in aquaculture products buying from overseas so our first challenge is to try and replace as a import substitution," Koroilavesau said.

"We want to generate our own production here so that those \$20 million spent overseas can be kept here."

However, the research director for the ministry said Fiji is challenged with producing seed stocks for fish, shrimp and freshwater shrimp.



The ministry is expected to set up pilot scale demonstration farms in the next three to six months to use disease free seed-stocks and increase production assistance to farmers around the country.

*by IntraFish Media*

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## **CHINESE AUTHORITIES ANNOUNCE NEW CAMPAIGN AGAINST ANTIBIOTIC USE IN AQUACULTURE**

*China - April 11, 2017*

Chinese authorities are launching a renewed attack on chemical use in seafood destined for the domestic market.

The country's agricultural ministry announced a nationwide action plan on 3 April concerning the contamination of agricultural products. It said it planned to combat the use of "two drugs in three fishes" – a reference to use of malachite green and furfural in turbot, snakehead fish (also known as grey mullet or mugil cephalus) and Mandarin fish (Chinese perch or *Siniperca chuatsi*).

The campaign is set to feature checks on fish markets, supermarkets and restaurants, though such checks are already being performed by the State Food and Drug Administration (CFDA), the body charged with implementing China's food safety laws.

The problem of antibacterial agents in aquaculture, fake agricultural antibiotics and the overuse of pesticides in tea farming and clenbuterol in pigs all featured heavily in the annual Consumers Day on 15 March. The day of awareness featured exposés of shoddy food production practices, broadcast on state TV. The use of furfural – a chemical feedstock sometimes used by Chinese fishmongers to give a sheen to seafood – is of particular concern to the country's consumers, given its toxicity.



*By Gao Fu Mao - [www.seafoodsource.com](http://www.seafoodsource.com)*

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## **SHRIMP PRODUCTION GREW 65.5 PC IN FOUR YEARS**

*Mexico - April 11, 2017*

Shrimp production in Mexico increased by 65.5 per cent in the last four years, making it the second most important seafood product in the country, reported the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA).

According to preliminary statistics from the Agri-Food and Fisheries Information Service (SIAP), the production of this crustacean rose from 127,517 tonnes in 2013 to 211,096 tonnes at the end of 2016 due to the incentives that the federal government has granted to this branch of production.

This represents an increase in real-world production of 83,579 tonnes of shrimp at national level.

This crustacean, of which Mexico ranks as the ninth world producer, is generated under the techniques of capture in lagoon systems and seas as well as through aquaculture in 17 entities of the country.

The five most important entities are Sinaloa, Sonora, Nayarit, Tamaulipas and Baja California Sur, which concentrate 92.9 per cent of the national production, which is equivalent to 196,131 tonnes.

In 2016, Sinaloa produced 99,015 tonnes of shrimp; Sonora made 59,098 tonnes; Nayarit produced 17,617 tonnes; Tamaulipas made 14,124 tonnes and Baja California Sur made 6,278 tonnes.



At the percentage level, Sinaloa concentrates 46.9 per cent of the national production and Sonora contributes 28 per cent; the remaining three entities contribute 18 per cent of the national volume of this crustacean.

Other states in which shrimp is also produced are Campeche, Colima, Veracruz, Oaxaca, Chiapas, Tabasco, Baja California, Guerrero, Quintana Roo, Yucatan, Jalisco and Aguascalientes.

During the last four years, the average national shrimp production is 176,638 tonnes, a volume that was exceeded during 2016, and the per capita consumption of this crustacean in Mexico is 1.7 kilograms.

*Source: [www.fis.com](http://www.fis.com)*

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## **BELGIAN SEAFOOD IMPORTER BOOSTS SALES, EYES FURTHER GROWTH**

**START-UP SAW A CHANGE IN OWNERSHIP LATE LAST YEAR AND A SHAKEUP OF ITS MANAGEMENT STRUCTURE.**

***Belgium – April 11, 2017***

Belgian seafood importer Seacorin, founded in September 2014, is expecting to post strong sales figures for the second year running in 2017 following a healthy first quarter.

In 2016, the company grew its turnover from €10 million (\$10.6 million) to €17 million (\$18 million) and it is forecasting revenue of around €26 million (\$27.6 million) this year.

In August last year, the company's ownership structure changed and Belgium based angel investor group MDM took a 50 percent stake in the company from founding member Frank Dedecker, owner of foodservice firm Defraron which initially provided the start up with financial backing.



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Dedecker's remaining 10 percent in the company -- he initially had 60 percent in total

-- has gone to the operational team of Seacorin, resulting in a 50/50 joint shareholding between them and MDM.

The current management team consists of Hans Lannoo, Olivier Mocar and Wim David as partners responsible for sales and Koenraad Van Simaey as the CEO and in charge of purchases.

"Frank Dedecker, one of the founding members and owner of Defraron is out, and MDM is in," Van Simaey told IntraFish.

According to Van Simaey, MDM is a well-known angel investor in Belgium and very strong in textiles, chemicals, and property.

"The move means we have the financial capacity for our growth," said Van Simaey.

"Group MDM has 50 percent plus one share and we, the operational team, have 50 percent minus one share."

"But they [MDM] are not involved in daily operations."

The shake-up means Van Simaey will report to MDM every quarter and the group will make sure Seacorin has enough credit lines open.

"They took over the shares and gave us a loan to maintain the 50 percent, and grow together with them," he said. "Most capital is supplied by them, via loan, which is considered as equity."



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In addition, due to last year's strong growth, the company's headquarter have moved from Bruges to Waregem and new employees have been recruited in 2016 for finance, logistics, quality and purchase.

The first quarter of 2017 confirmed the expected sales growth with a 59 percent turnover increase and Seacorin will further expand its product range and sourcing markets to countries such as Ecuador, Indonesia and China.

Furthermore, Seacorin will hire more new staff in 2017 in order to support the sales team.

"The company's focus remains on a low cost organization that delivers sustainable and correct products at competitive prices," Van Simaey told IntraFish.

Seacorin was Aquaculture Stewardship Council (ASC) and Marine Stewardship Council (MSC)-certified in 2016 and expects to obtain the IFS brokers certificate in the second half of 2017.

*by Dominic Welling – Intrafish*

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## **FORMER ELITE SEAFOOD DIRECTOR JOINS GROBEST**

**EXECUTIVE WILL BRING TILAPIA EXPERIENCE TO THE VERTICALLY INTEGRATED ASIAN GIANT.**

***Taiwan – April 11, 2017***

Former Elite Seafood Director Jason Carter has joined Taiwanese vertically integrated aquaculture group Grobest.

Carter, who announced his departure from Elite in January, will remain based in China, where he co-founded tilapia farming and processing group Elite Seafood. Carter -- a New Zealand national -- was partnered with Taiwanese businessman JC Chou on the operation, which farms tilapia in netpens in Lake Xiao Jiang.



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Icelandic Group held a stake in the company in the mid-2000s, which it subsequently sold.

Vincent Lin, general manager and head of food of Grobest, told IntraFish at the Taiwan International Fisheries and Seafood Show in Kaohsiung last November that the Taiwan-headquartered shrimp feed and farming giant is looking to increase its foothold in shrimp processing.

Grobest is one of Asia's largest aquaculture feed suppliers, with 15 feed plants across the region.

The group is also a major producer of shrimp, tilapia and processed seafood. The company reported sales of \$740 million (€698.1 million) in 2015.

*by Drew Cherry – Intrafish media*

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## **SHRIMP INDUSTRY STARTS REBOUNDED AFTER EMS IMPACT**

*Belize - April 11, 2017*

The Shrimp Growers Association met with representatives of the Ministry of Investment, Trade and Commerce to analyse challenges and issues being faced by the shrimp industry in order to join efforts in order to combat them and rebound the industry.

After the meeting, the team did a working tour of Aqua Mar Belize Ltd, and Royal Mayan Shrimp Farm, where the delegation conducted a first-hand observation of the emerging technology being implemented to restore Belize's strong aquaculture industry.

Shrimp farming in Belize and around the world, has run into considerable challenges in recent years and there are now many ecological and environmental effects that are now known, that was unknown a decade ago. With investments in



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new technology and a different studied approach, Belize is once again poised to become a contender in shrimp production.

Representatives of the sector recall that in 2014 shrimp export earnings netted Belize over BZD 90 million (USD 44.2 million) in foreign exchange or some 14.8 per cent of all of Belize's export earnings.

At the time it was projected that this industry could have been one of the greatest earners for Belize. But from a projected path of growth, the industry was hit by early mortality syndrome (EMS).

As a result of the disease shrimp farms across the country began feeling the effect in March of 2015. Three months into the disease, most farms had been affected plummeting production to less than half of what it was in 2014. So severe were the effects that last year, exports were just over BZD 10 million (USD 4.9 million).

The toll on the industry was devastating. But all hope was not given up, producers moved quickly to identify the disease.

So well orchestrated has been the response that the Statistical Institute of Belize's report for shrimp exports for January and February this year is seeing an almost BZD 2 million (USD 983,000) increase in exports this year over last year. In the first two months of 2016 export amounted to BZD 6.8 million (USD 3.3 million) and this year, it is recording BZD 8.4 million (USD 4.1 million).

Overall, exports in Marine Products for the month of February 2017 grew by BZD 0.4 million (USD 0.1 million), from BZD 4.3 million (USD 2.1 million) in 2016 to BZD 4.7 million (USD 2.3 million) in 2017. This growth is all attributed to the rebounding shrimp industry which directly employs over 1,400 persons mostly women in rural areas who earn some BZD 7 million (USD 3.4 million) in income.



This year shrimp production is expected to bring in BZD 40 million (USD 19.6 million) in export earnings.

*Source: [www.fis.com](http://www.fis.com)*

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## **MOMENTUM GROWING FOR LAND-BASED EU SHRIMP FARMING**

**THE SECTOR IS STILL IN ITS INFANCY AND MANY CHALLENGES REMAIN -- BUT INVESTOR INTEREST IS BUILDING UP.**

***EU – April 11, 2017***

The meeting room at the first international symposium EuroShrimp 2017 was bursting at its seams in Bremen, Germany, last week.

The focus of the two-day event was on European land-based shrimp farming. Many called it the "future of European aquaculture" -- and the list of attendees showed investor interest is growing.

Berenger Colsoul, researcher at Bremerhaven-based Alfred Wegener Institute (AWI), the conference's organizers, said there "clearly is viability of shrimp farming in Europe."

A number of facilities went online in the past few years, in Germany in particular, as start-ups hope to cash in on the trend for fresh, locally produced food.

The vast majority of the 600,000 metric tons of shrimp consumed in Europe every year is still frozen but "there is growing interest for fresh products," Colsoul said.

Gerrit Quantz, of Futurefish Aquaculture, one of the pioneers in the field, said this unique selling point of European farmed shrimp will be the key to success.



"We're on an island where there's no fresh shrimp available," he told the audience. "We found that we can market it at a very high price. We would achieve premium margins."

Quantz called out the example of "one Bavarian shrimp farmer" -- Crusta Nova -- whose shrimp sell at €74.99 (\$79.40) per kilo at retail, and for €69.50 (\$73.60) per kilo at its dedicated online shop.

The return on the investment will be a fast one, he said, with market size of the shrimp reached within four to six months.

### **List of challenges is a long one**

But as with any industry in its infancy there are still a number of downsides. High investment costs for the recirculation aquaculture system (RAS) or biofloc systems is only one of many challenges.

Quantz said limited post larvae (PL) supply for stocking the farms is another hurdle. Currently, only one Florida-based hatchery is licensed to sell into the European Union.

"We're relying on one source," Quantz said. "That worked very well for the past 10 years but it's still a limitation."

On the operational side, there's still a lack of knowledge. The companies currently operating are still determining the best stocking densities, water treatment systems, farm design, harvesting methods and feeding strategies.

He believes the return of investment is 10 years, with "on paper" production cost of about €20 (\$21.20) to €22 (\$23.30) per kilo of farmed shrimp.

### **Will the market pay?**



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Knowing the market and knowing what it will accept is "crucial," said Eric Bernard, head of quality and sustainable development at French-Madagascan shrimp supplier R&O.

"From the day you stock your pond you need to know your market," he told the audience at EuroShrimp.

And land-based shrimp farmers still have to carve out a market for them.

While Quantz is seeing good opportunities, he said "a lot of time and effort" will have to be invested in marketing.

"You have to convince people to buy fresh shrimp," he said, adding one concern is the short shelf life, which means producers will need a "good distribution network.

"If you start freezing you're losing your USP [unique selling proposition]," Quantz said.

*by Elisabeth Fischer – Intrafish Media*

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## **BRAZILIAN LOBBY OPPOSES SHRIMP IMPORTS' LIBERALIZATION**

*Brazil - April 10, 2017,*

During a recent meeting, the Brazilian Association of Shrimp Breeders (ABCCAM)'s president, Itamar Rocha, highlighted the health risks of opening imports of shrimp and other crustaceans from countries classified with high risk of epidemiological diseases.

A delegation led by Rocha met with the Brazilian senate's president, Eunício Oliveira, at the country's ministry of industry, foreign trade and services on April 5



to discuss the proposed liberalization of shrimp imports from different origins, according to the Brazilian senate's agency.

According to Rocha, the rapid growth and development of the shrimp industry would cause a proliferation of pathogens that affect not only shrimp and other crustaceans, but also humans who consume contaminated food.

Senator Jose Agripino, who also attended the meeting, agreed with the president of the association. Allowing shrimp imports without sanitary analysis or risk analysis is a reckless practice, Agripino said.

During the meeting, the vice-president of the senate, Cassio Cunha Lima, said he was informed by the minister of agriculture, livestock and supply, Blairo Maggi, that sanitary reports authorized shrimp imports from other countries.

Therefore, Oliveira advised ABBCAM to seek technical entities responsible for sanitary analysis that would contradict existing reports, in order to challenge import liberalization.

Oliveira received from Rocha a document summarizing what the ABCC presents as risks of liberalizing shrimp imports from countries classified as high-risk epidemiological diseases.

Oliveira said that he will make a "deeper analysis of the documents" and then send to Maggi requests for explanations on issues —regarding the authorization of imports from other countries — that might arise from the report.

At present, Brazil bans shrimp imports from other countries.

Earlier this year, the Brazilian government announced it will open the market to imports of headless, peeled, de-veined shrimp from Ecuador and Asian countries.



Currently, Brazilian shrimp production, which has been hit by disease, cannot meet local demand, pushing the government to liberalize the market, according to sources.

Exact details on what shrimp products and from what origins will be allowed to be imported into Brazil should have been clarified at the beginning of April, when the decision was expected to be finalized, sources said in March.

The opening of the Brazilian shrimp market might be a 'game changer', according to sources.

ABCCAM questioned the methodology and the experience of technicians involved in the import risk analysis (ARI) that concluded that there is no risk from Argentine shrimp imports, Seafood Brasil reported.

In the case of Ecuador, the process to conclude the ARI analysis is well advanced, Seafood Brasil also reported.

The Ecuadorian national fisheries institute INP is carrying out inspections of Ecuadorian factories to report to Brazilian authorities, one Ecuadorian source had told Undercurrent News in Boston last month.

"They [Brazilian shrimp producers] complain because we [Ecuadorian producers] will be competition if they open all barriers. Nowadays in Brazil, shrimp are sold at prices that are 'a bubble'. They probably will not open 100% [of] barriers, but eventually they have to open something," a source from another large Ecuadorian producer told Undercurrent.

Talking about the risk of spreading disease in Brazil, he added, "There is nothing [no disease in Ecuador] that you do not find in Brazil. We are not Asia or Central America, where farms are ultra intensive and a lot of chemicals and antibiotics are used. Under that concept, I would think that Ecuador [imports] would come first



[when the market is liberalized] and the other [origins] would come after, but I am not a Brazilian politician".

Meanwhile, the president of the national chamber of aquaculture (CNA), Jose Antonio Camposano, was going to travel to Brazil to push for shrimp market liberalization in the country.

*By Matilde Mereghetti - [www.undercurrentnews.com](http://www.undercurrentnews.com)*

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## **BELIZE'S SHRIMP FARMING INDUSTRY REBOUNDED FROM EMS**

**COUNTRY'S SHRIMP EXPORTS EXPECTED TO HIT \$20 MILLION THIS YEAR.**

***Belize – April 10, 2017***

Belize's shrimp farming industry, which was hit by an Early Mortality Syndrome (EMS) outbreak in early 2015, is reportedly back on its way up, suggests guardian.bz.

In 2014, shrimp export earnings netted Belize more than BZD 90 million (€42.5 million/\$45 million) in foreign exchange or some 14.8 percent of all of Belize's export earnings.

However, as a result of EMS shrimp exports last year amounted to just slightly more than BZD 10 million (€4.7 million/\$5 million).

"The toll on the industry was devastating," Guardian writes. But producers moved quickly to identify the disease and "began an aggressive campaign to stop and reverse the effects."

These efforts are now starting to pay off: According to the Statistical Institute of Belize, shrimp exports in January and February this year saw an almost BZD 2 million (€945,510/\$1 million) increase over the previous year.



In the first two months of 2016 export amounted to BZD 6.8 million (€3.2 million/\$3.4 million) and this year it is recording BZD 8.4 million (€4 million/\$4.2 million).

This year farmed shrimp production is expected to bring in BZD 40 million (€18.9 million/\$20 million) in export earnings.

*by IntraFish Media*

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## **ARGENTINE SHRIMP CATCHES UP 53% Y-O-Y IN 2017 SO FAR**

*Argentina - April 10, 2017*

In the first three months of 2017 a total of 32,564 metric tons of shrimp were landed in Argentina, according to preliminary data from the country's ministry of fisheries.

Landings were up 53% year-on-year in the period, after Argentine shrimp catches reached a record high in 2016, with 172,827t landed between January-December 2016.

However, landings dropped sharply in March, compared with January and February landings.

The Argentine land-frozen season will end shortly, sources in Boston told Undercurrent News, pointing out demand for headless shrimp in the US was huge.

Some producers told Undercurrent in the first week of April that shrimp landings were extremely scarce at the moment. "There are not [much] whole shrimps in [the port of] Rawson," one source said.



Current sales of Argentine shrimp are therefore mostly driven by stocks accumulated in recent months. In November and December catches have been scarcer year-on-year, causing stocks in Argentina and Spain to drop, but they have recovered in the first three months of the year.

This caused stocks both in Argentina and Spain to recover, so that producers could plan their sales strategy until June, according to one source.

However, demand for Argentine shrimp is very strong, in Asia, Europe and the US, supporting prices, sources said.

In the past, demand for Argentine shrimp depended on the price of vannamei shrimp, but that is no longer the case, because demand for Argentine produce has consolidated and grown, one source noted.

"Here at the Seafood Expo North America there is a huge demand, particularly for headless shrimp," one large Argentine exporter said.

Another source said that prices had risen approximately \$0.40/kg in recent weeks because of higher demand.

"There are no landings, but there is a strong demand for head-off from China and strong demand for re-processed, individually frozen products from Europe. In the US, they demand more re-processed frozen products, such as easy-peel, peeled/de-veined and peeled and head on," one said.

The land-frozen season this year, so far, has been very good, another of the sources also said. He noted there is a new initiative to research what the total shrimp biomass in Argentine waters is.

"From preliminary data we expect shrimp catches this year to be approximately 10% lower than last year, which was exceptional," the source said.



The sea-frozen season is expected to start between May and June, following an examination of the biomass that will be carried out between the end of April and the start of May, according to sources.

*By Matilde Mereghetti - [www.undercurrentnews.com](http://www.undercurrentnews.com)*

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## **INTRAFISH PRICE TRACKER WEEK 15: INDIAN, INDONESIAN SHRIMP PRICES CLIMB**

**MIXED RESULTS FOR TILAPIA FILLET PRICES FROM CHINA.**

***Indonesia – April 10, 2017***

Prices of tilapia fillets from China saw mixed results during the week ended April 7. Weight class 3-5 lb stayed the same at \$1.95 (€1.84); weight class 5-7 lb fell by \$0.05

(€0.04) to \$2.10 (€1.98) per pound; and weight class 7-9 lb jumped by \$0.10 (€0.09) to \$2.35 (€2.22).

Shrimp prices for certain sizes and origins saw increases, week-on-week.

Indian, white farmed shrimp prices for the weight class 16/20 lb stayed the same at \$5.95 (€5.62) while sizes 21/25 lb and 26/30 lb went up by \$0.10 (€0.09) to \$5.30 (€5) and \$4.85 (€4.58) per pound, respectively.

Indonesian tail-on vannamei prices gained \$0.10 to \$5.20 (€4.91) per pound. As for weight class 31/40 lb, the New York Frozen Auction posted prices for this weight class for the first time since week 6: \$4.70 (€4.44), which is \$0.10 more than its price eight weeks ago.



Meanwhile, Thailand white tail-on shrimp prices were unchanged at \$2.10 (€1.98) for weight class 31/35 lb and \$4.85 (€4.58) for the 36/40 category.

Ecuador white farm shrimp also stayed the same at \$4.45 (€4.20), \$4.25 (€4.02) and \$4.15 (€3.92) for sizes 31/35, 36/40 and 41/50, respectively.

In Brazil, the price increased even more slightly as compared to the previous week, at \$8.17 (€7.70) per kilogram, up from \$8.16 (€7.60).

Coho into Japan stood still for the fourth week running at JPY 875 (€7.30/\$7.90) per kilo, as did trout at JPY 1,100 (€9.20/\$9.90) per kilo on average.

*by IntraFish Media*

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## **FISHMEAL COMMENTS AND PRICES: PERUVIAN**

*Worldwide - April 09, 2017*

The landings in the south of Peru are now up to just under 140,000 m/t which leaves about 375,000 m/t of quota to June 30, 2017, only about 13 weeks. It is probably going to be difficult to catch the entire quota, but one never knows what can happen.

The trade in Peru feels that there should be a quota announcement in the next week or so with an actual start to northern fishing in early May.

Everything seems to be very quiet in Peru these days and with all the Easter holidays creeping up on us it will get even quieter. Peru will be closed April 13 and 14 for Easter.



Sorry but not much more to say this week as with no fishing and no sales there is just a lot of quiet

***By Wayne Bacon - Weekly Grain And Protein Report from Hammersmith Marketing Ltd***



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## **THAI UNION LOWERS BUDGET, TARGETS 15% RISE IN REVENUE**

*Thailand - April 08, 2017*

THAI UNION GROUP targets 15-per-cent revenue growth to Bt150 billion this year as the investments it made in 2016 are consolidated.

The company has also set aside a budget of no more than Bt25 billion for new investments and mergers and acquisitions this year, depending on business opportunities, a TU executive said yesterday.

Rittirong Boonmechote, president of the company's global frozen and related products unit, made the remarks after a press conference to introduce its new frozen-food brand Qfresh.

The company's investments in 2017 will be lower than last year's approximately Bt25 billion, because the group has to manage its 2016 investments to generate earnings, he said.

"We have to maintain our debt-to-equity ratio at no more than 2:1. Currently the ratio is 1.3:1, which leaves us room to keep investing," he said.

Yesterday, the group signed a loan agreement worth US\$50 million (Bt1.73 billion) with HSBC Thailand.

The funds will be used to continue Thai Union's international expansion.

Rittirong said the trade policy of the United States, which announced that Thailand was one of 16 countries with trade surpluses with the US, will have little impact on TU's business this year because the group has its own frozen-food production facility inside that country.



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If the US hits Thailand with other trade barriers, TU may export from its other plants in third countries unaffected by such measures.

The United States is the No 1 market for TU's frozen-food exports, accounting for about 50 per cent of total export value.

Should the US announce measure that could have an impact on its business.

Rittirong said, the company has ways to solve such problems, especially expanding sales from its plant in the US to replace the products it currently exports there.

"Our business strategy is to expand our portfolio overseas to balance our business when facing trade measures," he said.

Last year, Thai Union Group reported revenue of Bt134 billion, up 7.3 per cent from 2015, and net profit of Bt5.25 billion, down by 0.94 per cent.

Currently, TU has 17 plants in 13 countries: France, Ghana, Poland, Portugal, Papua New Guinea, Seychelles, Scotland, Vietnam, India, China, Dubai, Norway and the US.

The group now owns several brands both in Thailand and overseas, such as Select, Chicken of the Sea, and King Oscar.

This year, the group is launching a new brand for frozen seafood products, Qfresh.

It has a marketing budget of Bt50 million aimed at first-year sales of Bt300 million from the new brand.

Qfresh



The group also targets Qfresh sales reaching Bt1 billion within five years, with average annual growth of 20 per cent.

"We see strong demand for frozen seafood in Thailand, with estimated total market value of about Bt20 billion a year. As a result we decided to launch our own brand to [cash in on] the demand in the market," Rittirong said.

Qfresh will also be available for customers in Greater Bangkok to purchase online for delivery to their homes.

Delivery is free for purchases over Bt500; otherwise the delivery fee is Bt100.

"We target 80 per cent of Qfresh sales from the offline market, and the rest online," he said.

*By Somluck Srimalee - The Nation*

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## **NEW TITI SHRIMP MANAGEMENT MEASURES AGREED**

*Ecuador - April 07, 2017*

Representatives of Primero de Mayo Association of Titi Shrimp Vessel Owners and the Fisheries Resource Undersecretariat signed a memorandum of understanding to set the management, regulation, control and zoning of the titi shrimp (*Protrachypene precipua*).

The agreement is the result of several working meetings between representatives of the titi shrimp fisher sector of the province of Guayas and the Ministry of Agriculture, Livestock, Aquaculture and Fisheries (MAGAP) last year. These meetings analyzed the sector's request to expand the catch areas and modify the closure period, the fishing days and the landing volume.



In the signed minutes, the period of closure of the titi shrimp was permanently set from zero hour on February 1 until 24:00 on March 31 each year.

In addition, the amount of 400 tonnes per ship of titi shrimp was set as annual fishing quota. This quota may be caught by each vessel of the Ecuadorian fleet of industrial shrimp fishing ships during a period of 220 fishing days.

Currently, the fishing areas where titi shrimp capture is allowed covers five miles off the coast, but now the agreement makes it possible to expand it to eight miles, said Deputy Secretary for Fishery Resources Victor Alcivar.

In addition, vessels will have to keep satellite monitoring equipment (WMS) active throughout the fishing season, and failure to do so, "they will have to return immediately to port," he warned.

Jorge Baidal, president of Primero de Mayo Association, thanked the authorities for responding to requests from the shrimp sector.

"They have considered our point of view and our position in important decisions, which we welcome because this helps to strengthen our work," said the fishing leader.

*Source: [www.fis.com](http://www.fis.com)*

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## **MADAGASCAR LAUNCHES NEW LABEL FOR ITS SHRIMP**

**LABEL CAN BE USED FOR BOTH WILD AND FARMED SHRIMP PRODUCTS.**

***Madagascar – August 07, 2017***

Madagascan shrimp producers launched a new label, which they hope will give worldwide customers an assurance of the the quality of the products, reports Global Times.



"This label is to demonstrate that Madagascar is able to offer internationally a product of excellence named Madagascar shrimp," Claude Brunot, president of the Madagascar shrimp farming and fishing industry association (GAPCM), said during the launch of the label.

With the label, producers and fishermen aim to "guarantee the originality of their product, and ensure the traceability and quality of the products sold and exported by Madagascar," he said.

GAPCM is the official association for 12 shrimp producers, approved by Madagascar's government to produce and export shrimp.

"Shrimp production from Madagascar represents only 1 percent of the world shrimp, but [the] European and Asian market recognize Madagascar's shrimp as the best quality," Brunot said.

In 2016, the country produced about 8,600 metric tons of wild shrimp, valued at around MGA 96 billion (€28 million/\$29.8 million), and 4,600 metric tons of farmed shrimp, valued at MGA 146 billion (€42.6 million/\$45.3 million), he said.

*by IntraFish Media*

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## **LABEYRIE UK OPS: FARNE TURNOVER ROCKETS WITH FLAT YEAR FOR LYONS**

*UK - April 07, 2017,*

The UK salmon, whitefish and pelagic processing arm of France's Labeyrie Fine Foods reported a strong growth in turnover in its latest financial year, providing a fillip for the French firm since the pound's slump after the UK's vote for Brexit.

Turnover at Berwickshire, Scotland-based Farne Salmon and Trout increased 24.0% year-on-year to £97.6 million, in the fiscal year to June 25, 2016. It marks the third consecutive year of solid top-line growth at the firm.



Earnings before interest, taxes, depreciation and amortization (ebitda) also grew strongly -- albeit from a low base -- up 21.9% to £5.63m. Ebidta grew despite growth in cost of sales exceeding turnover growth for the period by a couple of percentage points, up 25.8% to £87.8m.

Farne's board of directors are confident of further growth in turnover on the back of "continued investments in production facilities", they said in the financial report. It follows growth in fiscal 2015 of 7.2%, and growth of 14.0% the year prior.

The sustained purple patch will be welcomed by Labeyrie. Recently Fitch Ratings, a ratings agency, said the devaluation in the pound would drag on Labeyrie's financials; Fitch anticipates Labeyrie's ebitda to fall by 7.7 percentage points in 2017.

Sources recently told Undercurrent News Labeyrie has expressed interest in acquiring one of the largest smokers in the US, Acme Smoked Fish, possibly to diversify beyond the UK.

Labeyrie is thought to have approached the owners of Brooklyn, New York-based Acme, the Caslow family, about a deal. Labeyrie is also thought to be eyeing other smokers in the US, sources told Undercurrent.

Fellow UK-based member of the Labeyrie, Lyons Seafoods, on the other hand, reported flat turnover of £122.8m, in the fiscal year also to June 25, 2016. Ebitda slipped 4.2% to £10.38m.

The fall came despite more stable raw material availability compared with fiscal 2014, said the firm, when the firm's profit fell 27.5% on high shrimp prices and tight supplies.



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Nonetheless, investments in chilled production facilities provide a “firm base from which the business can continue to grow”, remarked the board of directors.

But, this year UK shrimp importers have been dealing with costly delays at UK customs as a result of stricter EU regulations on testing of shrimp imported from India. It stemmed from concerns Indian shrimp contains high levels of "pharmacologically active substances".

In November, industry sources told Undercurrent costs of storing shrimp in port for inspection ran into the thousands of pounds per day for the biggest importers.

BY LOUIS HARKELL - [WWW.UNDERCURRENTNEWS.COM](http://WWW.UNDERCURRENTNEWS.COM)

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## **WORKER SHORTAGE LEAVES TEXAS SHRIMP BUSINESSES IN DIRE STRAITS**

*USA - April 07, 2017*

The shrimp industry in Texas is coming up against a considerable worker shortage as a result of the U.S. Congress not renewing the H-2B returning worker program, which is set to expire in September.

Temporary foreign workers utilize the program in Texas to work with shrimp processing plants and vessel owners, according to The Brownsville Herald. After the U.S. government announced in March that the H-2B visa cap for the second half of 2017 had been reached, operations for the Rio Grande Valley's shrimp industry came to a halt, said the newspaper. Moreover, the Brownsville-Port Isabel shrimp fleet has been left with a crew shortage heading into the Texas shrimp season, which kicks off in mid-July.

“The Rio Grande Valley's shrimp industry increasingly has had to rely on shrimp boat workers from Mexico, who tend to have experience and in some cases have



worked on the same U.S. boats for two decades or more," said The Brownsville Herald.

"If this isn't fixed, several of those boats will not fish because we will not have crews for them," said Port Isabel-based shrimp boat owner Lee Caddell, who operates a fleet of nine boats and who typically employs 18 to 19 H-2B workers returning each year. Without a renewed exemption, Texas' shrimp business will be dealt a devastating blow, said Caddell.

On 15 May, the current shrimp season will come to an end. However, many boats have already been docked for maintenance and due to more meager harvests at this time of year.

*By Madelyn Kearns - [www.seafoodsource.com](http://www.seafoodsource.com)*

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## **CHINA SHRIMP PRICES RISING, BUT DOWN ON 2016 AS IMPORTS SURGE**

*China - April 6, 2017*

Domestic shrimp prices in China are rising strongly amid seasonally low domestic shrimp production. But prices are still 15-30% lower than during the same period last year, possibly on the back of another big increase in shrimp imports.

According to Undercurrent News' prices portal, in the month of February -- when Chinese New Year was celebrated -- shrimp prices were CNY 59.4 per kilo (\$8.63, farmgate, head on shell on, 80 count) in Guangdong Province, China's largest shrimp production region.

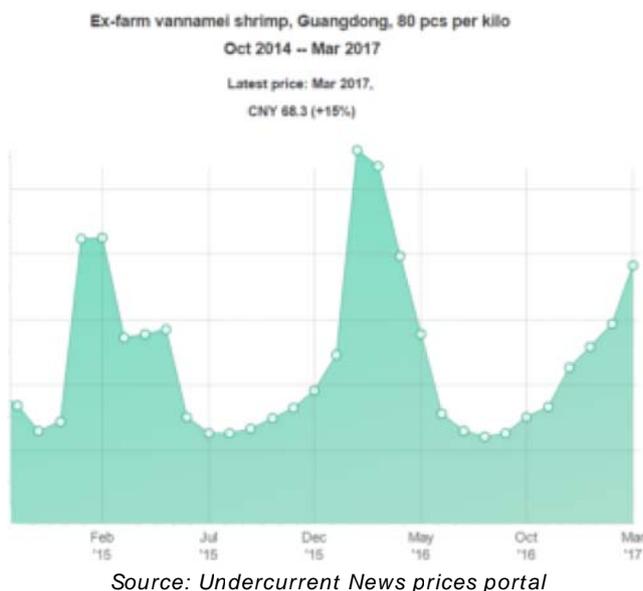
This was 30% below prices in February of 2016 for the key benchmark.

In Fujian Province, another large production area, prices were CNY 65 per kilo (farmgate, HOSO, 80 count), or 20% below year-ago levels.



January and February are the most busy months in the calendar for shrimp sales in China. Lower prices indicate shrimp traders were well-stocked -- or demand fell short of expectations -- for CNY.

The former seems more likely. In November and December of 2016 -- key months for Chinese stocking up in preparation for CNY -- China likely imported 30-50% more shrimp from key suppliers Ecuador and India compared with the corresponding period in 2015.



The imports were mostly shipped via Vietnam, which is used as a staging post for smugglers importing large volumes of shrimp into China.

According to International Trade Center (ITC) figures, Ecuador exported 29,693 metric tons to the southeast Asia country over November and December, up 30%

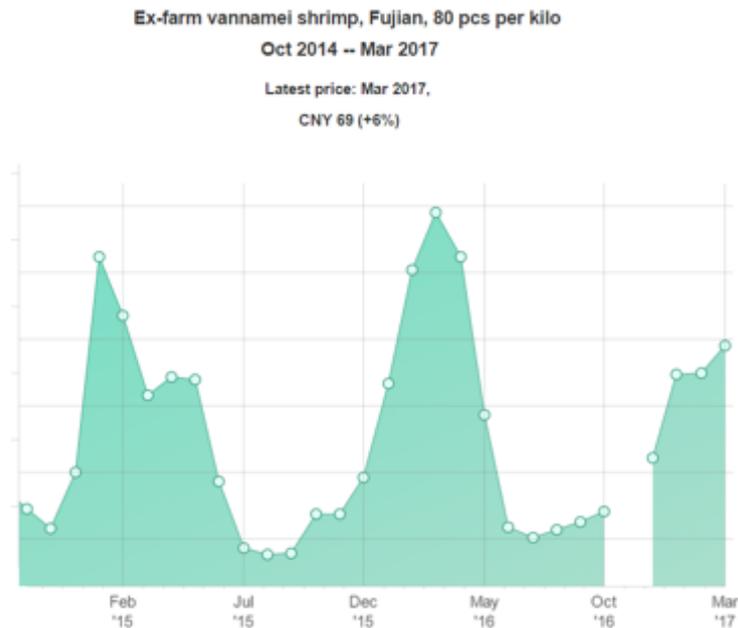
year-on-year. India exported 22,143t to Vietnam during the two months, up a massive 83% y-o-y.

Late last November sources told Undercurrent hotels in India and Vietnam were full of Chinese buying up shrimp.

Last year during CNY shrimp prices were especially high -- the highest in the past four years, according to Undercurrent's prices dashboard. In February 2016, prices reached CNY 107 per kilo of shrimp (60 count) in Guangdong.



This year prices are lower but nevertheless rising strongly, now that seasonally low supply of domestic shrimp is impacting the market.



Source: Undercurrent News

Last month, average farmgate prices rose 15% month-on-month to CNY 68.3 per kilo (80 count) in Guangdong. In Fujian Province, prices rose 6% to CNY 69 per kilo (80 count).

Prices have increased for other sizes, too. Last month, farmgate prices for shrimp 60 count rose 18% month-on-month to CNY 71.9 per kilo in Guangdong, while prices for 120 count rose 27% to CNY 59.3 per kilo.

Undercurrent said in December that prices could double around CNY -- this plainly hasn't occurred. But difficult-to-forecast price volatility is normal during the first few months of the new year in China.

"Because prices during CNY are very high, sales volumes will be somewhat volatile," said Shuichan, a Chinese trade publication, last week. "As soon as a batch of shrimp arrives at market, it is very quickly snapped up by buyers. This has been especially the case in third and fourth-tier cities."



"As shrimp in holding ponds decreases, farmgate prices are rising. Add transportation costs and traders' profits, once shrimp gets to market prices are higher still. By the time shrimp arrives in the hand of a customer, prices of CNY 100 to CNY 120 per kilo are quite normal."

According to local media, most trade now is of either imported shrimp, surplus shrimp from CNY, shrimp held in cuntang, or "holding ponds", or shrimp harvested from environmentally-controlled indoor shrimp farms or winter greenhouses, which produce shrimp year-round.

### **Imports rising**

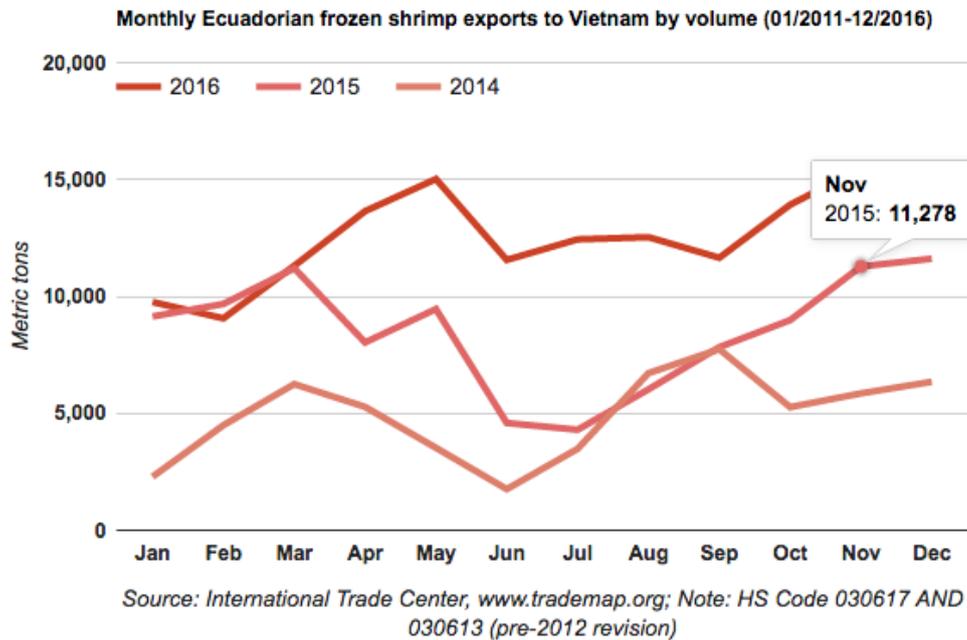
Concomitant with lower prices this year, and after the big increase in imports, more recently Chinese importers are "buying less aggressively", a source in Thailand who did not wish to be quoted by name told Undercurrent.

He said that high international prices may have turned them away from the market.

"Indian prices have gone high. Southeast Asian prices are higher than last year. They might just want to wait to see how the domestic season unfolds," he said.

However, Ecuadorian sources told Undercurrent earlier this year they expected Chinese imports would drop off during CNY, but then pick up again afterwards.

Indeed, last year monthly Ecuadorian shrimp exports to Vietnam were second-highest for the year in May, at 15,017t. Monthly Indian exports to Vietnam were highest in June, when exports hit 14,476t.



Indeed, rising imports may be behind lower prices, with local media reporting as much in some cases. In 2016, Ecuador exported 150,569t of frozen shrimp (HS code 060317) to Vietnam, an increase of 47.5% compared with 2015, according to ITC. This makes the South American country Vietnam's largest supplier.

India, Vietnam's second-largest supplier, exported 101,152t to the country, an increase of 55.3% y-o-y.



The year-on-year increase was partly impacted by the closure of the smuggling routes in summer of 2015 -- by contrast 2016 was seemingly not affected by closures.

Increasing imports have depressed market prices in Guangxi Province, south China, which borders Vietnam, according to Shuichan. Coupled with an increased number of shrimp farms in Guangxi itself, and disease in old ponds, in Beihai, a key shrimp producing county in the province, shrimp farmers are "having a hard time of it", it said.

### 2017 production forecasts

Much hinges on shrimp production in China itself, the world's largest shrimp producer.

In an interview with Undercurrent Kevin Tang, president of California-based Sunnyvale Seafood, Zhanjiang Guolian Aquatic Products' US distribution arm, forecast higher shrimp production this year.



He cited shrimp feed sales currently around 5% above year-ago levels (incidentally the same figure cited by Cui He, head of China Aquatic Products Processing and Manufacturing Alliance). Park attributed this rise to higher shrimp prices last year.

Understandably for a country of China's size, local media report a mixed picture.

Shuichan reports that in Rudong county in Zhejiang Province, east China, authorities have had to "stop predatory expansion of ponds in greenhouses, due to strain on water and land resources".

It added that the number of shrimp farmers in the region had "increased more strongly than anywhere in the country in the past two-three years".

Yet, in Xiaoshan county and Shaoxing county -- both also in Zhejiang -- the cost



*Guangxi Province to the left and Zhejiang Province to the right.*

of renting ponds has fallen dramatically, indicating the opposite trend. From highs of CNY 3,500 to CNY 3,700 per mu in 2012, cost of renting ponds has fallen to just CNY 1,000 per mu, and even as low as CNY 600 to CNY 800 per mu in 2016,

according to Shuichan.

Shuichan also reported that annual sales of shrimp feed in Zhejiang Province have fallen from nearly 100,000t in 2012 to 65,000t-70,000t 2016, a fall it described as "shocking".

Other sources in China contacted by Undercurrent were unwilling to provide an estimate for China's shrimp production this year, saying forecasting is too difficult.



The specter of disease looms too large. On March 22, the Rudong Vannamei Shrimp Association reported 22.6% of shrimps tested at 31 different farms in Rudong county were infected with either Enterocytozoon Hepatopenaei or Early Mortality Syndrome.

The Thailand source said that poor quality broodstock in China is also a problem -- it has become a bugbear for Chinese shrimp farmers.

It is also not clear that domestic shrimp prices did rise last year. In Guangdong, prices were very similar in 2016 to 2015 during the key June-Nov period, when production and traded volumes are highest, according to Undercurrent's prices dashboard.

BY LOUIS HARKELL - [WWW.UNDERCURRENTNEWS.COM](http://WWW.UNDERCURRENTNEWS.COM)

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## **MINH PHU LEADS SHRIMP EXPORTS REJECTED BY FDA**

*USA - April 06, 2017*

The US Food and Drug Administration (FDA) informed that 7 of the 209 (3.3 per cent) of the entry line refusals reported for last month were of shrimp for reasons related to banned antibiotics. And the largest part of shrimp shipments stopped from entering the country were from the Vietnamese firm Minh Phu Seafood Corporation.

In addition, the FDA reported refusal of another 7 entry lines of shrimp exported from China and Malaysia due to the detection of an unsafe food additive.

The seven shrimp entry lines refused by the FDA for banned antibiotics in March were from China, Hong Kong, and Vietnam and were reported by four different FDA districts:



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- Minh Phu Seafood Corporation (Vietnam) had three entry lines refused for shrimp contaminated with veterinary drug residues, chloramphenicol, and because it appeared “to contain a poisonous or deleterious substance which may render” the shrimp “injurious to health” in the Southwest District and one entry line refused for shrimp contaminated with veterinary drug residues in the Los Angeles District;
  - Minh Qui Seafood Co., Ltd. (Vietnam) had one entry line refused for shrimp contaminated with veterinary drug residues in the New York District;
  - Lee Fung Marine Products Trading Co. (Hong Kong) had one entry line refused for shrimp contaminated with veterinary drug residues and unsafe additives in the New York District; and
  - Dandong Shenghai Foodstuff Co Lt (China) had one entry line refused for breaded shrimp contaminated with veterinary drug residues and nitrofurans in the Atlanta District.

The other seven shrimp entry lines refused by the FDA for “unsafe additives” in March were from China and Vietnam and were all reported by the Los Angeles District:

- Minh Phu Seafood Corporation (Vietnam) had three other entry lines of shrimp reported as refused for shrimp because of banned antibiotics as well as being “poisonous”, had one additional entry line refused for shrimp found to have an “UNSAFE ADD” in the Los Angeles District; and
- Dalian Jinhui Marine Product Co., Ltd. (China) had six entry lines refused for shrimp found to have an “UNSAFE ADD” in the Los Angeles District.

As the Southern Shrimp Alliance explained in response to the FDA’s reporting of refusals in February, the Chinese and Hong Kong refusals may indicate that in response to the Import Alert on shrimp shipped to the United States from peninsular Malaysia, Chinese shrimp producers and exporters are exploring other ways to enter the US market.



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These shipments continue to raise concerns regarding the use of banned antibiotics in shrimp aquaculture in China, the world's largest producer of farmed shrimp.

The United States and Japan have reported the detection of banned antibiotics in shipments of shrimp from the Minh Phu Seafood Group over the last several years. The FDA has reported refusals of shrimp entry lines shipped by Minh Phu in each of the first three months of this year.

In December last year, Japan reported violations of its Food Sanitation Law for two separate shipments of shrimp from Minh Phu Seafood Corp. because enrofloxacin was detected in the shipments. In September and October of 2016, Japan reported that there were a total of three shipments of shrimp from Minh Phu Hau Giang Seafood Corp. found to have sulfadiazine. And just a few weeks ago, on March 23, 2017, the Canadian government placed Minh Qui Seafood Pte. on its "Mandatory Inspection List" for the detection of tetracyclines in its shipments to Canada.

The Southern Shrimp Alliance highlights that despite these findings, Minh Phu appears to have maintained its certification under the Global Aquaculture Alliance's Best Aquaculture Practices program.

Since July of 2016, the FDA has listed one of the Minh Phu companies, Minh Qui Seafood, on an Import Alert for the antibiotic sulfamethoxazole and the company has not yet been able to get itself removed from that list. In fact, another Minh Phu company, Minh Phu Seafood was added in February of this year to the same Import Alert for the same reason.

Now, in addition to sulfamethoxazole, the FDA is reporting refusing shrimp exported by Minh Phu for the presence of chloramphenicol, for unsafe additives, and for appearing to contain a poisonous or deleterious substance.



Source: [www.fis.com](http://www.fis.com)

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## NEW CHINA SHRIMP DATA REVEALS KEY PRICE TRENDS

*China - April 6, 2017*

The undertaking has not been an easy one, but we believe it has been worth the effort -- and the special announcement -- now that Undercurrent News has shrimp prices data for China.

Now, on our dashboard, you can find prices historical and up to date prices for vannamei from to three main production regions: Guangdong Province, Hainan Province and Fujian Province.

To view the prices, select Shellfish -> Vannamei (China) in the prices menu, and choose between weekly or monthly averages.

In Guangdong, China's largest shrimp production province, prices you can track are for 60 count, 80 count and 120 count per kilo. Prices in Hainan and Fujian are for 80 count and 120 count per kilo. All prices are farmgate, head on, shell on.

### **How we did it**

China is the world's largest shrimp producer, one of the world's largest exporters and an increasingly large importer. Understanding what is going on in its own backyard is relevant to producers and traders everywhere.

But getting accurate market prices is difficult for several reasons.

First, the country is huge and production distributed widely -- shrimp is farmed everywhere from Hainan island in the south to Liaoning Province in the north.



Second, there is a lack of reliable data (officially it produced 1.6 million metric tons of vannamei shrimp in 2015).

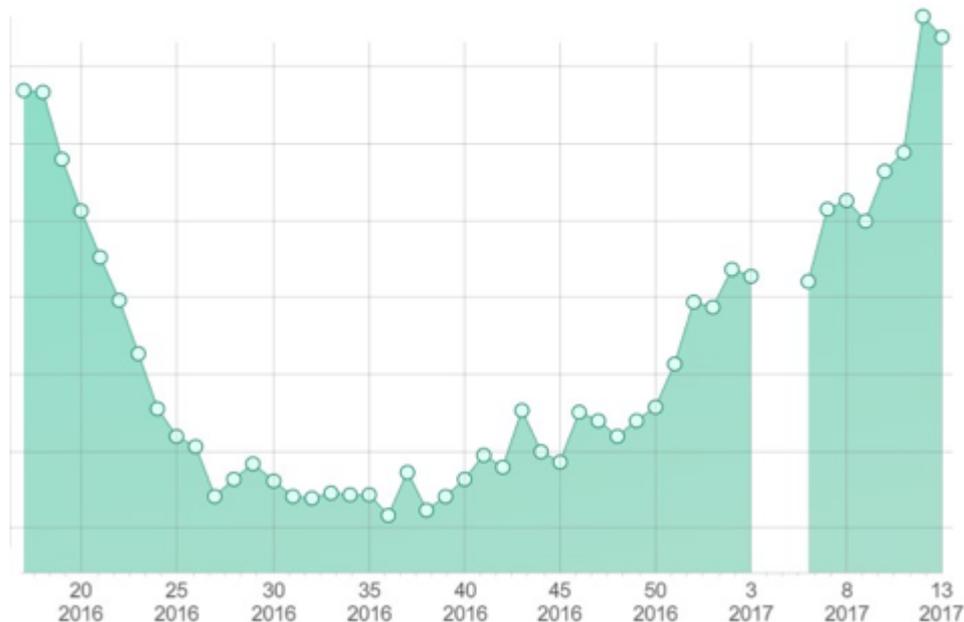
Third, small-scale farmers produce most Chinese shrimp, not a handful of companies, making it even harder to find relevant pricing information.

Finally, Chinese shrimp prices differ not just according to standard specifications such as size, head-on, tail-on, or farmgate. Prices also differ according to whether the shrimp is live, frozen, imported (by boat or airfreight), how it was farmed (in lined ponds, earthen ponds), and, of course, the region it was farmed in.

For these reasons, relying on select industry sources to piece together a price picture just doesn't cut it.

**Ex-farm vannamei shrimp, Guangdong, 80 pcs per kilo**  
**Week 17 2016 -- Week 13 2017**

Latest price: Week 13 2017,  
CNY 71.9 (-2%)



*Note: During Chinese New Year prices are not reported*

## Data mining



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Instead, Undercurrent tracked down domestic industry players that have been recording prices in the country for many years.

These prices are published ad-hoc, on a daily basis, with no database to query or tables to download. One records daily prices from over 100 different production localities.

Using data mining, Undercurrent has drawn together all these sites' prices since 2012, and processed averages for the key regions and sizes. We have also taken into account the many variables to ensure prices are accurate.

### **Prices peak**

One observation that stands out when first viewing the data is how prices consistently spike for Chinese New Year. This is then followed by a downward trend in the summer, before slowly rising through to December.

This fits with the spike in demand for Chinese New Year and seasonally low domestic production, followed by the seasonal increase in domestic supply during the summer and autumn.



*Prices consistently spike at Chinese new year and trend downward until December*

The fact farmgate prices rise so high amidst this shortage of supply could be because of the preference in China for live fish – Undercurrent understands much of domestic shrimp is traded live. One industry source in Thailand even describes a “thriving” trade of live shrimp exported from Thailand to China.

“There is a thriving shipment of live monodon from the phuket airport into china- and there is a live shipping market (or there used to be) at the Haikou airport in Hainan island,” he said.

“Every early morning live shrimp would be transported to the Hainan shipping staging area for packing; most water removed, shrimp layered and cooled and bathed in an atmosphere of pure oxygen. Then on the flights to the major urban areas of China. Cannot remember the amounts being packed but it was significant and it was every morning.”

Undercurrent was unaware of this international trade of live shrimp, proving there is still much to learn about China's shrimp industry. We hope this new prices data will be viewed as a step in the right direction.



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BY LOUIS HARKELL - [WWW.UNDERCURRENTNEWS.COM](http://WWW.UNDERCURRENTNEWS.COM)

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## US SEAFOOD IMPORTS KEEP GETTING MORE EXPENSIVE

TREND MAINLY LED BY FARMED SALMON IMPORTS, WHICH ARE COSTING THE COUNTRY NEARLY 35% MORE THAN THE SAME TIME LAST YEAR.

*USA – April 05, 2017*

The United States continues to buy less seafood but pay more for it, predominantly due to the surge in farmed salmon prices over the past year.

In the first two months of 2017, the country imported a total of 469,995 metric tons of seafood, down 2.3 percent compared with the 481,204 metric tons imported through February 2016, however the cost of these imports increased 6 percent in the same period to \$3.3 billion (€3.1 billion) compared with \$3.1 billion (€2.9 billion) a year earlier.

Imports of shrimp remained the number one import species as the year began.

The United States imported 92,908 metric tons of shrimp -- both coldwater and warmwater in various sizes and preparations – worth a total \$883 million (€827.7 million). This is down 2 percent in volume, but up more than 5 percent in value compared with the first two months of 2016.

But the real driver in the increased value of imports came from farmed salmon imports. Through February 2017, the United States imported 45,275 metric tons of salmon down 9 percent in volume from the 49,894 metric tons imported in the same period a year before.

However, the value of these imports jumped 34 percent to \$510.5 million (€478.5 million) up from \$381 million (€357.2 million) in the first two months of 2016.



Conversely, imports of both tilapia and pangasius took a hit during the first two months.

Tilapia imports fell 24 percent in volume, and 29 percent in value to 36,542 metric tons worth \$135.9 million (€127.4 million), while pangasius imports were down 19.5 percent in volume, and 17.5 percent in value to 20,801 metric tons worth \$67 million (€62.8 million).

*by IntraFish Media*

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## **NUEVA PESCANOVA LAUNCHES READY-TO-EAT SHRIMP RANGE**

**IT IS THE FIRST PRODUCT LAUNCHED BY THE COMPANY AS NUEVA PESCANOVA.**

***Spain – August 05, 2017***

Nueva Pescanova launched a new ready-to-eat line of chilled warmwater shrimp with clear packaging and different dipping sauces, Ignacio Gonzalez, CEO at the company, said.

The product will be sold in Carrefour Spain very soon, Gonzalez said.

The 'Dippeo' range is the first product launch of Nueva Pescanova, and features the company's recently unveiled logo.

The dips include cocktail, mayonnaise, and tartar sauce.

As previously announced by the company, Nueva Pescanova's commercial brand will continue to be "Pescanova."

*by IntraFish Media*

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## **US SHRIMP IMPORTS FALL BELOW YEAR-AGO LEVELS AS IMPORTS FROM INDIA DIVE**



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## ***USA - April 5, 2017***

US shrimp imports in February fell below-year ago levels as prices continued to rise, according to latest figures from National Oceanic and Atmospheric Association (NOAA).

The fall was driven by a steep monthly decline in US imports from India after a smaller fall in January.

In February, the US imported 11,029 metric tons of shrimp from India, its largest supplier, 18.7% less than in January. In January, US imports of Indian shrimp were down 5.6% month-on-month, according to the NOAA data.

Imports from the other main shrimp supplying-countries to the US were also lower compared with January.

Imports from Thailand, the third largest supplier, fell by 38.1% m-o-m to 4,002t, while imports from Indonesia and Vietnam fell 15.8% and 24.7% m-o-m respectively.

Only imports from Ecuador and China, the US' fourth and sixth largest suppliers, increased, up 7.1% and 21% respectively.

Overall, total US shrimp imports in February decreased 18.1% m-o-m to 41,475t. Compared with February last year, US shrimp imports were down 7.3%.

Despite the monthly decline, Indian shrimp producers can be content with big gains in the important US market over the past 12 months. In February, US imported 40% more shrimp from India compared with February 2016.

US imports from Indonesia have also seen an increase year-on-year, albeit a small one -- up 3% year-on-year.



In contrast, the US is importing noticeably less from Thailand, Ecuador, Vietnam, and China – down 24%, 16%, 20% and 14% year-on-year respectively.

In February, US importers paid an average \$9.54 per kilo of shrimp, up 0.6% from \$9.48 per kilo in January. Prices in February were 7.3% above prices during the same period last year.

Country Name	FEB 2016	FEB 2017	JAN-FEB 2016	JAN-FEB 2017	JAN-DEC 2016 ▼
INDIA	7,885	11,029	18,472	24,595	153,984
INDONESIA	8,830	9,072	18,447	19,848	117,095
THAILAND	5,283	4,002	11,937	10,469	81,151
ECUADOR	6,781	5,727	12,958	11,075	73,128
VIETNAM	4,455	3,548	9,168	7,456	63,413
CHINA	2,867	2,454	6,199	6,479	34,829
MEXICO	2,719	1,736	6,441	3,954	25,327
PERU	1,469	674	2,515	1,475	9,511
GUYANA	757	1,137	1,573	2,017	8,356
ARGENTINA	390	749	661	1,587	7,717
BANGLADESH	596	66	950	347	4,102
CANADA	990	129	1,417	232	3,922
HONDURAS	220	266	859	906	3,647
PANAMA	228	122	435	340	3,066
VENEZUELA	206	73	366	243	2,897
GUATEMALA	140	173	378	472	2,874
NICARAGUA	383	133	667	305	2,497
PHILIPPINES	217	112	408	264	2,173
SAUDI ARABIA	49	0	156	0	1,030
SURINAME	93	38	161	38	474
MALAYSIA	27	0	69	29	276
PAKISTAN	17	41	27	81	261
UNITED ARAB EMIRATES	33	16	65	48	233
BELIZE	23	23	23	55	212
BURMA	20	46	45	66	174
SRI LANKA	10	2	25	45	171
TAIWAN	8	53	19	63	130
NIGERIA	0	17	0	17	124
SOUTH KOREA	9	6	36	10	121
CHILE	0	0	31	0	120
DENMARK	2	0	5	2	83
COSTA RICA	3	3	26	7	71
SPAIN	0	0	23	1	69

Source: National Oceanic and Atmospheric Association

BY LOUIS HARKELL - [WWW.UNDERCURRENTNEWS.COM](http://WWW.UNDERCURRENTNEWS.COM)

## FDA REJECTS MINH PHU SHRIMP AGAIN

SHRIMP FROM CHINA AND HONG KONG COMING TO US WERE ALSO REFUSED FOR REASONS RELATED TO BANNED ANTIBIOTICS.

*Vietnam – August 05, 2017*



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Last month, the US Food and Drug Administration (FDA) denied 209 entry lines, seven of which shrimp for reasons related to banned antibiotics, according to the Southern Shrimp Alliance (SSA).

These refused shrimp entry lines were from China, Hong Kong and Vietnam:

The seven shrimp entry lines refused by the FDA for banned antibiotics in March were from China, Hong Kong, and Vietnam and were reported by four different FDA districts:

Vietnamese firm Minh Phu Seafood Corporation had four entry lines refused for shrimp contaminated with veterinary drug residues Vietnamese firm Minh Qui Seafood Co., Ltd. had one entry line refused Hong Kong-based Lee Fung Marine Products Trading Co. had one entry line refused Chinese firm Dandong Shenghai Foodstuff Co Lt had one entry line refused

"In addition, the FDA reported refusing another seven entry lines of shrimp exported from China and Malaysia with a refusal code of "UNSAFE ADD," indicating the detection of an unsafe food additive," said the SSA.

Six were from Chinese firm Dalian Jinhui Marine Product Co., Ltd. and one from Minh Phu.

"The FDA has reported refusals of shrimp entry lines shipped by Minh Phu in each of the first three months of this year ... just a few weeks ago, on March 23, 2017, the Canadian government placed Minh Qui Seafood Pte. on its "Mandatory Inspection List" for the detection of tetracyclines in its shipments to Canada," said the SSA

*by IntraFish Media*

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## **US SHRIMP IMPORTS FROM INDIA TAKE A DIVE**



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**MEANWHILE, ECUADORIAN SHRIMP IMPORTS INCREASE.**

***USA – August 05, 2017***

Overall, the United States imported 92,908 metric tons of shrimp in the first two months of the year. These imports were worth \$883.2 million (€829 million), a 2 percent drop in volume but 5 percent increase in value, respectively, compared to the same period in 2016, according to statistics released Tuesday by the National Marine Fisheries Service (NMFS).

Imports of shell-on, frozen, warmwater shrimp, all sizes combined, amounted to 32,859 metric tons worth \$311.4 million (€292.2 million), a 7 percent and 1 percent decrease in volume and value, respectively, year-on-year.

The most popular size was 31/40, with the United States importing 7,235 metric tons worth \$60.7 million (€57 million), a 2 percent and 11 percent increase in volume and value, respectively. Most came from Ecuador: 2,251 metric tons worth \$18.4 million (€17.3 million).

The next most popular size in volume was 21/25 -- 4,438 metric tons of this size shrimp were imported worth \$44.9 million (€42.1 million), a 15 percent and 8 percent plummet in volume and value, respectively, year-on-year.

Most of this shrimp this size came from India -- 2,027 metric tons worth \$19.7 million (€18.5 million).

Another popular size was 26/30; the United States imported 4,208 metric tons worth \$39.2 million (€36.8 million), a 22 and 15 percent drop in volume and price, respectively, through the first two months of the year. Again, most came from India: 1,453 metric tons worth \$13.1 million (€12.3 million)

The United States also imported 7,996 metric tons of breaded frozen shrimp worth



\$56.4 million (€52.9 million), a 2 percent and 6 percent increase in volume and value,

US shrimp imports from India take a dive 1 IntraFish <http://www.intrafish.com/news/1237156/us-shrimp-imports-from-india-take-a-dive> respectively, year-on-year

*by IntraFish Media*

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## **STRONG CONTROVERSY SPARKS STUDY ON SHRIMP QUALITY**

*Argentina - April 04, 2017*

The Fisheries Secretariat of Chubut and the private sector conducted a study on the analysis of the organoleptic quality of fresh shrimp several weeks ago. Samples were taken and the behaviour of the units was analyzed throughout four days, which is the maximum authorized limit of deep sea fresh fish vessels to operate in the fishing zone.

The preliminary report, since there would be others later that would be announced in April, indicates the percentages of discards performed on the total of shrimp captured. The study aroused controversy and there were strong disputes between the Patagonian Argentine Chamber of Fisheries Industries and the Chamber of Deep Sea Fresh Vessels of Mar del Plata; and promises to continue generating noise as the days go by.

"The tasks allocated to carry out an experience of analysis of the variation in the organoleptic quality of the shrimp as time passes, were carried out according to what had been planned", indicates the preliminary report to which Revista Puerto had access. "For this we had the invaluable collaboration of the management and technical personnel of the fish processing company Pesquera Veraz, located in Rawson, where the research was carried out," it was described from the Fisheries portfolio of Chubut.



The development of the survey and the report were made by technicians María Colombo, Cynthia Lopez, Carlos Rajoy, Jose Saravia and Gabriel Punta, all belonging to the Technical Department of the Fisheries Secretariat of the Province of Chubut.

The work consisted of taking "a sample of shrimp preserved in ice, captured on the day. From that moment on, "thirty specimens were sampled, every twenty-four hours and for four days, which were classified according to the categories of organoleptic score for fresh shrimp in boxes with ice, according to Barral parameters," they described.

In addition, "a classification was made on the quality of the product by the person in charge of the Quality Control Department of the Plant, during each of the four days of the study, they indicate. "For this case, the results obtained show a marked decrease in the quality (and economic value) of the product that can be made with that raw material," the conclusions state and shows a series of graphs with the quality drop percentage as days passed by.

"In a preliminary way, we conclude that, in order to maximize the value of the final product obtained from fresh shrimp preserved in ice boxes, it should be performed within 24 hours after being captured, or at most within 48 hours after the catch", it is advised from the Secretary of Fisheries of Chubut, and in the light of these general results obtained measures would be proposed at the Federal Fisheries Council, where the subject promises to continue generating a harsh debate.

*Source: Nelson Saldivia / Revista Puerto*

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## **100,000T AUSSIE BLACK TIGER PROJECT ONE STEP CLOSER TO FULL APPROVAL**



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## ***Australia - April 04, 2017***

Australia's Northern Territory Environment Protection Authority (NT EPA) has completed its assessment of Seafarms Group (Seafarms) proposed facilities at Bynoe Harbour as part of the multi-million dollar shrimp aquaculture proposal "Project Sea Dragon".

The project, which ultimately aims to produce 100,000 metric tons of black tiger shrimp a year for export, is now one step closer to full environmental and government approval, said the company. At full scale, it will be the world's largest aquaculture development.

As detailed in the assessment report, the NT EPA found that the proposed facilities at Bynoe Harbour can be managed in a manner that is highly likely to meet the NT EPA's objectives and avoids significant or unacceptable environmental impacts.

The report made six recommendations based on Seafarms' commitments to environmental safeguards and keeping regulators informed, the baseline water-monitoring program, the environment protection license and the environmental management plan.

Seafarms supports the NT EPA's recommendations, acknowledges the importance of water quality monitoring and will continue its baseline water monitoring program in the harbor, it said.

"Seafarms is committed to develop Project Sea Dragon into a world class, biosecure project," Chris Mitchell, Seafarms' executive director, said. "Protecting the environment is a core responsibility for Seafarms and we are pleased to have our commitment acknowledged through this rigorous assessment process. This is the next step in establishing a viable new export industry in aquaculture for northern Australia."



The company has “consulted widely with stakeholders and the Dundee community and at full scale the facilities at Bynoe Harbour will provide an estimated 70 construction jobs and 40 operational jobs, as well as flow - on economic benefits for the region” , he said.

Seafarms is proposing to establish breeding facilities to select, develop and grow families of shrimp broodstock on approximately 150 hectares of vacant Crown Land at Point Ceylon, Bynoe Harbour, in the Northern Territory.

This project is made up of two components – a core breeding center and broodstock maturation center – to be located on the same site with common supporting infrastructure, including administration and accommodation facilities.

The assessment report for stage one of “Project Sea Dragon” was released by the NT EPA on March 24, 2017.

Stage one is to consist of 1,120 hectares of land - based production ponds and 324 hectares of internal recycling ponds at Legune Station, 110 kilometers north east of Kununurra. Stage one will ultimately produce 14,000t of shrimp each year.

*Source: Undercurrent News*

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## **THAI SHRIMP PRICES FINALLY EASE AS PACKERS COMPLETE DELAYED ORDERS**

*Thailand – April 03, 2017*

Prices for Thai farmed vannamei shrimp – which have maintained high levels since December 2016 – have finally eased, according to frozen seafood supplier Siam Canadian Group.



However, they are not likely to come down much further until supply of smaller counts begins to improve, from late April onwards, the firm's general manager in Thailand, Satasap Viriyanantawani, told Undercurrent News.

Shrimp supply in Thailand has been scarce since December 2016. This was due to a combination of the usual low production season and disease prevalence in the final quarter of 2016 and the first of 2017, he said, citing producer Charoen Pokphand Foods.

"There has not been any sign of improvement since December 2016."

The majority of contracts held by Thai packers were delayed from Q4 to January or February 2017, he said.

"Several Thai packers were scrambling to secure enough raw material to fulfill those orders, also all packers had to try their best to obtain any available raw material to run through their facilities, to cover their fixed costs."

Hence demand has been much stronger than supply, maintaining levels of around THB 220 per kilogram – and as high as THB 230/kg – for 60 pieces per kg, head on, since mid December.

70 pieces/kg have hovered around THB 210/kg, while 80 count saw a level of around THB 185/kg. These prices have made Thai shrimp more expensive than other countries' output, said Viriyanantawani.

Now, "the majority of those orders have been completed, and it's reducing the amount of pressures on the market. Therefore, we are starting to see some improvement on prices."

In the last week to April 1, prices dipped – though maintained a wide range – and saw 60 count at THB 185-205 per kilogram ( from THB 205-220/kg the previous



week); 70 count at 175-185/kg (down from THB 195-210/kg); and 80 count at THB 155-160/kg (down from THB 170-180/kg).

"However, due to poor supply, some of the plants are only running at 40-50% of their full capacity," he added. "Supply is expected to be improving, starting from small sizes from late April onwards."

Thailand produced around 310,000 metric tons of shrimp in 2016, with an uptick of around 20,000t expected in 2017 by Jim Gulkin, CEO and founder of Siam Canadian.

This is a bit more bullish than the forecast from the shrimp panel at the recent Global Seafood Market Conference in San Francisco, California, where 300,000t was given as the outlook for 2017, flat on the previous year.

"EHP [Enterocytozoon hepatopenaei] disease and weather were the main causes" for production not going up more in 2016, as well as prices being at lower levels for a portion of the year, Gulkin told Undercurrent during the 2017 Boston seafood show.

*By Neil Ramsden - [www.undercurrentnews.com](http://www.undercurrentnews.com)*

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## **FISHERMEN PROTEST IN SONORA, BAJA CALIFORNIA**

**GILLNET BAN, SHRIMP BOYCOTT ANGER FISHERMEN IN UPPER SEA OF CORTÉS**

***Mexico – April 01, 2017***

Fishermen in the upper Sea of Cortés, caught in the middle of efforts to protect a species of porpoise that is on the verge of extinction, faced off against environmentalists this week, protesting their presence in the area and their support for a boycott of Mexican shrimp.



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Protests in Golfo de Santa Clara, Sonora, and San Felipe, Baja California, were triggered by a call two weeks ago by United States conservation organizations for the shrimp boycott, followed by a proposal last week from Mexican officials to shut down gillnet fishing in the region.

What is now "a pressure cooker," said area fishermen, threatens to become a bomb because the gillnet ban would represent the final blow for local communities.

The ban, which would take effect April 11, is the federal fisheries secretariat's answer to the expiry of a two-year strategy to protect the vaquita porpoise. The strategy has not been successful: the vaquita population has declined from 90 to 30 during that period, according to estimates.

The situation heated up on Thursday when fishermen and local residents boarded dozens of fishboats with the intention of "neutralizing" two vessels operated by the U.S.-based Sea Shepherd Conservation Society.

Fishermen's spokesman Antonio Sunshine Rodríguez Peña said their intention was to contain the vessels within a "security ring" because their presence in the area was "illegal."

"We know they don't have permission from the Communications and Transportation Secretariat (SCT) or from Immigration or Conapesca (the National Aquaculture and Fisheries Commission) to perform studies in Mexico," he charged.

"The big question is why are they allowed to violate the law, the rules" when fishermen must comply 100% with the law.

The Sea Shepherd vessels, the Sam Simon and the Farley Mowat, left the area later to avoid a confrontation.



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But the organization called the protesters “vaquita murderers” in a Facebook post and accused Rodríguez, described as “the ringleader of the poachers,” of threatening to burn the ships.

Captain Oona Isabelle Layolle, head of Sea Shepherd’s Operation Milagro III, a surveillance campaign designed to monitor illegal fishing, said the two vessels will be soon joined by a third ship.

Sea Shepherd began surveillance nearly two years ago after signing an agreement with the Mexican government, which said the accord would provide “more eyes on the sea.”

A group of seven environmentalist organizations based in Mexico, including Greenpeace México and Cemda, the Mexican Center for Environmental Law, endorsed the actions undertaken by Sea Shepherd and asked the government to protect its crew because they had allegedly been threatened by local fishermen.

The NGOs also demanded that authorities dismantle the illegal market for totoaba, which they claimed persists despite restrictions on fishing in the area.

The fishermen’s other concern is the shrimp boycott, which is a strategy designed to pressure the Mexican government to adopt stringent measures to protect the vaquita. One measure, announced earlier this year, is to capture the remaining vaquitas and encourage them to breed in captivity.

*Source: <http://mexiconewsdaily.com>*

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## **FISHMEAL COMMENTS AND PRICES: PERUVIAN**

*Worldwide - April 01, 2017*



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F With fishing bans in southern Peru, the total fish landed for the week was just over 4,000 m/t bringing the total so far to just over 116,000 – still 400,000 m/t to catch to reach quota.

Most everyone is now back from the various trade shows in Asia so the fishmeal business should be getting back to normal. Forward sales of fishmeal are said to be at about 220,000 to 230,000 m/t which, as quoted from MSI Ceres, is about one million m/t of catch --- this is a good chunk of the expected quota for the next fishing season.

As mentioned in a previous weekly report and as confirmed by the folks at the Asia events – the tighter regulations for fishmeal production in China is likely to increase imports as local production will be lower in 2017.

For Jan/Feb 2017 China reports fishmeal imports of 154,000 m/t with about 56% coming from Peru. There must be a good chunk of fishmeal in transit as Peru shows exporting 201,000 m/t of fishmeal to China in Jan/Feb. For Jan/Feb China represents 80% of Peru's fishmeal exports ---- thanks to MSI Ceres for all the detailed numbers on exports and imports.

And, a word on prices --- no changes this week in Peru.

It was interesting to read this week about AgriProtein and their plans to build 20 "fly farms" in the US and Canada, to produce insect protein as a replacement for fishmeal in animal feeds. The company says that not only is insect protein a very valuable feed item but that, as the fly larva are raised on organic waste, it is a product that is beneficial to the environment. The company also announced that they have signed an agreement for three fly farms in Saudi Arabia and have licensed the technology to companies in Asia.

***By Wayne Bacon - Weekly Grain And Protein Report from Hammersmith Marketing Ltd***



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## **TRACE ELEMENT FINGERPRINTING OF SHRIMP**

***Australia – April 01, 2017***

Trace element fingerprinting (TEF) is a technique that was originally developed to authenticate diamonds from particular parts of Western Australia. It has since been adapted for agriculture by the Australian pork industry, which has developed a tool called Physi-Trace™ to identify the provenance of Australian-grown pork. It works by matching trace mineral markers from within a sample (this could include flesh, bones, shells or hooves) to a producer database and is more than 95 percent accurate.

Now the shrimp industry, Australia's Curtin University and Australia's Fisheries Research and Development Corporation (FRDC) are set to join forces on a project that will test TEF as a method to validate the provenance of Australian shrimp, identifying the locations where they have been farmed or fished. TEF has been selected over DNA analysis because many shrimp grown in Southeast Asia come from Australian spawning stock and are likely to have similar genetic markers.

Warren Lewis of Aqua-Marine Marketing says Australian industry has been concerned for some time that cheaper shrimp grown in Vietnam or Thailand have been substituted for Australian product at the point of retail sale. Substitution has adverse consequences in regard to brand recognition.

TEF has the potential to trace shrimp back to the locations where they were farmed or fished, allowing confirmation of provenance and safe seafood. "In Australia, there is a lot of variation in the environmental conditions where farms are, and this technique could trace back to that," Lewis said. It will mean that producers—both fishers and farmers—can validate their product to ensure Australian shrimp and different brands are being correctly labeled, valued and recognized.



Information: Fisheries Research and Development Corporation, FRDC Research Code: 2016-261, 25 Geils Court Deakin, ACT, Australia 2600 (Phone +61 2 6285 0400, Email frdc@frdc.com.au, Webpage <http://frdc.com.au/Pages/home.aspx>).

*Source: FISH (Australia's Fisheries Research and Development Corporation News).*

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## **FRENCH SEAFOOD IMPORTS RISE DESPITE PRICE SQUEEZE**

**BOTH COD AND SALMON IMPORTS REMAINED STRONG THROUGHOUT 2016 -- BUT SALMON RETAIL SALES SUFFERED DUE TO HIGH PRICES.**

***France – March 31, 2017***

French seafood imports jumped 2.6 percent in 2016, despite significantly higher prices for the main traded species, according to the latest data from FranceAgrimer.

Overall imports amounted to 1.2 million metric tons, up from 994,800 metric tons in the previous year.

Import value jumped 8.9 percent year-on-year from €4.8 billion (\$5.2 billion) to €5.2 billion (\$5.6 billion).

In 2015, France bought 1.1 million metric tons of fish and seafood, worth €5.1 billion (\$5.5 billion), from export partners, the volume figures were stable from the previous year, however, the value was slightly lower at €5 billion (\$5.4 billion) in 2014.

Despite a "substantial increase" in the price of farmed salmon, imports of that species went up 2 percent year-on-year, the figures showed.

The vast majority was fresh salmon from Norway, which grew 14 percent to 79,600 metric tons, defying the 31 percent hike in the purchase price throughout the year.



Chile remained the second-largest trade partner for salmon, especially for farmed frozen fillets, with average prices ranging between €6 (\$6.40) to €4 (\$4.30) per kilogram lower than those coming from Norway.

After a decline in 2015, imports of cod recovered last year and jumped 8 percent to 81,000 metric tons, despite 4 percent higher prices year-on-year.

The main supplying countries contributing to this increase were China (up 31 percent for frozen fillets) and Iceland (up 14 percent for fresh fillets and up 49 percent for frozen fillets).

Pollock imports were down in 2016, dropping 20 percent from Russian suppliers and 6 percent from suppliers in the United States, FranceAgrimer said.

France's imports of frozen shrimp recovered last year, climbing 6 percent in 2016. Ecuador now accounts for one-third of overall volumes. Tuna imports, on the other hand, took a hit in 2016.

### **Salmon price hike takes a toll on consumption**

While salmon imports continued to increase over the past 12 months, the price increase for farmed salmon impacted consumption.

Excluding salmon and cod, purchases of fresh fish increased by 5 percent compared to the previous year, primarily driven by locally landed fish, FranceAgrimer said.

Whiting sales increased 5 percent, hake saw a 13 percent increase, trout by 13 percent, monkfish by 12 percent and sardine sales by 6 percent.



Mackerel and sole consumption decreased 9 percent and 11 percent, respectively, which was a direct consequence of lower volumes landed.

At the same time, French households decreased their purchase of fresh salmon by 15 percent, which according to FranceAgrimer was due to the sharp rise in retail prices, which jumped 18 percent to an average of €17.47 (\$18.80) per kilogram.

Cod purchases were less impacted by the 5 percent price hike, and increased by 3 percent in 2016.

*by Elisabeth Fischer – Intrafish Media*

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## **RAIN IN ECUADOR BOOSTS PRICES FOR SMALLER SHRIMP SIZES, DEPRESSES LARGER**

*Ecuador - March 31, 2017*

Heavy rain and flooding in Ecuador, which is still ongoing, impacted the country's shrimp production and exports in February and March.

However, the rain is partially slowing this week, giving the opportunity to producers to harvest before the presidential elections on April 2, sources told Undercurrent News.

As the rain delayed the previous harvest, shrimp in ponds have increased in size. As a result, Ecuador has lower supply of smaller shrimp sizes and an abundance of larger sizes, while transport and logistics have been delayed by flooding, sources told Undercurrent.

There are no shrimp in small sizes, one source at a plant close to the border with Peru said. "That is why demand grows and prices rise," the source said on March 29.



"We have more 30-40-50 [count per kilogram] because of the rain, and we hope to have more [availability of] smaller sizes in April," one source said at the Boston show last week, adding that there was little availability of 60-70-80 sizes and headless shrimp at the moment.

"This weekend there are presidential elections and, now that the rain has dropped somewhat, we are harvesting," a source from a third company said on March 28.

"Those are days of [high] volume, so we must take advantage that it does not rain so much [at the moment], as during the weekend [April 1-2] people [staff] will go to their provinces or cities to vote, and we will lose a day or even two of work," the source added. He also pointed out that it might rain again during coming weeks, which could cause harvested volumes to drop again.

"It is a normal harvest, both in quantities and in large sizes, and...in rains," a fourth source noted on the evening of March 29, commenting on ongoing harvest.

A fifth source noted that the higher availability of 30-40 could bring "more money" and "liquidity", although it wasn't easy to negotiate sizes that "nobody wanted".

"Some plants are lowering their prices because they are full, and they do not have sufficient capacity," the source said, noting that if prices for larger sizes decreased, firms could harvest less.

The source added that some shrimp had grown enough to reach a weight of almost 20 grams each, as they were not harvested last month.

Since the end of February, Ecuadorian shrimp prices for smaller sizes slightly.



Prices rose to \$5.30/kg, from \$5.10/kg, for 60-count and to \$4.80/kg, from \$4.75/kg, for 70-count. Meanwhile, larger sizes marginally ticked down to \$7.90/kg, from \$8.00/kg for 20-count; \$6.90-7.00/kg, from \$7.50/kg for 30-count and to \$6-6.20/kg, from \$6.30/kg for 40-count.

Those are approximate prices for head-on, which do not take into account about \$1/kg that covers logistics to the plant, processing, packaging and transport to the port and ocean freight. Each company offers different prices, so these only provide a reference.

Most sources, however, expected Ecuadorian production to recover promptly, once the rain ends.

Looking at provisional weather forecast (see table above) it might continue to rain on and off until the end of April. Availability of smaller sizes might return to normal in June, according to one of the sources, but others said that it might be sooner.

### **Ecuadorian production outlook**

Ecuadorian shrimp production has increased in recent years and will continue this trend in 2017, said Jaime Faggioni Alzen, general director of ProExpo, one of Ecuador's largest shrimp producers.

Faggioni noted that Ecuadorian production increased approximately 15% year-on-year in January and February. He added that his company was planning to increase production to 16,000t in 2017, up 23% year-on-year.

"I believe that the trend of increased production can be maintained until the end of the year if there are no post-rain biological problems," a source from another large producer said.



"Several laboratories have had problems with baby shrimp, from when it hatches until it is transferred into final stage in ponds," one of the sources noted.

Several laboratories had issues since January, caused by biological changes to the environment, some said.

"Not many people speak openly [about this]. I am not sure whether they [the labs] have yet resolved the issues," one of the sources noted. However, the source also pointed out that adaptation of hatcheries had been affected, although not significantly for the moment.

Meanwhile, Brazil's upcoming liberalization of shrimp imports offers Ecuadorian exporters an interesting business opportunity.

*By Matilde Mereghetti - [www.undercurrentnews.com](http://www.undercurrentnews.com)*

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## **AVANTI FEEDS: THE AQUA FARMER**

*India – March 31, 2017*

Avanti Feeds started its commercial operations more than two decades ago under the leadership of late Alluri Venkateswara Rao in technical collaboration with Pingtai Enterprises, Taiwan. Later his son Alluri Indra Kumar, the current CMD, expanded the capacity and enhanced technical and marketing capabilities by bringing on board Thai Union Frozen Products PCL.

Over the years, the company has developed shrimp culture and processing by bringing-in latest technology in feed manufacture. This has enabled the company to deliver quality at competitive prices to consumers across the world.

Avanti Feeds is heavily focusing on the overseas markets such as the US, Europe and even parts of Africa. The organisation is betting big on other Asian markets such as Thailand and Vietnam.



The company's FY16 revenue was at Rs 2,018.29 crore from Rs 1,780.66 crore in FY15, up by 13.34 per cent (YOY). For Q3FY17, revenue was at Rs 558.62 crore, from Rs 413.11 crore in Q3FY16, up by 35.22 per cent (YOY).

The sea food exporter is keeping the expenses of the company under control, which is resulting in a steady improvement in profitability. Currently, Avanti Feeds' shrimp processing capacity is 25 tonnes per day and the company is commissioning a new plant, which will have a capacity of 75 tonnes per day.

Sea food export has shown a steady growth in the year 2016-17 on the back of renewed global demand and addition of more areas for aquaculture. In August 2016, experts predicted that this sector is likely to grow around 20 per cent in the year 2016-17.

### **Power Charge**

The most prominent strength of the company is their CMD, Alluri Indra Kumar. His move to establish a joint venture with Thai Union Frozen Products has led to a flourishing shrimp business in and outside the country. He was inducted as director into the board of Avanti Feeds in 1992 and took over as MD in 2002.

Kumar is expecting around 25 per cent growth for the financial year 2018. He is going for higher value addition products which are currently unavailable in India. The objective behind the forthcoming plan is to get the value added products for direct consumers.

Avanti Feeds has generated over 1,000 per cent returns for their shareholders in the last two years. The overall business climate is expected to improve dramatically for the company after the government announcement to grow marine exports by 20 per cent every year. Avanti Feeds can gain maximum benefit post this announcement because it earns 85 per cent of its revenue by selling shrimp feed and rest from shrimp processing.



## **The Billion Dollar Fish**

Avanti Feeds is working hard to become a billion-dollar player in coming three years. The company has more than 40 per cent stake in the Indian fish and prawn feeds market. The company has spent hundreds of crores in the last couple of years that has led to substantial increase in capacity. It has expanded the shrimp feed manufacturing capacity by setting of a new plant with an installed capacity of 125,000 million tonnes per annum. Hyderabad-headquartered Avanti Feeds has also set up a hatchery as backward integration project in Andhra Pradesh.

The company's plan now is to strengthen and maximise the existing capacities of feed and processing and exports of shrimps. The revenue break up between shrimp exports and shrimp feed is currently at 15:85. The company is planning to improve the ratio to 40:60. There are also concrete plans to diversify into fish feed manufacturing in a big way.

*by Abid Hasan - <http://businessworld.in>*

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## **CONSTRUCTION UNDER WAY ON YET ANOTHER MASSIVE CHINESE RAS SHRIMP PLANT**

*China - March 30, 2017*

Construction is under way on yet another huge recirculating aquaculture system (RAS) vannamei shrimp production facility in China, this time in the eastern province of Fujian, reports Southeast Network.

Fujian-based firm Nongxing Marine Fishery Co. broke ground on the CNY 300 million (\$43.6m) facility in Luoyang county on Jan. 18 of this year. One and half months later essential water, electricity, road and other infrastructure building work is already complete, according to Nongxing Marine general manager Weng Daicai.



Construction is now underway on 40 mu (6.5 acres) of ponds and factory buildings. Partial opening is scheduled for September of this year. Once fully completed, the plant is expected to produce up to 60,000 metric tons of vannamei shrimp annually.

The facility is a departure from the traditional farming model, said Weng. It will produce nearly 20 times the volume of shrimp compared with traditional farming over a similar size area -- production will be year-round whereas in Fujian shrimp farmers typically harvest twice per year due to cold winter temperatures, he said.

The project is being funded through a Private Public Partnership, according to Weng. Once fully operational, it should generate CNY 690m in sales and about CNY 20m in tax revenues.

At least two other massive RAS shrimp production projects are underway in China currently.

The largest is the shrimp "mega farm" being built by Sino Agro Foods in Zhongshan, Guangdong Province, south China. Another three more are being built in Hainan Island and Guangdong Province as part of a \$72m investment by Zhanjiang Guolian Aquatic Products.

*Source: Undercurrent News*

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## **EU-FUNDED PROJECT RELEASES SAFE SEAFOOD GUIDES FOR CONSUMERS, INDUSTRY, POLICYMAKERS**

*EU -March 31, 2017*

The European Union-funded "ECsafeSEAFOOD" project has published three safe seafood guides that aim to help consumers, industry stakeholders and



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policyholders understand the benefits and risks associated with seafood consumption, according to a press release.

The "Safe Seafood Guide for Consumers" informs consumers of the benefits and risks associated with the seafood they eat, to help in their decision making regarding their diet.

It notes that although contaminants of emerging concern can be found in seafood, research results indicate that the levels are low and do not pose a health risk for consumers, when eaten as part of a balanced diet.

The "Safe Seafood Guide for Industry" gives recommendations that will assist the seafood industry - from harvesters and producers through to wholesalers, distribution, retailers and analytical laboratories - in assessing health risks associated with seafood provision.

It includes an overview of consumer perception of the benefits and risks of seafood consumption and details on the new contaminant detection methods produced as part of ECsafeSEAFOOD. It also gives advice on mitigating seafood contamination, including the effects of origin and biology, industrial processing, and cooking, on contaminant levels.

The "Safe Seafood Guide for Policymakers" will inform policymakers and food safety authorities of the latest seafood safety research results, which aim to contribute to European science-based food safety regulation, specifically in relation to newly emerging chemical contaminants which have not yet been regulated.

*Source: Undercurrent News*

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## **LOW INTEREST RATES HELP HANWA SUBSIDIARY LAND SHRIMP SUPPLY DEALS**



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## ***USA - March 31, 2017***

At first glance, it's hard to see what advantage a Seattle, Washington, U.S.A.-based shrimp trading company could possibly gain from a Japanese steel trading firm that has a side business in amusement park rides.

However, for Seattle Shrimp & Seafood Co., business has been very good since being acquired by Japanese trading company Hanwa Co., Ltd. Originally founded in 2006 as joint venture between Hanwa Seattle's E&E Foods, last year, Hanwa bought out its partner to make the company a fully owned subsidiary. The acquisition has been a major piece in Seattle Shrimp & Seafood growing its business to USD 100 million (EUR 93.5 million) in annual sales in 2016.

Most of Seattle Shrimp & Seafood's business is in wholesaling Southeast Asian-sourced shrimp to major U.S. retailers, such as supermarket chains. And while that may not tie very neatly into Hanwa's other businesses, which include steel, amusement park rides, cement, meat products, industrial machines, lumber, petroleum and chemicals, it is the company's ability to access to low-interest loans from Japan that gives it a huge advantage over its U.S. competition. That advantage allows the Seattle subsidiary to tie up a greater share of its capital in inventory than its competitors, and at a lower cost.

Seattle Shrimp & Seafood Vice President and General Manager Bill Jones said his customers sometimes ask, "Why should I buy from you and not a packer?"

Jones said that through Hanwa, Seattle Shrimp & Seafood can arrange volume purchases and pay cash. Because packers generally like to convert their stock to cash quickly, Jones can get better pricing than a supermarket can. To reduce the risk of price fluctuations, the company sometimes works with packers to establish programs in which the price is tied to reported prices.



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Yusuke Shibata, vice president of Seattle Shrimp & Seafood, who is dual-hatted as the general manager of Hanwa American Corp.'s Seattle office, said, "Food is a small part of [Hanwa's] business, about USD 1 billion [EUR 935 million] out of USD 16 billion [EUR 15 billion] total."

Hanwa has trading offices around the world, which helps Seattle Shrimp & Seafood Co. keep up with trends in supply and demand. Jones takes part in a weekly video call with other offices to stay on top of supply trends – for example, when demand on smaller-sized shrimp is strong, Vietnamese growers may decide to pull shrimp from ponds early.

The company keeps ample product in cold storage in strategic points around the U.S., but it does not operate delivery trucks, but rather contracts all its trucking. For restaurant chains, Seattle Shrimp & Seafood sometimes negotiates directly and then arranges to have the product delivered by Sysco. Besides shrimp, their offerings include scallops, lobster swai and tilapia, and crab.

In crab, the firm mainly deals in Canadian snow crab, with a portion of the product destined for Japan. It doesn't deal much in Russian crab, as Jones said he concerned with trouble with documentation, since Russia has had problems with IUU fishing. However, the firm does a little trading in U.S.-caught crab, just to keep just to "keep [our] finger on the pulse of pricing trends," Jones said.

In addition, the company was a pioneer in the red crab business, also known as Southern king crab, (*Lithodes santolla*), from Argentina. Jones said that quality has also improved with the product, after some early buyers had had a bad experience with excessive saltiness. Previously, the red crab was salty because the producers stored and cooked it in salt water. But that problem has dissolved as they eventually brought in staff from other areas with expertise in properly processing crab.



"We had a lot of doors slammed in our face," Jones said of the initial marketing. Then, the perception changed. "People said, 'Hey, it's a really good deal.'"

But Asian buyers got involved last year, pushing up prices, Shibata said.

"We have competition this year," he said. "The price of king crab has been stable at a high level, so they are looking for alternatives. We'll wait and see as it may be too risky. We'll watch the price gap."

In the shrimp market – the company's bread and butter – Shibata and Jones said that the quality of Indian vannamei has improved, so that it now sells at the same price as other more established imports.

It's that kind of insider knowledge of the seafood markets that shows it's not just low interest rates in Japan that's keeping Seattle Shrimp & Seafood Co. on top in the U.S.

*By Chris Loew - [www.seafoodsource.com](http://www.seafoodsource.com)*

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## **POSSIBLE ECUADORIAN SHRIMP IMPORT WORRIES BRAZILIAN PRODUCERS**

*Brazil - March 30, 2017*

The likelihood of opening up Ecuador's shrimp imports raises concerns among producers in Ceará, who are now facing the problem of the white spot virus, causing a high crustacean mortality in shrimp farms.

Shrimp imports have been banned in Brazil since 1999, but the sector fears that if the federal government decides to reopen this market, the current complicated scenario is exacerbated, reported O Povo.



Their fears revolve around two main issues: market dominance, and the risk of contamination with other diseases.

The Minister of Industry, Foreign Trade and Services, Marcos Pereira, and Deputy Danilo Forte (PSB-CE), met earlier this week to analyze the situation. At the meeting, measures were evaluated to encourage shrimp farming in Brazil and the effects that the opening of imports from Ecuador could have.

The legislator presented the minister documents of the Brazilian Association of Shrimp Breeders (ABCC), which include the possible sanitary risks and the likely negative impact on job creation that the reopening of the market could cause.

According to Forte, who sent the same documentation to President Michel Temer, the minister undertook to create an internal commission to assess the situation. In this process, information will be requested from the Ministry of Agriculture and Finance, and ABCC's claims will also be heard.

For his part, Orígenes Monte Neto, the president of the Association of Shrimp Breeders of Rio Grande do Norte (ANCC), explained that the associated producers do not oppose the import, but they argue that it is necessary to maintain the phytosanitary barrier to prevent the spread of diseases that affect other countries to the Brazilian shrimp.

"We are not looking for measures to protect the market. We are not against imports, as long as they are from regions that comply with international sanitary standards," explained the leader.

*Source: [www.fis.com](http://www.fis.com)*

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## **NON-INVASIVE SHRIMP DISEASE DIAGNOSTIC PROCEDURE DEVELOPED**



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***USA - March 30, 2017***

Researchers of the University of Arizona and of the University Prince of Songkhla, in Thailand, developed a new procedure to detect acute hepatopancreatic necrosis disease (AHPND) in white shrimp (*Penaeus vannamei*), causing substantial mortality in the species in various countries in Southeast Asia and Latin America.

The disease causes sloughing and necrosis of hepatopancreas tissue that results from toxins produced by specific strains of *Vibrio parahaemolyticus*.

The diagnosis of AHPND usually involves sacrificing the shrimp to collect hepatopancreas tissue for PCR analysis and/or histopathology, which is not desirable for monitoring valuable broodstock.

As AHPND-bacteria are present in the digestive systems of infected shrimp, this research has been based on the possibility that fecal samples could be collected for monitoring shrimp populations without causing mortalities.

As part of the study, the researchers we evaluated procedures with shrimp fecal samples directly or with the enrichment of the bacteria present in the feces through culturing them in media.

The study showed that not all infected shrimp succumb to the AHPND disease and that in shrimp farms, animals infected with sub-lethal doses might recover from disease and become asymptomatic carriers.

The new diagnostic test developed for AHPND does not require sacrificing shrimp, especially for those asymptomatic survivors of valuable broodstock populations. The test involves PCR analysis of an enriched broth culture of bacteria from fecal samples. An enriched broth can be used to detect AHPND-*V. parahaemolyticus* in feces from both moribund and asymptomatic animals.



These findings are of interest to shrimp producers regarding the development of strategies for disease management of this serious disease AHPND, and will prove very useful in the diagnosis and monitoring of AHPND in farmed shrimp populations.

The study authors, released by Global Aquaculture Alliance (GAA), are the scientists Eun Han (University of Arizona), Patharapol Piamsomboon (University Prince of Songkhla) and Kathy F.J. Tang (University of Arizona).

*Source: [www.fis.com](http://www.fis.com)*

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## **SHRIMP ASSESSMENT SURVEY CONCLUDED**

***Argentina - March 29, 2017***

Shrimp (*Pleoticus muelleri*) assessment survey in the Gulf of San Jorge and the coast of Chubut concluded on March 23, when the commercial vessel Bogavante Segundo, belonging to Iberconsa, arrived in Puerto Madryn.

In 15 days' work, eight researchers from the National Institute of Fisheries Research and Development (INIDEP) together with two officials from the province of Chubut and the crew of the vessel, were able to verify the presence of concentrations of accessible and vulnerable shrimp to the commercial shrimp network in the areas between latitude 43° 00' S and 45° 00' S, west of 064° 00' W; and between latitude 45° 00' S and 47° 10' S, west of 065° 00' W.

"We were able to fulfill all the objectives proposed for the survey", emphasized the scientific chief M.Sc. Juan de la Garza, a member of the Fisheries Program of Benthic-demersal Crustaceans.

In turn, the scientist appreciated the efforts of the crew of the vessel Bogavante Segundo, who collaborated "at all times" and helped them to carry out all the scheduled work.



The objective of the survey was to analyze the spatial distribution of mature females and impregnated females in order to estimate fertility indexes, ovarian maturation and early maturity. Likewise, Patagonian shrimp egg and larvae would be located from zooplankton samples.

It is also intended to determine the oceanographic variables and the composition and abundance of the epi-benthic fauna associated with the main distribution funds of the shrimp in the evaluation area.

Researchers are already working on the report of the shrimp recruitment survey, which will then be submitted to the Federal Fisheries Council.

*Source: [www.fis.com](http://www.fis.com)*

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## **FISHING INDUSTRY EXPECTS 'EL NIÑO' HAS NO BIG IMPACT ON ANCHOVY**

*Peru - March 29, 2017*

Peruvian fishing companies expect that El Niño Phenomenon has no greater impact on anchovy catch this year, which would allow this important activity to recover after a difficult 2016.

National Fisheries Society (SNP) president Elena Conterno said Tuesday in an interview with Reuters that the warming of the Pacific waters generated by the climate phenomenon is occurring 30 metres from the surface, while the anchovy, a fish of cold water, could descend to about 100 metres deep.

"We see this year as being better than the previous one, we consider that water warming is superficial and now we see an interesting cooling process and an increase of winds that are key," said Conterno. "We will await the arrival of the research survey in April to evaluate the scenario," she added.



Anchovy capture is key not only for the fishing sector but also in the country's primary manufacturing activity, which is the world's largest fishmeal producer.

The executive also expects temperatures to decline towards the end of April or May, when the new fishing season will start in the northern-central area of the Peruvian sea, where the largest number of anchovy is concentrated.

Conterno refrained herself from making fishing forecasts for this year, but the Central Bank on Friday had estimated that this year Peru will catch 3.62 million tonnes of anchovy, one million tonnes less than its previous estimate because El Niño could affect spawning and growth of this resource.

Anchovy catch in Peru has been reduced from 4.75 million tonnes in 2013. Last year, fishing fell to about 2.7 million tonnes due to the premature closure of the first fishing season due to the presence of juvenile species.

"It has been difficult years, companies have made great efforts to reduce their costs and raise their expenses for environmental care," said Conterno, who explained that in the last decade the fishing firms have invested USD 500 million in environmental protection.

***Source: Reuters***



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## **BRAZIL TO LIBERALIZE SHRIMP IMPORTS**

*Brazil - March 29, 2017*

The Brazilian government has announced that will open the market to imports of headless peeled de-veined shrimp from Ecuador and Asian countries, sources told Undercurrent News at the North American Seafood show last week.

Argentine shrimp imports, however, will continue to be banned. It is unclear yet whether only cooked or also raw shrimp will be allowed to enter the Brazilian market.

"It is a plan but is almost decided," Brazilian ministry of agriculture, livestock and food supply's policy advisor, Pedro Viana Borges, told Undercurrent. He added that the Brazilian foreign trade chamber Camex was moving towards the decision.

Exact details on what shrimp products will be allowed to be imported into Brazil - and what countries will be able to ship shrimp into Brazil -- should be clarified soon, possibly at the beginning of April, when the decision is expected to be finalized, sources said.

At present, Brazil bans shrimp imports from other countries, in a measure intended to prop up Brazilian shrimp prices.

As a result, Brazilian shrimp are "very expensive", with prices two-three times higher than Ecuadorian shrimp, sources said.

"Shrimp production in Brazil hasn't grown in seven years. So, the Brazilian government will allow imports. We hope that the market will grow fast. It is great news for us," Breno Davis, CEO of Brazilian firm GeneSeas -- which last year merged with Brazilian shrimp distributor DellMare -- told Undercurrent.



Other Brazilian sources pointed to some local producers' opposition to opening the market, but said that the government had been pushed to move towards opening it by the fact that local supply was not sufficient to meet demand in restaurants, etc.

Brazilian producers warn of health risks caused by the market opening allowing diseases to affect local shrimp production, and promised to go to court against the measure, despite government officials noting that imports would not impact production, as they would be destined for direct consumption, Canal Rural reported.

The opening of the Brazilian market to shrimp imports from Ecuador and Asian markets could be a "game changer", and possibly support global shrimp prices, a buyer from an American firm said; adding that Brazilian demand could potentially offset the bearish impact on prices of a possible increase in Chinese production this year.

"Brazil consumes mainly head-on shrimps, but the head-on will not be allowed to be imported by the [country's] authorities," one source from an Ecuadorian producer noted.

"Brazil consumes mainly 36-40 to 51-60 but low sizes are not available in Ecuador right now, because of the rains, the weather and because China purchases big sizes. So I don't see much hope in the [Brazilian] plan [to open the market]," the source also added.

Torrential rains in Ecuador have caused scarcity of smaller shrimp sizes, but Ecuadorian shrimp production is expected to recover promptly, once the rain ends, sources said. As the rains delayed the harvests in Ecuador and Peru, shrimp in ponds increased in size, while logistics and transport were slowed.



Other Ecuadorian sources, however, pointed to the huge opportunities that the Brazilian market opening could represent for shrimp producers. "Brazil is a huge country," one noted.

Brazil produces less than 60,000 metric tons of shrimp per year. The country's production has been affected by diseases, pushing the government to open the market to imports.

Limited production has so far restrained consumption, which could, however, increase sharply, once the ban on shrimp imports is lifted, sources said.

Ecuador's largest shrimp exporter, Santa Priscila, shipped last year a total of 55,500t of vannamei, a volume similar to that which Brazil should have produced in 2016, according to estimates by the Brazilian Association of Shrimp Breeders.

*By Matilde Mereghetti*      [www.undercurrentnews.com](http://www.undercurrentnews.com)

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## **SHRIMP PRICES SOAR AS TRADITIONAL CHINESE FESTIVAL APPROACHES**

*China - March 29, 2017*

The upcoming Qing Ming festival, also known as Tomb Sweeping Day, is putting upward pressure on seafood prices in China's main wholesale markets, with demand for mantis shrimp climbing up sharply on tighter supply, and prices averaging CNY 120 (USD 17.43, EUR 16.09) per kilogram at the bellwether Weihai port wholesale market in Shandong Province, on China's east coast.

Increasingly scarce local supply is a factor behind stronger prices, according to merchants at the market, who don't expect any slackening off in prices until after the festival, which falls on 4 April, 2017.



However, while the outlook is good for shrimp suppliers, prices for abalone have slipped as southern Chinese supply starts to come on-stream. Larger abalone, five or six head, were fetching an average CNY 160 to 180 (USD 23 to 26, EUR 21 to 24) per kilogram while prices for the smaller abalone, which include 13 pieces per kilogram, were worth CNY 86 to 90 (USD 12 to 13, EUR 11 to 12).

*By Gao Fu Mao - [www.seafoodsource.com](http://www.seafoodsource.com)*

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## **NINGBO TECH-BANK ACQUIRES CHINESE AQUATIC FEED STARTUP FOR \$11M**

*CHINA - March 28, 2017*

Ningbo Tech-Bank, which recently acquired Texas-based shrimp broodstock company Primo Broodstock, has acquired Qingdao Great Seven Bio-Technology Co. for CNY 75 million (\$10.9m), as it looks to expand in northeast China and the market for coldwater fish feed.

Great Seven, which manufactures aquatic feed for turbot, Chinese sturgeon, grouper and sea cucumber, was established in 2009 by a university professor at Ocean University of China, China's leading university for marine research.

"Prior to the deal we didn't have a production base in north Shandong [Province]. With the acquisition, Great Seven will become our main production base serving the Bohai region," Su Lirong, president of Ningbo Tech-Bank's animal feed division told Fish First, a Chinese trade publication.

Great Seven has in just a few short years developed an "excellent reputation" for aquatic feed for cold-water fish such as flounder and grouper, said Su.

With its close ties with Ocean University of China, the firm also has a "strong backbone" of research and owns over 80 patents. The firm had struggled to finance further growth, though.



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Tech-Bank aims to increase Great Seven's production capacity from its current 30,000 metric tons to 300,000t. However, Su added that competition in the aquatic feed sector is "very fierce" and that the coldwater fish aquaculture in China is still relatively small-scale.

"Currently market competition in the feed sector is very fierce [in China]. It is becoming more and more difficult to rely solely on aquatic feed manufacturing, or one aspect of the industrial chain.

"So, we are beginning to replicate what we have done in the pork industry in the aquaculture industry, by entering production. In shrimp and crab, Tech-Bank is competing to gain market share.

"But our company is also looking abroad. Currently Tech-Bank has a [feed] factory in Vietnam. Should any other opportunities spring up we would also consider further expanding outside China."

In November, Ningbo Tech-Bank acquired Texan firm Primo Broodstock, a firm which develops vannamei shrimp broodstock primarily for export. Acquiring the expertise of Randall Aungst, who heads Primo, was a key attraction of the deal.

Earlier this year the chief executive of Tongwei -- China's largest aquatic feed manufacturer -- told Undercurrent News that his firm aims to produce 4 million tons of aquatic feed annually by 2020. The firm also said it was targeting foreign expansion.

*By Louis Harkell – Undercurrent News*

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## **US DECLINES INDIAN AND THAI SHRIMP ANTIDUMPING DUTIES**



### ***India - March 28, 2017***

The United States commerce department has decided to decline the anti-dumping rates to frozen warmwater shrimp from India and Thailand.

The ministerial authorities announced that they have pegged the preliminary duty on the perishable item at an average rate of 1.07 per cent.

This rate, which applies to 229 Indian producers/exporters not targeted for individual examination, has been determined in the ongoing 11th administrative reviews of the anti-dumping duty orders.

The period of review (POR) was February 1, 2015, through January 31, 2016.

Meanwhile, certain exporters commented that the review-specific average duty in the 11th round was lower from the final .

The preliminary duty is lower than the tenth review rates set for 2014-15 exported products, which was 2.20 per cent.

For his part, Rajen Padhy, director general of Utkal Chamber of Commerce and Industry and a seafood consultant, pointed out: "Because of the duty being lowered, a lot of major exporters will stand to get duty refunds which will be a big boost for the exports."

Total exports to that the US, the major importer of Indian seafood with a share of 28.46 per cent in dollar terms, stood at USD 1,334.05 million in 2015-16.

While shipments registered a growth of 18.53 per cent in volume, they were down 2.23 per cent in rupee value terms and 8.52 per cent in dollar terms.



The US is the largest market (134,144 tonnes) for frozen shrimp followed by the European Union (81,849 tonnes), South East Asia (65,188 tonnes), Japan (34,204 tonnes), West Asia (17,477 tonnes), China (9,542 tonnes) and other countries (31,464 tonnes).

The commerce department is scheduled to issue its final results within 120 days of publication of its preliminary determination notices in the federal register, although that deadline can be and usually is extended by an additional 60 days.

*Source: [www.fis.com](http://www.fis.com)*

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## **NDIAN SHRIMP PRICES ON RISE AS HARVESTING BEGINS**

*India - March 27, 2017,*

Indian farmed shrimp prices were on the rise throughout February, with the first real harvests beginning mid-to-late March, sources told Undercurrent News.

The final harvests of 2016 were poor, and did little to relieve scarcity of raw material in January and February 2017.

It was the smaller shrimp which were most in demand early in February, and sources reported farmers were planning to harvest quickly to meet this.

"The stocking in Andhra Pradesh has been going on in almost all farming areas," said one source, trading shrimp out of India. "We were told that the stocking in Andhra Pradesh, which was done in January, is going well and it will be partially harvested at middle of March."

"We can consider prices mostly firming up in March," said a second source, importing Indian shrimp to the US. "Raw material prices adjusted down a bit to account for the strengthening of the rupee, but overall there still seems to be a mis-match between the purchase and selling prices."



"Many India packers complain about unworkable levels in spite of strong enquiries from US and Chinese buyers," he said.

Prices are expected to be firm or strong during the coming weeks, he added.

Just before the main harvests began in earnest, the available sizes were largely 21/25, 26/30, and 31/40 count; however the smaller shrimp were more in demand, and these 60-100 counts are what is expected to hit the market first.

Prices early in March had reached around INR 550 (\$8.404) per kilogram for 30 count; INR 450 for 40 count; and INR 380 for 60 count.

30-70 count shrimp had all risen slowly through until the end of February, starting March roughly INR 10 higher than a month previously.

80 count and up increased a little faster, but then flattened as March began, at INR 330 for 80 count, INR 300 for 90 count, and INR 270 for 100 count.

Elsewhere, new harvests in Orissa and Kolkata are expected by the end of April.

Vannamei will remain the major crop, with black tiger largely negligible. "The only area that should have significant volume of black tiger is Kolkata, and the main availability will be traditional, wild caught," said Undercurrent's first source.

Meanwhile, farming in Tamil Nadu is off to a tough start, according to Durai Balasubramanian, secretary of the Pattukottai Shrimp Farmers Association.

"Stocking hasn't started as planned due to a severe drought; very difficult year on the cards", he told Undercurrent. "There are few areas with a good source of electricity. Current prices in Tamil Nadu are staying higher."



The prices he quoted were between INR 20 and 30 higher than those quoted by the trading source.

Rahul Kulkarni – director of Westcoast Group – told Undercurrent that stocking is going to plan on the other side of India, and harvests are expected from May onwards.



### **Mixed signals over stocking densities**

"According to several sources, more and more farmers in Andhra Pradesh are taking a more sustainable approach to avoid any potential problems for their crops," said the trading source. "Thus, the chance to have better productivity than 2016 is quite promising," he said.

Balasubramanian too noted that farmers have reduced stocking density to 20 pieces per square meter, "due to prevailing disease like EHP and white feces".

Last year this was more like 60 per square meter, he said.

However, Kulkarni told Undercurrent that "sustainable stocking is a relative term; in Andhra, farmers are going for high stocking densities, as they are ready to harvest small sizes if need be".

"They go for immediate restocking as well, taking more crops in an year. Harvests are looking to easily surpass 2016, owing to increased stocking density, more crop cycles and more new farms coming into culture."

### **EU exports still slowed by checks**

Exports of Indian shrimp to EU countries remain subject to a 50% checking rate at the border, since October 2016.

For the UK especially these additional food safety measures have been tough, as importers there are obligated to leave consignments at the port while they await checks; elsewhere in the EU companies can move these shipments to their own coldstores, sources told Undercurrent.



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"It is costing us a couple of thousand pounds per container that's stopped at port," said Derek Golding, managing director of Seahawk Marine Foods. "The tests are £1,000 alone, before demurrage."

"We've heard the EU sees no change to the situation in 'this semester', which is around six months. There were some meetings between UK importers and MPEDA [India's Marine Products Exports Development Authority] at Boston, where the aim is to try and get Indian authorities to come down a bit harder in their policing of exporters."

It's thought the EU is not too concerned about the state of imports from India in terms of trace antibiotics, but that this measure is intended to put pressure on MPEDA to, in turn, pressurize certain exporters.

"Between Dec. 1 2016 and Feb. 6 2017 there were nine alerts caused by Indian shipments, and not all of them down to antibiotics," said Golding. "These checks should be risk-based. I don't understand why those exporters that set off the alerts aren't just banned."

*By Neil Ramsden* - [www.undercurrentnews.com](http://www.undercurrentnews.com)

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## **FISHMEAL COMMENTS AND PRICES: PERUVIAN**

*Worldwide - March 25, 2017*

Fishing in the south of Peru has been averaging at about 3,500 m/t per day with the total landed now up to just over 110,000 m/t against the quota of 515,000 m/t

There has been no change in prices this week in Peru or Chile with the trade reporting that business is very slow. Producers have presold all that they want to sell of the next quota so there is little business to be done.



There is news from China that the existing fishmeal facilities in China need a great deal of upgrading to meet the pollution standards and that some facilities may have to close. The feeling is that while the upgrades are being done the local production of fishmeal could drop by as much as 50 percent – that is a drop of about 500,000 m/t. This drop in local production is certainly going to increase import demand and, with Peru being the major supplier, some of this business will certainly go to Peru.

As mentioned last week, all the major fishmeal folks are on their way to Asia for a couple of important conferences. But then, with not much to sell at present it looks like a good time to be talking to the major players in Asia. Who knows how much additional business they may book for the next season.

*By Wayne Bacon - Weekly Grain And Protein Report from Hammersmith Marketing Ltd*

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## **ECUADORIAN SHRIMP IS CLOSER TO ENTERING BRAZIL**

*Ecuador - March 20, 2017*

Ecuadorian shrimp could soon enter Brazil thanks to the efforts made by the Government and industry to conclude negotiations to open that market.

Members of the Undersecretariat of Aquaculture, the National Fisheries Institute (INP) and representatives of the private shrimp sector have already developed a road map and identified companies interested in commercializing the crustacean in the South American country.

Once the list of companies is completed, an advisory process will be initiated to comply with the sanitary requirements required by the Ministry of Agriculture, Livestock and Supply of Brazil (MAPA) to authorize the export, said Jorge Romero, undersecretary of Aquaculture.



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The negotiation process involves visits of technicians of the sanitary entities of Brazil and of Ecuador to the exporting companies.

"We have set ourselves a fast job, but at the same time an efficient one. We export shrimp to the European market meeting all the demanding sanitary standards and we know that we will make the negotiations with Brazil," the official pointed out.

Romero said that Brazil has already recognized several health issues in Ecuador, through inspections carried out last year by MAPA technicians.

Brazilian businesspeople also visited Ecuador last January to identify potential suppliers.

In Ecuador, shrimp accounts for 2.5 per cent of GDP. Exporting to Brazil means an achievement, since this being the largest market in Latin America, it would allow it to improve the competitiveness of the sector, diversify shrimp export markets, increase production and improve export prices.

**Source:** [www.fis.com](http://www.fis.com)