



Item 5 of the Provisional Agenda
COMMITTEE ON FISHERIES
Sub-Committee on Fish Trade
Sixth Session
Bremen, 3-6 June 1998
ISSUES OF INTERNATIONAL TRADE, ENVIRONMENT AND SUSTAINABLE FISHERIES DEVELOPMENT: REPORT ON SUSTAINABLE SHRIMP AQUACULTURE AND TRADE

INTRODUCTION

1. Cultured shrimp have been the driving force behind the strong increase in shrimp trade during the late 1980s and early 1990s making it, in value terms, the most important seafood product traded internationally. In the last decade shrimp trade has expanded from 650 000 t to over 1 million t. Over one quarter of the shrimp traded internationally comes from aquaculture. The farm gate value of cultured shrimp was estimated at US\$ 6.2 billion in 1996 and a conservative estimate of retail value is at least three times this figure. There is also significant international and regional trade in production inputs for shrimp culture, especially feed, specialized equipment and some chemicals, as well as technical know-how. Furthermore, the sector continues to grow and attract foreign investments.
2. The largest exporters of farmed shrimp are Bangladesh, China, Ecuador, India, Indonesia, Mexico, Thailand and Viet Nam. For these as well as for several other smaller producing countries such as Honduras or Sri Lanka, farmed shrimp exports are among the most important foreign exchange earners.
3. The primary importing countries are Japan, United States and EU countries (see COFI: FT/VI/98/2). The United States, Thailand, Taiwan Province of China, Philippines, Japan

and some EC countries are among important suppliers of production inputs and technical expertise.

4. Whereas public perception, especially in some importing countries, associates shrimp culture with large enterprises applying capital intensive technologies, most shrimp farming is undertaken by small-scale farmers owning less than 5 ha of land located in rural coastal areas. In many of these areas, shrimp farming has emerged as a main source of employment and income for hundreds of thousands of people. Globally, a conservative estimate is that the sector employs directly more than one million persons. Additional employment and income is generated in supply industries as well as in shrimp processing and distribution including retailing. Regarding the latter, significant incomes accrue in importing countries. In Canada and the United States, for example, it has been reported that the financial viability of about 8000 special seafood counters in retail stores depend on shrimp sales contributing one third of annual turn-over.

Recent Developments relating to Sustainable Shrimp Culture and Trade

5. Recently, there has been increasing publicity, primarily in North America and EC countries, about environmental and social issues related to shrimp culture. Some non-governmental organizations have called on seafood importers and consumers to exercise selectivity in their purchases of shrimp according to the perceived sustainability of shrimp farming practices. These calls target on shrimp imports from specific countries without further distinction regarding the actual practices of shrimp production, including that from capture fisheries.

6. As reported at the recent Bangkok FAO Consultation on Policies for Sustainable Shrimp Culture, 8-11 December 1997, governments and industry associations have taken various legal and regulatory measures to ensure that shrimp culture is conducted in a sustainable manner in order to maximize socio-economic benefits and preserve the environment. Noting that appropriate government responsibilities are outlined in Article 9 of the Code of Conduct for Responsible Fisheries, adopted by the FAO Conference in 1995, the Consultation recommended a range of desirable principles to be followed in the establishment of legal, institutional and consultative frameworks and regulatory policies for sustainable shrimp culture. It also noted that the Code provided an accepted baseline for the development of additional codes or guidelines applicable to shrimp culture. The Consultation recommended that FAO convene expert meetings to elaborate (1) best practices for shrimp culture, (2) desirable elements of the legal and regulatory frameworks for coastal aquaculture, and (3) the criteria and indicators for monitoring sustainability of shrimp culture in the context of countries' reporting on progress in the implementation of the Code of Conduct for Responsible Fisheries.

7. As reported in its paper submitted to the Bangkok FAO Consultation on Policies for Sustainable Shrimp Culture the World Wide Fund for Nature (WWF) is also working toward a goal "to create an overarching international set of guidelines for sustainable shrimp culture that could become the basis for a third-party certification program, similar to the Forest Stewardship Council (FSC) set up for timber, and the newly established Marine Stewardship Council (MSC) which is being set up for fisheries, both of which

have major support and involvement of WWF." The position paper further notes that "certification of sustainable practices could be a market-based incentive for encouraging the adoption of best practices in both shrimp farming and fishing. To be effective, however, the guidelines would have to be developed through a legitimate multi-stakeholder process which does not yet exist for either shrimp trawling or shrimp aquaculture."

8. Several national associations of shrimp farmers are presently in the process of developing codes of practices for sustainable shrimp/prawn farming, drawing upon their own expertise as well as that available in various government departments, research institutions and inter-governmental and non-governmental organizations. At the international level, the recently created Global Aquaculture Alliance (GAA), a non-governmental organization whose membership includes shrimp producers, traders and retailers from primarily the American region, has developed a code of practice in mangrove use for coastal shrimp culture and has the intention to develop a code of good shrimp culture practices based on prior efforts at country levels. At a later stage, these codes might provide the basis for a specific GAA product label.

9. In December 1997, the World Bank Group initiated a Marine Market Transformation Initiative (MMTI) with the Government of Thailand with the objective of formulating a code of conduct for shrimp farm operation. The objectives of the first phase of this work are: (a) to develop relationships between exporters and importers and (b) to prepare and disseminate information packages on cost-effective technologies for sustainable shrimp farming. The second phase of the MMTI would be devoted to assist in the creation of an enabling environment for the shrimp industry to comply with and benefit from sustainable, environmentally sound and socially acceptable shrimp farming methods.

10. In addition to follow-up on the specific recommendations of the Bangkok Consultation, FAO and other intergovernmental organizations, such as the Network of Aquaculture Centres in Asia and Pacific (NACA) and the Southeast Asian Fisheries Development Centre (SEAFDEC), have individually and in collaboration been involved in various on-going programmes and projects to assist countries in sustainable shrimp culture development.

Suggested Action by the Sub Committee

11. In keeping with its terms of reference, the Sub-Committee is requested to report and comment on trade-related implications of the issues concerning environment and sustainable shrimp culture. In particular, the Sub-Committee may report on present and potential impediments to shrimp trade and how these can be addressed by countries individually and mutually, taking into account the above reported examples of measures envisaged or on their way of implementation. The Sub-Committee may also offer its advice on the role and function of FAO regarding these issues.