

India, Indonesia and Vietnam shrimp industries fact sheet



Results from field-based research in India, Indonesia and Vietnam found an association between supermarkets' purchasing practices and unpaid labour, wage theft, forced labour, hazardous working conditions, debt bondage, and deteriorating working conditions at most tiers of the shrimp aquaculture supply chain.

Overview

Global Shrimp Aquaculture Value: \$70 billion

Global Shrimp Aquaculture Volume: 6.4 million tonnes

- **Asia Region:** India, Indonesia, and Vietnam alone provide about 40-50% of the shrimp to the world's top four shrimp markets of USA, UK, EU and Japan
- **Total regional land use:** About 1.8 million hectares (18,000 square kilometers), located in delta and mangrove areas
- **Average regional farm size:** 1 hectare

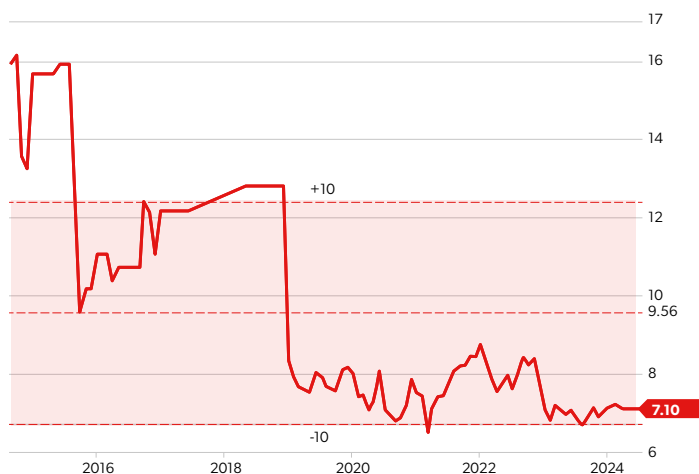
Primary Producers: An estimated two million largely independent, small farmers in Asia-Pacific

Major Markets: United States, United Kingdom, European Union, Japan

Economic Trends

Global Wholesale Shrimp Prices: Decreased 40% since 2018

Global price of shrimp: 7.1003 (as of 2024-06-01)



Country-Specific 2023 Data:

- **India:** Minor growth in export volume this and last year (4%, 1%), but an 11% drop in export value from \$5.5 billion in 2022 to \$4.9 billion in 2023
- **Indonesia:** The export volume has shown a downward trend, declining by 4% in 2022 and further decreasing by 10% in 2023, with export value remaining flat at \$2.16 billion
- **Vietnam:** Experiencing the largest declines with a 25% decrease in export volume in 2023 (rising in 2024) and a 30% drop in value, from \$4 billion in 2022 to \$2.8 billion in 2023

Consumer Market Disconnect: Despite falling wholesale prices, shrimp prices at grocery stores have risen in the U.S., UK, Europe, New Zealand, and Australia.

Supply Chain Imbalance

There is a direct relationship between supermarkets' retail purchasing practices and deteriorating worker conditions in the shrimp aquaculture industries in India, Indonesia and Vietnam.

Profit Margins: Retail prices for shrimp have remained at historically high levels since the pandemic while wholesale shrimp prices have sunk to historically low levels and continue to fall.

- **Farmers:** -15% to 0%
- **Supermarket Retailers:** Up to 43%

Shrimp Farm Finances: Shrimp producers report successive losses and operating below the cost of production. These price pressures from supermarkets conflict with commitments of ethically produced shrimp.

- **Farm Gate Prices:** 20-45% lower prices to farmers than pre-pandemic levels
- **Production Costs:**
 - **Feed:** 50-80% of the total production cost and rising

- **Labour:** 5-7% of the cost of shrimp production, down from 10-15% pre-pandemic levels. As the budget is squeezed, worker exploitation increases.
- **All Other:** the cost of energy, post-larvae, maintenance and disease prevention are all increasing

Working Conditions in Interview Sample (n=480):

- 20-60% lower earnings than pre-pandemic levels
- Excessive, unpaid overtime pay
- Reduced bonus portion of worker earnings, which before the pandemic had ensured wages meet the minimum wage.
- Informal working arrangements, preventing access to social benefits/legal protections
- Wage insecurity and deception – rates fluctuate with shrimp prices and harvest success
- Additional costs for protective gear and work-related expenses, previously paid by employer, are now borne by workers
- Women earn significantly less
- Unhygienic living conditions in some company compounds
- Hazardous working conditions (extreme temperature exposure, chemical exposure)

Of Highest Concern:

- Insecure and unclear payment scheme, resulting in many workers not making minimum wages
- Insecure monthly wages due to informal job status
- Debt bondage in India, parts Indonesia
- Very long days with excessive overtime
- Urgent concerns about well-being in India, parts of Indonesia
- Child labour observed in India
- Restriction of movement at some dorm-based plants in India, parts of Indonesia
- Recruitment fees and pay deductions in India, parts of Indonesia
- Isolation
- Intimidation and harsh conditions
- Untended workplace injury in India, parts of Indonesia
- Unpaid and underpaid work through longer hours and lost bonuses

Major Retailers linked to facilities where shrimp workers were interviewed:

- **U.S.:** Target, Walmart, Costco
- **U.K.:** Sainsbury's and Tesco
- **Europe:** Aldi, Co Op, Transgourmet

Traceability and Accountability

The majority of exported shrimp from India, Indonesia, and Vietnam is purchased from harvest agents mixing sources and is not traceable to farms, making it difficult to hold suppliers and retailers accountable for exploitation of workers in the supply chain.

Middlemen aggregate shrimp from multiple sources and appear to be used to reduce buyers' risk by eliminating traceability that could link retailers to labour crimes like forced labour.

Company Commitments: Many of the largest supermarket chains, such as Walmart, Kroger, Costco, Lidl and Sainsbury's, commit to procuring shrimp that are certified to their ethical standards, including sustainability and labour standards throughout the supply chain.

Dominant certification programs:

- Of the 2 million shrimp farms operating currently in major producing countries of India, Indonesia, Ecuador, Thailand, Bangladesh and Vietnam, only one-tenth of one percent or 2036 are currently certified by either the Aquaculture Stewardship Council ecolabel (234) or the Best Aquaculture Practices ecolabel (1802). With the yield from most certified shrimp farms being very small, it is mathematically impossible for certified farms to produce enough shrimp per month to supply all of the supermarkets that boast commitments to purchasing certified shrimp.
- **Disconnect:** There do not appear to be transparent conditions in shrimp supply chains for the two million farms producing shrimp. Yet, international supermarket chains selling large volumes of shrimp suggest that their entire supply chain is verified by third-party certification programs.

Ineffective Tool: Social audits and certification schemes do not eliminate or even decrease the prevalence of labour abuses in supply chains.