

The European market potential for wild caught warm-water shrimp

The European market for wild caught warm-water shrimp comprises approximately 35% of all European shrimp imports from outside of Europe and can be divided into two segments. First, head-on shell-on (HOSO) and headless shell-on (HLSO) large-size shrimp. Second, smaller sized peeled and deveined or undeveined (PD and PUD) block frozen shrimp. The former is a low-volume, high-value market, the latter is a high-volume, low-value market. This study focuses on the opportunities for wild caught warm-water shrimp from Asia and Africa.

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1. Product description

When this study refers to wild caught warm-water shrimp, it means species exported under the Harmonised System (HS) code 030617 — Frozen shrimps and prawns. There are many warm-water shrimp fisheries around the world, but all types of shrimp from Africa and Asia discussed in this study have their own place in the European market, meaning the small-size, peeled and deveined (PD) or peeled undeveined (PUD) and the large-size, headless shell-on (HLSO) or head-on shell-on (HOSO) products.

This study focuses on the potential of exports to Europe for warm-water shrimp fisheries in Africa and in South and Southeast Asia. Although there are dozens of relevant warm-water wild caught shrimp species caught by fisheries on these two continents, there are only a couple of species that dominate the trade. These species fall under different eight-digit HS codes, which are specified below. The eight-digit HS codes are important for analysing the trade flows of these products from Asia and Africa to Europe.

From Africa, the main species that dominate trade are the following:

- *Penaeus monodon* — Here referred to as sea tiger and mainly exported under HS03061792;
- *Penaeus notialis* — Here referred to as white shrimp and mainly exported under HS03061792;
- *Parapenaeus kerathurus* — Here referred to as kerathurus and mainly exported under HS03061792;
- *Parapenaeus longirostris* — Here referred to as cappa and mainly exported under HS03061791;
- *Parapenaeus atlantica* — Plus a variety of similar other species mainly exported under HS03061799.

The main species exported from Asia to Europe are:

- *Penaeus monodon* — Also referred to as sea tiger, mainly exported under HS03061792;
- *Penaeidae* — A mix of species (*P. indicus*, *P. stylifera* (Caricadi), *Metapenaeus affinis*, *Metapenaeus monoceros*, *P. japonicus*, *Metapenaeus dobsoni*, *Protrachypene precipua*, *P. semisulcatus*) sold in the European market as wild caught tropical pink shrimp or 'pinks'. Pinks are mainly exported under HS03061799.

Sea tiger is sold as HOSO or HLSO products and are usually packed in their final packages at the origin, ready for sale to restaurants or consumers in Europe. Most of the other species that are caught at other, often smaller sizes, are processed into HLSO, PD and PUD and sold as blocks. These blocks largely serve Europe's reprocessing industry, which will thaw the blocks and process the shrimp into ready-to-eat meals or cooked products.

In the European market, large sea tiger has a market where buyers look for premium wild caught product, such

as the restaurant industry. It is a low-volume, high-value business. Contrary to the sea tiger business, peeled blocks are a low-value, high-volume business. Small-size peeled shrimp has its place in the market for the smallest sizes, which cannot be sourced at competitive prices from the Pacific white shrimp farms. These species find their market in the European ready-made meal industry.

For the sea tiger, it is more difficult to identify the main markets from statistics as they are reported under the same HS codes as the cultivated black tiger (*P. monodon*) and Pacific white shrimp (*P. vannamei*), so they are not easy to distinguish. Industry sources, however, mention that volumes of wild sea tigers to reach Europe are very small and often only a couple of master cartons arrive, mixed in containers with other products. The reason is not necessarily the lack of demand, but often the lack of availability of supply.

Tips Africa:

Check the [product portfolio of Primstar](#), the sole distributor of the largest Nigerian shrimp exporter, Atlantic Shrimpers, to understand the species, sizes and types of products available from Nigeria.

Check the [product portfolio of Afritex](#), a major exporter of wild caught shrimp from Mozambique, to understand the species, sizes and types of products available from Mozambique.

Tips Asia:

Check the product descriptions of pink shrimp offered by Northwest Europe's largest re-processors [Heiploeg](#), [Shore](#) and [Klaas Puul](#).

Check [the product assortment of Belgium based importer Aquamarine](#), which offers sea tiger to wholesale clients.

2. What makes Europe an interesting market for wild caught warm-water shrimp?

In 2018, Europe's total wild caught shrimp import value was US\$5.3 billion, including imports of warm and cold-water shrimp and imports of raw frozen shrimp and value-added products. We assume that almost all wild caught warm-water shrimp from Asia and Africa is traded under HS030617. A small volume of cooked peeled shrimp from Asia might be traded under HS160521 but we believe that this volume is insignificant and therefore excluded it from this analysis.

In 2018, frozen shrimp imported under HS030617 made up 70% of the total import values of shrimp into Europe or US\$3.8 billion. In terms of volume, shrimp imported under HS030617 added up to 439,000 tonnes or approximately 80% of Europe's total shrimp imports. While the value of imports is volatile, going up or down according to market conditions, import volumes have shown steady increases between 2015 and 2017 and stabilised from 2017 to 2018.

Exports of wild caught warm-water shrimp from South America, Asia and Africa to Europe, contribute at least 35% of Europe's total import volume of shrimp under HS030617. The remainder consists of approximately 50% Pacific white shrimp and approximately 15% cultivated black tiger shrimp.

Wild caught shrimp exported to Europe under HS03061799, among which, many of the species from Africa and Asia that are exported to Europe as blocks, consists of the largest share of wild caught warm-water shrimp imports, equivalent to approximately 32% on its own. Sea tiger (*Peneaus monodon*), and other *Peneaus* species, such as *P. Indicus* and *P. Notialis*, exported to Europe under HS03061792, represent 2–4% and wild caught *Parapeneaus longirostris* (HS03061791) another 2–4%.

3. Which European countries offer most opportunities for wild caught warm-water shrimp?

In this section, we will discuss the prospective markets for wild caught shrimp from Asia and wild caught shrimp from Africa separately because they reach largely different markets in Europe. Separation will therefore provide better insights into where to find opportunities with the most potential for your products.

European markets for African wild caught warm-water shrimp

The fisheries along the West African coast and around Madagascar have historical ties with fishery and trading companies in Southern Europe. These ties have been there for the past few centuries and have continued since then, including because of language. Often, for ease of communication, businesses trade with countries with which they share a language. Another reason is investment. Several companies from Southern Europe have invested in companies in Africa to distribute products in Europe.

These existing ties dictating business relationships are expected to remain the same. New players should, therefore, look for partnerships in those markets where there are already historical ties. The fact that existing groups that have long-term business relationships consolidate the market also means that buyers will be happy to see new potential suppliers come to the market. You might be able to provide, for example, access to raw materials that can't be sourced through existing relationships.

Europe imported US\$392 million worth of shrimp from Africa in 2018. The top-five importers — Spain, France, Portugal, the Netherlands and Italy — account for 93% of all shrimp imports from Africa. Figure 2 shows the suppliers of these main European importers.

Spain imported approximately US\$64 million worth of shrimp under HS 03061791 (mainly blocks of peeled shrimp), another US\$59 million under HS 03061799 (mainly blocks of peeled shrimp) and US\$19 million under HS 03061792 (mainly HOSO and HLSO final products).

Spain has a good market for wild caught shrimp. Consumers in Spain are used to eating shrimp, including large-sized shrimp, and are much more aware about the quality of seafood in general and shrimp more specifically than Northwestern European consumers, for example. The vast majority of these imports originate from Morocco, due to the well-maintained trade relations between the two countries.

France imported a total of US\$130 million worth of shrimps from Africa under HS 030617. A commanding 95% of this was accounted for by HS 03061792, mainly HLSO and HOSO final products. The French shrimp market is closely related to Madagascar. In 2018, Madagascar accounted for US\$91 million of France's total shrimp imports under HS 030617 from Africa. Most of this shrimp is cultivated black tiger shrimp from aquaculture and not sea tiger from wild caught fisheries.

We estimate that less than 30% of the shrimp exported from Madagascar to France was sea tiger shrimp, even though this kind still accounts for trade worth approximately US\$30 million.

French haute cuisine, high-end cooking culture in France, has a strong demand for large-size shrimp. Shrimp sourced from Madagascar, especially cultivated black tiger shrimp, is sold as a premium product and almost entirely certified as organic. Outside the organic market, there is also demand for large sea tigers, especially in the restaurant sector, which is where other African origins come in. Some French importers invest in African

suppliers, such as [Gelpeche \(Réfrigépêche group\)](#) and [Freshpack \(Makamba brand\)](#) in Madagascar.

Portugal imported a total of US\$41 million of shrimp from Africa under HS 030617, from which 60% was imported under HS 03061792 (mainly HLSO and HOSO sea tiger), a 35% share under HS 03061799 (mainly HLSO, peeled blocks) and only 5% under HS 03061791 (mainly HLSO, peeled blocks). The main origins of African shrimp in Portugal are from Mozambique and Angola. [Portuguese consumers eat large-size shrimp](#) in their soups and from the grill but also eat small-size shrimp in their traditional Rissóis de Camarão recipe. Although relatively small in terms of population size, Portugal's demand for shrimp is large.

Consumers in the Netherlands would not normally be considered big shrimp lovers. However Primstar, the company behind West Africa's largest shrimp trawling fleet operating from Nigeria, is based in the Netherlands. Primstar is the exclusive distributor of Nigerian sea tiger under the Prim7stars brand, importing a significant volume of Nigerian sea tiger to the Netherlands for distribution within the Netherlands and neighbouring countries. The Netherlands should not be considered a big market for African sea tiger otherwise.

Italy is the last significant importer of African shrimp in Europe. While Italy imports approximately US\$23 million of shrimp under HS 030617 from Africa directly, it is likely that Spanish suppliers re-export certain volumes to the Italian market. Italy's direct imports have increased in recent years and are now equally divided over the three product groups under HS 030617.

While Italian imports of shrimp under HS 03061792 (mainly HLSO and HOSO final products) slightly declined, imports of shrimp under HS 03061791 and HS 03061799 (both mainly HLSO and peeled blocks) equally accounted for the growth.

Larger groups or foreign investors in Africa dominate the majority of the wild caught shrimp sector. That said, many smaller players still exist and there is opportunity for partnerships with these investing companies and for bringing your own product to market independently. The scenario is not the same in Asia, where there is almost no involvement of foreign and Western companies in shrimp fisheries. Local companies dominate all major fisheries in Asia.

European markets for Asian wild caught warm-water shrimp

European countries import wild caught mainly sea tiger shrimp from Asia under HS 03061792 and under HS 03061799 (mainly pink HLSO and peeled blocks). Unfortunately, product codes cover more than just these species making it too difficult to extract exact data on what species is most imported by which countries in Europe, or the exact volumes for specific species. However, the following insights may help you understand where the markets are located.

India and Bangladesh are the largest exporters of HLSO and peeled blocks of pinks under HS 03061799 to Europe. For India, Europe is the third largest market for these products, after the US and Vietnam. The largest markets for these products from India, in Europe, are located in the Netherlands (22%), Belgium (21%) and the UK (20%). For Bangladesh, for the same products, these market shares are 26% for the UK, 25% for the Netherlands and 20% for Belgium.

The reason imports flow into these three markets is that large re-processors are based there. Major shrimp processors Shore (former Morubel), Heiploeg and the Dutch Seafood Company (former Klaas Puul) have their factories in the Netherlands and Belgium. These companies import blocks of HLSO and peeled pinks to defrost and cook for the industry and food service sectors, which often use pinks as a topping in ready-to-eat meals. The same is true for the UK, where there are a few importers which have their own processing establishments.

It is important to acknowledge that the reprocessing sector in these countries is very small with only a few potential buyers that dominate these markets. Becoming a preferred supplier to these buyers will be beneficial to your business and grant you market access.

Large sizes of sea tiger normally end up in the high-end or Asian wholesale segments in countries such as France, the UK, Belgium, the Netherlands, Germany, Austria and Switzerland. Although the market is small, buyers that have access to this market are often willing to pay a high price, as they are able to sell it as a standalone product that does not really compete with other shrimp products.

4. What trends offer opportunities or risks in the European market for wild caught warm-water shrimp?

Increased commoditisation of the shrimp market

The increased availability of Pacific white shrimp (*P. vannamei*) and Argentine red shrimp is making shrimp available to consumers at more affordable prices. Stakeholders refer to this as the commoditisation of shrimp. The popularity of cheaper and more widely available Pacific white shrimp and Argentine red shrimp puts pressure on suppliers of other species to lower their prices as well or risk being pushed out of the market.

In Spain, for example, many other species prevailed earlier, such as sea tiger from Nigeria, but nowadays, Argentinian red shrimp and Pacific white shrimp are the dominant species on the market. Their prices are the reference point for other species.

Tips:

Include the origin of your shrimp product, wild caught or aquaculture, in the story and the brand that you sell to your customers. Wild caught product, especially large-size shrimp, might fetch a premium price in the European market.

African wild caught shrimp is still regarded as an exclusive high-class product compared to cheaper alternatives. If you are an African producer, be sure to adjust your marketing strategy to this new dynamic and make your product stand out in terms of showing its unique selling points: being wild caught and from African origin.

Europe is a leader in the global fight against illegal, unreported and unregulated (IUU) fishing

[IUU fishing](#) is any fishing that is done in forbidden areas, uses illegal methods or goes unreported. IUU fishing has a negative effect on the sustainable management of global and local fish stocks and creates unfair competition against those that fish legally and responsibly.

The European Commission often takes action against countries that are seen to be uncooperative against IUU fishing. Exporting countries are awarded first a yellow card warning, which starts a process in which the European Commission and the third country work together to address IUU issues. Normally, this is successful, the yellow card is lifted, the country receives a green card and trade resumes normally.

If the third country does not make the progress agreed upon during the yellow card stage, the country will be considered non-cooperative, a red card banning all products coming from that country from the EU market will be imposed. Whether the third country [has a yellow or red card, if it can prove that the situation has improved, it may be given a green card again](#).

Out of the 25 such procedures that have started since 2012, only three countries have failed to take sufficient measures to lift the yellow or red card by 2019. These countries are Cambodia, Comoros, and St. Vincent and the Grenadines.

Other countries which also operate shrimp fisheries to have faced yellow cards and are working with EU authorities to get the yellow card revoked include Vietnam, Taiwan, Sierra Leone and Liberia. You can find [a full overview of all past and on-going procedures here](#).

Tips:

To better understand Europe's strategy on IUU fishing check [this official EU document, which outlines Europe's agenda on international ocean governance](#).

Be sure to engage with your government in dialogues about IUU fishing and work together on good fisheries management to ensure the sustainability of your business and prevent measures against your country from the EU.

Increased demand for sustainability certification

As explained in the [fish and seafood market statistics and outlook study](#), the requirement for sustainability certification is spreading throughout Europe. In the case of wild caught shrimp, this means that MSC certification or in some cases Friends of the Sea certification, will soon become a market entry requirement. At the beginning of July 2019, no tropical shrimp fishery in Asia or Africa had been MSC certified.

The company Atlantic Shrimpers in Nigeria, a subsidiary of Primstar, which is the shrimp division of the Dutch fishing group Cornelis Vrolijk, managed to obtain Friends of the Sea certification for the sea tiger (*P. monodon*) caught by West Africa's largest trawler fleet of more than 70 shrimp trawlers. With this certification, Primstar is able to sell shrimp from West Africa into premium markets.

Primstar's sea tiger shrimp from West Africa is mainly found in the wholesale segment in Southern and Northern Europe where restaurant chefs look for large, grill-size species, normally not available from other species or origins. With the Friends of the Sea certification, Primstar has also been able to sell in certain retail outlets in the UK, which require all shrimp on offer to be sustainably certified.

Another example of certified wild caught shrimp is Suriname's MSC certified seabob shrimp trawling fleet. Seabob shrimp from Suriname is a widely accepted retail product in countries such as Germany and the Netherlands. It is mostly sold as a PD or PUD product in small sizes from 90 up to 500 counts per kilogram, which are normally not available from other sources, especially not certified with MSC.

Dutch shrimp company Heiploeg controls the seabob fishery in Suriname and sells approximately 3,500 tonnes of MSC certified seabob shrimp annually. Subsidiaries of Heiploeg in Suriname own the 22 shrimp trawlers certified there and Heiploeg is also involved in the certification of the seabob shrimp fishery in neighbouring Guyana, which was completed in August 2019.

Tips:

[Check information about Suriname's MSC certified seabob fishery](#) to understand the process and potential challenges involved with certifying your fisheries.

[Check information about Primstar's Friends of the Sea certified shrimp trawling fleet in Nigeria](#).

Fishery improvement project as a stepping stone

It is not without reason that there are many shrimp fisheries in Africa and Asia without MSC nor Friends of the Sea certification. The most important reason is the nature of the fisheries themselves, the amount and the size of vessels involved often makes it very challenging to meet certification standards. However, this does not mean that there is nothing you can do to move towards improving management of your shrimp fishery.

There are businesses and NGOs partnering with industry players to work on fishery improvement projects (FIPs) to take steps towards more sustainable fisheries management. Often, in the end, these partnerships aim to get fisheries certified by MSC or any other credible certification. Having a FIP often provides you with access to retail channels in Northern and Southern Europe, where retailers often commit themselves to only sourcing sustainable seafood.

A relevant example in wild caught warm-water shrimp is the [work WWF has been doing in Mozambique](#). In June 2017, WWF launched a campaign in Spain and Portugal, warning consumers that shrimp fisheries in Mozambique are at the point of collapse due to declining stocks.

This motivates importers and retailers to improve the situation in Mozambique and while campaigning in Europe, WWF then engaged with private and public stakeholders in Mozambique, encouraging them along with buyer pressure to start a FIP. Were the industry in Mozambique unwilling to engage in the process, buyers might have eventually shifted sourcing from more sustainable alternatives.

When mainstream media does not pick up on these developments, it takes quite a while before there is any visible impact in consumer demand.

Tips:

If there is any criticism of your country's fisheries by NGOs, contact the NGO and engage in a dialogue on how you can improve the situation.

See how your shrimp is rated in [WWF's seafood guides](#), which encourage and empower consumers in Europe to make sustainable decisions about buying seafood. Look specifically at the [Portuguese](#) and [Spanish](#) versions to see how Southern Europe, a big shrimp market, deals with it.

For another example of what a strong fishery improvement project for wild caught warm-water shrimp could bring, check [WWF's work in Madagascar](#).

[Read WWF's fact sheet about Mozambique's challenges in the fishery sector](#) to understand what challenges you may face running FIPs.

Foreign ownership of industrial trawler fleets and trading companies

Foreign companies often own industrial fishing fleets in Africa. The best examples are Atlantic Shrimpers in Nigeria, which operates a large shrimp trawler fleet owned by Dutch fishing company Cornelis Vrolijk's shrimp division Primstar and the Afritex group, which owns subsidiary Kalipesca LDA in Mozambique and operates a fleet of trawlers off Mozambique's coastline.

These foreign groups invest in the fishing fleets to ensure steady access to raw materials and take full control of the sales of the output of the fishing fleets to the international market. Although a significant part of shrimp landed on Africa's coastlines is locally owned, foreign ownership and investment is very common, especially in industrial fisheries.


Since international groups dominate the supply of African shrimp, some buyers in Europe may be happy to have alternative sources available. It is important to study the exact markets where international groups such as Primstar and Afritex operate to try to introduce your products into those markets.

On the other hand, if you lack the capacity to penetrate the market on your own, it might be worthwhile to look into partnering with one of the international groups. It is possible that these groups may be able to support you with selling your product to Europe, at a cost, but you may obtain better access to the EU market nonetheless.


This study has been carried out on behalf of CBI by [Seafood Trade Intelligence Portal](#).

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