Seafood Sector

What is the issue?

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In a setback to seafood exports, big importers like the European Union, South Africa and the US have **stepped up testing measures for marine product consignments** shipped from India.

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What is the current scenario of seafood farming?

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- India is the **second largest aquaculture producer** in the world after China.
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- Aquaculture has emerged as one of the fastest growing sectors in India **primarily driven by shrimp exports** to high value markets with only about 10% shrimp production being consumed domestically.
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- But, with increasing adoption of product quality standards, especially with respect to health and safety, the occurrences of **Indian shrimp shipments failing to meet these standards** are becoming common.
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What are the impacts due to rejection?

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- Shipments are now frequently being tested for antibiotic residue and contaminated shipments are rejected and shipped back at significant costs.
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- These shipment rejections could cost the Indian industry significantly, with

business going to competitor countries that are able to offer assurances for the safety and quality.
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- Apart from the direct financial impact, there are **reputational risks** due to the nature of the export market, with the likes of countries such as Vietnam vying for a share of lucrative western markets.
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- So, it is becoming increasingly essential to adhere to best industrial practices that avoid a series of such challenges and create opportunities for growth and differentiation in seafood market.
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What could be done?

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- An approach that is increasingly being used around the globe is the **use of sustainability standards and certifications** such as **MSC** (Marine Stewardship Council) or **ASC** (Aquaculture Stewardship Council) as a way to assure buyers of the safety, quality and environmental responsibility of their products.
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- These are essentially parameters that ensure that the capture or farming of seafood is done in an environmentally, socially and economically responsible manner.
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- Most of these standards have been conceptualised with inputs from key stakeholders in the industry, including producers, processors, academia and other relevant parties.
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- For shrimp exporters, the ASC standard is the leading aquaculture sustainability standard at a global level, with **ASC-certified products being preferred by buyers in the EU and North America.**
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- ASC enables the traceability of the seafood in question through a concept known as **'chain of custody'** where every link in the supply chain is certified.
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- This allows end consumers to know where the seafood comes from and assures them that their consumption is not impacting the environment or society in a detrimental manner.
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- It also includes clearly defined indicators that restrict the usage of antibiotics, chemicals and fungicides in farming operations.
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- The seafood produced by ASC-certified farms is **compliant with most international health** and safety regulations and is widely accepted.
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What could be the potential benefits?

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- Indian exporters can **get more value and returns** on their investment by exporting to these countries directly.
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- ASC along with other standards such as BAP (Best Aquaculture Practices) can help **exporters move up the value chain** by enabling access to higher value destinations, given the increasing popularity and demand for certified seafood in these markets.
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- There are other benefits associated with certification such as a **reduction in operating costs for farmers** due to more judicious use of inputs along with **better health of livestock** from following best management practices.
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- Additionally, certifying the whole supply chain allows the end product to carry eco-labels or sustainability branding which makes a significant difference in the marketability of the products.
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- At the very least it will ensure compliance with the health, safety and quality norms of importing countries, and eliminate the chances of shipments being rejected.
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Source: Business Line

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