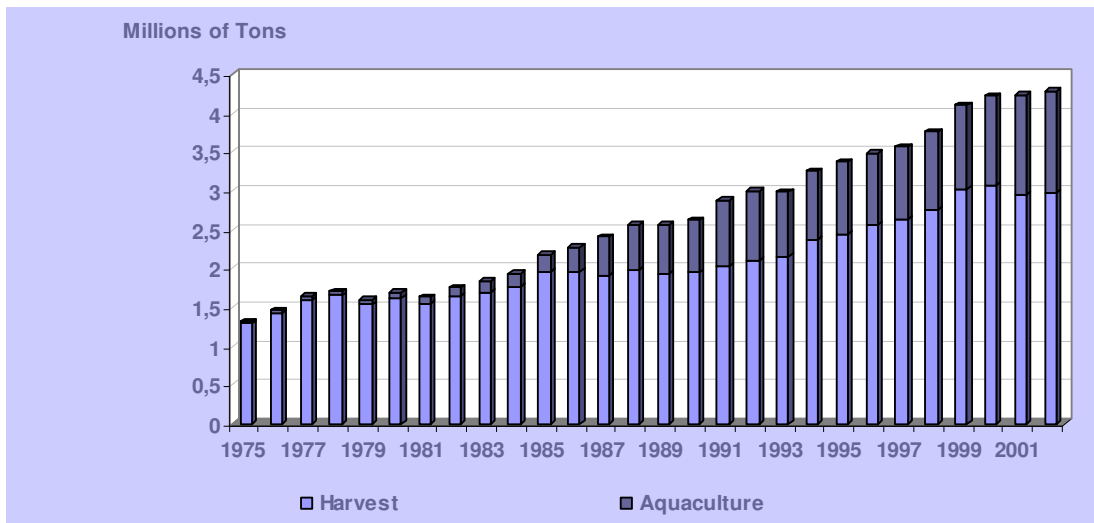


## CASE STUDIES FOR DEVELOPING A MARKETING CONCEPT FOR FISH PRODUCTS (2005)

### CASE STUDY 8

#### Shrimp – small but tasty, but an billion dollar industry

The shrimp industry has been a dynamic sector for the last 30 years with significant growth in both the commercial fishery and aquaculture sectors. It is now estimated that captures of wild shrimp will not increase further, but that aquaculture is set to expand by 15% - 20% in the next decade, adding an additional 1 million tones to world supply.

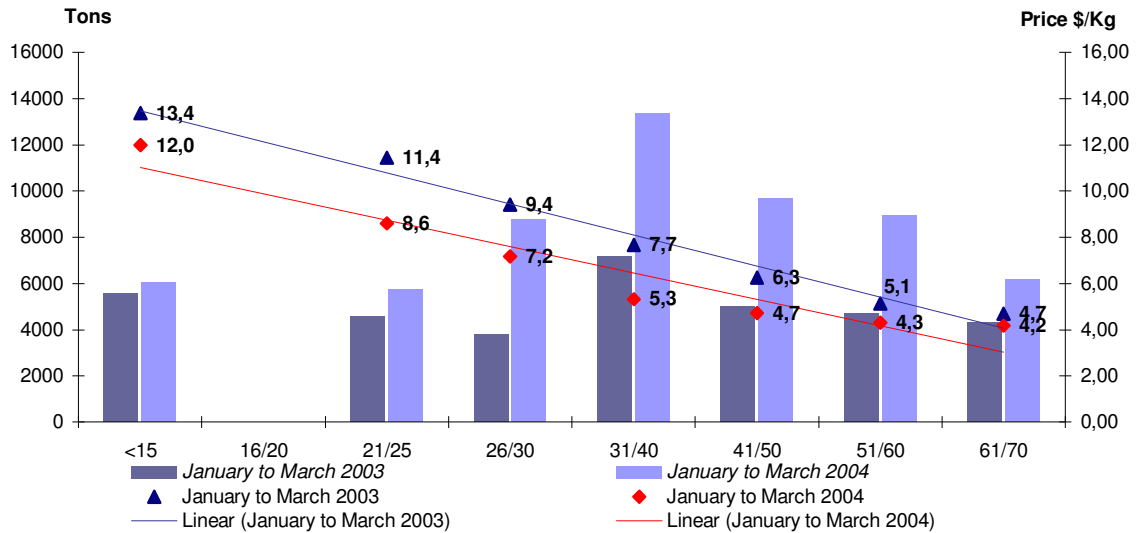


*World shrimp production – Globefish 2004.*

But the shrimp markets of the world are some of the most complicated to analyze. There is a wide range in species, size, and product forms, and every market has different preferences. Add to this that shrimp is often considered as a luxury food item, and prices often reflect economic issues e.g. disposable income; the price of oil (production costs and consumer spending power); the value of the dollar (as most shrimp is traded in dollars) and then some anti-dumping legislation in a major market, the analysis of shrimp markets and prices becomes a minefield.



USA Importations : volumes and prices by grades (January to March 2004)



In a recent set of surveys for projects, analysis of the world shrimp markets proved nearly impossible, due to the facts mentioned above. In the previous graph of USA trade there would appear to be an increase in demand in 2004 over 2003. In reality this was created by wholesalers stocking up on shrimp products prior to the import restrictions created by the anti-dumping tariffs which saw most of the main exporters to the USA affected. If this graph was redrawn for September 2004, then the levels of imports for 2004 would be the same as 2003, but the prices would be lower due to concerns over high oil prices and the weakness of the dollar.

Trading fish is an international business and world markets affect prices as they do in other commodities. Consumer confidence is relative to the country's position in terms of economic performance, terrorist threats, health scares, etc. and many of these are almost impossible to predict when developing marketing studies. However, it can be said in nearly every case, prices will decrease until the market prices reach a level where the mass market becomes involved.