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# A shrimp cooperative in action

Aquaculture Department, Southeast Asian Fisheries Development Center

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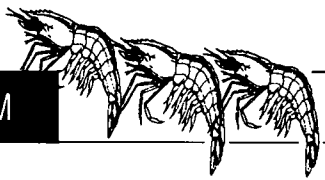
Southeast Asian Fisheries Development Center, Aquaculture Department (1996). A shrimp cooperative in action. Aqua Farm News, 14(4-5), 28-29.

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## A shrimp cooperative in action



The Negros Prawn Producers' Marketing Cooperative, Inc. (NPPMCI or the Coop) based in Bacolod City (west central Philippines) is the most active among shrimp cooperatives in the country. It was organized by 15 shrimp farmers in 1984; and membership has since grown to 245 with a total equity amounting to over P9 million. Coop members operate a total of 3,000 ha of shrimp farms in Negros island where 60% of Philippine shrimp exports originate. The Cooperative Development Authority under the Office of the Philippine President has direct jurisdiction over cooperatives, NPPMCI included. The Coop is also registered with the Board of Investments as an indirect prawn exporter in 1987.

"We have successfully achieved our objectives of integrating prawn production and marketing, and of providing members important services," reported Coop chair Roberto 'Bob' Gatuslao (see also pages 10-11). "We are able to link all the industry sectors and open a steady partnership with government and private institutions. We have processed and transferred tax credit certificates worth over P100 million, an incentive enjoyed by our grower-members."

The Coop is very active in:

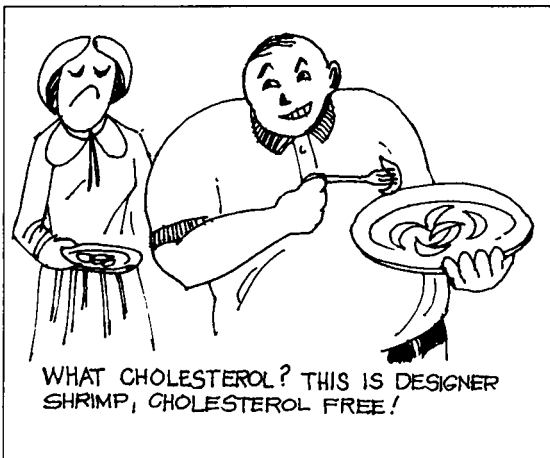
- documenting industry practices and validating R&D results in its 1.1 ha demonstration farm. The Coop cooperates with AQD on five projects

on shrimp, mudcrab, grouper, seabass and milkfish (see also pages 7-11).

- monitoring feed samples (aflatoxin levels and other quality tests) from dealers' warehouses which is done monthly. The results are disseminated to growers. The Coop also meets with feedmillers periodically.
- assessing fry quality before fry are stocked in members' ponds. This can aid farmers decide whether a fry batch can be stocked or in identifying possible causes in cases of stock mortality.
- monitoring disease occurrences in Negros island to guide farmers on stocking schedules and preventive measures. Their histopathology unit is now operational, boosting diagnostic capabilities.
- monitoring water quality in coastal areas and rivers. The Coop noted that disease problems seem to recur in a seasonal pattern. The Coop conducts dialogue with water resource users, especially industries.
- organizing technical workshops and meetings. Farm-site seminars are often conducted on environment-related concerns and disease occurrences. The Coop also co-convenes national shrimp workshops.
- providing cheaper and quality farm supplies. The Coop sells Vitamin C, cast nets, lime, squid oil, weighing scales, among others. It also services broken farm machineries and equipment.

"A few years ago, we had relatively stable high prices, but with the luminous bacterial disease, most growers stopped their operations or delayed their stocking schedules," Bob reported. "The significant drop in production was notable and alarming. We need to prioritize our grow-out concerns, refocus our R&D thrusts with AQD's and BFAR's support. As we survived the 1989 crisis, I am confident we can again overcome these trying times."

# Key issues in marketing shrimp



John Filose of Ocean Garden Products in San Diego, California thinks<sup>1</sup> of the shrimp as a unique food product. It is a luxury seafood, traded on a worldwide basis, subject not only to macro-economic factors of supply and demand but also to various political and social issues that can often surprise even the most experienced producer, importer or distributor. The companies that survived the difficult and volatile period -- from 1989 through 1992 -- should now be well-positioned to benefit from a more favorable worldwide supply-demand relationship in the years ahead. This suggests that shrimp farmers who can sustain production of quality shrimp, at reasonable costs, will profit in the years ahead.

Filose noted key issues facing the industry:

## (1) Increasing concern about shrimp quality.

Importing countries, the US especially, considers importing seafood a privilege, not a right. The current focus is antibiotic residues and chemical additives in shrimp. It is no longer enough to ensure that shrimp are free from filth, *Escherichia coli*, salmonella, decomposition, and listeria. The shrimp will have to be totally free of non-approved antibiotics. Japan and western Europe has

joined the US in regulating imported shrimp.

The US and the European Union are also designing mandatory seafood inspection, and Japan may follow suit. It may well be imperative for shrimp exporting countries to establish Memoranda of Understanding with the major consuming markets. If these agreements are not reached, it will become virtually impossible for producers to export shrimp without costly and time consuming 100% inspection of each inbound cargo.

(2) **The industry relationship with the world environment community.** Radical environmental groups and their counterparts in shrimp producing nations are switching their concern from at-sea bycatch issues to what they term excessive development of coastal areas for shrimp farms. Producers must deal with these groups.

(3) **Value-added products.** Shrimp processors in major consuming markets have more advantages over the overseas producers because of logistics. They can prepare small quantities of value-added products based on specific orders from either supermarkets or restaurant customers.

It is important to note that chefs, the prime users of quality high-priced aquaculture shrimp products, prefer to buy shrimp in the shell-on presentation. Chefs believe that the shell protects meat quality, plus adds flavor to their dishes. In addition, value-added products that are designed to be sold directly to consumers often fall victim to pricing problems in supermarkets. If these are not displayed correctly in retail, they won't be sold. It is important for a professional import company to test new presentation ideas in the marketplace before committing major capital funds. Find out whether the added cost can be returned by higher pricing.

Shrimp producers must have two grades of shrimp: premium and standard. If both are produced under one brand, the producer will never develop a quality reputation. Consumers know the difference, and so should producers.

<sup>1</sup> J Filose. *Factors affecting the processing and marketing of farm-raised shrimp*. IN: CL Browdy and JS Hopkins, editors. *Swimming through troubled water*; Proceedings of the special session on shrimp farming; **Aquaculture '95**. World Aquaculture Society, Baton Rouge, Louisiana, USA.