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Simplification of Shrimp value chain- ensures the small-scale shrimp farmers interest

“Our production increased after receiving the training supported by BEST-BFQ. We are now satisfied getting the direct cash payment. Now we do not pay any commission for selling of shrimp and also we have not to give any extra weight with per kg shrimp.”

-Md. Nurul Islam, Shrimp farmer, Paranpur simplified shrimp cluster, Shyamnagar, Satkhira



A group of shrimp farmers with ID card

Context

With increasing global production, shrimp aquaculture is now one of the rapidly growing sectors in Bangladesh. However, Bangladesh shrimp marketing channel faces serious problems including quality deterioration, physical losses, proper handling and delay of transportation. In this marketing channel, there are excessive numbers of intermediaries. On the other hand, the qualitative safety requirement and traceability is also a major buyer requirement in the EU. Buyers require that each product can be traced back to the farm. However, it is very difficult for Bangladesh to guarantee full traceability with the large number of small-scale farmers.

Simplified shrimp supply chain through formation of contract farming by processors is a practical idea to make the shrimp industry sound and robust. Besides these it ensure the good quality of shrimp and appropriate price distribution among the stakeholders involved with the supply chain. Moreover, it helps to keep the traceability system smooth, which is one of the major requirements of EU.

Simplification is not Simple- it has many social, financial and cultural issues to deal with. To reduce the intermediaries in shrimp supply chain a piloting on simplification of shrimp value chain was conducted in the south-west part of Bangladesh by BEST-BFQ, UNIDO at Paranpur of Koikhali union under the Shyamnagar upazilla of Satkhira and at Jhonjonia of Rampal Sadar union under the Rampal upazila, Bagerhat.

Objectives

Having problem with large number of intermediaries in shrimp supply chain, BEST-BFQ intended to simplify the supply chain, link the farmer group with processor, and implement traceability in selected supply chain. The major purposes are:

- Simplify the supply chain to enhance the potential for the successful uptake of internal control systems.
- Introduce internal control systems throughout supply chain regarding good aquaculture practice, hygiene, environmental management, traceability and record keeping.

Impacts:

- Two shrimp farmers' cluster consisting of 100 shrimp farmers each were given training on Good Aquaculture Practices (GAP)-pond preparation, management of nursery and grow-out pond post-harvest technology and hygiene practices
- In order to carry out the traceability, all the 100 shrimp farmers associated with the supply chain in Paranpur and Jhonjonia were given ID cards

- The appropriate record keeping leads to keep the traceability system sound and robust which is one of the major requirements of EU. All 100 shrimp farmers received training on traceability and record keeping on their shrimp farm
- Besides increase, the production shrimp farmers of simplification of shrimp supply chain receive quick cash payment from the depot owner, which improves their livelihood.

In Shyamnagar under Satkhira and Rampal under Bagerhat district shrimp farmers, face economic losses in case of selling shrimp in Faria, local depot and Arat/Depo as they have to give fixed commission for selling shrimp and give extra weight per kg shrimp. Besides these, no proper grading system maintained earlier. To simplify the supply chain reducing the intermediaries, which linked the farmer group with processor, connected the farmer-processor combination to consumer abroad and implement traceability in selected supply chain, BEST-BFQ initiated a piloting on simplification of shrimp supply chain, which ensures the interest of small-scale shrimp farmers. Several consultation meetings held with different stakeholders in shrimp supply chain before launching this program.

This short shrimp supply chain changes the farmers' life. Leading benefits for shrimp farmers, it increases the farmers' profit margin, increasing living standards, keeping the shrimp safe and good in quality.

"As member of shrimp cluster at Paranpur I feel proud to be a member of this group. After receiving training supported by BEST-BFQ our production has increased. Now we know how to manage the shrimp Gher, we also know the basic rules of nursery pond preparation, acclimatization, proper stocking of PL, creating natural food, proper handling etc. We also keep the necessary records of our farms in the record book. Previously we did not get the actual market price of our shrimp due to lack of information. Now we directly sell to the specific depot without paying any extra commission. The depot use digital balance and we get good price directly from the depot. After receiving, shrimp from us, the depot send shrimp to the processing plants with special care on the same day. We are happy as we are getting the better price than before."- Mr. Md. Nurul Islam, Farmers representative of Parannur farmers group said



A discussion meeting with shrimp farmers cluster of simplification of shrimp value chain at Paranpur



Shrimp farmers during training of farm record keeping and traceability