

Shrimp Export Marketing Of Bangladesh: Challenges, Problems And Prospects

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Abstract:

Shrimp Is One Of The Leading Exportable Products In Bangladesh. Bangladesh Earns About 500 Millions Of Foreign Currency Yearly, Which Is About 1.24% Of Total Export And Contributed 3.57% In GDP In 2020-2021. Shrimp Holds More Than 80% Of Frozen Food Items. Bangladesh Apprehended 2.5 % Of World Shrimp Market. At The Present Time The World Market Demand For Shrimp Is Growing Day By Day. This Study Intends To Find Out The Problems & Prospects Related To The Shrimp Export Marketing Of Bangladesh In The International Markets. There Are Three Categories Of Stakeholders Related To The Problems And Prospects Of The Shrimp Industry In Bangladesh. The Author Suggested That Problems, Including High Mortality Rate, Lack Of Virus Screening Facilities, And Unfair Practices, Should Be Considered At The Operative And Strategic Level Without Delay. Food Security Enforcement From The Government's External Sector Ought To Discover. The Sector Needs More Vision And Strategic Direction. An Integrated Strategy At Each Stage Of The Value Chain For Sustainable Growth And To Respond To Emerging Trends In The Competitive Global Marketplace Can Increase The Shrimp Export Earnings Of Bangladesh.

Key Words: Marketing, Export, Challenge, Problem, Prospect, Shrimp.

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I. INTRODUCTION:

Bangladesh are supposed to be one of the richest in the world both in area and potential for fisheries growth. Being blessed with these natural gifts the country abounds in a large types of fish species that is 260 of freshwater fish species, 24 inland water prawn species, 475 species of marine fish, 36 species of marine shrimp and 12 species of strange fishes (DoF, 2022).

Bangladesh economy heavily relies on agriculture, readymade garments (RMG), fisheries, jutes & jute goods, leather & leather goods, hides & skins and frozen foods for export earnings. Shrimp farming and export has experienced rapid development in the past thirty years. The main exportable products includes shrimp for the foreign exchange earnings of Bangladesh. Among the years of 1983 and 2003 the bulk of it cultured in both open water body and inland water body aquaculture has enhanced. In that time, the pond areas dedicated for shrimp cultivation has tripled.

There is a great demand in the international markets for shrimp and Bangladesh is gifted with an environment friendly for shrimp production. A primary study was undertaken to notice the problems afflicting the different levels of the value chain of shrimp export marketing in the country. Therefore, the study was conducted by considering the various stakeholders in this industry. The growing market and steadily rising prices of shrimp inspired its cultivation in the coastal belt of the country (Uddin, Sultana, & Rahman, 2013).

OBJECTIVES OF THE STUDY:

The main objective of this study is to get a better knowledge of Bangladesh shrimp export marketing. Other objectives are as followings:

1. To identify the Shrimp Marketing MIX of Bangladesh.
2. To identify the challenges facing the export marketing of Bangladeshi shrimp.
3. To determine the Prospects and Problems of shrimp export marketing of Bangladesh.
4. To recommend some measures to increase Bangladesh shrimp export.

II. METHODOLOGY:

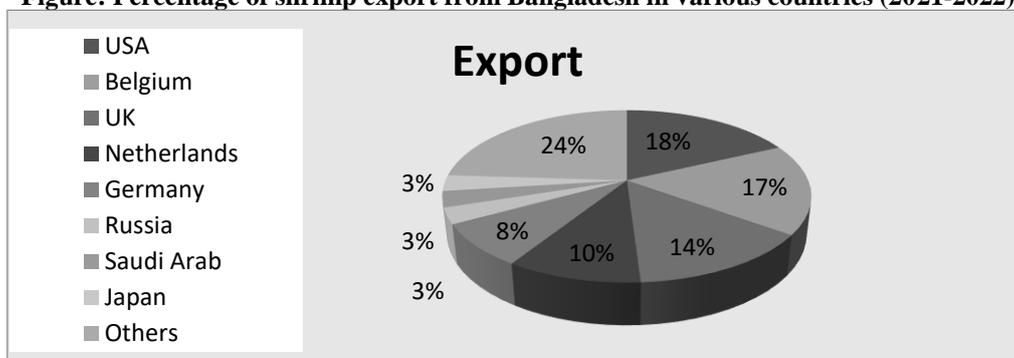
The study is qualitative in nature based on secondary data. Secondary data was accumulated from Bangladesh Export Promotion Bureau (EPB), The Food and Agriculture Organization (FAO), Bangladesh Frozen Foods Exporters Association (BFFEA), Annual statistics report of EPB 2022, different international journal papers, newspaper, websites and other existing literature in published. To accomplish the above objectives of the study a qualitative content analytical and judgmental technique was attributed.

MAJOR SHRIMP EXPORT MARKET:

The total volume of shrimp sold continues to rise in the three main markets: Europe, the United States, and Japan. The most significant volume of shrimp from Bangladesh is exported to EU countries, with the United States as the second major consumer. Continuing foreign buyers' interest in Bangladeshi shrimp creates a prospect for further expansion in this sector. Growth in the US market emerges to have the most significant potential for fascinating Bangladeshi shrimp. Between 2003 and 2022, imports of Bangladeshi shrimp nearly tripled, rising from 44.48 million Lbs to 163.23 thousand million Lbs EPB & DoF.

In the 2021-2022 FY, Bangladesh gained 4980.86 cores of Taka from exporting frozen shrimp and fish (BFFEA newsletter, 2022). Those shrimp are exported to the USA, Belgium, UK, Netherlands, Germany, Russia, Saudi Arabia, Japan, and Others.

Figure: Percentage of shrimp export from Bangladesh in various countries (2021-2022)



Source: (BFFEA newsletter, 2022).

SHRIMP MARKETING MIX:

The Shrimp marketing mix refers to the set of shrimp marketing tools, or actions, or tactics, that a shrimp export authority uses to promote its brand or product in the market. Those tools are given in bellow:

1. Distribution channel:

Most shrimps are sold frozen and marketed based on their presentation, grading, color, and uniformity categorization.

The distribution channel of the shrimp export market in Bangladesh is given in below:



Fig. The distribution channel of shrimp export (Uddin, Sultana, & Rahman, 2013)

2. Packaging:

Processors and exporters utilize locally manufactured cartons, plastic packets, and trays with customized labels. The packaging style differs according to the buyers' requirements and the price bargained by the buyer. Shrimp earning higher prices usually control exclusive packaging; shrimp earning lower prices are often packed in single plastic packs or blocks and repackaged later by the importer or retailer. Usually, buyers of block and non-branded products choose simple packaging since disposal is expensive in developed countries. However, this discretion for lower-quality packaging for non-brand products can conflict with compliance standards. Ice is used in several phases of packaging and storing. Ice prices vary but usually hover at around 70 BDT per 100 kg. At times of dearth, of price can rise to as much as 700 BDT. As a result, some processors

began producing ice in their factories to meet their needs. In some cases, they sell surplus ice produced (Uddin, Sultana, & Rahman, 2013).

3. Pricing:

The pricing of shrimp sectors depends on the demand in foreign markets. If the foreign market demand increases, the price will increase. Sometimes some defects were identified in Bangladeshi shrimp, and the price decreased in the shrimp market (Uddin, Sultana, & Rahman, 2013).

4. Promotional activities:

Actually, in shrimp export, marketing promotion plays a minor role. Sometimes promotional activities emerge from the Ministry of Commerce and Export Promotion Bureau (EPB). The export Promotion Bureau of Bangladesh sets different trade exhibits of export shrimp from Bangladesh in foreign markets. Trade exhibits in a foreign market are arranged to increase the buying rate of the foreign buyer. Different workshops and seminars are arranged to introduce Bangladeshi shrimp quality to foreign buyers. Sometimes the fisheries department of the Bangladesh Government employs mass media like TV and radio to the awareness of shrimp farmers. The fisheries department of the Bangladesh Government organizes workshops, training, and seminars to increase the efficiency of shrimp cultivation for the farmers. Different magazines and trade papers are published by the fisheries department and Bangladesh

Frozen Foods Exporters Association (BFFEA), which perform as promotional tools (Uddin, Sultana, & Rahman, 2013).

III. The Challenges Of The Export Marketing Of Bangladesh Shrimp:

International trade is evolving as it is more regulated, and it is difficult to deal with, especially for smaller business operators and developing countries. The two main trading blocks- the USA and the EU- are making complicated market entry rules. Food safety is an important issue to have emerged in recent years. Safe and dependable production of quality seafood export to the global market is a recent challenge for Bangladesh. Previously quality issues mainly dealt with decomposition, filth content, and pathogenic bacteria contamination from the post-harvest chain. Recently environmental aspect, and human rights, such as child labor, gender issue, Etc., has gained momentum. The enactment of the Bio-Terrorism Act has compounded these Anti-Dumping Act and Traceability regulations for the shrimp business sector (DoF, 2006). High production costs diminishing selling prices, the absence of quality seed, high incidence of diseases, and crop failures are now creating shrimp culture gradually inviable in Bangladesh. Bangladesh is a natural calamity-prone country where cyclones, floods, and drought hit shrimp farms and processing plants yearly.

IV. THE PROBLEMS OF BANGLADESH SHRIMP EXPORT:

Shrimp farming is now considered one of the most profitable businesses, with quick turnover and assured return on investment. However, despite this, some problems must be faced by shrimp exporters, local agents, and foreign buyers those are given in bellow (AKTER, 2017).

1. Coordination between the marketing information system and the accounting information system. Bangladesh's FISH-EXPORTING COMPANIES for decision-making and implementation are absent.
2. All Shrimp Export Companies of Bangladesh must collect 50% raw materials from foreign countries.
3. Coordination between the marketing and accounting information systems will have to be established.
4. Bangladeshi shrimp farmers can supply these raw materials, so more loans and facilities should be provided by the government of Bangladesh.
5. Shrimp Farmers of Bangladesh are impoverished and unskilled. So, they cannot produce sufficient raw shrimp according to exporters' demand.
6. As a result, shrimp exporters in our country need more shrimps according to their foreign consumers' demand.
7. The exporters also have to face problems in processing and marketing shrimps for needing their proper marketing knowledge.
8. Our freight charge is so high that the exporters cannot reduce it. As a result, they have to face problems with freight charges before their shipment.
9. In Bangladesh, our fish processing plants are not under the HACCP Implementation.
10. In one developed consumer market, there is tremendous demand for more miniature value-added packs, 'ready to cook or 'ready to eat.' However, our economy only permits us to go for this high-quality, value-added product that needs more capital investment.

V. THE PROSPECTS OF BANGLADESH SHRIMP EXPORT:

In Bangladesh, shrimp are both wild-caught and cultivated. Black Tiger Shrimp (*Penaeus monodon*) or banda thrives in brackish water, shallow ponds known as her, supply the most significant quantity of shrimp cultivation and area surrounded by shrimp ponds. Golda chingri (*Macrobrachium rosenbergii*) is an extra-large shrimp produced in freshwater ponds; it is seen mainly in inland freshwater and estuarine areas and needs brackish water only in the initial phases of the life cycle. For the past 15 years, cultivation has been informed to rise by approximately 20% annually. The area under gold cultivation improved from 4,200 ha (Department of Fisheries, 1995) to 21,532 ha (Department of Fisheries, 1999-2000) and an evaluated 30,000 ha in 2001. Golda accounts for around 29% of exports (Department of Fisheries, 2002). Freshwater prawn farms usually are smaller than saline shrimp farms and invest a more significant proportion of poor and marginal farmers. Almost all farm-cultivated bagda and golda are exported, especially to the USA, Japan, and the European Union.

Bangladesh exported an assessed 31,200 MT of shrimp in 2000, worth about US\$335.8 million, though the export figures descended in 2001 /2002 due to concerns for consumer health. The primary destination is the EU, which imported 13,467 MT of fresh, frozen, and chilled Bangladeshi shrimp in 2000, worth an assessed \$197 million. In the same year, the USA imported 10,200 MT, but this dropped to 8,700 MT in 2001. The USA and the EU take over 80% of Bangladesh's exports. Japan imported 3,169 MT of frozen shrimp from Bangladesh in 2001. The UK is a prominent market for shrimp from Bangladesh, and Bangladeshi shrimp created over 10% of UK shrimp imports (by value) in 2001. Mrs. Rahima Nahar (Previous Deputy Chief to the Ministry of Fisheries and Livestock of the GoB) said, "The works for bearing Bangladeshi shrimp to global proportions has already commenced. We have been developing the dexterity level and thus the security measures to devastate the issues developed by some importers. Now there is sufficient capacity to export to Canada and explore the untraded zones of Europe, the UK, and the USA have consistently been dear markets. We also wish to export to additionally the south-east Asian countries" (Anis, Pathak, & Quddus, 2012).

VI. RECOMMENDATIONS TO OVERCOME THE PROBLEMS:

The shrimp sub-sector now meets high competition in the world market, although the average production cost of Bangladeshi shrimp is somewhat high due to low technology and aquaculture method. The following actions might be required in building efficient production management and marketing system (Rahman & Hossain, 2013):

- 1) All shrimp farms should be carried under registration for better monitoring that may guide to safe production.
- 2) Inputs of the shrimp farm should be chosen carefully so that they will not cause any harm to the environment.
- 3) To enhance the post-harvest supply chain, it is mandated to support installing the shrimp/fish farmers group, promoting coordinated harvesting.
- 4) Building training capability for shrimp farming, processing, and hatchery operations is required.
- 5) Credit support programs for shrimp farmers should be enhanced by promoting connection growing techniques.
- 6) Quality shrimp feed at low prices should be confirmed, sustaining the development of feed mills.
- 7) To enhance the shrimp quality farm, standard aquaculture health, and adequate post-harvest handling should be rehearsed.
- 8) Ice plants should be inaugurated per FIQC standards in rural areas, having quality ice for fish, shrimp, and prawns.
- 9) Infrastructure for the wholesale market should be designated with storage provision exceeding the day receipt.
- 10) Service centers, depots, or arts should be molded per standard and obtained under the license system.
- 11) The DoF's Fish Inspection and quality control wing should be reinforced to support the processing plant, especially per HACCP prerequisites.
- 12) To promote genetic advancement programs for farmed fish and shrimp stock, the programs should be applied with DoF, BFRI, universities, and private sectors.
- 13) Proper extension networks should be assembled and driven by applied research for aquaculture.
- 14) Disease-free approved shrimp PL. Fish fry and other inputs are to be provided at reasonable prices to farmers;
- 15) Encourage diversification into different brackish water aquaculture species like mangrove crabs and marine finfish.
- 16) Bangladesh must introduce new shrimp species, *Penaeus vannamei*, which will decrease production costs and improve production like other Asian countries.

VII. CONCLUSION

In recent decades, due to increase international demand, shrimp has evolved into one of the most important export products of Bangladesh. In export earnings, 85% of this is earned through shrimp export. The government has announced shrimp cultivation as a priority industry, and specific support programmers (both technical and financial) have been designed. The discussion ensured to recognize obstacles to the industry's expansion and develop some intervention strategies so that the Bangladeshi Exporters can easily earn 3 billion to 4 billion US dollars between the years 2023 to 2024. Following this reality, now the government is very much aware of enhancing and ensuring the quality of this product. However, more things are needed for its development. Thus, all the shrimp- producers, shrimp exporters, businessmen, middlemen, local agencies, international agencies from Bangladesh, and political parties should attempt to take necessary steps to devastate the existing problems in this sector and to earn the top position in this sector in the 'World Shrimp Market.'

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Conflicts of interest:

The authors declare that there are no conflicts of interest to publish it.

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