

Shrimp trade in trouble

US tariffs, disease outbreaks crippling the sector

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India's shrimp aquaculture sector, once hailed as a miracle of rural enterprise and export dynamism, now stands at a crossroads. On one side, crippling tariffs in the US are squeezing margins and eroding confidence of farmers. On the other, recurring disease outbreaks make every stocking decision fraught with uncertainty. With input costs rising and markets shaky, many farmers are unsure whether to take the plunge or wait it out.

The US has long been India's largest market for shrimp. In 2024-25, exports to the US totalled about 3.12 lakh tonnes, out of overall exports of 7.42 lakh tonnes. However, when adjusted for product form, the dependency is even deeper. Much of the shrimp exported to China is in head-on or headless shell-on formats, and European shipments often include glazing that inflates gross weight.

By contrast, the US largely imports peeled products. In terms of actual production share, close to half of India's farmed shrimp ends up in American supply chains. In value terms, exports to the US stood at around \$2.71 billion (₹22,500 crore) out of India's total \$5.17 billion (₹43,000 crore) — roughly 52 per cent.

This concentration makes US tariffs particularly painful. The combined impact of anti-dumping duties, countervailing duties, and other tariffs now comes to nearly 60 per cent for Indian exporters. Such a burden has sharply reduced competitiveness, especially when Ecuador, Indonesia, and Vietnam enjoy far more favourable access. Unless trade terms improve, India risks losing market share in its single most important destination.

THE DISEASE CHALLENGE

Yet tariffs are only half the problem. Disease outbreaks — white spot disease, Enterocytozoon hepatopenaei (EHP), white feces disease (WFD), and the ever-present threat of emerging pathogens — remain a constant spectre hanging over farms. Stocking has increasingly become a gamble: one bad crop can wipe out months of investment. Farmers, especially smallholders, are bearing the brunt of these biological uncertainties.

India's disease surveillance and biosecurity measures remain fragmented. While some



SHRIMP FARMERS. Facing shrinking margins

progressive hatcheries and farms are adopting improved protocols, systemic capacity for early detection, rapid response, and transparent reporting is still weak. As many experts point out, no trade concession abroad can secure the industry's long-term future if the production base itself is fragile.

Compounding these twin pressures are steadily rising input costs. Feed, seed, fuel, and labour expenses have all crept upward, while farm-gate prices remain stagnant or volatile. Farmers increasingly feel squeezed from all directions. Many adopt a "wait and watch" approach, hesitant to stock until market signals improve. The result is underutilisation of farm capacity and uncertainty across the value chain — from hatcheries to processors.

A third dimension to this crossroads lies within India itself. Despite being the world's second-largest shrimp producer, India consumes very little of its own harvest. Shrimp remains viewed primarily as an export commodity, with limited domestic demand outside coastal states.

Yet the potential is enormous. India's middle class is expanding rapidly, with rising disposable incomes and evolving food habits. Urban consumers are increasingly open to protein-rich seafood, provided it is accessible, affordable, and marketed well. If even a fraction of domestic consumers embraced shrimp as a regular part of their diets, India could cushion itself against global market swings.

The path forward requires vision and coordination. It means not only lobbying for tariff relief in Washington, but also investing in laboratories in Andhra Pradesh. It means not only exporting peeled shrimp to American supermarkets, but also ensuring affordable prawn curries in Indian kitchens.