

Vietnam shrimp industries fact sheet



This report, based on more than 150 interviews in Vietnam and a detailed analysis of shrimp prices and production costs, demonstrates how **the price pressures of supermarket retailers have a direct impact on unpaid labour, human rights violations, labour exploitation and increasing vulnerability to forced labour.**

Overview

Known U.S. Buyers

- Shrimp exported by Vietnamese processors and sold to distributors and food service wholesalers, gets resold by supermarkets such as Walmart, Target, HEB, Costco, Food Service Direct (Unilever), Amazon, and Instacart.

Vietnam's shrimp market

- **Composition:** Approximately 600,000 shrimp farms operate in the Mekong River delta of Vietnam. This amount represents about 30% of an estimated two million farms across Asia with most between one and four hectares in size.
- Large, vertically integrated firms have consolidated, creating strong leverage in the market by both producing and selling shrimp inputs and in purchasing harvested shrimp.
- Demand and prices for shrimp from Vietnam has declined consistently since the pandemic, and the country has been the worst hit of all major shrimp producers in the global oversupply situation.
- **Total Export Volume:** dropped 25% from 382,341 metric tons in 2022 to 287,851 metric tons in 2023.
- **Export Value:** From 2022 to 2023, the export value of Vietnamese shrimp fell 30% in value from \$4 billion to \$2.8 billion. Vietnam's shrimp exports increased from \$600 million in Q1 2023 to \$686 million in Q1 2024, an increase of 14%.
- **Wholesale prices** have dropped from \$11/kg in 2018 to \$5.00/kg in 2024.
- Despite some signs of lifting earlier this year, farmgate prices for shrimp in Vietnam are continuing to fall in mid-2024.

Import volumes of Vietnamese shrimp by top consuming nations:

- **United Kingdom:** total shrimp imports dropped 17.2% between June 2022 and 2023, down to 72,214

tons, with higher prices of 9.9% on average. The greatest decline was from Vietnam which supplied the UK with 5,097 tons less (-24.2%) than a year ago, down from 21,062 tons.

- **United States:** total shrimp imports dropped 14% between January 2023 and January 2024 and shrimp imports from Vietnam to the U.S. totaled \$682 million in 2023, a 15% decrease from 2022.
- **Europe:** Latin American suppliers are continuously expanding their market share while Asian suppliers are losing market share. Specifically, Vietnam's shrimp exports in 2023 reached 3.4 billion USD, down 22% compared to 2022.

Vietnam shrimp farms

- Transnational arrangements between the largest firms in the market end of the supply chain, including distributors and supermarkets, have created competitive advantages from pandemic disruptions that appear to be continuously lowering prices. As competition among shrimp buyers has dwindled, these firms are externalizing many costs to farms.
- In the shrimp supply chain, farmers hold the most risk. They incur upfront costs to meet buyer specifications, such as specific shrimp seed, feeds, and drugs. However, crop failures and decreasing wholesale prices can lead to significant losses. Ultimately, workers on shrimp farms pay the price.
- The current business model for shrimp production squeezes farmers, causing labour costs to be capped at 5-7% of the total cost of production.
- Shrimp workers reported a 20-50% reduction in earnings since the pandemic.
 - Overtime pay has been severely reduced or eliminated.
 - Bonuses have been severely reduced or eliminated.
 - 72% of the jobs did not provide a written contract.
 - 97% of shrimp workers reported said they are paid wages based on the yield, instead of a regular salary.
 - Most reported not knowing the wage rate.

- Some reported that the cost of protective gear is taken from their wages, and others are paying for other costs of work that their employer formerly provided.
- At every tier of production, shrimp workers reported they earned only enough from working a long day to cover living costs. There are no savings.
- Workers absorb the adverse effects of extreme purchasing tactics with wage reductions and insecurity – working long hours for 6-7 days of the week uncertain of the wage rate and whether the extra hours will make up for the shortfall.
- Shrimp is farmed in conditions that breach Vietnam’s Labour Code. Frequent violations by large firms spurred amendments to protect formal workers. However, the added expense of meeting stricter standards perversely forced farmers to use more informal workers to avoid violating the labour code for formal workers
- Certified shrimp farms have low yields, insufficient to meet the certified shrimp purchase commitments of US, UK, and European supermarkets. This discrepancy raises concerns about the accuracy of supermarkets’ traceability claims and their ability to ensure compliance with Vietnam’s labour laws for temporary workers.

Largest Vietnam suppliers

- Vietnamese processors such as Stapimex, Taika Seafoods, and FIMEX, export shrimp that is then distributed and resold in grocery stores and supermarkets in the US and the UK.
- Large shrimp processing companies, and shrimp feed firms, use middlemen to aggregate shrimp from numerous farms, which eliminates traceability and creates distance between shrimp buyers and labour exploitation in supply chains.
- Shrimp producers in Vietnam report that they are operating with successive losses. Production is taking place by borrowing and reducing budgets for labour. To cover essential operating costs, producers are forced to cut corners on wages, safety, mobility, and information security, leading to a cycle of financial strain on the whole system.
- Farmers are operating at a loss or around the break-even point today.

Wage theft and labour exploitation were tied to exporters supplying this incomplete list of supermarkets, shrimp distributors and food service wholesalers in the United States, United Kingdom and Europe between October 2023 and May 2024:

Shrimp exporter in Vietnam:	Resellers in UK, US or European markets
Camimex	UK: Sainsbury’s Europe: Guigel Co-op Trans Gourmet Swiss Prime Taste
Nha Trang Seafood	UK: Tesco
Truong Phu Seafood	USA: Eastern Fish Sunnyvale Harvest of the Sea (Ore Cal)
Stapimex	USA: Harvest of the Sea (Ore Cal) Chicken of the Sea Frozen Foods High Liner Foods Export Packers Eastern Fish Seattle Shrimp and Seafood SeaWorld
Taika Seafoods (Tai Kim Anh Seafood Joint Stock Corporation)	Harvest of the Sea (Ore Cal) Chicken of the Sea Frozen Foods Aqua Star Mazzetta SSC Sunnyvale Eastern Fish
FIMEX (Sao Ta Foods Joint Stock Company)	Chicken of the Sea Frozen Foods Tampa Bay Fisheries
Minh Phu Seafood Corporation	Aqua Star (Target) Export Packers M Seafood