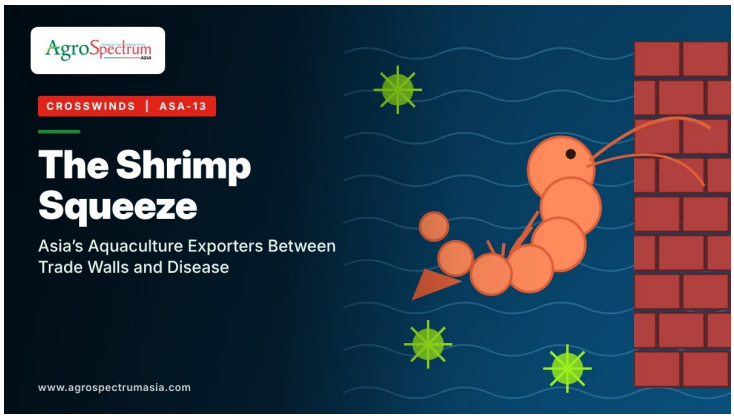
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Shrimp squeeze: Asiaâ??s Aquaculture Exporters Between Trade Walls and Disease

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Shrimp is one of Asiaâ??s most valuable farmed exports and one of its most fragile. Trade barriers, Latin American competition and disease are forcing producers to rethink where and how they farm.



Few farmed products have had a stranger eighteen months than shrimp. India shipped a record volume of frozen shrimp in 2025 while facing one of the steepest tariff walls ever erected against an Asian food export. Ecuador, a single Latin American country, now ships close to twice Indiaâ??s frozen shrimp export volume. China is importing at a record pace while its own consumers barely eat more. And Thailand, once the worldâ??s shrimp powerhouse, spent October 2026 counting flood losses on top of a decade of disease.

For Asia-Pacific exporters, the arithmetic of the business has changed. Margins that once depended on cheap land, warm water and a reliable American buyer now depend on tariff schedules that can be rewritten by a court ruling, on genetics that determine whether a pond survives a hot season, and on the ability to sell into four or five markets at once rather than one.Â This health check looks at where each major Asian producer stands heading into 2027, and how one Vietnamese processor has reworked its business to stay profitable.

A tariff wall that kept moving

From August 2025, Indian shrimp faced a combined base tariff of 50 per cent, after an additional 25 per cent penalty was layered on top of a 25 per cent reciprocal rate. With existing anti-dumping and countervailing deposits added, the effective load on some Indian product rose towards 58 per cent, while competitors faced considerably less. An Indian exporter quoted by S&P Global Commodity Insights put it bluntly: you cannot sell with 50 per cent tariffs. August 2025 shipments fell by roughly a third from July.

Then the wall began to come down, unevenly. The additional 25 per cent penalty was removed from 7 February 2026, and the India to US trade agreement announced that month set a headline rate of 18 per cent. Before the new rate could settle in, the US Supreme Court ruled on 20 February that the president lacked authority to impose tariffs under the International Emergency Economic Powers Act. A temporary 10 per cent global tariff under Section 122 of the Trade Act followed on 24 February.

That stopgap expired on 24 July 2026 and was replaced the same day by Section 301 duties, justified on the grounds that trading partners had failed to ban imports made with forced labour. India landed in the lower 10 per cent band, after amending its foreign trade policy in June to prohibit such imports. Indonesia and Ecuador are also in the 10 per cent group. Vietnam and Thailand, according to Indiaâ??s Federation of Indian Export Organisations, sit in the higher 12.5 per cent band.

Indiaâ??s tariff disadvantage has largely evaporated for now. But Ecuador used the window to take share in peeled shrimp, Indiaâ??s traditional stronghold, and buyers learned how fast sourcing can switch.

Trade remedies remain a second, more durable wall. In the 20th administrative review of the anti-dumping order on Vietnamese frozen warmwater shrimp, the US Department of Commerce issued preliminary rates of 6.76 and 10.76 per cent for the two mandatory respondents in May 2026, 7.56 per cent for 27 separate-rate companies and a nationwide rate of 25.76 per cent for the 132 firms that did not qualify. The final determination is due around November 2026. For Vietnamese exporters, the review result will matter almost as much as the headline tariff.

Ecuador changes the reference price

If tariffs set the rules, Ecuador sets the price. The countryâ??s farmed shrimp exports reachedÂ $ 7.47 billion in 2025, up 23.2 per cent, on volumes of 3.07 billion pounds, roughly 1.39 million tonnes, according to Ecuadorâ??s National Aquaculture Chamber.Â The growth has not slowed. Shrimp Insights founder Willem van der Pijl told the Global Shrimp Forum in September 2026 that Ecuador shipped close to 450,000 tonnes in the second quarter, a record, and that full-year exports could reach 1.6 million tonnes if the pace continues. Ecuadorâ??s shipments to China rose 21 per cent in the first half of 2026, and it supplied 52 per cent of US peeled-shrimp imports in the same period.

Two features of Ecuadorâ??s model matter for Asian competitors. The first is genetics and scale. After white spot disease devastated the industry in the late 1990s, Ecuadorian farms shifted from specific pathogen-free to specific pathogen-resistant stock, and over 2010 to 2025 raised stocking densities from about eight to about 20 shrimp per square metre while growth rates climbed from roughly 1.2 grams a week to about three grams. The second is that Ecuador has moved up the value chain: head-on shrimp fell from 74 per cent of exports in 2019 to about 44 per cent in 2025 to 2026, and the volume of raw material entering peeling plants tripled between 2020 and 2025.

Ecuadorian raw material is also shipped to Vietnam and Sri Lanka for reprocessing and re-export to the United States, according to bill of lading data cited by van der Pijl, making Ecuador both rival and supplier.

Disease, weather and feed: the cost side

Disease remains the largest. Thailandâ??s national shrimp output has fallen from about 600,000 tonnes a year to around 250,000 tonnes since early mortality syndrome, white spot and white faeces syndrome began eroding the industry around 2011, according to Thai industry figures reported by The Nation. In India, Andhra Pradesh produces close to 989,000 tonnes of the countryâ??s estimated 1.25 million tonnes, and disease pressure there constrained growth in 2026; speakers at the Global Shrimp Forum highlighted the interaction of vibrio bacteria and white spot virus, and the risk that higher temperatures amplify both.

Weather is the second. Floods in Thailandâ??s eastern provinces, which account for about a fifth of national production, had caused losses of about THB 17.5 billion across more than 18,000 farmers by mid-October 2026, according to the Department of Fisheries. Thai exports were already under pressure after Malaysia suspended imports of five Thai shrimp species from 1 June 2026, cutting June volumes to Malaysia by 81 per cent.

Feed is the third. Feed accounts for about 60 per cent of shrimp production costs. Peruâ??s fishmeal and fish oil output fell by roughly half against historical levels during the 2023 El NiÃ±o, and official projections point to a further decline in 2026. Analysts at the forum projected a fishmeal shortfall of around 400,000 tonnes by 2028. Single-cell protein, insect meal and algal oil are scaling, but from small bases.

Indonesia faced a problem of a different kind. The detection of caesium-137 in a frozen shrimp sample in August 2025, traced to contaminated scrap metal at an industrial estate in Banten, led the US Food and Drug Administration to issue import alerts that sharply restricted Indonesian shrimp. Because the US takes 65 to 70 per cent of Indonesiaâ??s shrimp exports, the impact was severe: October 2025 exports fell 54 per cent year on year. Trade recovered from December, but first-half 2026 exports were still 14 per cent below the prior year, and van der Pijl projects about 197,000 tonnes for 2026, the first sub-200,000 tonne year since 2018.

The country export dashboard

Table: Asia-Pacific shrimp export dashboard, October 2026

Country	Latest export figure	Key markets and direction	US tariff position (from 24 July 2026)	Main stressor	AgroSpectrum Asia outlook rating*
India	Record 719,985 t frozen shrimp in 2025; seafood exports $ 8.28 bn in FY2025 to 26	US share falling; EU up 37.9 per cent and China up 22.7 per cent in FY2025 to 26 value	10 per cent Section 301 band	Disease in Andhra Pradesh; regaining US peeled share	Improving
Vietnam	$ 3.7 bn shrimp exports, January to September 2026, up 11per cent	China and CPTPP growing; US and EU declining	12.5 per cent band (per FIEO); anti-dumping review final due around November 2026	Anti-dumping margins; raw material supply	Stable
Indonesia	About 197,000 t projected for 2026	US 65 to 70 per cent of exports; diversification partly reversed	10 per cent Section 301 band	Reputational recovery after caesium-137 alerts	Fragile
Thailand	National output down to about 250,000 t a year from about 600,000 t	Malaysia suspension from June 2026	12.5 per cent band (per FIEO)	Floods, legacy disease, domestic price slump	Under pressure
Ecuador (competitor)	$Â 7.47 bn and about 1.39 m t in 2025; up to 1.6 m t possible in 2026	China about half of volume; 52 per cent of US peeled imports in H1 2026	10 per cent Section 301 band	Possible El NiÃ±o effects; China demand saturation	Strong

*Outlook ratings are AgroSpectrum Asia editorial assessments based on the figures shown, not official forecasts.

Price: a market that is long on supply

Prices tell the story of a market that has more shrimp than it knows what to do with. Falling prices in the first half of 2026 encouraged Chinese buyers to purchase and hold frozen stock. Chinaâ??s shrimp imports rose about 22 per cent in the first half and could exceed one million tonnes for the first time in 2026, yet retail sales grew only about 1.3 per cent and catering revenue about 2.8 per cent over the same period. That gap between imports and consumption is a warning that some of todayâ??s Chinese demand is inventory building rather than eating.

In Europe, the picture is softer still. EU imports, which grew strongly in 2025, fell by 3 per cent in the first quarter of 2026 and about 30 per cent in the second, according to data presented at the Global Shrimp Forum.Â In the United States, Platts assessments on 5 October 2026 showed signs of firming at the large end and softness elsewhere.

Table: US wholesale shrimp price assessments, 5 October 2026 (S&P Global Platts)

Product	Assessed price	Change from prior assessment
Peeled, deveined, tail-on, 16 to 20 count	$Â 4.75/lb	Up 55 cents
Headless shell-on, 21 to 25 count	$Â 3.60/lb	Down 5 cents
Headless shell-on, 26 to 30 count	$Â 3.49/lb	Down 5 cents
Peeled, tail-off, 31 to 40 count	$Â 3.70/lb	Unchanged
Head-on shell-on, 30 to 40 count	$Â 5.61/kg	Up 10 cents

The firmness in large peeled sizes is consistent with reports of tight supply of bigger shrimp out of India, where early harvesting caused by disease and weather concerns left raw material short in the sizes US buyers want.

The technology and market response

Asiaâ??s response is running along four tracks.

The first is genetics. The region has long relied on imported broodstock, and the push now is for local breeding programmes adapted to local disease pressures. Hendrix Genetics has expanded its shrimp breeding network into India. In Vietnam, Viet Uc, which says it holds about a third of the domestic shrimp seed market and aims for half, named China as the first overseas market for its breeding business in 2026 and says late 2026 into 2027 will mark its move from research to commercialisation.

The second is controlled, land-based farming. Super-intensive and recirculating systems promise biosecurity and year-round output, though at higher capital and energy cost. In Vietnam, Vietnam Clean Seafood Corporation has been investing in a super-intensive farming zone in Can Tho. Singapore-based Blue Aqua International, backed by Omani investors, has been building a shrimp farm, hatchery and broodstock centre at Shinas in Oman with a target of about 1,800 tonnes a year.

The third is traceability and certification, which have become the price of entry into premium markets. The India to EU free trade agreement, concluded in January 2026, will remove the EUâ??s tariff of up to 26 per cent on Indian seafood once in force. But van der Pijl notes that EU retail access requires certifications such as ASC and GlobalG.A.P., and India needs more certified farms to capture the opportunity. Vietnamâ??s exporters report EU demand concentrating on ASC-certified, organic and low-carbon products.

The fourth is market spread. Crisil Ratings expected the US share of Indiaâ??s shrimp exports to fall to 32 to 33 per cent in FY2025 to 26 from 40 per cent a year earlier, as volumes to Vietnam rose 62 per cent and to the EU 43 per cent in the first nine months. Vietnamâ??s growth in 2026 has come from China and CPTPP markets.

Producer profile: how Minh Phu rebalanced

Vietnamâ??s Minh Phu Seafood Corporation, one of the worldâ??s largest shrimp processors, offers a documented example of how an Asian exporter has adapted to the squeeze.

In 2025, the United States remained Minh Phuâ??s largest market at nearly USD 140 million in revenue, up 33 per cent and more than a quarter of export turnover, according to company figures reported by VASEP. But the company did not lean on America alone. Japan, its second market, delivered USD 124 million, up 12 per cent. Exports to China rose nearly 37 per cent. Domestic sales, often neglected by export-led processors, grew more than 19 per cent on the back of wider distribution.

Just as important was what Minh Phu chose to sell. Rather than compete on commodity price against Ecuadorian and Indian product, the company has been expanding value-added lines for US restaurant and hotel customers, where specification and service matter more than cents per pound.

The financial results show the effect. Pre-tax profit recovered to VND 584 billion in 2025 after years of clearing high-cost inventory, and first-quarter 2026 pre-tax profit of VND 235 billion was almost six times the prior-year level. For 2026, Minh Phu has targeted 68,800 tonnes of finished product, revenue of VND 19.9 trillion and pre-tax profit above VND 1 trillion, which would be records. It has missed that profit threshold in the two previous years, so 2026 is a genuine test.

The lesson: the exporters weathering the squeeze best combine market spread, value-added product mix and disciplined inventory cost.

What to watch in 2027

- Whether the 10 per cent Section 301 band for India, Indonesia and Ecuador holds, or US trade policy shifts again and reopens the gap between Asian suppliers.
- The final anti-dumping rates for Vietnamese shrimp due around November 2026, and how they reshape Vietnamâ??s US-bound product mix.
- Whether Ecuadorâ??s possible El NiÃ±o exposure finally slows its growth, giving Asian exporters room to recover share in China and the United States.
- How quickly India certifies enough farms and plants to turn the EU tariff cut into actual retail volumes once the agreement enters into force.
- Whether Chinaâ??s import surge turns into an inventory overhang that drags global prices lower in the first half of 2027.
- Thailandâ??s post-flood rebuilding and whether its biosecurity overhaul halts the long production decline.