



Niribili Hatchery in Cox's Bazar is one of the four hatcheries in the Chattogram region that have been given permission to cultivate vannamei shrimp on a trial basis. In total, the Fisheries Department has granted approval to 11 companies in Bangladesh to run the experiential production of vannamei, which accounts for about 80 per cent of the global shrimp market. The photo was taken on Thursday.

PHOTO: COLLECTED

Trial vannamei shrimp farming to begin in Ctg

Could pave the way for commercial cultivation of the variety

MD NAZRUL ISLAM, Chattogram

After a long wait, the experimental farming of vannamei is set to begin in the Chattogram region that could pave the way for the commercial production of a shrimp variety that rules the roost in the global market.

The Department of Fisheries has allowed four hatcheries in the region to cultivate vannamei, also known as white-leg shrimp, on a trial basis and directed them to complete the piloting within a year.

The companies are MK Hatchery in Ukhia of Cox's Bazar, Dafa Feed and Agro Products Ltd under Karnaphuli in Chattogram, Niribili Hatchery in the Kalatali area of Cox's Bazar, and Midway Scientific Fisheries Ltd in Khurushkul of Cox's Bazar.

In order to test whether white-leg shrimp can cope with the local environment, the Fisheries Department gave permission to 11 companies in the country to farm vannamei on a trial basis for a year in April. Of them, four are from the Chattogram region.

Agreements for the experimental vannamei farming could be signed this month, according to officials of the department.

The move comes following pleas from exporters as locally grown black tiger shrimp, or bagda, and freshwater prawn, or golda, are unable to compete with cheaper varieties in western markets. And the approval is the result of



successful piloting in Khulna in 2021.

Lutfar Rahman, owner of Niribili Hatchery, says bagda shrimp farming has become risky.

"So, the government should have allowed the production of more productive vannamei eight to nine years ago. We are now far behind the neighbouring countries, which are benefiting financially by cultivating vannamei commercially."

"We can't compete globally by exporting only lobsters and bagda. If the government allows vannamei farming commercially, the shrimp export industry will revive."

Hatchery owners say the cost of production of bagda and golda is higher than vannamei. As a result, they have

to ship local varieties at the prices of vannamei, in order to retain the buyers, thus incurring losses.

The productivity of vannamei is high. For example, a maximum 1.5 tonnes of bagda shrimps can be cultivated in one acre area whereas at least five tonnes of vannamei can be produced in the same area, they said.

Currently, vannamei shrimp is being farmed commercially in 62 countries, including 15 in Asia.

Vannamei accounts for 77 per cent of the world's shrimp trade and its demand is growing globally as its price is lower than that of other varieties.

According to the Food and Agriculture Organisation and the Global Aquaculture Alliance, in 2016, the

world produced 35.5 million tonnes of vannamei, 5.5 million tonnes of bagda, 2.4 million tonnes of lobster, and 3 lakh tonnes of other varieties.

Vannamei production in the Asian countries such as China, India, Vietnam, Thailand, Indonesia and Malaysia was 23.91 million tonnes in 2016 and it rose to 31.12 million tonnes in 2019.

In India, many states have switched from tiger shrimp to vannamei over the years due to high productivity and profit margin, according to The Hindu newspaper.

As Bangladesh has not yet started commercial vannamei farming, its contribution to the global market of the variety is nil.

In fact, Bangladesh has lagged in shrimp exports in the world market of \$32 billion for the last few years.

Export earnings from local varieties had fallen consistently since the fiscal year of 2014-15, because of the higher prices of the local varieties than vannamei, before its revival in recent months.

The shipment of shrimps rose 34.63 per cent year-on-year to \$352.24 million in the first 10 months of the current fiscal year, data from the Export Promotion Bureau showed.

It was \$328.84 million in the last fiscal year, \$333 million in 2019-20 and \$550 million in 2013-14.

Of 105 shrimp processing companies in the country, 30 to 35 are export-oriented.

Managing exchange rate regime: any cause for panic?

NAZNEEN AHMED

Exchange rate management has become a frontline issue in Bangladesh in recent times. The sharp rise in the price of the dollar and the significant decline in the foreign exchange reserves within a short span of time have sent shock waves across the economy.

In the backdrop of the recent Sri Lankan economic crisis, apprehensions have been expressed that Bangladesh may be on its way to facing a similar eventuality.

With the preparation of the upcoming national budget for FY23 in its final stage, intense discussions are also taking place regarding appropriate budgetary measures that will be needed to counter the inflationary impact of the depreciation of the local currency.

We observe that inflation is rising, so is the gap in the current account balance, while remittance flow is sluggish and foreign exchange reserves are going down.

As part of its exchange rate management, the Bangladesh Bank (BB) is depreciating it to contain the import surge and guard against the downfall of the reserves. However, the central bank is following a strategy of gradual depreciation of the taka to smooth out the potential inflationary impact of such depreciation on the economy.

The Ministry of Finance approved raising the incentive for foreign remittance from 2 per cent to 2.5 per cent. LC margins have been raised to discourage imports of non-essential and luxury items. Restrictions have also been imposed on official foreign visits to reduce pressure on the foreign exchange market.

The pressure on the foreign exchange market is expected to taper off and the cooling effects of higher exports and remittances are likely to contribute towards stabilisation of the exchange rate

The BB's policy of gradual depreciation of the exchange rate has been criticised by many to be inadequate to contain import surges and reserves retention. They are suggesting a drastic depreciation so that the BB's rate matches the rate at which it is sold in the market.

There has been huge criticism of the BB's "failure" in dousing the gap between these exchange rates. The dilemma is that a massive exchange rate depreciation would fuel the current inflation while the slow pace comprises the risk of further depletion of the reserves.

To assess the efficacy of these measures we need to closely examine the nature of the difficulties we are currently facing in the foreign exchange market. From a policy perspective, these problems can be grouped under three categories: short term, medium-term, and long term.

The short-term problem arises from the fact that there has been a sudden surge in imports due to the release of pent-up import demand on investment, BMRE (Balancing, Modernisation, Rehabilitation and Expansion) and expansion in production capacities in one go. These were held up for two years due to the pandemic.

With the improvement in the Covid situation, the move toward economic recovery advanced at

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Bitter harvest for Indian farmers after wheat export ban

AFP, Khanna

When New Delhi banned wheat exports as prices soared over Russia's invasion of Ukraine it provoked consternation abroad and drove the cereal even higher.

Now Indian farmers and traders are fuming they have been denied a windfall as domestic prices have plummeted.

India is the world's second-biggest wheat producer, but the government – itself the country's biggest buyer of the crop – said it chose to protect food security for its mammoth population despite inflation concerns.

The move – along with dwindling global supplies from Russia and Ukraine, both among the world's top five wheat exporters – sent prices to all-time highs on commodity exchanges in Chicago and Europe.

But at Asia's largest grain market in Khanna, in India's breadbasket state of Punjab, values went the other way.

Every year, thousands of farmers from the wheat-growing region sell their produce at the facility, which is dominated by a dozen giant storage sheds, each the size of a football pitch.

From 2,300 rupees (about \$30) per 100 kilograms of wheat before the export ban, prices slumped to 2,015 rupees – the government set minimum price at which it buys grain for its vast public distribution system.

India's hundreds of millions of small farmers eke out a borderline existence, subject to the vagaries of the weather, and some in Punjab were already reeling from production losses due to a severe heatwave.

The price fall represents the difference between a bumper payout and heartache, they say.

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An Indian labourer uses a shovel to separate grains of wheat from husks at a local distribution point in Punjab.

PHOTO: AFP/FILE

Apple looks to boost production outside China

REUTERS

Apple Inc has told some of its contract manufacturers that it wants to increase production outside China, the Wall Street Journal reported, citing people familiar with the matter.

India and Vietnam, which are already sites of Apple production, are among the countries short-listed by the company as alternatives, the report added.

Apple last month forecast bigger supply problems as Covid-19 lockdowns slowed production and demand in China.

The report said that Apple is citing China's strict anti-Covid policy and other reasons for its decision.

Apple declined to comment to WSJ and couldn't be immediately reached by Reuters on Saturday.