

## **The Value Chain of White Leg Shrimp Exported to the U.S Market: The Case of Khanh Hoa Province, Vietnam.**

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### **Abstract**

Three years since 2008, white leg shrimp have exhibited fabulous growth rate and become a popular livestock along with black tiger shrimp and pangasius. This gives rise to the interest to investigate the value chain of frozen white leg shrimp exported to the U.S from Khanh Hoa Province, Vietnam. Research findings showed that before exported to the U.S, white leg shrimp undergo farming, procurement, and processing. Shrimp farming comprises of pond cleaning, seed release, and caring. As shrimp attain harvestable size, middlemen come to perform the procurement including harvesting, preserving, and transporting. At the processing plants, shrimp are transformed into final products, packed, labeled preserved and stored waiting to be exported. During farming, farmers incur costs like seed, feed, labor, and other miscellaneous expenses. At the procurement stage, addition to purchasing shrimp from farmers, middlemen add some other costs like transport, labor, ice, and other inputs to transfer shrimp to the next stage. At the processing stage, direct material, labor, overhead, and other costs are added in accordance with the accounting format. Farmers, middlemen and processors experience positive profit in the 2008-2010 period. Based on costs and earnings data, some calculations were made to reveal the distributions of revenue, cost and profit of 1 kg frozen shrimp exported to the U.S. Revenue and profits were distributed in sync with incurred costs. The research also revealed reasons why farmers depend on middlemen to sell their harvest, that is, lack of facilities, delayed payment policy and risk aversion.