Title: Is There Any Structural Change in the World Frozen Shrimp Market?

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Abstract: Is There Any Structural Change in the World Frozen Shrimp Market? Giap V. Nguyen and Curtis M. Jolly* The paper develops a model of world frozen shrimp market using data from 1980 to 2004. There is a structural change in the world shrimp market that shifts the market volume from traditional to the non-traditional markets. Market structural change affects shrimp price significantly. Shrimp price has a trend and affected by input prices mainly soybeans and oil, 1% increase in soybeans price will increase shrimp price by 0.61%, similarly 1% increase in oil price causes 0.58% increase in shrimp price. In the short run, 1% increase of income causes 0.72% increase in shrimp price. However, in the long run, income's effect in shrimp price is zero. A shift of shrimp demand will not affect its price, implying that shrimp supply curve is relatively flat in the long run. The volume share of traditional shrimp market has decreased since 2000. The structural change is attributed to the change in trade policies in large markets such as EU and the US. Those trade policies drive up the average consumer's price 0.03%, and at the same time, push producers' price down and causes a lost of producers' welfare. The model could be improved by adding variables of structural change, technological progress, shrimp promotion and taste changes, substitute goods and Japanese trade policies. Keywords: Shrimp, Trade model, Structural change * Graduate Research Assistant and Professor, respectively, Department of Agricultural Economics and Rural Sociology, Auburn University.