

FDI

DECEMBER 2023

ISSUES 37

NEWSLETTER



**Started Live Prawn
Supply and Processing.**



Upcoming:

**Applying for Key
Certifications**

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FDI STARTED TO VENTURE INTO LIVE PRAWN SUPPLY AND PROCESSING.

After successfully resolving our shrimp fry supply issue through diligent efforts and implementing our latest biosecurity Standard Operating Procedures (SOP), we've witnessed an exceptional surge in harvest volume. From June to November 2023, our monthly average harvest reached an impressive 50 tonnes, culminating in a remarkable milestone of 90 tonnes in December 2023!

This unprecedented success has led us to strategically pivot towards the supply and processing of live shrimps, a move aimed at augmenting our profitability. Live shrimps, in comparison to regular fresh shrimps, have demonstrated their ability to command approximately 5% higher prices when directed towards the local market and our in-house processing facilities.

Moreover, in anticipation of further expansion, our plans involve the establishment of a state-of-the-art processing plant. Once operational, this facility will enable us to cater to the international market by producing Live Frozen and Live Cooked shrimp variants. We project an additional 10% and 20% increase in profit margin respectively for these premium products, showcasing our commitment to meeting the diverse demands of global consumers.

Our forward-looking approach, coupled with a keen eye on market trends, underscores our dedication to maximizing efficiency and capitalizing on emerging opportunities within the seafood industry.

Good news

A WORD FROM CHEIF OPERATION OFFICER - KENNETH CHEW



The live shrimp market is considered a niche market primarily due to the reluctance of many farmers to supply live shrimp. This reluctance stems from the complexities involved in harvesting and transporting live shrimp, which presents logistical challenges. Furthermore, it poses a biosecurity risk as transport lorries often need to park in close proximity to the harvest ponds to ensure the shrimp's survival during transportation.

At FDI Makmur farm, we've successfully overcome these challenges by establishing our own specialized logistics team. This dedicated team ensures the safe handling and efficient delivery of live shrimps to our suppliers, allowing us to confidently offer live shrimp within this niche market.

Looking ahead to March 2024, we're excited to announce that we will expand our operations to include the processing of our own live shrimps. This strategic advancement is expected to significantly elevate our profit margins. By integrating the processing phase into our operations, we aim to further control the quality and delivery process, thereby solidifying our position in the market



AQUACULTURE FACES LOW DEMAND AND PRICE DROP

Since June 2023, the global seafood community has encountered a significant downturn in demand. This decline has been notably influenced by Ecuador's thriving shrimp farming industry, where the success in production has led to a surplus, consequently driving selling prices below the production cost. This unexpected imbalance has sent ripples across the aquaculture industry, creating a landscape where profitability is severely challenged.

Amidst this scenario, industry experts and stakeholders are foreseeing an imminent reshaping of the aquaculture sector. The prevailing belief among professionals is that this juncture demands not just adaptation but a comprehensive reevaluation of traditional methods and business models.

The looming reshuffle is prompting a collective contemplation within the industry about how to effectively innovate and strategize to navigate these challenging market dynamics. Many are recognizing the necessity of embracing technological advancements, implementing sustainable practices, and redefining supply chain strategies to ensure resilience and viability in this evolving landscape.

The industry's anticipated transformation indicates a pivotal moment, one that requires a cohesive and forward-thinking approach to revolutionize processes and redefine the future trajectory of aquaculture.



LIVE FROZEN TIGER PRAWN

After an extensive market analysis, it became evident that the international market for frozen shrimps was oversaturated, resulting in a substantial oversupply that drove prices well below the production costs. This surplus was exacerbated by the inability of neighboring food-producing countries to meet the demand for high-quality shrimp due to logistical constraints.

In response to this market landscape, FDI has strategically repositioned itself to focus solely on the production of premium-grade live shrimp products. Our primary offerings will include Live Frozen Tiger Prawns, a product processed using Individual Quick Freezing (IQF) technology. This innovative method involves harvesting the prawns live and instantly freezing them, locking in their freshness and superior quality. Additionally, we are introducing Live Cooked Tiger Prawns, where the live-harvested prawns undergo meticulous cooking procedures under controlled temperatures to ensure the preservation of their natural flavors and texture.

By specializing in these high-quality live shrimp products, FDI anticipates not only meeting but surpassing market demands. Despite the challenging market conditions characterized by plummeting prices, our unique product positioning allows us to secure a robust profit margin. Moreover, we are confident that our commitment to quality will carve a distinct niche for us in the market, ensuring sustained success even in adverse market scenarios.

Coming Soon

APPLYING FOR KEY CERTIFICATIONS

We are currently in the process of applying for various certifications for both our farm and processing plant, including HACCP (Hazard Analysis and Critical Control Point), GMP (Good Manufacturing Practice), and a Halal Certificate.



Upon obtaining these certifications, we will have the capability to produce and export our products worldwide.

STAY TUNED FOR MORE UPDATES NEXT MONTH