LIRP REPORT: ORGANIC SHRIMP × VIETNAM

Living Income Reference Price Report

FINANCED BY:
COOP SWITZERLAND

TYPE OF LIRP
ORGANIC, SUPPLY CHAIN SPECIFIC

PRODUCT
ORGANIC BLACK TIGER SHRIMP & WHITE SHRIMP

COUNTRY
CÀ MAU PROVINCE, MEKONG DELTA, VIETNAM

YEAR
2025

Type of The Living Income Reference Price Variables

The LIRP model is built on four key variables:

1 Living Income Benchmark

A living income is defined as sufficient income for a household to afford a decent standard of living, covering food, housing, education, healthcare, transport, clothing, essential needs, and provision for unexpected events.

The living income benchmark is derived from the 2024 Anker & Global Living Wage Coalition (GLWC) update for Rural Vietnam (Region 4), estimating the annual income required for a household of 2 adults and 2 children. In this study, the benchmark was adjusted to reflect the typical local household size of **5** persons (**4** adults + **1** child) using the OECD equivalence scale, resulting in a benchmark of **169.2 million** VND per year.

What is a Living Income Reference Price?

Fairtrade developed a holistic price discovery model for establishing Living Income Reference Prices (LIRP).

A Living Income Reference Price (LIRP) is a benchmark price that reflects what farmers need to earn a decent living from their production. It takes into account both the cost of sustainable production and the income required for a household to meet basic needs.

It answers the question: at what price do farmers in this production system earn enough to sustain both their farms and their households

Type of LIRP and Applied Methodology

This report **establishes a supply chain-specific LIRP for organic black tiger shrimp and white shrimp produced in mangrove-integrated extensive systems in Cà Mau Province**, southern Vietnam - part of Coop Switzerland's supply chain.

A farm economic baseline assessment was conducted with shrimp-farming households in the Đất Mũi Cooperative (Ngọc Hiển district, Cà Mau), providing the foundation for all model parameters including yield, labour, and cost assumptions. This data was **verified through expert consultation with experts ranging from aquaculture academics to local farming representatives** to validate the results and develop a sustainable production model for the local context and reach a consesus on reasonable values for each of the LIRP variables.

This study is notably the first application of Fairtrade's LIRP Standard Operating Procedure (SOP) to an animal-based, non-perennial production system, requiring methodological adaptation to account for the continuous, tidal-cycle-driven nature of shrimp farming.

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2 Sustainable Yields

Sustainable yields represent the realistic productivity level attainable when good aquaculture management practices are applied. Yield benchmarks were derived from the top tertile of producers in the farmer dataset and validated by the Expert Group as achievable under organic, mangrove-integrated management.

- Organic Black Tiger Shrimp: **774.8 kg/ha**
- White Shrimp: **219.6 kg/ha**

3 Viable Farm Area

The viable farm size represents the water surface area (WSA) a typical household can sustainably manage using available family labour, without relying heavily on hired workers. The WSA represents approximately **40%** of the total pond surface area.

Based on household labour availability of approximately **135** working days per person per year on farm activities, the viable farm size was established at **1.9** hectares - slightly above the current average of **1.74** hectares in the dataset.

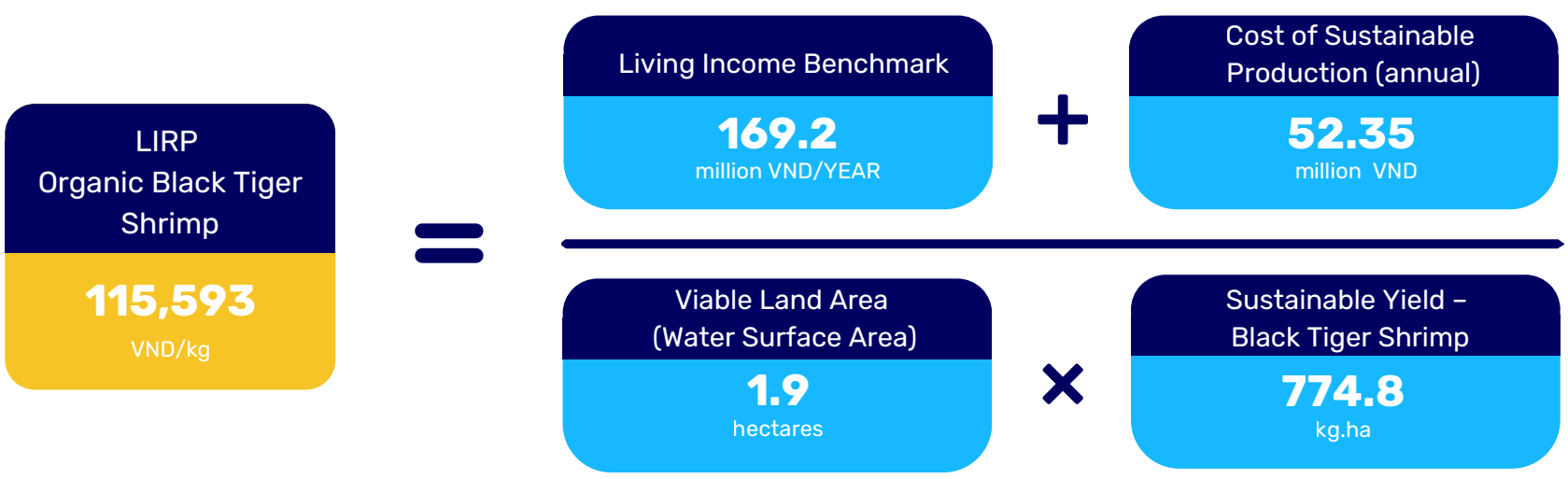
4 Cost of Sustainable Production

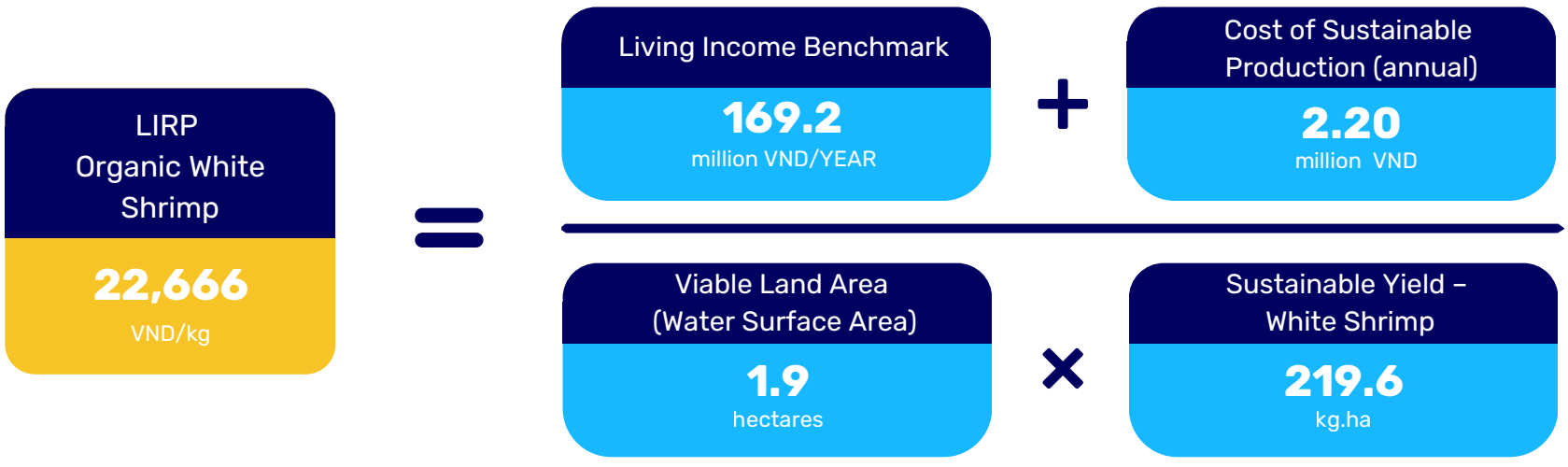
The cost of sustainable production (COSP) reflects what it costs a model farm household to achieve feasible yields on a viable water surface area, including input costs, pond preparation, tools, materials, and hired labour valued at living wage rates.

The mangrove-integrated system is a low-input system. The dominant cost is the purchase of organic black tiger shrimp post-larvae, representing approximately **45–50%** of total production costs. The total annual COSP for the model farm is **54.55** million VND.

The Living Income Reference Price

With the variable values defined above, the LIRP for organic shrimp from Cà Mau, Vietnam was calculated as:





The report concludes that the **current farmgate price** - the price farmers receive directly for their shrimp before any processing or trading costs are added - **is at the Living Income Reference Price (LIRP).**

This report was prepared by NewForesight on behalf of Coop Switzerland, in alignment with the Fairtrade LIRP Standard Operating Procedure.
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