

Market chain assessment of the Blue swimming crab industry in Jaffna, Sri Lanka

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Warning signals given by European Union to Sri Lankan sea food exports, especially for blue swimming crab (*Portunus pelagicus*), on Illegal Unreported Unregulated (IUU) fishing practices is a crucial issue thus, branding the Sri Lankan exports, as “Marine Stewardship Council (MSC)”, may show the commitment of Sri Lankan industry for sustainable utilization of the resource. Poor understanding of the crab market as a whole is one of the preliminary requirements but a main constrain in stepping towards in gaining the MSC certification. Therefore, this study tried to formulate the market chain structure in identifying the size; capacity and connections of each layer of the market chain giving special emphasis on potential strengths, weaknesses, opportunities, and threats in gaining the MSC certification. Primary data were collected through personal interviews, semi-structured questionnaires, direct observations and group discussions, from June to September, 2013, covering 90% of randomly selected market chain actors engaged in the crab industry in Jaffna. Secondary data on prices of crabs in the local market, information on fishing families and fishermen cooperative societies were obtained from the Department of Fisheries and Aquatic Resources in Jaffna. The recent expansions of fishery and shifting the industry towards “Export market” from “Self consumption” have initiated a large number of community-based management societies which has similarities as well as differences in their management strategies. Two different market chains were identified for the blue swimming crab industry; the domestic market chain and the export market chain. The local market is price oriented with low emphasis on quality while the export market is highly regulated. The export market stands for quality with high prices. While concerning the increase revenues of the crab fishery it is essential to make structural changes throughout the market chain especially for the export market. Such changes should be implemented on the methods, practices, market chain actors and even on equipment. In addition, possibilities of quality improvement and cost reduction in local market were revealed. Lack of knowledge and lack of trust between actors were identified as major barriers in the expansion of crab industry as well as working towards in gaining the MSC certification.

Keywords: Crab fishery, export market, market chain, MSC, *Portunus pelagicus*

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