

TERMS AND CONDITIONS FOR THE SUPPLY OF QUALITY SPECIFIC PATHOGEN FREE (SPF) BROODSTOCK AND PARENT POSTLARVAE OF SHRIMP BY OVERSEAS SUPPLIERS TO HATCHERIES IN INDIA

Preamble: -

Since three years have passed after its introduction for farming in India, the Pacific White Shrimp *Litopenaeus vannamei* has become the most preferred candidate species for aquaculture in the country. Whereas there has been an exponential growth in the demand for SPF *L. vannamei* broodstock for seed production in the country.

The current demand from the commercial hatcheries in India is estimated at 400,000 broodstock per annum. Whereas the primary source of SPF broodstock for commercial hatcheries in India are the Broodstock Multiplication Centres and their Nucleus Breeding Centres (NBC) located overseas. The broodstock that are imported into India are quarantined at the Aquatic Quarantine Facility (AQF) for the purpose of determining that the broodstock are free from OIE listed diseases and pathogens.

The Coastal Aquaculture Authority, an Indian regulatory body of Coastal Aquaculture with an intent to avoid the possibilities of contamination of Indian aquaculture systems from the imported stocks and to increase the biosecurity for the Indian shrimp aquaculture systems by facilitating the flow of "clean" SPF broodstock lines that are free from specific pathogens such as WSSV and all other nationally and internationally significant disease agents of shrimps, has empanelled Overseas SUPPLIERS for the supply of SPF broodstock adhering to relevant guidelines and procedures notified by the Government of India through expression of interest.

Even though diseases continue to affect the sustainability of shrimp farming, their prevention requires the definition and implementation of a biosecurity strategy specific for each facility, culture system and sanitary zone.

Hence, there is a felt need for bringing more transparency and operational discipline in the supply of SPF broodstock, establishing a



framework for importing improved breeding material and ensuring access to aquatic genetic resources in accordance with the laws in vogue in India. These terms and conditions for supply of quality SPF broodstock have been evolved to form part of the expression of interest already notified for empanelling the overseas suppliers of SPF broodstock to the shrimp hatcheries.

Part-I:

Interpretation: -

- **"Supplier"** means an original producer duly empanelled by the competent authority to supply SPF broodstock or other broodstock to the licensed hatchery / any other establishment duly approved by the competent authority.
- **"Importer"** means a licensed hatchery / any other establishment duly authorized by the competent authority to import SPF broodstock from the SUPPLIER for producing seeds for the commercial use in aquaculture grow out ponds for human consumption or other approved purpose.
- **"CAA"** means any Officer authorized by the competent authority to represent CAA, AQF and other relevant Government organizations.
- **"Germplasm"** means, whole plant, animal, insect, fish, fungi, microbes or in parts, and their propagates including seeds, vegetative parts, tissue cultures. embryo, ova, semen, spawn, colonies, cultures, cell lines, genes and DNA based sequences etc. that are held in a repository or collected from wild as the case may be and are utilized in research, genetic studies or breeding programs for improvement of relevant agricultural biodiversity component.



- **"Product"** means genetic resource that incorporates the material provided under these terms and conditions or any of its genetic part or component that is ready for commercialization including SPF broodstock and Parent Post larvae of shrimp.

Part –II: Terms and Conditions

1. The SUPPLIER shall have established selective breeding and product multiplication program in compliance with the requirements of OIE's Aquatic Code and the disease surveillance and screening of pathogens are conducted in accordance with the OIE Aquatic Manual. The SUPPLIER shall have their own protection strategies to protect their product and not to make any claim over any similar product found or to be found in India.
2. The translocation of the SPF Product shall incorporate pre-border and post-border biosecurity risk mitigation measures that represent world's best practice. The SPF product shall be translocated under International Council for the Exploration of the Sea (ICES) protocols for introductions and transfers of marine organisms (ICES, 2005, 2012).
3. The terms and conditions involves importation of live sub-adult or adult SPF product sourced from the SUPPLIER which has met the minimum standards established for the supply of SPF product to Indian hatcheries not limited to those detailed in this document.
4. The SPF product shall be certified by the competent authority of the exporting country to be free from all OIE listed diseases infecting shrimps, as well as any other diseases of shrimps listed on India's National List of Reportable Diseases of Aquatic Animals or any such other disease of national interest prior to its being introduced into a biosecured Aquatic Quarantine Facility (AQF) in India. The Nuclear Breeding Centre (NBC) and Broodstock Multiplication Centre (BMC) shall have SPF status for a minimum of two consecutive years.



5. The SUPPLIER shall subject the SPF products to be translocated in pre-quarantine for a minimum period of 12 days and shall be authenticated with the following:
 - A certificate indicating the SPF status of the product for which the testing should have been performed not earlier than 30 days from the actual date of shipment. A certificate indicating the history of disease occurrence in the product rearing facility of the SUPPLIER for the last two years. A certificate indicating the batch of exported product which was held in pre-quarantine for a minimum period of twelve days and the results of the pathogen tests and such other documents as may be prescribed by the Competent Authority from time to time.
6. Live SPF product shall be quarantined at a biosecured Aquatic Quarantine Facility (AQF) for a period not more than five days and tested for all relevant pathogens. The stocks received at the quarantine, if detected and confirmed for the presence of pathogen, shall be incinerated and the SUPPLIER will be held responsible and dealt with in accordance with the provisions of Indian law. The SPF products imported from approved Broodstock Multiplication Centres (BMCs) have to be quarantined at the Centralized Aquatic Quarantine Unit for a period of fifteen days. The larva needs to be ensured of the SPF status. On the day of arrival and as well as on the tenth day of retention (quarantine period) at AQF.
7. The SPF product tested and confirmed by the Indian competent authority as free from all relevant pathogens, shall be delivered to the IMPORTER for producing post larvae from their respective hatcheries for the commercial use in aquaculture grow out ponds for human consumption.



8. The IMPORTER shall supply the feedback information on the performance / utilization, research outcome of the material to the SUPPLIER and CAA on a seasonal / yearly basis whichever is applicable. The IMPORTER should not use the imported SPF product for any breeding programme without a written consent of the SUPPLIER. The IMPORTER shall pay the agreed cost of material, handling and processing charges for the product received/accessed as decided on case-to-case basis.
9. Cancellation of Shipments on the part of hatchery operators or on the part of SPF product SUPPLIERS shall be done at least 30 days in advance of the actual date of import. Voluntary cancellation of shipments by the IMPORTER / SUPPLIER in excess of three times in a Calendar year shall be liable for penal action.
10. Buffer period for the arrival of the consignment of imported SPF product shall be a day after actual date of arrival of the consignment. Any consignment that arrives beyond a buffer period shall be accommodated in the emergency handling area depending on the availability. The SUPPLIER and the IMPORTER whoever declared by the competent authority as responsible for the deviation shall bear the cost of emergency handling. Three such consignments by the supplier in a financial year shall qualify for penal action against the concerned.
11. If the transit mortality ranges between 10 to 40%, the SUPPLIER shall compensate the actual agreed loss in the subsequent consignment. In case if the transit mortality exceeds 40%, the SUPPLIER shall compensate the IMPORTER with the replacement of full quantity in the subsequent consignment. The mortality status shall be the status after 6 hours of arrival of the product at the AQF as declared by the AQF.



12. Any given consignment shall have 10% size variation for male and female independently. Anything above 10% shall be quantified and compensated on mutual agreement in the subsequent consignment. The SUPPLIER shall agree to maintain appropriate sex ratio for supplying product in all consignments. The quantity of product imported by any IMPORTER shall not exceed the annual allocation order including the quantities compensated, if any.
13. One representative each of the IMPORTER and SUPPLIER shall be permitted to be present at the time of opening of the consignment at the AQF. The supplier shall provide an undertaking to AQF indicating that he/she has not visited any farms/hatcheries 48 hours prior to the arrival of the product at the AQF. The representatives shall jointly declare the deficiencies if any 6 hrs after the arrival of the consignment at the AQF and in case anyone of the representative is not present, the declaration of deficiencies if any shall be countersigned by the competent authority present at the AQF.
14. The SUPPLIER shall guarantee the packing including the medium and packing material in accordance with the guidelines and SOP's published by the competent authority in India from time to time. The SUPPLIER shall provide with each consignment average weight list of the product which shall be confirmed at the AQF.
15. In the event of non-fulfillment of the terms and conditions, due to any reason of force majeure namely delay, strikes, natural calamities, etc. or any other causes of delay whether or not of a kind previously specified in this clause beyond the control of SUPPLIER or its SUPPLIERS, whether or not indicated by the foregoing words, all the foregoing irrespective of whether or not these events occur before or after the date hereinbefore specified as the date at which the SPF product is to be delivered, then and in any such case neither the SUPPLIER nor CAA/AQF shall be held



responsible for any loss. The SUPPLIER shall, as soon as reasonably possible, notify the BENEFICIARY and CAA in writing of any occurrence of any event of delay or force majeure as set out in the previous clause and the notice shall include the description of the nature, extent, effect and likely duration of the circumstances constituting the force majeure. In the event of delays occurring at any time whatsoever in the delivery of the SPF product or in any other performance required under this agreement due to causes not attributable to SUPPLIER may permit such deviation as "Permissible Deviation" subject to the approval of the CAA.

16. CAA shall not be held liable to indemnify/compensate neither the Supplier nor the Importer on account of any faults / losses arising due to both the parties. CAA shall not, however, be liable for any claims of payments either by the SUPPLIER or by the IMPORTER.
17. The CAA shall have the right to terminate the SUPPLIER after providing sufficient opportunity for being heard, in case the SUPPLIER fails to oblige the terms and conditions or violates or misuses in any way. The time period for being heard shall not exceed three calendar months. The SUPPLIER shall provide sufficient reasons to terminate its supply to Indian Hatcheries to be recorded in writing and present the same before the CAA at least six months in advance before the SUPPLIER decides so.
18. The obligations of all parties concerned have been outlined in this terms and conditions. However, during the operation of the terms and conditions, circumstances may arise which call for alteration or modifications of this Agreement. These modifications/alterations will be made following the principles of National Justice.
19. Neither the SUPPLIER nor the IMPORTER shall claim any intellectual property or other right on the material provided and the associated information under this agreement. Access to Genetic Resources



protected by intellectual and other property rights shall be consistent with the extant national laws. The intellectual property protection or benefit sharing in respect of derivatives of the material(s) received/ accessed, wherever applicable, shall be as per the Biological Diversity Act 2002 and Guidelines on Access Benefit Sharing Regulations, 2014.

20. Neither the SUPPLIER nor the IMPORTER shall claim any intellectual property right over the products derived from the material accessed including its related information and knowledge without prior written approval of the National Biodiversity Authority, India. The Patent regarding the delivery of the SPF product developed by the SUPPLIER remains with the SUPPLIER. Nothing contained herein shall be construed as transferring such patent, trademark, service mark or copyright covered under the terms and conditions of this agreement, and all such rights are hereby expressed as reserved to the true and lawful owners thereof.
21. These terms and conditions shall be considered and made in accordance to the laws of Republic of India. The terms and conditions shall also be governed by and interpreted in accordance with the Coastal Aquaculture Authority Act, 2005, Rules, Regulations and Guidelines thereof, The Biological Diversity Act, 2002 and its Rules and any other relevant laws of Republic of India. In case of any contravention, they shall be liable for penalties as defined under Section 56 of The Biological Diversity Act, 2002.
22. Any dispute, difference, or question may arise at any time between the parties hereto or any person claiming under them, touching or arising out of or in respect of this agreement or the subject matter thereof, shall be amicably settled between the parties. In case the same is not amicably settled, the dispute shall be referred to the Sole Arbitrator to be appointed by the Secretary (Fisheries), Ministry of Fisheries, Animal Husbandry and Dairying, Government of India.



The decision of the Sole Arbitrator shall be final and binding on both the parties. The seat of the arbitration shall be Chennai, India and the arbitration proceedings shall be conducted in the English language and shall be governed by the Arbitration and Conciliation Act, 1996 as amended from time to time and the substantive Indian Law will apply.

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