



January 21, 2004

Contact: Deborah Regan, 919.361.0273

Commerce Launches Shrimp Investigations, Commission Holds Conference

Washington, DC—The Department of Commerce initiated today antidumping investigations of six countries to determine whether or not shrimp is being dumped into the U.S. market. The trade action, filed on behalf of shrimp harvesters and processors, was found by Commerce to have sufficient industry support and enough evidence of dumping to warrant a full investigation of shrimp pricing practices in Brazil, China, Ecuador, India, Thailand, and Vietnam.

“The U.S. shrimp industry welcomes the initiation of these antidumping petitions,” stated Eddie Gordon, President of the Southern Shrimp Alliance. “We are confident that the Department of Commerce will find egregious violations of the rules of free trade.”

Also today, the International Trade Commission (ITC) held a preliminary conference in Washington, DC to determine whether dumped shrimp materially injures or threatens to injure U.S. shrimp harvesters and processors. Seven industry representatives described to the ITC how dumped shrimp has caused domestic shrimp prices to plummet to record lows, even though consumer prices and demand for shrimp have increased.

Craig Wallis, a 25-year dock owner who services a total of twenty-four boats in Palacios, Texas, including his family’s ten boats, testified that the dumped shrimp imports harm shrimp harvesters.

“In 2000 when we averaged \$6.00 a pound for one count of shrimp, we were able to pay our crew a living wage and invest in our business. At today’s price of \$3.80 a pound we can do neither,” explained Wallis. “Shrimping is the only industry in my community so I come here today on my behalf and on behalf of others in my community who depend on shrimping for a living either directly or indirectly. We need fair trade and fair prices for our shrimp.”

The Department of Commerce’s National Marine Fisheries Service data has long proven that shrimp is the most valuable domestic seafood landed each year. A recent Sea Grant Study shows that the shrimp industry contributes \$50 million dollars to the local economy of Lee County, FL alone. In Louisiana, shrimp accounts for over 85 percent of the value of the state's edible fisheries production. In many other states, such as Texas, shrimp is the most valuable commercial fish industry.

“There is not a person at this table that is arguing that we should stop shrimp imports from coming into this country. But shrimp being imported into this country must be sold

at a fair price, and not a dumped price or price based on artificial industry subsidization,” stated Jonathan Appelbaum, President of Penguin Frozen Foods, Inc., a frozen seafood distributor based in Northbrook, Illinois. “In recent years the U.S. market has become the dumping ground for global shrimp production as demand in Japan has declined and the European Union has imposed higher tariffs and strict sanitary standards on imported shrimp. This must end.”

Until August 2003, the U.S. tolerance levels for some dangerous chemicals were 500 times higher than EU standards. According to October 2003 reports from the Newhouse News Service, FDA records show the agency tests less than half of 1 percent of all imported foods for the few drugs it looks for. Some shrimp processors and canners have chosen to purchase U.S. shrimp over imports because of the low health and quality standards of imported shrimp. Bumble Bee Seafoods is one such company.

“The shrimp we can is all caught domestically. In the past we bought an extremely small amount of imported canned shrimp for resale in the United States, but we stopped purchasing imports because of quality concerns. Today, we buy all our shrimp from the docks and from fishermen in Louisiana, Alabama, and Texas,” stated David Cook, Vice-President, Specialty Seafood Trade of Bumble Bee Seafoods. “As we have seen more and more of our market go away, the impact on our business has been substantial. Our business has been cut in half over the last few years.”

The import prices of the targeted countries have dropped 28 percent in the past three years. The volume of the imports from the six countries has increased from 466 million pounds in 2000 to 650 million pounds in 2002. Yet during the same time period, the Wall Street Journal found that the prices for shrimp entrees at major restaurant chains increased by up to 28 percent.

“People are eating imported shrimp but they are still paying the same high prices – distributors, supermarkets, restaurants are taking all the profits. To me, this free trade is not benefiting the consumers and is destroying Americans who work hard day-in, day-out,” testified Scott St. Pierre, a shrimper from Golden Meadows, Louisiana. “People’s livelihoods depend on the survival of the local shrimp industry. All we want is a level playing field.”

A preliminary determination from the ITC is expected on February 17, 2004.