



December 20, 2004

Contact: Deborah Long
919.969.9606

Four More Countries Found Dumping Shrimp
Duties Imposed to Offset Cheating

Washington, DC –U.S. shrimp fishermen and farmers said today that hundreds of thousands of U.S. families and the economies of thousands of communities throughout the southeast will benefit from the U.S. Department of Commerce’s final findings that exporters in Brazil, Ecuador, India, and Thailand are violating U.S. trade laws by dumping shrimp into the U.S. market. Commerce set final duties ranging from 2.35% to 67.8% to offset the fair trade violations in response to petitions filed December 31 on behalf of the Ad Hoc Shrimp Trade Action Committee. This ruling follows findings that China and Vietnam also dumped shrimp into the United States. The International Trade Commission will determine whether the trade violations have injured the U.S. shrimp industry in January, the last step before cash duties are required.

“U.S. shrimp fishermen and farmers use the most advanced technology and are very efficient producers of shrimp, but some of our trading partners have been cheating and causing U.S. businesses to close and thousands of Americans to lose their jobs,” said Southern Shrimp Alliance President Eddie Gordon, “We thank the Department of Commerce for enforcing the rules of free and fair trade offsetting this illegal practice. U.S. shrimpers look forward to competing with fairly trading countries and informing consumers of the health, environmental and other quality advantages of American shrimp versus imported, farm-raised shrimp.”

The U.S. shrimp industry, which directly employs over 70,000 people and contributes billions in revenue and taxes to thousands of coastal communities in eight states, is on the brink of extinction from the harm caused by dumped imports. By contrast, less than 3,500 jobs process imported shrimp subject to the antidumping investigations. As the average import price of shrimp has fallen from \$5.12 in 2000 to \$3.14 in the first half of 2004 due to the unfair pricing (dumping), the value of U.S. shrimp harvest has plummeted by \$4.4 billion and thousands of U.S. jobs were eliminated.

“It is hard to watch entire communities in Louisiana become ghost towns due to unfair trade. Some of the world’s most technologically advanced boats have been repossessed by banks and families have been forced to abandon their way of life,” explained Kim Chauvin of Chauvin, Louisiana. “As if the dumping wasn’t bad enough for Americans, studies by Food Beat Inc. demonstrate that consumer prices for shrimp at restaurants increased five times more often than they decreased from 2000 to 2003.”

Approximately 80 percent of shrimp consumption occurs in restaurants across America. The standard mark-up on fishery inputs for restaurants is 182.4 percent, which covers their costs and includes a nice profit. In 2002 alone, shrimp middlemen pocketed \$4.2 billion above their standard mark-up by charging consumers up to 28 percent more for shrimp entrees, even though the wholesale prices plummeted 32 percent.

Americans eats more shrimp and shrimpers suffer?

Last year, Americans consumed a record 4.0 pounds of shrimp per person, up from 3.7 pounds in 2002. They even paid more for the shrimp on average. Yet, U.S. shrimpers and fairly trading countries have not reaped the benefits of the robust market for shrimp due to the market distorting effects of dumped shrimp imports. Shrimp imports have increased more than 71 percent between 2000 and 2003, far beyond the increase in U.S. demand for shrimp. The surge in farmed shrimp imports has been encouraged by government intervention and subsidies that have distorted the market by creating vast overcapacity. However, because the United States market is the most open and suffers from less stringent of food safety standards, the oversupply of shrimp comes here, especially when tough food safety inspections in the EU and Japan limit shrimp from entering those markets.

Subsidies encourage dumping

The World Bank estimates that approximately \$8.9 billion in government subsidies and public-sector assistance provided to the shrimp farming industry overseas by 1997. U.S. taxpayers have provided an additional \$1 billion in indirect and \$17.6 million in direct assistance to third world shrimp producers as a foreign aid measure. These subsidies, when coupled with strong enforcement of food safety requirements, tariffs, and decreasing demand in other major shrimp markets, results in shrimp being dumped into the U.S. for less than fair value, as the Department of Commerce found today.

U.S. shrimp fishermen are dramatically more productive than any of their Asian shrimp farming counterparts. The average U.S. commercial shrimp fishermen harvests shrimp at a rate of 88.4 lbs per day worked. Thailand, considered one of the largest and most “efficient” foreign producer, produces shrimp at a rate of only 25.49 pounds per day worked. Vietnam produces shrimp at a rate of only 3.16 pounds per day worked.

“U.S. shrimpers successfully competed against imports prior to 2000 and when the dumping is fully offset, we will be competitive again,” concluded Gordon. “Free and open markets require countries to abandon market distorting practices such as subsidies and dumping according to U.S. laws and international standards governing free trade. By removing the advantages of unfair trade through duties, the U.S. government has created a level playing field without closing its borders.”

SSA is an alliance of the U.S. warmwater wild shrimp fishery from eight states: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana and Texas. For more information on the SSA or the recent rulings and studies on shrimp imports, please visit www.shrimpalliance.com.

--SSA--