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## **Southern Shrimp Alliance Efforts Lead to Better Enforcement of U.S. Trade Laws**

*Chinese Shrimp Known for Circumvention and Food Safety Violations*

*Tarpon Springs, FL-* The Southern Shrimp Alliance's (SSA) coordination with its Congressional allies and U.S. Customs and Border Protection (CBP) promises to yield better enforcement against circumvention of the antidumping orders on frozen warmwater shrimp from Brazil, China, Ecuador, India, Thailand, and Vietnam. Transshipment, mislabeling product excluded as "dusted" shrimp, and other efforts to avoid antidumping duties on imported shrimp harm U.S. shrimp producers and make it more difficult for U.S. food safety inspectors and consumers to identify the origin of shrimp products.

"U.S. shrimpers don't get the relief they deserve under U.S. trade laws when companies evade the antidumping orders," explained John Williams, executive director of the SSA. "When companies circumvent the antidumping orders, they are also disguising the real origins of imported, farm-raised shrimp and evading risk-based food safety inspections."

SSA has held numerous briefings with members of Congress and CBP to discuss circumvention of the antidumping orders. As a result of these briefings, Senator Jeff Sessions (R-AL) wrote a letter to CBP expressing concerns regarding transshipment and urging the agency to bolster enforcement. In recent meetings, CBP has confirmed to SSA that preventing circumvention of the shrimp antidumping duty orders is of grave concern to CBP and a high priority that it will aggressively address. SSA has worked closely with CBP and provided CBP with information indicating that transshipment of shrimp and mislabeling of so-called "dusted" shrimp are primary venues for circumvention.

### **China a Top Violator**

China is a known violator of U.S. food safety laws. In April 2007, the U.S. Food and Drug Administration (FDA) found more than quadruple the number of Chinese shrimp with illegal drug residues than all of 2006 combined. This trend becomes more troubling when coupled with evidence that shrimp from China are being shipped to the United States under faulty country-of-origin labeling to avoid antidumping duties.

CBP and Immigration and Customs Enforcement found that a substantial amount of Chinese shrimp, totaling approximately \$58 million in value, was unlawfully transshipped and labeled as a product of Indonesia.

It is likely other countries are also supplying Chinese shrimp to the U.S. market. For example, SSA monitoring demonstrates a sharp increase in shrimp exports from China to Malaysia and,

simultaneously, from Malaysia to the United States, indicating that Chinese exporters are likely transshipping through Malaysia to avoid payment of antidumping duties. Malaysia exported only slightly more than 3 million pounds of shrimp to the United States in 2002. In 2006, Malaysian exports of shrimp to the United States were nearly 125 million pounds. Meanwhile, in 2002 China exported less than 2 million pounds of shrimp to Malaysia. By 2006, however, Chinese official exports of shrimp to Malaysia had grown to nearly 25 million pounds.

Chinese exporters have also significantly increased their shipments of shrimp treated with a small percentage of wheat or rice flour. Since so-called “dusted” shrimp are allegedly a precursor to breaded or battered shrimp and not subject to antidumping duties, imports of “dusted” shrimp leapt from 71,000 pounds in 2003 to over 26 million pounds in 2006. China supplied 99.5% of all imported “dusted” shrimp in 2006. However, U.S. breading production has experienced a dramatic decline during the same time period, indicating that “dusted” shrimp are not being breaded as intended. It appears that the process is easily reversed and, as such, the product competes directly with the domestically produced shrimp intended for protection under the antidumping order. CBP has confirmed that addressing this type of circumvention is a particular focus of the agency’s efforts.

“The SSA thanks Senator Sessions and CBP for their efforts in ensuring that the antidumping orders are not being unlawfully evaded by importers and that the domestic shrimp industry receives the relief these orders are intended to provide,” stated Williams. “We believe that the aggressive enforcement efforts by the CBP should lead to a substantial decline in imports of ‘dusted’ shrimp and mislabeled shrimp transshipped to avoid payment of antidumping duties.”

SSA is a non-profit alliance of members of the shrimp industry in eight states committed to preventing the continued deterioration of America's domestic shrimp industry and to ensuring the industry's future viability.