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Review of Shrimp Antidumping Duties Offers Mixed Results

Tarpon Springs, FL— The antidumping duties on shrimp imports dumped into the U.S. market between August 4, 2004 and January 31, 2006 are changing for a number of companies. The Department of Commerce (“Commerce”) announced Thursday the final results of the first “administrative reviews” of antidumping actions against six countries: Brazil, China, Ecuador, India, Thailand and Vietnam. The reviews confirm substantial dumping by a number of companies, but suspended duty deposits for a few other companies for the next year. The Southern Shrimp Alliance (“SSA”) received the decision with mixed emotions.

“The Department of Commerce’s administrative reviews will take some time to analyze,” said John Williams, executive director of the SSA. “What we know today is that the ruling did not affect the antidumping duties paid on the vast majority of shrimp imports from the targeted countries, and that is a good feeling for the shrimp fishermen in eight southern states struggling with low shrimp values.”

Agreements reached by the Southern Shrimp Alliance and 104 different foreign exporters resulted in most shrimp imports having antidumping duties assessed at the same level as deposits were made. It is impossible to know what the antidumping rates would have been absent the agreements. However, the rates would not likely be the same because Commerce investigates a few—in this case the largest—exporting companies and assigns an average antidumping rate to all other exporters based on the limited reviews. For most countries, the largest companies were not part of Commerce’s review.

SSA expressed disappointment over numerous changes in policy and discretionary decisions that favored foreign exporters. For example, diverging from previous practice and the agency’s own holding in the preliminary decision, Commerce held that cost increases caused by a virus that struck the Brazilian aquaculture in 2003 should not be accounted for in the calculation of these exporters’ costs of production.

“It is ironic that after years of wrongly stereotyping the U.S. shrimp industry’s method of harvesting shrimp from nature as ‘primitive,’ that our foreign competitors are granted special exemptions when growing shrimp in high density ponds results in increased costs from the inevitable introduction and development of viruses lethal to shrimp,” explained Williams. “We are analyzing the decisions, which sometimes appear to bend over backwards to benefit foreign exporters, and will appeal in appropriate circumstances.”

The Department of Commerce final determinations can be appealed to the U.S. Court of International Trade.

About Administrative Reviews

Under U.S. trade law, the Department of Commerce applies antidumping duties retrospectively. This means that it looks at the amount of dumping that occurred in past years to determine an appropriate antidumping duty rate to offset unfair trade of future imports.

Since the actual amount of dumping could be higher or lower than in previous years, the Department of Commerce invites “administrative reviews” on the anniversary date of the imposition of the duties. The reviews, which can be requested by the domestic or foreign parties, are of the actual sales and costs of companies subject to the antidumping orders and can result in the antidumping duty rates increasing or decreasing based on the actual amount of dumping that occurred. Companies that are found not to have dumped product into the U.S. market will have their duties refunded. The entire process takes more than one year.

About the Southern Shrimp Alliance

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. SSA, through its Ad Hoc Shrimp Trade Action Committee, filed and defends the trade actions on behalf of the U.S. shrimp industry. For more information on the SSA, please visit www.shrimpalliance.com.

Summary of Rulings

Final Results dumping margin listed first, followed by the current deposit rate. “A/O” indicates “all others rate.” “LTFV” indicates the investigation. “Sec A rate” indicates companies that demonstrated independence from government control but were not individually examined. “CWR” indicates that the company received the countrywide rate.

<u>Thailand</u>	<u>Final Results</u>	<u>Deposit Rate</u>
Good Luck Product Co., Ltd.	10.75	5.95 LTFV A/O
Pakfood Public Company Limited	4.29	5.95 LTFV A/O
Thai -I-Mei Frozen Foods Co., Ltd.	2.58	5.29
AR1 Specific A/O (15 companies)	4.31	5.95 LTFV A/O
Facts Available Rate (7 companies)	57.64	5.95 LTFV A/O
<u>Ecuador</u>		
OceanInvest, S.A.	3.69	3.58 LTFV A/O
Promarisco, S.A.	0.39	4.42
AR1 Specific A/O (19 companies)	3.69	3.58 LTFV A/O
Facts Available Rate (2 companies)	35.00	3.58 LTFV A/O
<u>Vietnam</u>		
Fish One	0.00	4.57 LTFV Sec A rate
Grobst (new shipper)	0.00	25.76 LTFV CWR
AR1 Specific A/O (4 companies)	4.57	4.57 LTFV Sec A rate

India

Falcon Marine Exports Limited	4.39	10.17 LTFV A/O
Hinudstan Lever Limited	18.83	15.36
Liberty Group	4.03	10.17 LTFV A/O
AR1 Specific A/O (42 companies)	7.22	10.17 LTFV A/O
Facts Available Rate (17 companies)	82.30	10.17 LTFV A/O

China

Yelin Enterprise Co.	.44	82.27
Allied Pacific	53.68	80.19
Zhangjiang Evergreen Aquatic	53.68	53.68 LTFV Sec A
Zhoushan Huading Seafood	225.62	53.68 LTFV Sec A
Red Garden/Meizhou	112.81	27.89

Brazil

Aquatica Maricultura	4.62	7.05 LTFV A/O
Compescal	15.41	7.05 LTFV A/O
AR1 Specific A/O (7 companies)	6.96	7.05 LTFV A/O
Facts Available Rate (2 companies)	67.80	7.05 LTFV A/O