



The Shrimp e-Advocate

NEWSLETTER

AUGUST 2009

The Southern Shrimp Alliance (SSA) is a non-profit alliance of members of the U.S. shrimp industry in eight states committed to preventing the continued deterioration of America's shrimp industry and to ensuring the industry's future viability. SSA serves as the national voice for the shrimp fishermen and processors in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.

Quick Links

[SSA Website](#)

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BREAKING NEWS

NMFS Listens to SSA on Blacknose Shark Recommendations

In July, NMFS issued a Proposed Rule/Environmental Impact Statement to implement Amendment 3 to the Highly Migratory Species Fishery Management Plan, which includes measures to provide for the rebuilding of blacknose shark. The blacknose shark was declared to be an overfished stock according to a 2007 SEDAR stock assessment.

In its Scoping comments on this Proposed Rule, SSA strongly questioned the data and scientific conclusions of that stock assessment concerning blacknose shark bycatch in the shrimp trawl fisheries, and further recommended to NMFS that no measures should be proposed for the shrimp fishery until these urgent scientific questions are resolved. SSA also recommended that any management measures to reduce blacknose shark bycatch in the shrimp fisheries, if needed, should be developed by the Gulf and South Atlantic Councils rather than by the NMFS Highly Migratory Species Division.

Consistent with SSA's earlier recommendations, the Proposed Rule to implement Amendment 3 does not propose any measures for the shrimp fishery and indicates that such measures will be considered by the Gulf and South Atlantic Councils, if any are needed. SSA continues to support NMFS efforts to improve the scientific understanding of blacknose shark bycatch in the shrimp trawl fisheries.

LEGAL UPDATE

SSA Comments on Economically-Motivated Adulteration

To address consumer concerns about the safety of food, the Food and Drug Administration plans to focus on the

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growing problem of economically-motivated adulteration (EMA) of foods. FDA is defining EMA as "the fraudulent, intentional substitution or addition of a substance in a product for the purpose of increasing the apparent value of the product or reducing the cost of its production, i.e., for economic gain." This includes the use of antibiotics, pesticides, and other chemicals in farm-raised seafood.

SSA argued in comments submitted to FDA that to effectively control public health risks, EMA must simultaneously address the fraudulent mislabeling of country of origin of seafood imported into the United States. The consequences of mislabeling country of origin of seafood are both economic and health-related for consumers because the use of antibiotics and other banned substances in aquaculture is more prevalent in foreign production of seafood. The intentional mislabeling of imported shrimp gives consumers false confidence that they are receiving safe, wholesome, natural shrimp and undermines the premium price for U.S. wild-caught shrimp—all for the economic benefit of a few.

Appeal of Court Ruling on First Administrative Review of Thai Shrimp

On August 3, 2009, the Ad Hoc Shrimp Trade Action Committee filed a legal brief before the Court of Appeals for the Federal Circuit in a case that challenges a Court of International Trade decision regarding the first administrative review of Thai shrimp imports.

In May of 2009, the Court of International Trade upheld a Department of Commerce (Commerce) decision to not apply a law designed to prevent evasion of an antidumping duty order by multinational corporations. In the review, Commerce held that the "multinational corporation provision" was not applicable to companies that operated in nonmarket economy countries. (such as China and Vietnam) In enacting the "multinational corporation provision," Congress expressed concerns that multinational corporations would respond to an antidumping duty order by shifting production of goods destined to the United States to facilities where antidumping duties were low. In the context of the shrimp antidumping orders, a multinational corporation with operations in China and Thailand, for example, would have strong incentives to shift production of shrimp to be exported to the United States from its facilities in China, where antidumping duty rates are high, to its facilities in Thailand, where antidumping duty

rates are lower.

Because Commerce refused to apply the "multinational corporation provision" in the first administrative review, this type of evasion went unaddressed. The Ad Hoc Shrimp Trade Action Committee has asked the Court of Appeals for the Federal Circuit to reverse the Court of International Trade and require Commerce to apply the provision to prevent such circumvention from occurring.

The first administrative review covers U.S. imports of shrimp from Thailand for more than a dozen Thai shrimp producers/exporters between August 4, 2004 and January 31, 2006.

Commerce Issues Third Administrative Review Results for India

On July 13, the Department of Commerce issued its final results for the third administrative review of antidumping duty order on shrimp from India, which covered Indian shrimp imports between February 1, 2007 and January 31, 2008. Commerce concluded that one producer, Devi Sea Foods Limited, had an insignificant level of dumping that does not require antidumping duties and importers of Devi Sea Foods Limited will receive a full refund of their antidumping duty deposited on entries of shrimp in the third administrative review period. The remaining 155 shrimp producers participating in the review were found to be dumping at a level of 0.79%, which will result in an antidumping duty of only 0.79% to be assessed to these entries and a requirement of an antidumping duty deposit of 0.79% on all future entries of shrimp from these producers.

Customs Report to Congress Documents Substantial Under-collection of Antidumping Duty Deposits on Chinese Shrimp

In a report issued to Congress regarding U.S. Customs and Border Protection's (CBP) efforts to address the significant under-collection of antidumping duties that has plagued other industries, CBP reported that during fiscal year 2008 the agency collected a total of \$56.00 of antidumping duty deposits on \$38,518,126.00 worth of frozen shrimp imports from China. These figures represent an effective antidumping duty rate of 0.00015% on entries of Chinese shrimp during the last fiscal year. In the previous fiscal year, CBP reported to Congress that the agency had collected nearly \$3 million in antidumping duty deposits on roughly \$5 million worth

of frozen shrimp imports from China, an effective antidumping duty rate of over 62%.

SSA is committed to preventing the circumvention of the antidumping duty orders and is currently working with Congressional allies and CBP officials to address the substantial unlawful evasion of the trade relief on Chinese shrimp imports.

LEGISLATIVE UPDATE

Food Safety Legislation Moves from House Committee

The House Energy & Commerce Committee completed work on their very comprehensive version of Food Safety legislation earlier this month. The House passed the Food Safety bill under regular order (a simple majority vote) on July 30th by a margin of 283 yeas to 142 nays.

Consistent with SSA's objectives, the bill would substantially advance the scrutiny and control over shrimp imports and substantially enhance the ability of the FDA to prevent shrimp imports contaminated with dangerous antibiotics and pesticides from entering the U.S. market.

The bill also increases U.S. requirements for many domestic facilities and businesses that process, transport or store food products-including seafood-in order to prevent and respond to food safety problems.

Finally, the bill includes an amendment championed by Louisiana Congressman Charlie Melancon (D-LA) on behalf of SSA to exempt fishing vessels from certain requirements of the bill that would have been impractical and onerous for the shrimp fishery. SSA extends its great appreciation to Mr. Melancon and his expert staff in shepherding this amendment into the bill.

REGULATORY UPDATE

Red Snapper Stock Assessment Update Expected August 24-28

Consistent with the requirements of the Gulf Council's joint Amendment 27/14, which established a rebuilding

plan for red snapper including measures to reduce juvenile red snapper bycatch in the shrimp trawl fisheries, NMFS has scheduled a SEDAR red snapper stock assessment update on August 24-28 in Miami.

SSA is very pleased to learn that Dr. Benny Gallaway has been invited by the SEDAR stock assessment panel to make presentations on his landmark research concerning density-dependent mortality of juvenile red snapper at their meeting. This new scientific information is likely to substantially improve the understanding of the status of the Gulf red snapper stock and the relative role of shrimp trawl bycatch mortality in the rebuilding of the red snapper stock. The NMFS Southeast Fisheries Science Center has indicated that his new scientific information is likely to be incorporated into the new stock assessment.

Interactions with Bottlenose Dolphins May Result in New Regulations

SSA has been advised by NMFS that there continue to be small numbers of interactions in the Gulf shrimp trawl fisheries with bottlenose dolphins which are the subject of intense regulatory protection under the Marine Mammal Protection Act. Apparently, these interactions involve entanglements with the trawl lazy lines used to haul-back the cod ends. SSA has immediately initiated discussions with NMFS to explore options for understanding and solving this bycatch problem, which could have profound implications for the fishery if not addressed.

Nancy Edens Appointed to Shrimp Advisory Panel

SSA congratulates Nancy Edens, a member of SSA's Board of Directors from North Carolina, for her appointment to serve a 3-year term on the South Atlantic Fisheries Management Council's Shrimp Advisory Panel (AP). The Shrimp AP is comprised of commercial fishermen, industry representatives, environmentalists and other interested members of the public who volunteer their time to advise the Council about trends in fisheries, environmental concerns relating to fish habitats and management impacts on fishermen and fishing communities.

MEMBERSHIP UPDATE

SSA Presents at the Texas Shrimp Association

Annual Meeting

The Texas Shrimp Association (TSA) invited SSA to present an activities update at its annual meeting on August 1, 2009 in South Padre Island, Texas. Attending the TSA Annual meeting representing the SSA were John Williams-Executive Director, Glenn Delaney-Fishery Management and Legislative Director, Richard Vendetti-Director of Field Operations, Andrew Kentz and Nathan Rickard of the law firm, Pickard, Kentz and Rowe LLP, Washington, DC, who represent the SSA on international trade issues. SSA's full-day of presentations included updates on legislative activities in Washington, DC and fisheries management representation by Glenn DeLaney and Richard Vendetti; a summary of the shrimp fisheries research published by Benny Gallaway and John Cole; and a rundown on the ongoing legal and enforcement issues surrounding the antidumping trade actions by Nathan Rickard.

Also at the meeting, TSA selected Harley Londrie as its new President. SSA welcomes Harley to his new position and looks forward to working with him in the future. SSA also thanks former TSA president Julius Collins for his service to the shrimp industry.

SSA Extends Condolences to Board Member Clay Cable

Martha Dobbins Cable, 77, wife of SSA Board Member Clay Cable, passed away on Sunday, July 26, 2009. Martha Cable was born September 12, 1931, daughter of the late John William Dobbins and Pearl Carver Dobbins. She worked over twenty years for First Federal of Charleston. She retired as a Branch Manager previously holding positions of increasing responsibility within management. She was a member of Eastbridge Presbyterian Church. She was raised in Marion, NC and settled on the Isle of Palms with Clay in 1957 remaining there throughout her life.

She is survived by her husband, Clay Cable; daughter, Linda Cable Shute and her husband, Eric of Roswell, GA; son, Len Cable of Decatur, AL; sister, Dorothy Dean Matthews of Columbia, SC and one grandson, Preston Maxwell Shute, USN. She was preceded in death by her four brothers, Ray, Robert, Clinton, Samuel Dobbins and her grandson Alexander Blakeney Shute. In lieu of flowers, memorials may be made to the Lutheran Hospice, 900 Johnnie Dodds Blvd, Mt. Pleasant, SC 29464 or Eastbridge Presbyterian Building Fund, 3040 Hwy. 17 North, Mt. Pleasant, SC 29464. A memorial

message may be written to the family by visiting
www.jhenrystuhr.com.

UPCOMING EVENTS

SEDAR Red Snapper Stock Assessment Update

August 24-28, 2009

Miami, Florida