Shrimp Petitions Fact Sheet

Countries covered by Antidumping Petitions: (6 total)
Thailand, China, Vietnam, India, Ecuador, and Brazil

Scope of the investigation: Certain frozen warm-water shrimp and canned warm-water shrimp

The value of the trade dispute: $2.4 billion

Alleged Dumping Margins: The dumping margins alleged and documented in the petitions range from 30% to over 200%. Each of the six petitions is composed of between 570 to more than 700 pages that document the evidence of dumping and consequent injury to the domestic industry.

Timeline: The Commerce Department will make a decision on the initiation of investigations by January 20, 2004 and the International Trade Commission will make a preliminary determination on a reasonable indication of injury by February 17, 2004. The Commerce Department will make a preliminary determination of dumping margins in the spring.

Market Share: The six named countries accounted for 74% percent of shrimp imports in the U.S. market or 780 million pounds during the most recent 12 months.
*Compiled from the U.S. Census Bureau and U.S. International Trade Commission data.

Shrimp Import Volume 2000-2002: Imports from the six countries have increased from 466 million pounds in 2000 to 650 million pounds in 2002.

Shrimp Import Prices since 2000: Import prices of the targeted countries have dropped 28 percent in the past three years. The average unit value for the targeted countries was $3.54 in 2000 and dropped to $2.55 in 2002, on a headless, shell-on equivalent basis.

U.S. Market Prices: The average dockside price for one count size of Gulf shrimp dropped from $6.08 to $3.30 per pound from 2000 to 2002, while frozen wholesale prices for domestic shrimp received by domestic processors during the same period fell from $6.45 to $4.77 per pound. While the wholesale value of shrimp has dropped to the lowest levels in 40 years, the Wall Street Journal reported that the average price for a shrimp entrée at major restaurant chains actually *increased* by as much as 28 percent. Plainly, the consumer has not benefited from the lower import prices and the domestic industry (shrimpers and processors) has not benefited from the higher prices paid by consumers.

Over-Production of Farm-Raised Shrimp: The increase in farm-raised shrimp production has been stimulated substantially by subsidies from governments and/or financing by international institutions, and not primarily by market demand. Much of this production is destined for export. In 2002, the six targeted countries produced a total of over 2 billion pounds of farm-raised shrimp, more than twice the quantity produced in 1990. During this same period, India nearly tripled its farm-raised production and Vietnam increased its production by more than five times.

Market Restrictions in Other Markets: The United States is the most open market in the world and imposes no tariffs on shrimp imports, allowing foreign shrimp exporters free access to the U.S. market. Meanwhile, other large markets for shrimp exports impose varying tariffs on shrimp, such as the EU, which in late 2001 raised tariffs on shrimp imported from Thailand to rates as high as 20 percent. High tariff rates in large foreign markets provide a powerful incentive to increase shrimp shipments to the United States. Likewise, the U.S. market also serves as the market of last resort when shrimp shipments are denied entry to markets like the EU because of the discovery of unacceptable levels of contaminants.