



# The Shrimp e-Advocate

Newsletter

November 2008

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

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## BREAKING NEWS

### FDA Exempts Four Chinese Shrimp Producers from Import Alert

FDA quietly excluded four Chinese shrimp companies from its Import Alert in October. Shrimp imports from Allied Pacific Food (Dalian), Fuqing Yihua Aquatic Food, Zhanjiang Longwei Aquatic Products Industry, and Zhangjiang Guolian Aquatic Products are now exempt from automatic, mandatory, food safety inspections.

These companies are in addition to a fifth company, Zhangjiang Guolian Aquatic Products, which FDA exempted from the import alert in 2007 as a "pilot test." Canadian officials found contaminated shrimp imported from the same company a week later.

Despite the new exemptions, FDA is reported to be dissatisfied with the level of cooperation they have received from their Chinese counterparts and concerned that local Chinese food safety inspectors need more training before they are at a level acceptable to the FDA.

## LEGAL UPDATE

### SSA Opposes Proposed Changes to Country of Origin Rules

U.S. Customs and Border Protection wants to make significant changes to how it determines the country of origin of seafood, which SSA believes would mask the true origin of the products imported to the United States. The proposal is to replace the current "substantial transformation" test with the "tariff shift" test used under the North American Free Trade Agreement. This would enable bold transshipment schemes that would make it easier for foreign producers to evade duties and U.S. food safety laws.

SSA submitted comments that oppose the proposed changes to country of origin rules and instead asks Customs to correct inconsistent rulings under the "substantial transformation" test. You can read SSA's comments at:

<http://shrimpalliance.com/Press%20Releases/USCBP-2007-0100%20Comments%20of%20SSA.pdf>

**Crack Down on Dusted Shrimp Loophole Causes Problems for**

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## Importers

A recent lawsuit filed by International Gourmet Fisheries ("IGF") -- part of Red Garden/Red Chamber -- is additional evidence that U.S. Customs and Border Protection's efforts to crack down on "dusted" shrimp imports have had an impact. IGF brought suit over imports entered into the United States on September 25, 2006 that the company claimed were "dusted" shrimp and not subject to antidumping duties. Customs found the shrimp did not qualify for the "dusted" exclusion and imposed a duty of 225.62% on the shipment. IGF has not paid the duty and continues to use administrative and legal protest procedures to delay collection.

SSA will monitor this case before the U.S. Court of International Trade ("CIT") and take actions as necessary to ensure the enforcement of the antidumping order and that any duties collected will be distributed under the CDSOA program.

## Department of Justice Cracks Down on Falsely Labeled Fish from Vietnam

As of October 30, the U.S. Department of Justice has convicted twelve individuals and companies for criminal offenses related to a scheme to avoid paying tariffs by falsely labeling imported fish and then selling it in the United States at below market price.

"This criminal conspiracy was designed to avoid federal tariffs and flood our markets with illegally imported fish. Maintaining a level playing field for those who obey the law is essential," said Ronald J. Tenpas, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Today's guilty verdicts send a strong message that the Justice Department and our federal law enforcement partners will investigate and prosecute individuals and companies that seek to undermine our markets and the rule of law."

For more on this topic, please go to

<http://www.usdoj.gov/opa/pr/2008/October/08-enrd-967.html>.

## REGULATORY UPDATE

### Council Shelves Operator Permit Proposal

The Gulf Council took up a proposed scoping document prepared by Council staff to establish a program for permitting vessel captains. The Council reviewed previous correspondence between SSA and NMFS which clarified that an operator permit program would provide no relief whatsoever to vessel owners from liability for violations that occur on their vessels, even those that were clearly the vessel captain's fault. Furthermore, NMFS enforcement sanctions against operator permits would likely limit the availability of captains to the shrimp fleet. NMFS

clarified that the enforcement record of vessel captains can be secured from NMFS if requested by vessel owners and that it also publishes a quarterly report of this information. Consistent with SSA's position on the matter, the Council voted to shelve the proposal to establish and operator permit program indefinitely.

### **Council Postpones Offshore Aquaculture Plan**

The Council was scheduled to take final action on its proposed Offshore Aquaculture Plan at this meeting. SSA has worked closely with Council members and NMFS over the past year to secure a number of provisions to protect the interests of the shrimp fishery including the removal of shrimp from the list of species authorized for offshore aquaculture and various provisions to tighten-up the permitting and facility siting processes to prevent conflicts with traditional shrimp fishing grounds.

The Council received a letter from Congressman Nick Rahall, Chairman of the House Natural Resources Committee which has jurisdiction over marine aquaculture. Chairman Rahall advised the Council that it did not have statutory authority to permit an offshore aquaculture program under the Magnuson-Stevens Act and urged the Council to suspend further action on the Plan until comprehensive national legislation is enacted. The Council moved to postpone further action on the Plan until its next meeting in late January which will be in the next Administration and Congress. Although NMFS indicated it plans to continue to work to resolve many concerns about this Plan, at this time the future of this Plan is uncertain.

### **Blacknose Sharks Stock Assessment Could Have Big Impact on Shrimpers**

In response to a NMFS SEDAR stock assessment, NMFS advised the Council that it has determined that blacknose sharks are overfished and overfishing is occurring. NMFS further advised that 45 percent of the blacknose mortality is attributable to bycatch in the Gulf shrimp trawl fishery and another 6 percent is attributable to bycatch in the South Atlantic shrimp trawl fishery. This determination triggers a number of draconian management responses under the Magnuson-Stevens Act including the requirement to end overfishing by 2010 and to rebuild the stock in as short a time as possible. This management response is likely to have a profound economic impact on the shrimp trawl fishery which has already suffered a substantial reduction in fishing effort due to hurricanes, low shrimp prices due to imports, and high fuel prices. SSA has preliminarily identified a significant number of potential flaws in the NMFS stock assessment and bycatch estimates which will be discussed at the upcoming bycatch workshop hosted by the Gulf and South Atlantic Fisheries Foundation. SSA will be working with NMFS and other scientists in an attempt to correct these flaws and to revise the stock assessment in order to prevent any adverse impacts on the shrimp fisheries.

There appears to be limited fishery data or documentation of blacknose shark bycatch in the shrimp fisheries. Thus, in order to assist our efforts, SSA would welcome receiving any information from shrimp fishermen regarding shark bycatch in their nets.

## **MEMBERSHIP UPDATE**

### **Board Meeting December 6-7**

An SSA Board meeting is scheduled for December 6-7 in Tampa, FL. Please contact your state representatives if you have issues that you think should be put on the agenda by November 15, 2008.

### **Membership Renewal Time: Sign-Up Early for Free Months**

October 1 is the start of SSA's financial year, which means it is time to [renew](#) your membership. Companies that renew membership in November will receive two free months of membership and will not be asked to renew again until January 2010. This is because SSA will be switching to a calendar year accounting system on January 1, 2009. The earlier you sign-up, the more you save!

The cost of membership in 2009 remains at \$100/vessel, \$200/shoreside facility, and \$300/associate members (processor, shrimp buyer, trade association, etc.). With this membership, you will continue to get SSA's monthly newsletters delivered to the email address of your choice, periodic mailing of important materials, and representation on key issues facing the industry. Thank you for your continued support!

Renew at:

<http://shrimpalliance.com/SSA%202009%20Membership%20Invoice.pdf>