



The Shrimp e-Advocate

Newsletter

OCTOBER 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

SSA Attends 2008 AOAC International Annual Meeting

In September, SSA attended the 122nd AOAC International Annual Meeting. The AOAC is the Association of Analytical Communities (the "C" used to stand for Chemists) and have established themselves as the recognized leader in the process of establishing and evaluating analytical methods. SSA has sponsored the AOAC along with the catfish industry and others to assemble a work-group of scientists to develop an official, multi-class, rapid method of testing for chemicals in shrimp, catfish and tilapia. Without such a method, testing for toxic residues in seafood will remain a long, complicated, and expensive process that is not effective in today's global seafood shipping industry at deterring or stopping the import of illegally tainted seafood.

SSA arranged an informal meeting in advance of the Marine and Freshwater Foods Community Meeting which proved very effective in gaining a working knowledge in this highly technical field of expertise. Several chemists attended from laboratories around the country and from state and federal agencies, some of whom stressed the horrors of chloramphenicol, nitrofurans, and other harmful contaminants that are intentionally added by shrimp and fish farmers to ponds. One state official noted that some countries continue to produce tons of chloramphenicol a year despite the fact that the only approved use for the drug would be with respect to household pets. Those attending also learned that while there are legal treatment options available to fish farmers, banned substances were used because they were more effective and considerably less expensive.

By the end of the conference, two working-groups were formed, one to work on developing a field method to simultaneously detect the presence of several analytes (toxic residues) and the other to develop a confirmatory method that will be able to definitively determine sensitivity, selectivity and specificity of several analytes simultaneously. SSA is represented on both working groups.

In the past, the AOAC has successfully developed and certified rapid tests for detecting the use of antibiotics in milk which led to a substantial decline in the use of antibiotics in dairy production. The successful development of these methods for shrimp imports will arm federal and state agencies with the tools they need to stem the tide of tainted seafood coming to the US and thereby protect the health of

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American consumers and the reputation of domestic seafood.

LEGAL UPDATE**Final Results of 2nd Administrative Review for Thailand and Vietnam Appealed**

On September 4, 2008, SSA appealed the U.S. Department of Commerce's ("Commerce") final results of the second administrative review on Thai shrimp before the U.S. Court of International Trade. SSA submitted nine claims challenging Commerce's determination in the review. SSA also obtained a preliminary injunction on the liquidation of entries to prevent the return of funds to importers while these claims are being adjudicated.

On September 9, 2008, Commerce announced the results of its second administrative review of shrimp from Vietnam. Those results indicated that four Vietnamese companies were found to have not dumped shrimp into the U.S. market in the second administrative review period, while 23 other companies were assigned a dumping margin of 4.57 percent and one other exporter was assigned a margin of 4.30 percent. All other Vietnamese exporters were assigned a margin of 25.76 percent.

On September 25, 2008, SSA appealed Commerce's final results of the second administrative review on Vietnamese shrimp before the U.S. Court of International Trade.

Time Limit for Preliminary Results of 3rd Administrative Review of Vietnamese Shrimp Extended

Commerce announced on September 18, 2008 that the agency was extending its time limit for issuing preliminary results of its third administrative review of shrimp from Vietnam by 120 days. Commerce's preliminary results will now be due by March 2, 2009.

SSA Is Working with Federal Government to Address Circumvention of Dumping and Food Safety Laws

Commercial shipment data appears to indicate that significant transshipment of Chinese shrimp through other countries is allowing potentially unsafe shrimp imports to enter the country duty-free. The incentives for importing Chinese shrimp that falsely designates its country of origin remain high, as properly-labeled Chinese shrimp is subject both to Commerce's antidumping order and the U.S. Food and Drug Administration's ("FDA") import alert.

SSA's monitoring of commercial shipment data indicate that significant volumes of Chinese shrimp appear to be transshipped through Malaysia. SSA has developed profiles of U.S. importers that evidence suspicious import patterns and have provided this information to federal agencies

responsible for trade law enforcement. SSA continues to work with these agencies to insure that any efforts by importers to circumvent U.S. laws are fully investigated.

SSA's past experience in addressing circumvention with the federal government provides reasons for optimism. In particular, SSA's efforts to work with the government to prevent circumvention of the antidumping order through the false labeling of Chinese shrimp as "dusted" shrimp resulted in successful enforcement operations that cracked down on the unlawful practice.

FDA Proposes "United States: Refused Entry" Label

On September 18, 2008, the FDA published a proposed rule requiring owners or consignees of imported food that is refused entry into the United States to label the food "UNITED STATES: REFUSED ENTRY." The FDA first considered adopting such a rule in 2001, but ultimately abandoned the effort. In 2002, Congress enacted the Public Health Security and Bioterrorism Preparedness and Response Act which explicitly gave FDA the authority to impose a labeling requirement for imports refused entry into this country.

Public comments on the FDA's proposed rule are due by December 2, 2008. SSA supports a labeling requirement as necessary to prevent importers from "port shopping" unsafe seafood imports to get such products into the United States and on to the plates of American consumers. SSA is reviewing the proposed rule and will offer comments seeking to strengthen the requirement to insure that the practice of "port shopping" is eliminated.

SSA will also seek to defend the proposed rule against unwarranted criticism. In 2001, when the FDA first proposed such a rule, the National Fisheries Institute ("NFI") opposed the requirement, suggesting that a labeling obligation raised first amendment concerns and proposing that any label that might be required be written in invisible ink.

2008 CDSOA Certifications

At the end of August, U.S. Customs and Border Protection ("CBP") posted a list of certifications received seeking disbursements under the Continued Dumping and Subsidy Offset Act ("CDSOA") for fiscal year 2008.

This year's list indicates that there has been a substantial decline in the number of certifications submitted by the shrimp industry. In total, the number of certifications submitted by the shrimp industry fell by roughly 30 percent compared to the total number of certifications received by CBP in fiscal year 2007. This decline appears to be largely attributable to a sharp drop in the number of shrimp fishermen seeking distributions.

Fewer shrimp fishermen seeking CDSOA funds further highlights the gross inequity in CDSOA distributions made to date by CBP. SSA is continuing to seek to address the abuse of the program.

MEDIA UPDATE

Newspapers Criticize FDA's Inspections of Chinese Seafood

For months, SSA has worked with the U.S. catfish industry to promote a better seafood safety inspection system in the United States before Congress and government agencies. Loopholes in the current system, such as importers asking private labs to withhold negative results from FDA, and proposed changes that would allow China assure U.S. food safety instead of FDA, are gaining attention of some newspapers across the country as FDA determines whether to lift the Import Alert on five Chinese seafood products.

In a September 15, 2008 opinion editorial, an Ohio newspaper, The Vindicator, asks its readers to "Imagine what the reaction would be in Ohio or Michigan if China got to export cars to the United States with Chinese certification as their gas mileage or pollution controls or crash-worthiness. It wouldn't be a little back-burner story getting virtually no attention. But outsourcing the inspection of seafood should be every bit as big a deal as our hypothetical car story."

The Savannah Morning News Editorial Board is calling upon the FDA to keep inspecting Chinese seafood instead of abrogating its responsibility to the Chinese government and to revamp the private inspection model. The September 22, 2008 editorial also asks lawmakers to grant the FDA the right to charge a reasonable fee to importers to cover the cost of inspection instead of having the labs paid directly by the importers.

Similar sentiments were expressed in the Houston Chronicle's August 22nd editorial.

USDA Statements at NFI Conference

The 2008 Farm Bill charged USDA's Food Safety and Inspection Service with the responsibility of ensuring that processed catfish sold in the United States meets the standards of the Federal Meat Inspection Act. At the NFI Conference in Las Vegas, Dr. Charles Williams, Program Analyst, Policy Issues Division, Office of Policy and Program Development of the USDA explained that the proposed rule expected in early 2009 will require catfish exporting countries to meet full USDA meat equivalency standards with the United States before any imports would be allowed into the U.S. market. The proposed rule will also expand the definition of catfish.

According to reports from the NFI Conference, importers should expect that the new standards and broadened definition will essentially ban

imports of catfish because the prospect of China, Vietnam, Malaysia or other Asian countries meeting these USDA equivalency standards is extremely remote. The USDA rule is not expected to be implemented until the end of 2009.

REGULATORY UPDATE

SAFMC Takes Final Action on Shrimp Amendment 7

The South Atlantic Fisheries Management Council (SAFMC) took final action at its recent meeting in Charleston, SC on Shrimp Amendment 7 to ensure the future viability of the rock shrimp fishery. This Amendment will now be submitted to the Secretary of Commerce for final approval and implemented sometime in spring 2009.

The final version of the Amendment fully reflects SSA's input and recommendations as follows: (1) eliminates the current 15,000-pound landing requirement for rock shrimp; (2) reinstates limited access rock shrimp endorsements lost due to not meeting the landing requirement by December 31, 2007; (3) reinstates limited access rock shrimp endorsements lost due to failing to renew within the specified timeframe; (4) renames the rock shrimp permit and endorsement to minimize confusion; (5) does not add new onerous requirements that had been proposed for Vessel Monitoring System verification; and (6) adds limited new requirements for the provision of economic data by shrimp permit holders.

SSA helped initiate this Amendment through SSA's Executive Director John Williams' participation on the Deepwater Shrimp Advisory Panel. SSA has provided extensive oral and written input on this Amendment's development, including comments submitted in August. Many thanks go to SSA and SAFMC member John Wallace for his leadership in guiding this Amendment through the Council.

Deepwater Coral HAPC

On behalf of the royal red shrimp fishery, SSA has been deeply involved for more than a year in discussions and negotiations with the SAFMC, NMFS and the environmental community to develop a Shrimp Fishery Access Area (SFAA) within the Habitat Areas of Particular Concern (HAPC) that will enable the royal red shrimp fishery to continue to fish on its traditional grounds. This approach also provides a very important precedent for how future marine protected areas should be handled by the Councils and NMFS in terms of working with SSA to accommodate traditional shrimp fisheries.

At its meeting in Charleston, SC, the SAFMC took further action to make several improvements to their Fisheries Ecosystem Plan (FEP) including the details of the proposed HAPC to protect deepwater corals. This included a number of detailed revisions to the HAPC and SFAA borders

provided by SSA. The SAFMC postponed taking final action on the FEP and HAPC for the purposes of another round of public comment until its next meeting in November/December.

Implementation of National Standard 1 Guidelines Underway

One of SSA's most important legislative achievements in 2007 was the inclusion of a provision in the Magnuson-Stevens Reauthorization Act (MSRA) that removed annual species of shrimp (brown, white, pink and rock) from strict new requirements for all Councils to establish annual catch limits and accountability measures for all fisheries.

Implementation of this and other provisions of the MSRA are now underway through the NMFS Proposed Rule to revise the National Standard 1 Guidelines.

SSA recently submitted extensive written comments on this Proposed Rule and requested that the agency establish a special expert working group of scientists, managers and industry members with specific expertise in the biology, population dynamics and management of annual species including warm-water shrimp species for the purpose of establishing a separate set of agency guidelines for annual species.

Your Input Needed on Blacknose Shark Bycatch

NMFS has announced a new stock assessment which indicates that blacknose sharks are overfished and overfishing is occurring which may trigger an aggressive management response under the new Magnuson-Stevens Act requirements including a rebuilding plan. The report further identifies shrimp trawl bycatch as the primary source of fishing mortality for this species. Therefore, the management consequences may fall heavily on the Gulf shrimp fisheries where most of the bycatch is supposed to occur. The South Atlantic shrimp fisheries may be impacted as well. This species of shark is not under Council management but is instead managed by the NMFS Highly Migratory Species Division with input from the Highly Migratory Species (HMS) Advisory Panel (AP).

NMFS is currently conducting Council briefings and scoping meetings to receive preliminary input on potential management actions. The issue will also be discussed at the October 1st meeting of the HMS AP in Silver Spring, MD. SSA is represented on the HMS AP and is participating extensively in this process.

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

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 October will receive three free months of membership, which will be good 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>