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SSA Responses to Opposition Statements

Contention - "Imported shrimp is essential to the financial well-being of thousands of American businesses and individuals employed by those businesses."

- **Coverage Limited** - The antidumping investigations do not cover all imported shrimp; the investigations affect only dumped imports from six of the largest sources of imported shrimp.
- **Imports Not Prevented** - The investigations, if successful, will not prevent the importation of shrimp from those six countries. The investigations seek only to eliminate the unfair trade. Importers can choose to adjust their prices to fair levels to eliminate the dumping or pay the antidumping duties imposed.
- **Fair Traders Not Investigated** - Mexico, one of the top ten suppliers of shrimp to the U.S., is not a subject of these petitions because there is no evidence of unfair trade in Mexican shrimp.
- **Survival of the Domestic Shrimp Industry is at Stake** - Thousands of jobs harvesting and processing domestic shrimp have been lost and will continue to be lost if the dumping of imported shrimp is allowed to continue. When these businesses close, they are not likely to return. The issue of unfair trade is an issue of the survival of the domestic shrimp industry.
- **Fair Pricing Will Not Affect Jobs in Distribution** - There is no basis to conclude that the elimination of unfair trade or the imposition of antidumping duties will negatively affect the number of jobs in businesses that import and distribute seafood, and there is no reasonable basis to conclude that the financial condition of businesses that import and distribute seafood will be harmed. Shrimp will continue to be imported into this country. All we seek is a fair price for our production.

Contention - "Consumer prices for shrimp will increase as a result of the U.S. shrimp industries actions."

- **Consumer Prices are Not Correlated to Dockside and Wholesale Prices** - For example, in recent years, consumer prices have risen even as dockside and wholesale prices have fallen. While U.S. dockside shrimp prices dropped to 1960s prices, the Wall Street Journal showed that the average price for a shrimp entrée at major restaurant chains actually *increased* by as much as 28 percent.
- **Effect of Fair Import Prices on Consumer Prices Unclear** - It is not possible to predict with certainty what will happen to the dockside price of shrimp as a result of these cases, much less what will happen to consumer prices (e.g., non-covered imports could increase).

Contention - "The petitions will not generate a single additional pound of domestic shrimp sales because the Gulf of Mexico and South Atlantic shrimp fisheries are being fished to capacity."

- **Issue is Not Market Share or Production Volume, but Fair Price** - First, although there are biological limitations, higher prices would result in some additional U.S. production. Second, regardless of the relative size of the U.S. shrimp industry, it deserves a fair price for its product, which it can obtain only if unfair trade is redressed.
- **Dumped Imports Severely Injure the U.S. Shrimp Industry** - Unfairly low import prices are harming the U.S. shrimp industry. Many boats are in dry docks because the cost of

harvesting shrimp exceeds the price of shrimp, meaning reduced or no income for owners, captains, and crews. Low prices are resulting in boat repossessions, delayed maintenance and investment, and shrimping without insurance.

Contention - "Farming shrimp is more efficient and competitive."

- Petitions Allege Differential and Unfair Pricing - Whether foreign producers are more efficient or competitive than U.S. producers is legally irrelevant to these cases. The petitions are based on the fact that the price of foreign shrimp sold in the foreign home market or in a third country market is higher than the price of that foreign shrimp sold in the U.S. market. There is no comparison of the relative costs of production for U.S. and foreign producers.
- No Dumping Will Be Found if No Differential Pricing - Foreign producers who sell at the same price regardless of market will not be found to be dumping. In such cases, relative efficiencies and competitiveness will determine sales won and market share.
- No Basis For Presumption that Farming is More "Efficient" - Shrimp farmers must incur many costs not incurred by U.S. shrimpers who harvest wild shrimp. Shrimp farmers must: clear and grade land to create ponds for flooding; obtain a source of water; prepare gates, sluices, pipes, etc. to transfer and capture the water; grow or purchase shrimp postlarvae; monitor and protect growing young shrimp; monitor and adjust water conditions; grow or purchase and dispense feed; and harvest the shrimp many months later. U.S. shrimp harvesters merely drop nets to capture shrimp that have been created and grown without human intervention or assistance.
- Dramatic Import Price Declines Not Linked to Efficiencies - There is no basis to attribute the 28 percent drop in import prices between 2000 and 2002 to increased production efficiency.

Contention - "The U.S. shrimp industry has not marketed U.S. shrimp as different from the imported shrimp and needs to create a niche market."

- Marketing is a Necessary but Insufficient Step - The industry is working on a certification program to distinguish U.S. shrimp, but if dumping of shrimp continues, the industry will not survive to see it implemented.
- Importer Interests Oppose Consumer Choice - Ironically, ASDA has fought against Country Of Origin Labeling (COOL legislation), an essential tool to allow consumers to identify and choose domestic shrimp.

All of these arguments fail to address the evidence that six countries have violated the principles of fair trade and are dumping shrimp into the U.S. market at the expense of U.S. jobs.