



1750 K Street NW, Suite 800
Washington, DC 20006
(202) 331-5040
nrickard@pkrlp.com

April 10, 2023

Inv. Nos. 731-TA-1064 and 1066-1068
Total Pages: 14
3rd Sunset Review (19 U.S.C. § 1675(c))

PUBLIC DOCUMENT

VIA ELECTRONIC FILING

The Honorable Lisa R. Barton
Secretary
Attn: U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

Re: **Five-Year Review of Antidumping Duty Orders on Frozen Warmwater Shrimp from China, India, Thailand, and Vietnam: Submission of Witness Testimony**

Dear Secretary Barton:

On behalf of the Ad Hoc Shrimp Trade Action Committee (“AHSTAC”) and the Ad Hoc Shrimp Industry Committee (“AHSIC”) (collectively, “Domestic Producers”), we respectfully submit our written witness testimony for the hearing in the above-referenced five-year review, which is scheduled for April 11, 2023.

We attach the testimony for the following witnesses who will testify in support of the continuation of the antidumping duty orders:

- O. Steven Bosarge, Chief Executive Officer, Bosarge Boats, Inc.; Chief Executive Officer, B&B Boats Inc.; and President, Southern Shrimp Alliance;
- Michael Hooper, Business Manager, Bowers Shrimp Farm; and Business Manager, Bowers Seafood LLC;
- Craig A. Wallis, Partner, W & W Dock; Owner, Trawler Pop’s Pride; Partner, Trawler Miss Kelsey; Partner, Trawler Master Alston; Partner, Trawler Doctor Bill; Partner, Trawler Wallace B; Partner, Trawler Gulf Runner; Manager,

The Honorable Lisa Barton

April 10, 2023

Page 2

Trawler Sandra Kay; Manager, Trawler Old Frenchman; Manager, Trawler Helen Kay; and Vice-President, Southern Shrimp Alliance; and

- Nathaniel Maandig Rickard, Partner, Picard Kentz & Rowe LLP.

This submission is filed in accordance with the Commission's notice regarding the hearing procedures in these reviews.¹ A copy of this request has been served on interested parties pursuant to the attached certificate of service.

Please contact the undersigned should you require clarification of any aspect of this submission.

Respectfully submitted,

/s/ Nathaniel Maandig Rickard

Nathaniel Maandig Rickard

Zachary Walker

PICARD KENTZ & ROWE LLP

1750 K Street, NW

Suite 800

Washington, DC 20006

*Counsel to the Ad Hoc Shrimp Trade Action
Committee and the Ad Hoc Shrimp Industry
Committee*

¹ See Frozen Warmwater Shrimp from China, India, Thailand, and Vietnam: Scheduling of Full Five-Year Reviews, 87 Fed. Reg. 69,338, 69,339 (U.S. International Trade Commission Nov. 18, 2022) (“Parties shall file and serve written testimony and presentation slides in connection with their presentation at the hearing by no later than 4 p.m. on April 10, 2023”).

CERTIFICATION OF COUNSEL

City of Washington)
) ss
District of Columbia)

In accordance with section 207.3(a) of the U.S. International Trade Commission's rules, I, Nathaniel Maandig Rickard, of Picard Kentz & Rowe LLP, counsel to the Ad Hoc Shrimp Trade Action Committee and the Ad Hoc Shrimp Industry Committee, certify that (1) I have read the attached submission, and (2) the information contained in this submission is accurate and complete to the best of my knowledge.

Dated: April 10, 2023



Nathaniel Maandig Rickard

PUBLIC CERTIFICATE OF SERVICE

**FROZEN WARMWATER SHRIMP FROM CHINA, INDIA, THAILAND, AND
VIETNAM**

INV. NOS. 731-TA-1064, 1066-1068 (THIRD REVIEW)

I, Nathaniel Maandig Rickard, hereby certify that a copy of the foregoing submission was served on this 10th day of April, 2023, by electronic mail, on the following parties:

On behalf of A Foods 1991 Co., Ltd., Asian Sea Corporation Public Co., Ltd.; B.S.A. Food Products Co., Ltd.; Charoen Pokphand Foods Public Co., Ltd.; Fortune Frozen Foods (Thailand) Co., Ltd.; Good Fortune Cold Storage Co., Ltd.; Good Luck Product Co., Ltd.; I.T. Foods Industries Co., Ltd.; Inter-Oceanic Resources Co., Ltd.; KF Foods Limited; Kiang Huat Sea Gull trading Frozen Food Public Co., Ltd.; Kitchens of the Oceans (Thailand) Ltd.; Kongphop Frozen Foods Co., Ltd.; Lee Heng Seafood Co., Ltd.; Marine Gold Products Limited; May Ao Foods Co., Ltd.; Narong Seafood Co., Ltd.; Okeanos Food Co., Ltd.; Pakfood Public Co., Ltd.; Seafresh Industry Public Co., Ltd.; SeaTech Intertrade Co., Ltd.; Shing-fu Seaproducts Development Co., Ltd.; Starfoods Industries Co., Ltd.; Tey Seng Cold Storage Co., Ltd.; Thai Royal Frozen Food Co., Ltd.; Thai Union Group Public Co., Ltd.; Thai Union Seafoods Co., Ltd.; Top Product Food Co., Ltd.; and Xianning Seafood Co., Ltd:

Robert G. Gosselink
TRADE PACIFIC PLLC
700 Pennsylvania Ave., SE
Suite 500
Washington, DC 20003
rgosselink@tradepacificlaw.com

On behalf of UTXI Aquatic Products Processing Corporation, Nha Trang Seaproduct Company, Vietnam Clean Seafood Corporation, Sao Ta Foods Joint Stock Company, Thong Thuan Company Limited, Thuan Phuoc Seafoods and Trading Corporation, Ngoc Tri Seafood Joint Stock Company, and Trang Khanh Seafood Co., Ltd.:

Matthew R. Nicely, Esq.
AKIN GUMP STRAUSS HAUER & FELD LLP
2001 K Street, NW
Washington, DC 20006
mnicely@akingump.com; trade@akingump.com

On behalf of Seafood Exporters Association of India:

Harold D. Almond
ARNOLD & PORTER KAYE SCHOLER LLP
601 Massachusetts Ave., NW Washington, DC
20001
Henry.Almond@arnoldporter.com
xTrade@arnoldporter.com

On behalf of American Shrimp Processors Association (ASPA):

Roger B. Schagrin (lead firm)
SCHAGRIN ASSOCIATES
900 7th Street, NW
Suite 500
Washington, DC 20001
rschagrin@schagrinasociates.com

Edward T. Hayes
LEAKE & ANDERSSON, LLP
1100 Poydras Street
Suite 1700
New Orleans, LA 70163
ehayes@leakeandersson.com

/s/ Nathaniel Maandig Rickard
Nathaniel Maandig Rickard
PICARD KENTZ & ROWE LLP
Counsel to Domestic Producers

STEVE BOSARGE

TESTIMONY BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

APRIL 11, 2023

Good morning. My name is Steve Bosarge. I own Bosarge Boats and B&B Boats in Pascagoula, Mississippi where we own and operate six trawlers and shrimp throughout the Gulf of Mexico and the South Atlantic. I am also the President of the Southern Shrimp Alliance.

First, I would like to thank you for taking the time to hear from the shrimp industry and I appreciate the opportunity to speak before you all today.

My businesses are unique amongst shrimpers in that we have been able to diversify our operations. We continue to do site clearance work, endangered species relocation, and research work for universities. Over the years, this has resulted in my companies being a good indicator of the state of our industry. When things are going well, our boats are out fishing. But when the market is in bad shape, we focus elsewhere.

I would like to reflect upon the state of our industry for a moment. Today, the market is in terrible shape. Our costs have increased significantly across the board over the last year. Groceries are more expensive, net repair is more expensive, paint is more expensive, maintenance costs are higher and insurance premiums are almost unbearable. Elevated fuel prices have had a huge impact on us. Our largest boat holds thirty-three thousand gallons of fuel. When diesel costs increase by two dollars per gallon, that means we have to find another seventy-thousand dollars in the shrimp we are catching.

Although our costs have gone up, the price we are paid for our shrimp does not. Even with inflation running between six and nine percent, imports hang over everything and keep our dockside prices depressed. We cannot ask for higher prices for domestic shrimp when imports

are everywhere. Because of imports, the last few decades have been horrible for the shrimp industry, but the next decade is going to be hell, and I fear many in our industry will not survive.

The last few decades have been plagued by severely depressed shrimp prices, but there is now something even worse than low prices – No Price At All.

Freezers throughout the country are full of shrimp with no buyers on the horizon. We now are faced with the prospect that our docks and dealers will not be able to buy our shrimp when we finish our trip and come in to unload our catch. This started last year. Now the dealers tell us that if you think it was bad last year, just wait, this year is going to be even worse. And yet we are all here today because the shrimp industries in India, Thailand, and Vietnam want to be able to ship even more shrimp to the United States. They are asking that you completely crash this market.

Currently, in order to make money shrimping, you have to have volume. In the past, if you had a trip where you landed ten thousand pounds of shrimp, it was a good trip. As imports took over the market, ten thousand pounds became twenty thousand pounds. Now, my rule of thumb is in order to make a trip you have to be able to land a minimum of twenty-five thousand pounds of shrimp, and if the price of fuel is up, that could be more like forty thousand pounds.

As this number has gone higher, the risk to boats have also increased. You have to spend more to be able to run trips chasing that volume, so if something goes wrong with the vessel or if shrimp prices crash before you hit the dock, the losses are severe. We have to work all over the coast to chase that volume. Although I am based in Mississippi, my boats continue to do a lot of trawling in North Carolina and along the rest of the eastern seaboard.

Just the other day, a friend of mine had a really good trip. He went to the dock, unloaded his shrimp and took on fuel to replace what he had burned on the trip. When the dealer shared

him up, instead of getting a check for the shrimp he had caught and sold, he had to bring the dealer a check for ten thousand dollars. This is how far in the negative his trip was. He is a highliner in the shrimp fishery, but imports have driven the price of shrimp down to the point where normally profitable trips are now what we call “brokers” – you go backwards and take a loss.

I have been in this industry for a long time. I bought my first boat after high school, in 1976. I followed in the footsteps of two generations of commercial fishermen before me. My sister and my wife work alongside me. I run our businesses along with my oldest daughter, Leann, who previously served as the Chair of the Gulf of Mexico’s Fishery Management Council and currently serves as the Chair of the Shrimp Advisory Panel of the Council. Leann represents the fourth generation of Bosarges to build a life in this industry. Both of us want to make sure this industry thrives so a fifth generation has the option of doing so as well, if that is what they want.

I appreciate you allowing me to come before you again to talk about my industry. As you have seen from the responses of shrimp fishermen around the country, the trade relief remains incredibly important to us. I know from talking with other fishermen that this is a scary time for all of us. All we want to do is work hard every day and provide food for the people of this great nation. On their behalf, I ask that you once again vote to keep the antidumping duties in place. Thank you.

MICHAEL HOOPER

TESTIMONY BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

APRIL 11, 2023

Good morning. My name is Michael Hooper, and I am the Business Manager for Bowers Shrimp Farm and Bowers Seafood LLC.

The Bowers companies are a lot different today than they were when I appeared before the Commission six years ago. We still operate shrimp farms in Collegeport and a processing plant in Palacios, and we still process both wild-caught for Philly Seafood and the shrimp that we farm. But now we have also built and operate a hatchery in Palacios. This was born of necessity. Our post-larval shrimp supplier in Florida suffered significant damage from a hurricane and, instead of rebuilding, chose to concentrate on creating new strains of shrimp. In response, we were forced to start up our own hatchery in less than seven months.

After pouring two million dollars into this new operation, Bowers produced its first post-larval shrimp in 2019. It has been a challenge, but we have also learned that it gives us more flexibility in stocking our ponds. Before we had the hatchery, shrimp went into our indoor facility before going to the ponds. We had to time getting new post-larval stock into the indoor facility as soon as possible after shrimp moved to the ponds outside. Now, with the hatchery, that post-larval shrimp is just on the other side of the bay. If we want to, we can move shrimp right from the hatchery directly into our ponds. This flexibility has increased our stocking abilities and should allow us to significantly increase our production.

Since I was last here, the product form of shrimp we sell into the market has also changed. I know that the exporters and shrimp importers say that the imported shrimp and U.S. shrimp do not compete for sales in the U.S. market. That would be great if it were true. But our reality is that the imported shrimp hangs over everything. We are always on the lookout for

markets where imports cannot undercut our prices. When I spoke the last time, I said we produced and sold a lot of head-on shrimp. Now, that market is gone, and, instead, we are working with retailers to develop a market for our fresh shrimp. The owner of these businesses, Reed Bowers, also owns other companies that raise finfish, like catfish, red fish, and striped bass. For fish, if we sell frozen, we compete directly with imports, so we only sell fresh.

There might come a day when there is a sizeable market for fresh, never frozen shrimp. But that is not what exists today. The majority of shrimp we process is individually quick frozen because retail is our most important market. Our focus on the retail market helped us weather the impact of COVID-19. For others in the industry that are more reliant on restaurants and food service, it was a completely different story.

When someone says that we do not compete with imports, I look to the price for our shrimp. It has not changed over the past two years. That might seem ok, but this is unlike the price of almost all other protein in the market. Those prices have gone up, while shrimp has remained level. At the same time, all of our costs have gone up. Our shrimp feed, electricity, fuel, oil, insurance, and labor costs are all higher. Every input cost we have has increased. But in a market saturated with imports, the price of our shrimp has remained the same.

This year is going to be a challenge for the industry. At Bowers, we will continue to diversify. This option is not available to the shrimp fleet in Palacios that we also depend upon. The fishermen all around us are currently tied up and, like Craig Wallis, do not know when they will be able to go back out. If we run our processing plant just to process our farmed shrimp, it would only be working four months of a year. We cannot keep workers with the promise of employment for only one third of the year. To operate year-round, we need wild-caught shrimp. When the boats are not working, our processing plant is not working.

Just as we depend on the commercial fleet, they have come to also depend on us. The only other local shrimp processor had its facilities destroyed by a hurricane. Although the company relocated and started up again, they were never able to recover from their losses and have since shut down. Bowers is all that is left in our part of the Texas coast.

Since 2019, Bowers has had good and bad years. On balance, it has probably been a little more bad than good, but we continue to grow and develop. Bowers continues to play an important role in our community, with over a hundred employees providing for their families through these businesses. I am here representing them today, asking you to keep the antidumping duties in place. We cannot let dumped imports come back into this market.

I appreciate you listening to me this morning. I look forward to answering any questions you might have. Thank you.

CRAIG WALLIS

TESTIMONY BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

APRIL 11, 2023

Good morning. I am Craig Wallis, owner of W&W Dock in Palacios, Texas. I also either own or manage a total of nine shrimp trawlers. In addition to my commercial businesses, I also serve as the Vice-President of the Southern Shrimp Alliance. I last appeared before this Commission nineteen years ago.

In Palacios, we have some of the more modern fleets in the industry with a total of 175 working currently. W&W Dock used to supply boats with ice, but after all our fleet converted to freezer boats, we shut down our ice plant, and continued shrimping.

However, we may not be around much longer. Right now, imported shrimp has swamped our market. Freezer inventories are full. I cannot find buyers for our shrimp, so my boats stayed tied up. Historically, our fleet would work during white shrimp season between January and April. Not this year. The high cost of fuel along with all of our other costs jumping up means that we cannot break even if we send our boats out.

When I was here during the original investigation, I explained that our boats used to work over 250 days a year, but after the flood of dumped imports, the boats were working around 200 days a year. Today, it would be great to have our boats working 200 days. I would like nine months of work to generate sufficient cash-flow to keep our business running smoothly, but right now I have to make due with six months and this year maybe even less. The longer the boats are tied up, the more expenses we absorb with no revenue, all while crews have no chance to earn money.

Our guys can't support their families if they don't have income. We just lost one of our better captains when he left to take a construction job that paid him \$27 an hour with a steady

paycheck. I've worked with him for 20 years. He loved fishing, but I understand, he just couldn't do it anymore.

Because of these conditions, like almost all boat operators in Palacios, I have become dependent upon H-2B visa workers to fill out our crews. All of our boats have to be captained by American citizens, but to find additional crew members that can deal with unexpected reductions in fishing days, we have to rely on guest workers. This has introduced even more federal regulations into our operations.

I have stayed in this industry because it rewards hard work and innovation and because you can make good money. No one is going to get rich shrimping, but it took care of my family. I don't know if that remains the case today.

I looked at the financials for our boats before coming up to DC. They show a pretty sharp decline in the prices we were getting for our shrimp in 2019 going into 2020 and 2021. They also show our prices dropping even more in 2022. The per pound price my boats got for their shrimp last year was \$3.62. It was around \$6 a pound in 2019.

The government's imposition of antidumping duties in 2005, along with the continuation of those duties in 2011 and 2017, has helped this industry. Thank you. I am still here, doing the best I can. Removing those duties and letting even more imports into a market that is already overflowing with imported shrimp would be devastating.

What bothers me the most about the current state of our industry is what I see happening to the people who depend on shrimping for a living. I am really close to the people who work for me and around me. Some of them have been with me for more than 40 years. These are the lives that are on the line when you make your decision. I appreciate you giving me time today and taking my comments into consideration.

NATHAN MAANDIG RICKARD

TESTIMONY BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

APRIL 11, 2023

Good morning. I am Nathan Rickard, counsel for the Ad Hoc Shrimp Trade Action Committee and the Ad Hoc Shrimp Industry Committee.

This is the fifth time this industry had appeared before the Commission with respect to these antidumping duty orders.

In the original investigations, the Commission received 130 responses from fishermen representing 6.5 percent of landings in 2003. In the first sunset reviews, the Commission received 156 fishermen responses representing 4.3 percent of landings in 2009. In the second sunset reviews, the Commission received 182 fishermen and farmer responses, representing 11.9 percent of the domestic shrimp harvest in 2015.

The prehearing report for these reviews explains that 307 usable responses were received from fishermen and farmers, representing 20.4 percent of the domestic shrimp harvest in 2021. That number will likely go up as Commission staff continues to work with fishermen to get usable responses.

This not only represents a highwater mark in the history of these orders, but our review of the Commission's dockets indicates that it is the largest number of domestic industry responses received in an AD/CVD case in the age of EDIS.

These submissions came from a wide geographic area, with usable responses submitted from each of the eight states. The Commission received ten or more responses from fishermen in Brownsville, Palacios, Sabine Pass, Port Arthur, Galveston, and Port Bolivar in Texas, from Abbeville, Chauvin, Venice, and Houma in Louisiana, and from Ft. Myers Beach in Florida.

Fishermen's participation has increased significantly the longer the antidumping duties have been in place. This has a lot to do with Commission staff continuing to refine requests for information to minimize burdens and with the care and attention Commission staff put into each response submitted. It also has a lot to do with the importance attributed by the fishermen to the trade remedies.

This morning, you will hear witnesses describe the dire circumstances currently confronting this industry. Across the country, boats are tied up and fishermen are chomping at the bit to get back on the water and work when it will not cost them money to do so.

Many shrimpers spent some of their involuntary down time filling out the Commission's questionnaire. Just as in the last sunset reviews, what we have heard from them is that Commission staff went above and beyond expectations in answering questions and being available to people who sought help. Again, this really is incredible given the agency's workload, and we wanted to express our great appreciation for those efforts. Thank you.