



Southern Shrimp Alliance
P.O. Box 1577 Tarpon Springs, FL 34688
955 E. MLK Dr. Suite D Tarpon Springs, FL 34689
727-934-5090 Fax 727-934-5362

March 11, 2025

Docket No.: USTR-2025-001

PUBLIC DOCUMENT

Via Electronic Filing through <https://comments.ustr.gov/s/>

Ambassador Jamieson L. Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: Comments of the Southern Shrimp Alliance Concerning Unfair Trade Practices and Harm from Non-Reciprocal Trade Arrangements

Dear Ambassador Greer:

The Southern Shrimp Alliance (“SSA”) is making this submission in response to the invitation from the Office of the United States Trade Representative for comments from the public, on a country-by-country basis, to assist President Trump’s Administration in reviewing and identifying any unfair trade practices by other countries and in initiating all necessary actions to investigate the harm to the United States from any non-reciprocal trade arrangements.¹

As explained below, SSA supports any and all measures that would address unfair trade practices by foreign governments and their constituent shrimp industries, as well as any initiative that would remedy the disparate treatment of shrimp exported from the United States to other countries by our trading partners versus our treatment of shrimp imported from the rest of the world. Further, SSA requests that the USTR account for the threat to national security resulting

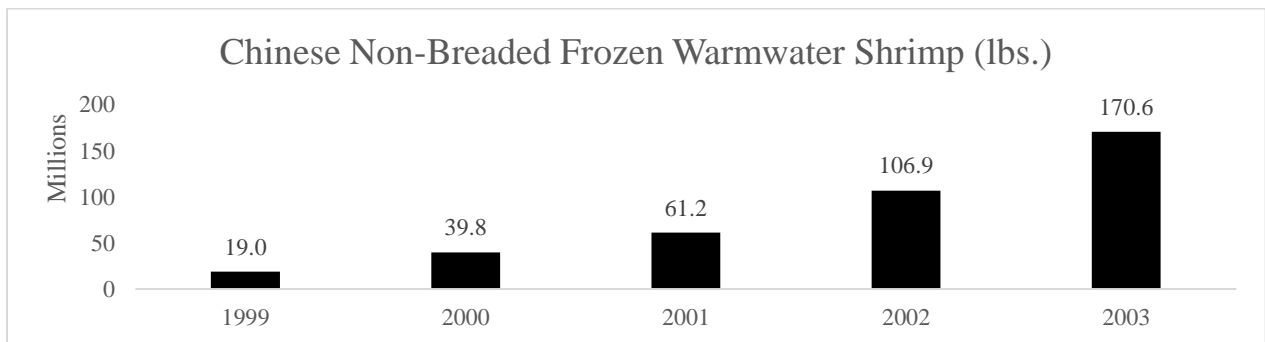
¹ *Request for Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm from Non-Reciprocal Trade Arrangements*, 90 Fed. Reg. 10,677 (Office of the USTR, Feb. 25, 2025).

from the continued loss of food producers, like commercial shrimp fishermen, due to unfairly-traded imports.

I. THE SHRIMP INDUSTRY HAS BEEN FORCED TO ADJUST TO CONTINUOUS INFLUXES OF LARGE QUANTITIES OF CHEAP, UNFAIRLY-TRADED SHRIMP IMPORTS

Over the past quarter century, the American shrimp industry has been forced to contend with periodic influxes of large quantities of cheap, dumped farm-raised shrimp to the U.S. market. Low barriers to entry for foreign producers coupled with far more significant regulation of foreign food products in other major markets had made the United States the preferred target for the excess oversupply of shrimp from foreign aquaculture.

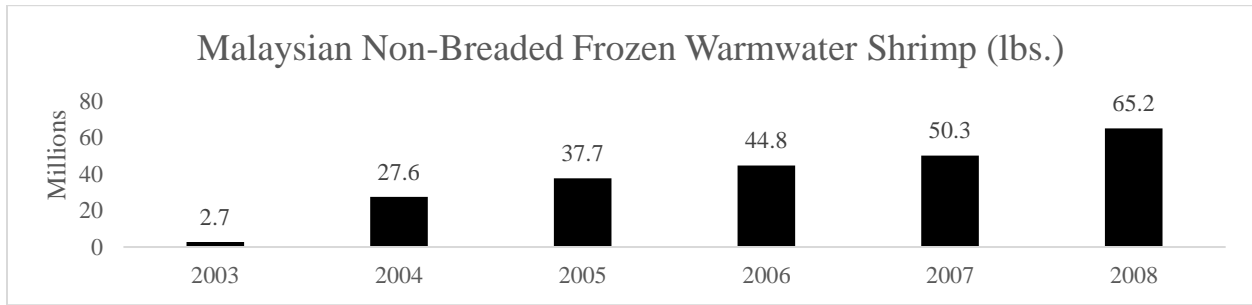
SSA was founded in 2002 in response to a flood of cheap, Chinese farm-raised shrimp imports into the U.S. market. Over a five year period beginning in 1999, Chinese shrimp poured into the United States, increasing from 19 million pounds to 171 million pounds in 2003:



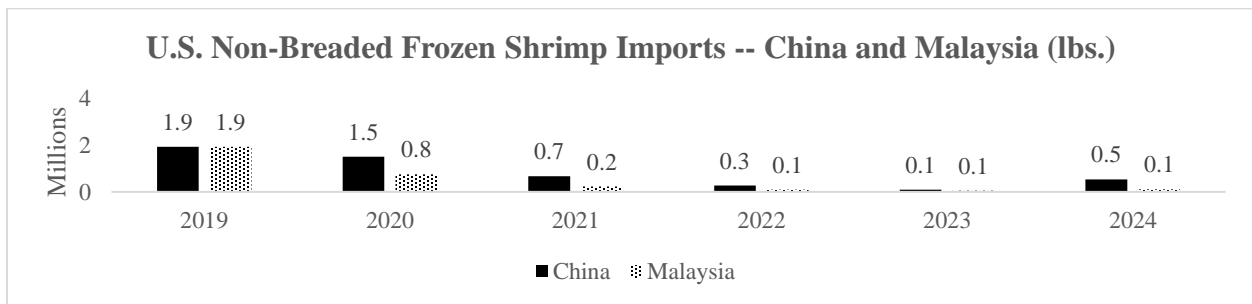
During that timeframe, China's share of the total volume of non-breaded, frozen shrimp imports increased from 2.6 percent in 1999 to 15.7 percent in 2003.

In response, shrimpers, dockside facilities, processors, retailers, distributors, and other industry participants from the coast of the South Atlantic and the Gulf of America, encompassing communities throughout North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, organized to form SSA. Once established, SSA advanced antidumping duty petitions filed against shrimp imports from six countries – Brazil, China, Ecuador, India, Thailand, and Vietnam – in December 2003, winning the imposition of trade relief with the issuance of antidumping duty orders in February 2005.

Since then, the U.S. shrimp industry has been forced to respond to sudden influxes of large volumes of cheap, farm-raised shrimp that devastate prices for American shrimpers. For example, as an antidumping duty order was imposed to discipline unfairly-traded Chinese-origin shrimp, the volume of ostensibly "Malaysian" shrimp entering the United States grew rapidly, increasing from a mere 2.7 million pounds in 2003 to 65.2 million pounds in 2008:



Over this timeframe, Malaysia’s share of the total volume of non-breaded frozen warmwater shrimp imports grew from 0.3 percent to 5.6 percent. Again, SSA responded; this time conducting investigations and documenting that this “Malaysian” shrimp was largely comprised of transshipped Chinese shrimp seeking to evade both antidumping duties and the U.S. Food and Drug Administration’s (“FDA”) Import Alert 16-131 (“Detention Without Physical Examination of Aquacultured, Shrimp, Dace, and Eel from China and Hong Kong SAR – Presence of New Animal Drugs and/or Unsafe Food Additives”). Enforcement actions taken by both U.S. Customs and Border Protection (“CBP”) and the FDA, principally through the implementation of Import Alert 16-136 (“Detention Without Physical Examination of Aquacultured Shrimp and Prawn Products in All Market Forms from Peninsular Malaysia Due to the Presence of Unapproved Animal Drugs or Unapproved Food Additives”), largely eliminated Chinese- and Malaysian-origin non-breaded shrimp from the U.S. market. As shown in the table below, imports of non-breaded frozen shrimp from both of these countries have been less than one million pounds per annum since 2021:



However, successfully addressing one set of problems has inevitably required the American shrimp industry to confront new ones. Fifteen years ago, the outbreak of disease in shrimp ponds across the country and close scrutiny of labor practices in its supply chain, including slave and child labor in peeling sheds exploiting migrant laborers, led to Thailand losing its dominant position in the U.S. shrimp market.

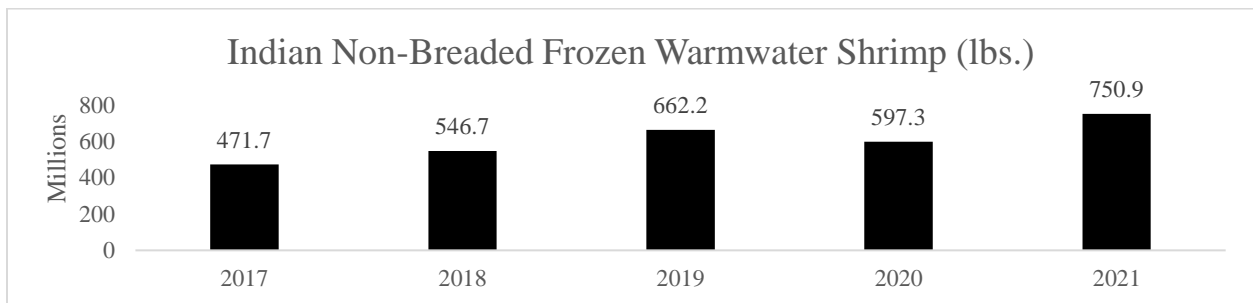
As shown in the table below, in the five-year period between 2010 and 2014, imports of non-breaded frozen shrimp from Thailand fell from 416 million pounds to 129 million pounds.



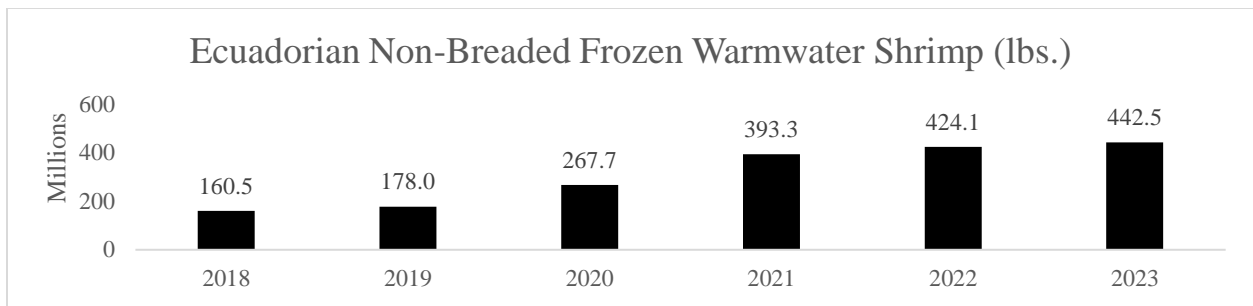
As the table also demonstrates, while Thai exports to the United States fell substantially, investment moved to the Indian shrimp aquaculture industry. By 2017, India was exporting more non-breaded frozen warmwater shrimp to the United States (472 million pounds) than Thailand had shipped in 2010 (416 million pounds).

While Thailand had accounted for 37 percent of the volume of all non-breaded frozen shrimp imports in 2010, India comprised 35 percent of all such imports in 2017. The same abusive labor practices that characterized the Thai shrimp supply chain – particularly in peeling sheds in states throughout the country – were adopted and expanded upon in India. Moreover, the Indian government provided generous export subsidies to its shrimp industry (as confirmed by the U.S. Department of Commerce in the agency’s 2013 investigation of countervailable subsidies) and by support from International Financial Institutions (“IFIs”) like the World Bank.

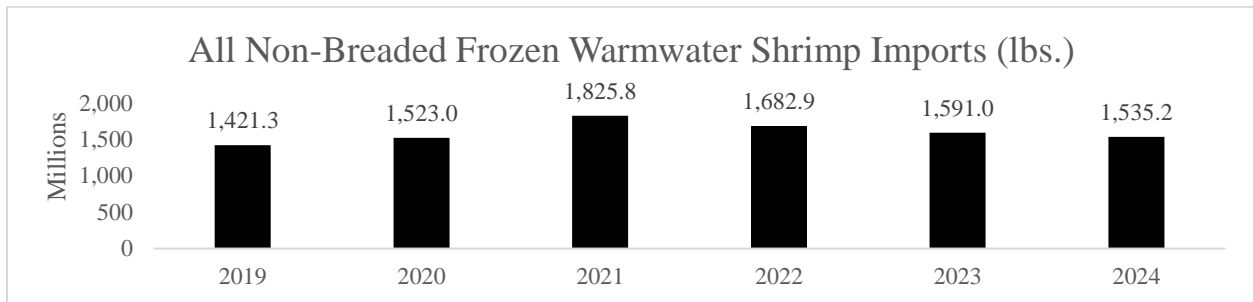
Despite demonstrating that countervailable subsidies were being given to Indian shrimp exporters and supporting the large increase in exports, the U.S. shrimp industry was denied any trade relief at that time. Further bolstered by a continuing failure to regulate the widespread use of harmful antibiotics, fungicides, and other veterinary drugs, India’s exports of non-breaded frozen warmwater shrimp continued to grow, with that industry accounting for an incredible 47 percent of the volume of all U.S. frozen non-breaded shrimp imports in 2019. By the next year, as shown in the table below, India exported over 750 million pounds of shrimp to this country.



As Indian shrimp was pouring into the U.S. market, the American shrimp industry was also hit by rapid and large increases in shrimp exported from Ecuador to this country. Even more so than other foreign shrimp industries, Ecuador’s shrimp aquaculture is the creature of IFI-funding, particularly from the Inter-American Development Bank and the International Finance Corporation. At least seven IFI projects over the last fourteen years have injected over \$150 million in funds – supported by U.S. taxpayers – directly into three Ecuadorian exporters (Operadora y Procesadora de Productos Marinos, Omarsa S.A.; Industrial Pesquera Santa Priscila S.A.; and Promarisco S.A. (subsidiary of Nueva Pescanova Group)) that compete for sales with our industry in the U.S. market. This has directly led to a steep recent increase in the volume of shrimp exported from Ecuador to the United States, growing from roughly 160 million pounds in 2018 to over 442 million pounds in 2023.



The targeting of the U.S. market by the Ecuadorian and Indian shrimp industries resulted in a saturation level being reached with a record volume of imports in 2021, in excess of an incredible 1.8 billion pounds. With cold storage inventory overflowing, the market for cheap, poor quality farm-raised shrimp has been dissipating. As shown in the table below, total import volumes have declined each of the last three years, although they have remained at levels above 1.5 billion pounds per annum.



In response to the massive dislocations caused by this huge flood in shrimp imports, the U.S. shrimp industry, through the American Shrimp Processors Association, has now once again demonstrated that the Indian, Ecuadorian, and Vietnamese shrimp industries receive countervailable subsidies from their governments. The American shrimp industry has further established that the Indonesian shrimp industry is dumping shrimp into the U.S. market, as with shrimp from China, India, Thailand, and Vietnam. A new antidumping duty order and new countervailing duty orders were formally imposed in December 2024. Nevertheless, even as these trade remedies discipline these forms of unfair trade, our antidumping and countervailing

duty laws fail to encompass the continued subsidization of foreign shrimp industries by IFIs supported by U.S. taxpayer funds. Nor do the antidumping and countervailing duties address the extensive corruption of foreign shrimp supply chains, particularly in India, with forced labor practices and with the use of shrimp feed produced from fish harvested through illegal, unreported, and unregulated (“IUU”) fishing. Nor do these trade remedies confront the widespread use of banned and harmful veterinary drugs, particularly in the shrimp aquaculture industries of India and Vietnam, that have not been addressed in a programmatic manner by the FDA.

In sum, our conventional trade remedy laws do not provide the American shrimp industry with any way to obtain redress against these types of unfair trade practices. As such, the continued tolerance of IFI-funding of foreign shrimp industries, forced and child labor in foreign shrimp supply chains, the use of IUU-harvested fish in the production of shrimp feed, and the extensive utilization of antibiotics and fungicides in foreign shrimp aquaculture have left our market vulnerable to sudden influxes of large volumes of imported shrimp from countries that see the United States as an open dumping ground for the worst food produced in the world.

II. GLOBAL SHRIMP TRADE IS NON-RECIPROCAL AND UNFAIR

At the same time as the U.S. shrimp industry is forced to compete in a market characterized by sudden influxes of large quantities of cheap, farm-raised imports, foreign markets are largely closed to our products. The table below compares the tariff rates and taxes applied on imports of foreign shrimp into the United States versus imports of U.S.-origin shrimp into India, Ecuador, Indonesia, and Vietnam. Shrimp imports from these four countries, totaling 1.4 billion pounds, accounted for over 91 percent the total volume of U.S. imports of non-breaded frozen warmwater shrimp imports in 2024.

| HS: 0306.17 | United States | India | Ecuador | Indonesia | Vietnam |
|----------------------------------|-----------------------------------|--------------|----------------|-----------------------|----------------|
| Tariff Rate | <i>Free</i> | 30% (CIF) | 30% (CIF) | 5% (CIF) | 5% (CIF) |
| VAT | N/A | 5% | 15% | 12% | 8% |
| Harbor Maintenance Fee (HMF) | 0.125% | N/A | N/A | N/A | N/A |
| Merchandise Processing Fee (MPF) | 0.3464% (\$634.62 max. per entry) | N/A | N/A | N/A | N/A |
| Social Welfare Surcharge Levy | N/A | 10% | N/A | N/A | N/A |
| CORPEI | N/A | N/A | 0.025% | N/A | N/A |
| FODINFA | N/A | N/A | 0.5% | N/A | N/A |
| Income Tax | N/A | N/A | N/A | 2.5% or 7.5% | N/A |
| TOTAL | 0.4714% | 45% | 45.525% | 19.5% to 24.5% | 13% |

As shown in the chart above, in total, although the United States imposes fees (taxes) of less than one-half of one percent of the value of shrimp imports, our four principal suppliers of shrimp impose tariff and tax rates of between 13 percent (Vietnam) and 45 percent (India and Ecuador) on U.S.-origin shrimp.

While total U.S. shrimp imports of non-breaded frozen warmwater shrimp declined in 2024 compared to 2023, the volume of shrimp imported from Thailand and Argentina both increased, now accounting for, respectively, 2.8 percent and 2.1 percent of total U.S. shrimp import volume in 2024. Just as with the four largest suppliers of shrimp to this market, these two countries also maintain significant tariffs and taxes on imported shrimp from the United States. For example, Thailand imposes a 20 percent general rate of duty of imports of shrimp under 0306.17.90000, as well as a 7 percent value-added tax (“VAT”). For its part, Argentina imposes a 9 percent general tariff on imports of U.S. shrimp under HS Code 0306.17.90199W, along with a “statistical tax” of 3 percent and a VAT in excess of 20 percent.

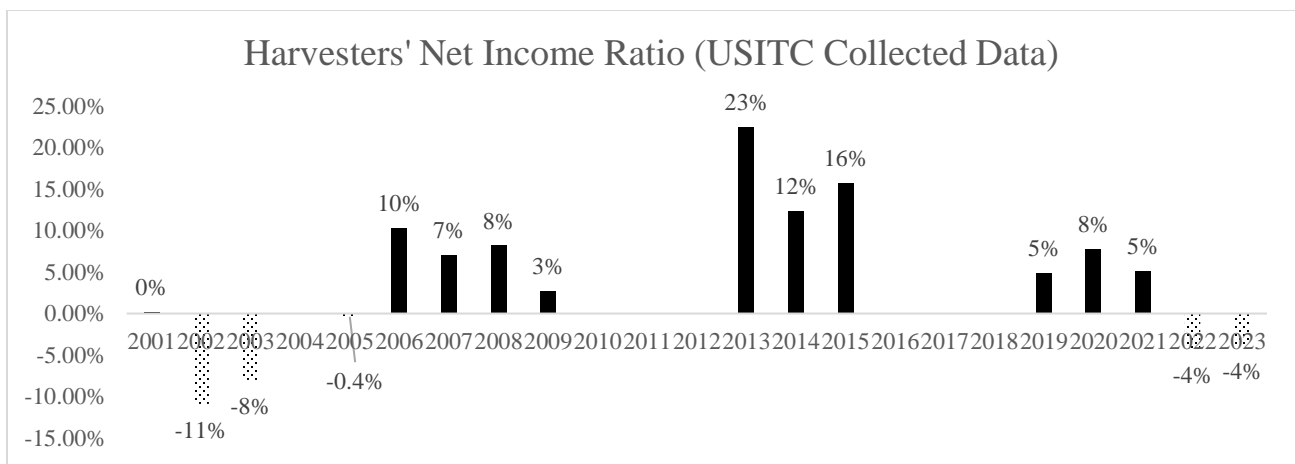
The U.S. shrimp industry is not a significant exporter. But the industry’s participation in export markets has never been feasible given the substantial duties and taxes imposed on American shrimp that might otherwise be imported by our trading partners. By eliminating any general tariffs or duties on imports of shrimp into the United States, the federal government flung open its doors to shrimp suppliers throughout the world while the home countries of those industries maintained protection in their respective markets. In sum, the constant threat of harm from imported shrimp is the product of deliberate decisions made by the federal government to expose our industry to unregulated import competition while the governments of our competitors provided their shrimp industries with protection from import competition. Because this trade policy intentionally places Americans last, it must be abandoned and SSA strongly supports a return to equitable treatment through the adoption of a reciprocal tariff regime. Correcting these grievous errors is long past due.

III. THE LOSS OF AMERICA’S COMMERCIAL FISHING INDUSTRY AND OTHER FOOD PRODUCERS IS A NATIONAL SECURITY CONCERN

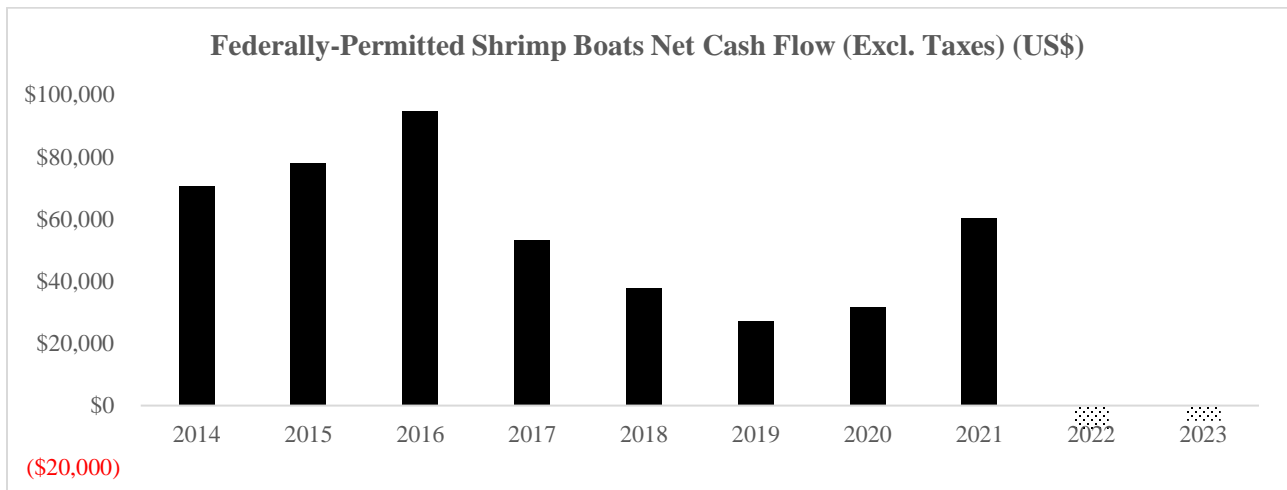
The harm caused to the American shrimp industry by unfair trade practices has been massive. In 2021, NOAA Fisheries reported that the total harvest of warmwater shrimp in the Gulf of America and South Atlantic was worth \$522 million. In 2023 – the most recent data available from the federal agency – NOAA fisheries reported the total value of the warmwater shrimp harvest in those regions to be \$269 million. The loss of roughly half of the value of the U.S. commercial shrimp fishery has little to do with the volume of shrimp caught during that time period. NOAA Fisheries reports that 227 million pounds of shrimp was landed in the Gulf of America and South Atlantic in 2021, 219 million pounds in 2022, and 211 million pounds in 2023. Thus, while the total volume of warmwater shrimp landed in the United States fell by roughly seven percent between 2021 and 2023, the value of this shrimp dropped by almost 49 percent.

NOAA Fisheries’ reporting of dockside prices and interim reporting of shrimp landings volumes and values in 2024 indicates that domestic shrimp prices remained at depressed levels in

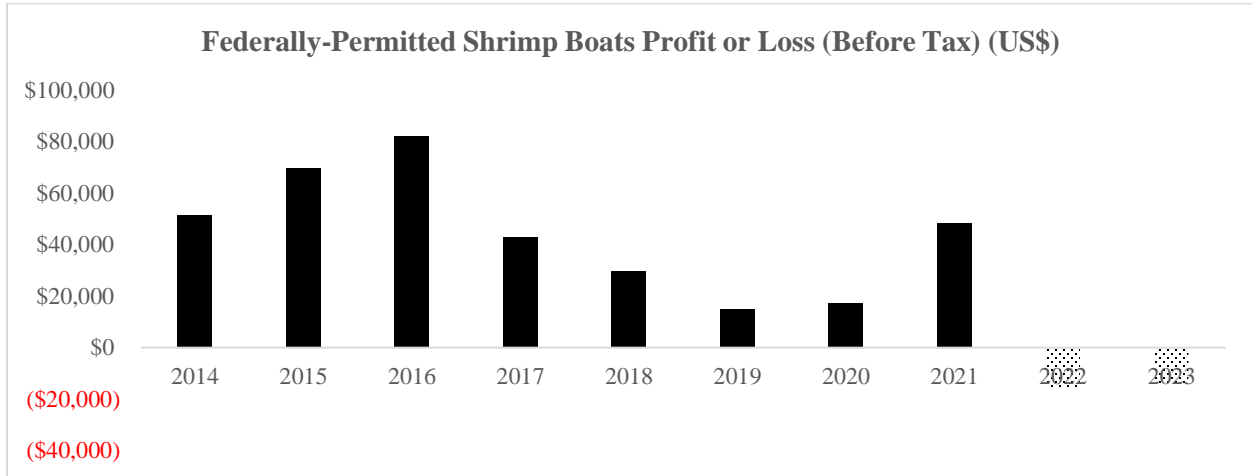
2024. These circumstances have forced shrimp boats along the southern coast to tie up, while those remaining in operation have been forced to work even harder, attempting to make up for lost value through higher catch volumes. There is no question that these are unusual circumstances for an industry which has largely been able to operate profitably over the last quarter century. In fact, the U.S. International Trade Commission’s (“ITC”) collection of information from shrimp vessels over a sixteen-year time period shows that the harvesting sector has only reported losses during two sub-periods. As shown in the table below, the ITC obtained data from shrimp vessels between 2001 and 2003, 2005 through 2009, 2013 through 2015, and 2019 through 2023. Over those time periods, the commercial shrimping industry operated profitably after antidumping duties were imposed in February 2005 up until the large, unmitigated flood of imports in 2021.



As the table above shows, in both 2022 and 2023, the U.S. shrimp fishing industry as a whole reported operating at significant losses. Moreover, the ITC’s findings have been recently validated by findings presented on March 4, 2025 by the Southeast Fisheries Science Center of NOAA Fisheries. In particular, as summarized in the table below, the agency’s survey of the federally-permitted Gulf Shrimp fleet found that these shrimp boats had negative cash flows in 2022 and 2023 after operating with positive cash flows from 2014 to 2021.



As these numbers imply, NOAA's survey found that these shrimping vessels operated at before tax losses in both 2022 and 2023 after operating profitably over the previous eight years, as shown below.



As noted above, dockside pricing levels in 2024 likely remained close to those experienced in 2023, implying similar operating results with continued losses. These widespread industry losses are not sustainable. In its most recent estimation of the composition of U.S. shrimp supply, the ITC found that our industry accounts for roughly six percent of total apparent U.S. consumption of non-breaded, frozen warmwater shrimp. This is consistent with the share of apparent U.S. consumption of seafood as a whole, as the FDA has estimated that 94 percent of seafood consumed in the United States is imported.

In the absence of aggressive action taken to support the American shrimp industry, shrimpers across the southern coast will take their vessels out of operation as they can no longer weather the losses incurred. For the small port communities that rely on this industry, the loss of the income generated by the American shrimp industry will be devastating. For this country as a whole, the extinction of the American shrimp industry means even greater reliance on foreign nations for our food supply. Accordingly, SSA believes that cheap, contaminated farm-raised shrimp imports pose a risk to national security insofar as they threaten the continued existence of a significant number of food producers in this country.

The American shrimp industry recognizes that a wide-spectrum of food producers currently face existential challenges due to the presence of imports in the U.S. market. The fact that imports constitute 94 percent of all seafood consumed in the United States is a powerful indicator of the vulnerability of the U.S. commercial fishing sector as a whole. Moreover, the FDA estimates that, at present, 55 percent of the fresh fruit consumed in this country is imported, while 32 percent of the fresh vegetables comes from abroad. On the whole, the FDA estimates that just 15 percent of our overall food supply is comprised of imports. Accordingly, the pressure from imported food products is most keenly felt by produce farmers and commercial

fishermen which, in the United States, are largely small, family-based commercial enterprises, employing large numbers of Americans across the country.

Further erosion of the market participation of domestic commercial fishermen and family farmers renders us increasingly dependent upon foreign nations. The food supply chains in these countries largely operate outside the onerous regulatory controls of federal regulatory agencies in this country. As such, we are becoming increasingly reliant on the good graces of trading partners to supply our population with food at the same time as we are also becoming dependent upon their domestic regulatory structures to ensure the safety and wholesomeness of that food. As the shrimp industry has experienced firsthand with the continued presence of harmful antibiotics in farmed-shrimp exported from India and Vietnam, there are objective and important reasons to doubt the integrity of those food-safety systems.

Thus, while unfair trade practices have cost the U.S. shrimp industry at least a quarter of a billion dollars annually in the landed value of warmwater shrimp over the last few years, an even more pressing concern is the threat that the loss of U.S. commercial fishing capacity poses to national security. As such, SSA requests that the USTR consider the threat posed to U.S. food production by unfettered imports in making recommendations regarding appropriate actions to remedy unfair trade.

* * *

Throughout the twenty-first century, the American shrimp industry has been battered by sudden influxes of cheap, farm-raised shrimp from abroad. These import surges have occurred because of unfair trade practices that have also, in turn, led to the creation of substantial global excess capacity of shrimp aquaculture production. In particular, the supply chain of the largest exporter of shrimp to the United States, India, has been corrupted by forced labor along with the utilization of IUU-harvested fish in its shrimp feed, has received substantial countervailable subsidies by its government as well as non-countervailable subsidies from IFIs, and has continuously used banned and harmful veterinary drugs in its shrimp aquaculture. Similarly, the second largest supplier of shrimp to the United States, Ecuador, has enjoyed countervailable subsidies from its government as well as direct support to its shrimp exporters from IFIs using American taxpayer funds.

SSA requests that the USTR recognize these unfair trade practices in the identification of unfair trade practices that harm the United States. Moreover, these unfair trade practices should be directly addressed. Enforcement of the UFLPA should no longer permit the routing of Argentinian shrimp through Chinese seafood processing plants associated with the abuse of Uyghur labor. A withhold release order under Section 1307 regarding Indian shrimp should be implemented by CBP. It is well, well past time for the FDA to implement Import Alerts designed to eradicate the abuse of veterinary drugs in the shrimp aquaculture industries in India and Vietnam. And the U.S. Department of Treasury can no longer permit U.S. taxpayer funds to be used to support IFI programs that further increase the global oversupply of farmed shrimp products.

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Further, the United States continues to participate in the global trade of shrimp products on a non-reciprocal, inequitable basis. Although the United States imposes no standard customs duties on imports of shrimp, the trading partners that supply us with the vast majority of shrimp consumed in our market impose large tariffs and taxes on any imports of shrimp from the United States that might otherwise occur. Accordingly, SSA requests that the USTR recommend the imposition of reciprocal tariffs in order to place American shrimpers and our foreign competitors on equal footing.

Finally, the harm to the American shrimp industry from unfair trade practices has been severe. Roughly half the value of this country's harvest of warmwater shrimp has disappeared in the last few years, an annual loss of approximately \$250 million in income generated by the efforts of shrimp vessels alone. Following the influx of a record volume of 1.8 billion pounds of non-breaded frozen warmwater shrimp in 2021, shrimpers throughout the Gulf of America and South Atlantic have been operating at losses. This is unsustainable; fishermen have been leaving the industry, and will continue to leave the industry, until unfairly-traded imports are comprehensively addressed. The loss of our industry is not simply a tragedy for the families and communities that depend upon shrimp harvesters, it significantly harms national security by making our country even more reliant on foreign nations to feed the American people.

Thank you for any consideration you are able to give to these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "John Williams". The signature is fluid and cursive, with a large initial "J" and "W".

John Williams
Executive Director