



# The Shrimp e-Advocate

NEWSLETTER

APRIL 2009

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

### GAO Report Links Duty Circumvention with Evasion of Food Safety Laws

A [report](#) released this week by the Government Accountability Office (GAO) includes a formal acknowledgement from the U.S. Food and Drug Administration (FDA) and other enforcement agencies that companies willing to illegally mislabel shrimp products to avoid paying antidumping duties are also evading U.S. food safety efforts.

SSA was mentioned as a source of information for government agencies throughout the GAO report. According to the report, information provided by SSA led to findings of mislabeled dusted shrimp and transshipment of Chinese shrimp via Indonesia and Malaysia. Some of the illegally shipped shrimp was also found to be contaminated.

Read the report at <http://www.gao.gov/new.items/d09258.pdf> or SSA's press release at <http://tinyurl.com/GAO3-09>.

## LEGAL UPDATE

### CBP Removes Enhanced Bonding Requirement

Effective April 1, 2009, U.S. Customs and Border Protection (CBP) has eliminated the enhanced bonding requirement on all shrimp imports in response to an unfavorable decision from the WTO on only two of the six countries subject to antidumping orders.

CBP developed the enhanced bonding program for the shrimp antidumping orders in response to a well-documented and persistent failure to collect all

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antidumping and countervailing duties-particularly on agriculture and aquaculture products. Even with the enhanced bonding requirement, CBP reported that it has been unable to collect \$42.5 million in antidumping duties on shrimp for fiscal year 2008- a figure that exceeds the total amount of antidumping duties actually collected on shrimp for that same fiscal year. If the amounts set out in CBP's Annual Report are correct, the agency was unable to collect 56.5% of the \$75 million in antidumping duties assessed in FY2008.

On March 20, 2009, Louisiana Senators Landrieu and Vitter sent a letter at SSA's request calling upon CBP to construct a bonding program that is consistent with U.S. WTO obligations, but ensures that the U.S. retains an insurance policy for such enforcement. The letter requests CBP revisit the decision to eliminate the enhanced continuous bonding program and that the agency inform the Senators prior to April 1, 2009, in writing, of any and all efforts undertaken to improve the undercollection of antidumping duties on aquacultured seafood imports. SSA also filed [comments](#) with CBP requesting modification of the enhanced bonding program instead of elimination.

Despite this inability to fully enforce U.S. trade laws, CBP has removed the enhanced bonding requirement without announcing a plan to collect any portion of the uncollected \$42.5 million. The U.S. shrimp industry is denied relief from unfair trade if the antidumping orders are not enforced.

In announcing the elimination of the enhanced bonding requirement on shrimp imports, CBP clarified that the requirement will not be imposed on entries of shrimp entering the United States after April 1, 2009. For entries of shrimp subject to antidumping duties prior April 1, 2009, the continuous bond in place at the time of entry will remain in effect until the duties on those entries are fully liquidated. Further, in response to SSA's criticism, CBP stated that it was "not abandoning its duty to protect revenue or its requirement of sufficient security." The agency acknowledged that it is "required to collect debts aggressively" and explained that it "continues to explore options to protect revenue and address issues of uncollected AD/CV duties, consistent with U.S. international obligations." SSA will continue to work with CBP and Congress to insure that antidumping duties assessed on shrimp imports are collected.

Read CBP's Federal Register Notice at <http://tinyurl.com/EBR4-09>.

## **MEDIA UPDATE**

### **Investigative Reporter Writes Series on Illegal Honey Imports**

The problems of mislabeling, transshipment, and use of banned substances are not unique to farm-raised shrimp imports. Other industries, such as catfish, have witnessed similar illegal activity in efforts to evade paying antidumping duties and U.S. food safety laws.

[Andrew Schneider](#), an award-winning investigative journalist with the Seattle Post-Intelligencer, wrote a series of eight stories within a month's time detailing the problems with imported honey and lax enforcement of U.S. trade and food safety laws for consumers and domestic honey producers. His reporting on honey is useful to the U.S. shrimp industry because it calls for actions to address the same problems faced by U.S. shrimp producers.

Read the series on honey at <http://www.seattlepi.com/specials/honey/>.

## **LEGISLATIVE UPDATE**

### **Vitter Amendment**

On March 31, Senator Vitter (R-LA) introduced an amendment to the FY10 Congressional Budget Resolution that will help increase imported seafood testing, prevent port shopping of unsafe products, and ensure the collection of antidumping duties. The amendment will provide budget authority for Congress to fund future legislation to:

(1) require tougher inspection and testing requirements for imported seafood products to ensure that imported seafood products do not contain chemicals, antibiotics, or any substances that are banned in the United States;

(2) end the practice of "port shopping," which is used by many seafood importers seeking to avoid the safety standards required of domestic seafood producers, by ensuring that shipments of seafood rejected for any safety violation be clearly marked as rejected and that other U.S. ports are promptly notified of the rejected shipment; or

(3) increase the enforcement of our trade laws and

address the problem of antidumping duties that are owed but are not collected, especially on imported seafood products from China.

The amendment and Budget Resolution are currently being considered by the Senate.

## **REGULATORY UPDATE**

### **Federal Permits Continue Decline in 2008**

Preliminary data shows that only 988 shrimp vessels with federal permits recorded shrimp landings in 2008. The number is down significantly from 2007 when 1,206 vessels recorded offshore shrimp landings. A total of 2,666 vessels were originally eligible to apply for permits under the ten-year federal permit moratorium program, but only 1,928 vessels applied, resulting in the reduced cap. The substantial reduction in working shrimp vessels in federal waters highlights the difficult economic circumstances that continue to remove fishermen from the shrimp industry.

### **Reminder: New BRD Rule Takes Effect May 18th**

In November, NMFS announced the changes to the use of bycatch reduction devices (BRDs) in the Gulf of Mexico shrimp fishery that take effect May 18, 2009. In summary, these changes:

- Decertify the Expanded Mesh BRD.
- Decertify the Gulf Fisheye BRD.
- Establish a more restrictive placement for the Fisheye BRD.

Workshops testing currently certified BRDs show few-if any-BRDs can reliably meet the criteria to reduce finfish bycatch 30 percent by weight, which suggests the criteria must be reconsidered given current technology. SSA has asked that NMFS perform a new, updated bycatch practicability analysis to determine if current BRD requirements exceed and are thus inconsistent with the Magnuson-Stevens Act.

Read the NMFS bulletin at <http://tinyurl.com/BRDs4-09> for more information.

### **Study to Document the Economic Performance and**

## **Impacts of the Inshore Shrimp Fishery throughout the Gulf of Mexico**

[GSMFC Press Release]-The Gulf States Marine Fisheries Commission (GSMFC), in collaboration with the Louisiana Department of Wildlife and Fisheries, is about to embark on an effort to gather up-to-date information about the economics of commercial shrimping in inshore or state waters across the Gulf of Mexico. Following recent data collection efforts conducted by the National Marine Fisheries Service for federally permitted vessels that harvest shrimp in waters offshore, this study will provide a systematic economic analysis of an important economic segment-the inshore shrimp industry-which has not previously been examined with such depth and rigor. The GSMFC has obtained the cooperation and support of the relevant state regulatory agencies and several industry groups in each of the five Gulf States. The information gathered in this project will contribute to more informed decision-making on a variety of commercial fishing issues.

Most fisheries management decisions are made with an abundance of biological data. While these are useful in describing ecological conditions, such as the state of the shrimp stock, they do not describe the condition of the human element, the commercial shrimpers. Existing economic data for commercial shrimping in state waters are often piecemeal, outdated, or not fully relevant. This latest systematic effort to collect data from shrimpers throughout the Gulf will document the current economic health of the shrimp fishery. Having such information in hand will enable fisheries managers, commercial shrimpers, and others who utilize shrimp resources to form unbiased conclusions and will lead to improved fisheries management decisions.

In addition to analyzing the economic performance of the fishery, this study will estimate the economic impacts of the industry on the local and regional economy. In other words, the number of jobs and revenue generated by the commercial shrimp fishery, in the industry itself and in other portions of the regional economy, will be determined and presented in the final report.

This study will be conducted as a mail survey and will begin in early April. Individual responses will remain confidential. All figures and estimates will be presented as Texas industry totals and averages. The first 600 shrimpers who complete the survey will receive a \$25.00 gift card that can be used anywhere credit cards are accepted. Please feel free to contact Alex Miller or Jack Isaacs for more information concerning this study.

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**Notice of Federal Data 2009 Collections in the Gulf Shrimp Fishery**

Since the implementation of the shrimp permit moratorium, NOAA Fisheries Service's Southeast Fisheries Science Center started several new data collection requirements. The information collected is critical for more responsive and timely management of the fishery. Now, in addition to the annual permit renewal application that must be received within one year of the permit's expiration, every federal shrimp permit holder is required to complete and submit an "Annual Landings Form" (Gulf of Mexico Shrimp Federal Permit Reporting Form) and a "Gulf Shrimp Vessel & Gear Characterization Form."

Both of these forms are required for all permit holders. Please direct any questions to Rebecca Smith at (409) 766-3783. **The due date is April 30, 2009.**

**MEMBERSHIP UPDATE**

**SSA to Issue 2008 Activities Report**

In April, SSA will publish a summary of its national and regional work to improve fisheries management, international trade, and food safety issues in 2008. The activities report will be sent electronically to SSA's membership, Members of Congress, and made available on the SSA website and at future industry meetings.

Highlights of SSA's achievements include, among other things, preventing the threatened closure or severe restriction of fisheries in the South Atlantic and Gulf of Mexico, educating policy makers regarding the threat posed by contaminated imported shrimp, obtaining vital federal appropriations for national marketing efforts of

wild-caught American shrimp, and imposing duties on unfairly traded imports.

### **SSA to Speak at Annual SC Shrimp Association Convention**

Richard Vendetti, SSA's Director of Field Operations, will be speaking at the South Carolina Shrimp Association's Annual Conference in McClellanville on April 4, 2009. Members of the shrimp industry are invited to learn about SSA's activities and ask questions about current events. For more information on the event, please contact Clay Cable at 843-887-4166.

### **SSA Prepares for Annual DC Fly-In and Shrimp Boil**

Once again, SSA is coordinating a "DC Fly-In," where U.S. shrimpers from eight states will visit Washington, DC to bring priority issues to Congress and the Administration. Meetings begin on April 27 and end on April 28 at the annual "Shrimp Boil," where congressional offices and federal agencies have an opportunity to meet shrimping families from their district while sampling U.S. wild-caught shrimp. The Alabama shrimpers have volunteered to prepare their local catches for the event this year.