

Domestic Shrimp Industry files for \$298 million in Byrd Reimbursement

SEAFOOD.COM NEWS by John Sackton ? Dec 7, 2005 ? The U.S. Dept of Customs has released its 2005 report on Byrd Amendment requests and disbursements. This is the first year that the domestic shrimp industry could file for Byrd Amendment money, for a period of five months, from February through June 30th. Total shrimp industry requests totaled \$298 million for FY 2005. If this amount is annualized, the 2006 amount would be around \$715 million.

The total number of companies, including vessels, filing for Byrd money was 1211, and the average request over all claimants, both vessels and processors, was \$246,423.

Among processors, 44 companies filed for reimbursement of over \$ 1 million, and six companies filed requests of over \$10 million. The list of the top twenty companies is below.

VIETNAMESE AMERICAN COMMERCIAL FISHERMENS UNION	
\$24,221,764	
CARSON & Co	21,090,612.
LAFITTE FROZEN FOODS CORPORATION	\$16,721,592
CF GOLLOTT & SON SEAFOOD, INC	\$14,816,960
PAUL PIAZZA & SON INC	
\$12,351,686	
JBS PACKING COMPANY INC	\$10,535,318
FISHERMAN'S REEF SHRIMP COMPANY	\$8,167,663
GULF CROWN SEAFOOD CO INC	\$7,119,912
GULF ISLAND SHRIMP & SEAFOOD II	\$5,522,741
SEA PEARL SEAFOOD CO INC	\$5,498,530
HI SEAS OF DULAC INC.	\$5,309,180
GULF KING SERVICES INC	\$5,271,083
JUBILEE FOODS INC	\$5,265,190
DEEP SEA FOODS INC	\$5,265,190
TRICO SHRIMP CO INC	\$4,251,436
FORTUNE SHRIMP COMPANY INC	\$4,116,819
GOLDEN GULF COAST PKG CO INC	\$4,094,358
LOUISIANA SHRIMP AND PACKING INC.	\$4,064,887
WOOD'S FISHERIES INC	\$3,905,675
DOMINICKS SEAFOOD INC	\$3,683,244

The prospect of these companies actually receiving this money is doubtful for two reasons.

First, there is a move afoot in Congress, supported by major Republican committee chairmen in both the House and Senate, to repeal the Byrd Amendment in accordance with demands of the WTO. If this is done, whether 2005 requests will be honored would depend on the language of the repeal.

Second, historically, the amount of Byrd Money paid out is only a small percentage of actual requests. For example, in 2004, \$1.9 billion was requested, and \$284 million was paid out. In 2005, \$3.2 billion was requested, and \$226 million was paid out. For these years, the ratio for all industries was 7% to 15%.

Finally, the earliest any Byrd money would be paid out on shrimp anti-dumping duties is 2007, because all the duty assessments are subject to annual review and appeal, and this will delay the 2005 amounts until 2007.

One of the requirements for receiving Byrd money is that the company be in current operation. Any company, or vessel, that closes or ceases operation prior to 2007, would not be eligible.

Taking the average request of \$246,000, and the percentage of historical payout, if all Byrd money requested in 2005 by the shrimp industry is paid out, the average payout per company would be between \$17,000 and \$36,000. For many vessels, the prospect of getting \$17,000 to \$36,000 in three years is not a sufficient incentive to keep operating at a loss for the next three years.

The annualized value of the request, i.e. over \$700 million, is two to three times the value of the entire domestic gulf shrimp landings.

Sen. Stevens now plans to move Magnuson reauthorization much faster

SEAFOOD.COM NEWS

[Environment and Energy Publishing]

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By Allison A. Freeman

Senate Commerce Committee Chairman Ted Stevens (R-Alaska) is pushing for a more aggressive timeline for his rewrite of a major U.S. fishery management law, with plans to vote on a bill in committee next week, according to committee staff. The markup for the Magnuson-Stevens Act reauthorization has not been finalized or announced but is planned for Dec. 15, according to Stevens spokeswoman Melanie Alvord.

The move marks a change of pace from the timeline Stevens put forward at the bill's first hearing last month. At the time, he said the legislation, S. 2012, would be too

cumbersome to move right away, adding he hoped for a January committee markup and arrival on the Senate floor in February.

The bill would reauthorize the Magnuson-Stevens Fishery Conservation and Management Act and expand its emphasis on conservation and scientific assessments. Stevens was an author of the original bill 30 years ago. The authorization for that measure expired in 1999. When introduced last month, the bill received bipartisan backing from members of the committee and some support from fishing and environmental groups. Cosponsors include Republicans and Democrats from coastal states across the United States -- Sens. Daniel Inouye (D-Hawaii), Olympia Snowe (R-Maine), Susan Cantwell (D-Wash.), Barbara Boxer (D-Calif.) and David Vitter (R-La.).

The bill gives fishing council scientific advisory panels an elevated role and sets up a system for councils to assess 'limited access privilege' programs, which give fishing vessels a certain percentage of a catch they can fish for a species. The proposal also calls on NOAA to create regulations to streamline the Magnuson-Stevens and National Environmental Policy Act process.

Environmental and fishing groups have applauded the legislation and given it qualified support. The National Fisheries Institute, which represents the fishing industry, praised the bill but called for changing the term 'overfished' to 'depleted.' Fishers say that 'overfished' can be a misnomer, as it does not reflect changes due to natural fluctuations or other factors. Several environmental groups, including the Natural Resources Defense Council, have said the bill would provide important new protections for threatened fisheries. They recommended adding a requirement for a hard cap on annual catch limits.

But Amanda Leland of Environmental Defense thinks a markup this month would be rushing the bill and yesterday called for more time for review and comment. Specifically, her group is concerned about language for the limited access privilege, or catch-share, programs. Environmental Defense is an advocate of the programs when designed in certain ways, saying they can give commercial fishers a financial interest to protect their shares through conservation. But Leland said the bill contains too many requirements that would create hurdles for fishery management councils that want to implement them.

Thailand plans WTO complaint on U.S. shrimp bonds

SEAFOOD.COM NEWS [Bangkok Post] - December 7, 2005 - Thailand will file a complaint against the United States with the World Trade Organisation in an ongoing dispute over Thai shrimp exports. Thai officials say a US requirement for shrimp importers to set aside a bond to cover anti-dumping tariffs violates global trade rules.

Rachane Potjanasuntorn, the director-general of the Foreign Trade Department, said the bond requirement represented a "duplicate burden" on Thai exporters.

"The WTO allows members to impose anti-dumping duties. The requirement to set aside a bond as a deposit means we have to bear extra costs on top of anti-dumping duties," he said.

"We have consulted with our WTO representatives in Geneva and we are able to raise a complaint with the WTO because the bond imposes a duplicate burden."

Last December, the US Department of Commerce imposed a 5.95% anti-dumping tariff on Thai shrimp.

In March, the US Customs Department announced that it would require shrimp importers to post a bond to cover the dumping tariff, calculated based on the value of the previous year's imports. In practice, exporters bear the cost on the importers' behalf.

Thai officials had hoped that the US would lift the duties to assist shrimpers affected by last December's tsunami, but last month the US International Trade Commission left the duty rate unchanged.

Mr Rachane said Thailand would approach other countries affected by anti-dumping tariffs on shrimp to make a joint complaint to the WTO.

Poj Wattananon, the president of the Thai Frozen Foods Association, said that since March, Thai exporters had placed guarantees worth two billion baht to cover the US requirement, with the figure for 2006 expected to reach 4.1 billion baht.

For the first 10 months of the year, Thai shrimp exports totalled 130,764 tonnes, up 30.8% year-on-year, with the value rising 18.1% to 32.1 billion baht.

Mr Poj said Thai exporters expected to receive refunds for 2005 bonds by the third quarter of 2007.

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Indonesian shrimp exporters urge government crack down on trans-shipment

Asia Pulse Pte Ltd - December 6, 2005

JAKARTA, Dec 7 Asia Pulse - Fishery companies have asked the Indonesian government to get tough on shrimp exporters using false certificates of origin to transship shrimp from China for export to the United States.

The United States government has threatened to slap an anti-dumping import duty on Indonesian shrimp importers for the alleged use of false certificates of origin for Chinese

shrimp.

The US has imposed heavy surcharges on shrimp imports from a number of countries including China, Thailand, Brazil, Ecuador and Vietnam for dumping, and will charge other countries with circumvention for transshipping shrimp from those countries.

The reports said the US government will impose a 112 per cent surcharge on shrimp imports from Indonesia.

A chairman of the Association of Fishery Companies (Gappindo) Johannes Kitono said the fake certificates of origin had damaged the reputation of Indonesian shrimp industry.

Kitono said that strong measures should be taken against the exporters using false documents to save the country's shrimp market.

The Indonesian government has banned shrimp imports in bid to prevent transshipments.

Indonesia's exports of shrimp are valued at around US\$300 million a year and the United States is the largest buyer, accounting for 35 per cent of the exports.

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San Jose Mercury News editorial sees problems, not promise, in marine aquaculture

SEAFOOD.COM NEWS [San Jose Mercury News] - December 7, 2005 - The ongoing debate between scientists and public-health experts over the health impacts of eating farm-raised salmon is not only confusing to consumers, but has regrettably overshadowed some of the other significant problems associated with farming fish in the sea.

This is particularly worrisome now that the Bush administration has proposed opening up America's exclusive economic zone, the area that extends from three to 200 nautical miles from land, to aquaculture.

Marine aquaculture, which is primarily confined to state waters or that area within three miles from the shoreline, involves the production of mollusks such as oysters, clams and mussels, as well as fish. Freshwater fish such as carp have been farmed in ponds for thousands of years with little environmental damage.

However, the raising of fish in the ocean is a relatively recent phenomenon, dating back to the early 1960s. Most of the problems associated with marine aquaculture are linked to the farming of fish such as salmon which, because they are carnivores, are fed a diet

comprised principally of ground up fish and fish oil.

There are numerous problems associated with raising carnivorous fish in densely packed net pens in the ocean. They include pollution and degraded water quality resulting from uneaten food and the large amounts of fecal material they produce, along with the pesticides, antibiotics, and other chemicals used to promote their growth, combat disease and control algae. When caged fish escape, as they do in large numbers each year as a result of storms or faulty infrastructure, they threaten wild fish populations by competing for available food and habitat, changing the genetic makeup of wild stocks through interbreeding, and spreading pathogens and parasites.

Perhaps the biggest problem, however, is that, on average, between two and three pounds of wild fish are needed to produce one pound of farmed fish such as salmon. Hence, while many people assume that farming marine fish serves to reduce pressure on wild fish populations, the opposite is actually the case.

The farming of marine fish, the way it is practiced today, further exacerbates pressure on wild forage fish such as anchovies, herring and menhaden that are commonly used in fish meal. In turn, this places additional stress on other parts of the marine food web that depend on these wild fish for food.

Government officials claim that raising fish and shellfish in the sea is similar to raising livestock on land. It is not. Beef and dairy cattle, sheep, and poultry are primarily herbivores. They eat little or no animal protein.

A more apt land analogy to raising carnivorous fish would be rounding up wild deer and ducks to feed to farm-raised wolves or tigers. Obviously, we don't do this as it would make no economic sense. It would cost far more to raise one of these meat-eating animals than one could ever hope to gain from its sale as a food source.

The government also claims that a proposed \$5 billion aquaculture industry, five times greater than that which exists, could generate 500,000 direct jobs. However, extrapolating from the marine aquaculture industry worldwide, the number of actual jobs likely to be created by an industry of this size is far lower, closer to 50,000.

Finally, the government argues that increasing the domestic marine aquaculture industry will help to offset the \$8 billion annual trade deficit in seafood. One wonders, however, why taxpayers should subsidize a part of the seafood industry that has potentially damaging consequences to the U.S. marine environment, and also lowers prices that U.S. fishermen get for their catch, when the economic benefits are likely to be marginal at best.

While fish farming in the ocean may hold potential to produce seafood without damaging the marine environment, it does not now. Before further opening up the nation's oceans to this type of activity, the aquaculture industry needs to fix some of the major environmental problems associated with raising carnivorous fish in the sea, and

Congress should require that it do so.

For unless steps are taken to ensure that farming marine fish is done with adequate environmental safeguards, the costs to the nation's marine environment, and ultimately to all Americans, may far outweigh its benefits.

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