

March 31, 2023

**To:** Michael Rubino, Ph.D., Senior Advisor for Seafood Strategy  
NOAA Fisheries Office, NOAA Fisheries Directorate

**From:** The domestic shrimp industry of the Gulf of Mexico and South Atlantic United States

**Re:** Comments on the Draft National Seafood Strategy

Dr. Rubino,

Thank you for the opportunity to comment on the NOAA Draft National Seafood Strategy. We commend NOAA Fisheries for recognizing the value of stakeholder input in addressing the many opportunities and challenges facing our domestic seafood sectors.

We are a group of **20 allied organizations and companies** representing more than 4,000 seafood businesses of the U.S. Gulf of Mexico and South Atlantic region involved in the harvesting, processing, and distribution of wild shrimp. Through this letter, we hope to briefly highlight our background and status and to emphasize three practical recommendations for addressing the economic vulnerability of our industry.

#### *Background*

**The commercial harvesting of shrimp dates to the mid-1700s** and is one of America's oldest seafood sectors. The U.S. domestic shrimp industry experienced rapid growth throughout most of the 20<sup>th</sup> Century, rising in prominence to become one of the nation's largest marine commodities by volume and value. In the past 40 years, dockside revenues for **U.S. landed shrimp have exceeded \$500 million annually, with more than a billion in value-added sales supporting many thousands of sector-dependent business and jobs.** Nearly all of this activity derives from commercial operations in the U.S. Gulf of Mexico and South Atlantic region. These shrimping families represent the foundation of the local cultural fabric and basis of localized economies.

During this same period, shrimp have emerged as the nation's most popular seafood, accounting for the largest percentage of seafood market share and per capita consumption. Most of this recent growth, however, has been driven by imported shrimp.

From initial production trials in the 1960s, the global shrimp aquaculture industry has grown to an economic juggernaut, with an annual volume approaching 5 million tons. This production derives primarily from countries of the Asian-Pacific Rim, and for decades the primary importer has been the United States. **The amount of shrimp imported to the U.S. rose from 225 million pounds in 1980 to more than 2 billion pounds in 2021.** The value of these imports exceeded \$7.8 billion dollars in 2022.

#### *Status*

The influx of imported shrimp and the resulting commoditization of the global shrimp market has proven especially problematic for domestic harvesters. Despite rising costs for fuel and labor, the price of Gulf shrimp, for example, has not increased since 1980. For the past 40 years, the average dockside price of Gulf shrimp (all species and grades combined) has ranged from \$1.50-\$2.00 per

pound. **Adjusted for inflation, this stagnation equates to a 70% reduction in the real price of shrimp paid to domestic harvesters since 1980.** As the profitability of domestic shrimp harvesting has decreased, increases in shrimp demand have been serviced by imports - and the share of domestic landings in the U.S. shrimp market has dwindled from 90% to less than 10%. As a result of these forces, the U.S. now has less than 40% of the shrimp harvesting vessels it had just 20 years ago. **The remnant fleet, which for years has operated on increasingly thin margins, is now at a threshold that will prove devastating in the absence of intervention.** Last year, and this year, many of our vessels could no longer afford to operate, and will remain in port during much of the season. Recent articles from seafood news media have conveyed the crisis with headlines like ***Brink of Collapse*** and ***Verge of Extinction***. The value of the shrimp fishery is not purely economic but cultural and personal as well. Generations of people have carried forth this industry and its rich history. The connection of this industry to food on the table is not readily understood by the consumers who should be made aware of its importance. We feel that the American market demand for good quality shrimp is sufficient to support our wild caught shrimping industry if mechanisms are in place to give domestically harvested product priority access to the American consumers.

### *Recommendations*

At the height of our crisis, we are heartened to see that the Draft National Seafood Strategy already highlights several issues of tremendous importance to our industry. We are particularly encouraged to see an emphasis on **fair trade** and **domestic markets** under Goal 3, and the focus on **seafood security** under Goal 4.

We agree that a viable National Seafood Strategy (to quote the Draft Plan) should address important issues such as:

*“...the **resilience of coastal fishing communities; the financial viability of the seafood industry; the effects and opportunities of international trade; and the importance of seafood (to) food security...**”*

To this extent we strongly encourage that **three critical issues** be fully addressed in the final revisions to the National Seafood Strategy.

#### **1. Expand the capacity for seafood import inspection and enforcement**

The Draft Plan recognizes the need to “...*decrease our reliance on foreign fisheries that are at greater risk of overfishing, Illegal, Unreported, and Ungulated (IUU) fishing, and forced labor*”. We contend that the final document should also include *foreign aquaculture* as an additional source of these concerns. There are many well-documented cases of IUU and labor issues in foreign aquaculture. Foreign shrimp farming continues to be challenged by environmental degradation and the use of harmful substances. In comparison, domestic shrimp are highly-regulated and free from banned chemicals and antibiotics.

We encourage NOAA to specifically acknowledge and endorse the more than 20 goals and objectives called for by the Food and Drug Administration (FDA) in their February 2023 report: “*Activities for the Safety of Imported Seafood*”. **We request that NOAA Fisheries acknowledge this report in the revised plan and reiterate the call for increased capacity and training for seafood import inspection agents, increased border surveillance, public awareness of consumption risk, and more rapid and effective response to seafood import violations.**

## **2. Develop new programs to improve domestic seafood security**

It is commendable that the issue of *food security* has been included in the Draft Plan. Indeed, an increasing national focus on food security has grown from supply chain vulnerabilities exposed by the Covid-19 pandemic. American consumers are coming to grips with how dependent they have been on foreign sources especially in times of international stress. Going forward, ***seafood must be included in this emerging national focus of food security.*** We encourage NOAA Fisheries to acknowledge in the National Seafood Strategy the need for programs and policies for seafood that are similar to those implemented for agricultural security under the U.S. Farm Bill. There are many potential approaches, including domestic price supports, tax incentives, increased fuel credits and institutional purchases of domestic seafood commodities that should be implemented on a continuing basis to ensure ongoing national food security.

Beginning in 2020, the Agricultural Marketing Service (AMS) branch of the United States Department of Agriculture (USDA) increased its purchase and distribution of food products by \$159.4 million. **This expansion included the largest institutional purchase of American seafood in our nation's history.** Embedded in the seafood purchase was the first-ever inclusion of wild-caught American shrimp, never before considered eligible for the USDA/AMS program. **From 2021 to 2022, a total of \$50 million in cash from USDA was infused into the shrimping industry,** and 7.6 million pounds of domestic shrimp taken out of inventory and distributed nationwide. We request that NOAA Fisheries specifically acknowledge this initiative in the revised plan. **Expanded institutional purchases are vital to securing domestic seafood security and sustaining our domestic shrimp sector.**

## **3. Reevaluate the distribution seafood import duties**

Section 32 of the Agricultural Adjustment Act of 1935 authorizes the federal government to redistribute public funds in support of agricultural prices and markets. In the context of seafood imports, **the law allows for the collection of trade duties to provide financial assistance to domestic shrimp producers that may be negatively affected by imports** of seafood products.

The two billion pounds of foreign shrimp imported annually account for the largest volume of any U.S. imported seafood commodity. The U.S. Department of Commerce has worked through the International Trade Commission (ITC) to impose anti-dumping duties on shrimp imports from six countries (Brazil, Ecuador, China, India, Thailand, and Vietnam). **These import duties have resulted in almost a half billion dollars in government collections from 2010-2020. Yet the businesses for which these duties are collected to protect rarely see direct support from this program.**

Although seafood import duties do support the domestic industry indirectly by funding government operations (NOAA Fisheries) and targeted research (Saltonstall-Kennedy), we call on your office to **revisit the original intent of Section 32 and to identify more direct and equitable ways to allocate these funds across the industry, including harvesters. Without some realignment and intervention, there will be no domestic shrimp sector to protect.**

We understand these recommendations come with a substantial commitment of time and effort by NOAA Fisheries and other federal agencies. Our organizations have spent decades on the front line of these issues, and we are prepared to continue working with federal agencies and our congressional delegations to achieve much needed progress.

**Our overriding request is that the 3 issues outlined above be fully addressed in the final version of the National Seafood Strategy.** Please let us know when and where we can expect to receive feedback from your office. Responses can be sent to the email addresses below.

NOAA Fisheries has an opportunity to signal its commitment and support to one of the nation's oldest seafood sectors. In doing so, your office will provide hope to the many coastal communities, business, families, and individuals who depend on domestic seafood for their heritage and livelihood.

We thank you again Dr. Rubino for the opportunity to provide our collective input to this important document and we look forward with great anticipation to working with you and your office.

With appreciation,

*Organization Signees*

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CC: Congressional delegations of Texas, Louisiana, Mississippi, Alabama, Florida, Georgia, South Carolina, and North Carolina.