

The Shrimp e-Advocate

NEWSLETTER

MARCH 2010

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

[SSA Website](#)

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Dear Member:

These are interesting times. Almost everyone in our industry has seen better days, and it seems like we are fated to always be locked in some struggle of one kind or another for survival. This last year shrimp prices fell to such ridiculous levels, you had to laugh to keep from crying. And while most every shrimper is barely getting by, there are even more issues coming that threaten us with additional problems. I write this after leaving yet another meeting on fisheries management where yet another angle has been taken in the quest to quietly shut part of our industry down.

It is with this in mind that I say that I understand the frustration that most feel. I share that frustration. I also feel the same disappointment, also question whether anything can ever be done to turn things around, and also fight the desire to throw up my hands and give up. But then the moment passes and it's time to get back to work. There is a lot to do.

In the last few months, the Southern Shrimp Alliance has undertaken an ambitious project aimed to provide a lifeline to the industry. We reached a tentative settlement with Thai exporters that would result in over \$100 million being made available to the domestic shrimp industry in return for the removal of antidumping duties on imports of Thai shrimp. We believe that getting a significant amount of funds into the industry's hands as quickly as possible is essential to this industry's survival.

I believe that what we've put on the table is a good, although not perfect, deal. But my beliefs and a quarter will only get you a pound of shrimp at the docks these days. The question of what ought to be done with respect to a potential settlement is something that every member of the industry should decide for himself or herself.

Many from our industry have already come together and discussed how settlement funds should be used to best help the industry. The consensus reached from these discussions is set out here in concrete terms. The plan for how settlement funds are to be used is supported by the North Carolina Fisheries Association, Carteret Catch, Carteret County Fisheries Association, Lowland Seafood, the South

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Carolina Shrimpers Association, the Georgia Shrimp Association, the Southeastern Fisheries Association, Inc., the Organized Seafood Association of Alabama, the Lake Pontchartrain Fisherman's Association, the Ladies of Lafourche, the Association of Family Fishermen, the Louisiana Bayoukeeper Inc., the Texas Shrimp Association, the Port Arthur's Area Shrimper's Association, and the Brownsville-Port Isabel Shrimp Producers. The plan is also supported by hundreds of individual shrimp fishermen working our waters from Texas to North Carolina, scores of shoreside facilities that serve those same fishermen, and over forty-five shrimp processors that fully understand that without shrimp boats there is no industry.

A great deal of thought and debate has gone into the proposed settlement plan. Those who support settlement could have held out for greater benefits for their members, their constituencies, or themselves. Instead, these organizations, businesses, and fishermen have put the interests of the industry as a whole above parochial interests, once again disproving the myth that members of the shrimp industry are constitutionally incapable of cooperating in furtherance of a greater good.

Of course, this does not mean that everyone in the industry agrees with this proposal. Settlement has been fiercely opposed by members of the American Shrimp Processors Association. ASPA has a fundamental belief that settling a trade dispute with Thailand will further harm the US Shrimp Industry. I disagree. The SSA has been at the forefront of the trade action for the past seven years and have worked on all of the trade issues everyday of those seven years. What the SSA has proposed here with the Thai AD order is an alternative to the status quo regarding distribution of much needed funds from the CDSOA (Byrd) program. Without a settlement, CDSOA funds will continue to be distributed as they have been where a small group of businesses will receive a disproportionate amount of funds. Through last year, ASPA members had received over \$79 million of collected duties on imported shrimp through the Byrd Amendment. They apparently expect to receive significant sums of Byrd distributions in the future. But the arguments made against settlement do not, as a rule, recognize this fact. Instead, people are falsely told that any funds obtained from settlement will not go to the industry. Rumors and whispering campaigns attacking the Southern Shrimp Alliance, and fears of Thai imports running rampant in the U.S. market are exaggerated.

Since the antidumping investigations began, Thai shrimp imports have actually increased significantly into the

U.S. The value of these imports, on a per pound basis, has declined. Two major Thai exporters have been excluded from the antidumping order and now ship to the United States free of any antidumping duties. We looked at these facts and determined that we had to try and figure out another way. But ASPA disagrees.

For these reasons and because our fishermen are facing an unprecedented crisis, the number one priority of the Southern Shrimp Alliance is to bring this proposed settlement to fruition. ASPA's opposition means that everyone in the industry is going to have to voice an opinion - either in favor of the plan contained in these pages or in favor of the status quo.

For those that have not yet made their decision because of ASPA's opposition, I hope that you will ask them one simple question. Ask them why shrimp purchasers deserve to receive the vast majority of the funds distributed under the Byrd Amendment. If you hear that the law is the law, that they're not responsible for the law, and that's just the way it is, then I hope you will tell them back that law also says that trade disputes can be settled, that's just the way it is, and that's the way is going to be. There has been mention of "trickle down" economics with respect to how shrimp purchasers receiving vast amounts of Byrd funds will help this industry, but at historic low dock prices for shrimp last year, I fail to see how the "trickle down" is working. There has also been mention of vague promises of action that Congress will take at some point in the future to save this industry, but if we have to wait for Congress to save our industry, we are all doomed.

We have a unique and unprecedented opportunity to do something to significantly help the working men and women of our industry. I am committed to doing everything I can to make that happen. Thank you for your support,

John Williams
Executive Director
Southern Shrimp Alliance

**SSA / State Trade Associations Proposed
Distribution of Thai Settlement Funds**

Background

The Southern Shrimp Alliance and Thai Frozen Foods

Association have reached an agreement to settle the trade dispute regarding dumped shrimp from Thailand. Pursuant to the agreement, in return for the revocation of the antidumping duty order on Thai shrimp, refunded antidumping duty deposits would be placed in escrow accounts whereby fifty percent of those deposits were returned to the relevant importers and fifty percent would be made available to the domestic industry. However, regardless of the total amount of antidumping duty deposits involved, a minimum of \$100 million would be made available to the domestic industry. Distribution of these funds is to be made by the escrow agent according to the settlement design proposed below.

Summary of Distribution

**\$250,000 to each of the 8 states for associations
(\$2million total)**

\$7 million for marketing

**10% to SSA :
[(Settlement amount-\$2million (associations)-\$7
million (marketing))X.10= SSA]**

**Of remaining funds
(settlement amount-\$2million-\$7 million-SSA):**

- 10% to processors
- 90% to vessels

Disbursement

1. \$250K of settlement funds to be allotted to each state of the 8 Gulf/South Atlantic States for its food shrimp industry related organizations, to be used in furtherance of the organization's exempt purposes that benefit the shrimp industry.

In order to be eligible for these funds, an organization must have affirmatively supported the Thailand Changed Circumstances Review in writing by Friday, March 19, 2010 and remained in support throughout the review. Additionally, the organization must have been registered with their state by December 31, 2009. Each eligible organization will receive a minimum distribution of \$10,000. The remaining funds shall be allocated to eligible organizations based on the number of shrimp vessels associated with their members as of December 31, 2009.

A committee in each state comprised of one representative from each eligible organization in that state will be formed to draft an official request for the funds according to terms a majority of the committee agrees upon.

2. \$7M to be allocated for marketing. A feasibility study will be conducted in working towards a national marketing plan for shrimp/seafood. The study will include an assessment of previous shrimp marketing efforts as well as an evaluation of performances and opportunities in collaborating with other nationally marketed seafood. A direction for marketing shall be determined within 2 years of receipt of the funds or the funds shall be distributed to the industry. It is strongly held that any marketing effort be self-sustaining from the beginning. The senior Board member from each State of the Southern Shrimp Alliance, Inc., shall sit on a Shrimp Marketing Committee, to be established, to oversee and approve the expenses of this study.

3. 10% of the remaining settlement funds to be distributed to SSA, to be used to benefit the domestic shrimp industry in furtherance of SSA's exempt purposes. Such funds will be used to continue to advocate for the shrimp industry's interests with respect to fisheries management issues, will work to address harm caused by imported shrimp, represent the industry's interests generally before the federal government, and coordinate with state and local organizations to promote the industry. Expenses associated with this agreement will also be paid from this allocation.

4. After allocations in 1-3 above, 10% of the remaining funds will be distributed to those processors who have not opposed the Thai settlement agreement.

- Processors that supported the Thailand CCR will determine how these funds will be disbursed.

5. After allocations in 1-3 above, 90% of the remaining funds to be distributed to shrimp vessel owners of the 8 Gulf and South Atlantic states.

- Funds to be distributed to states at the percentage rates shown below.

- Percentages are based on the value landings for the years 1998-2008.

NC - 3.00	AL - 7.94
SC - 2.04	MS - 5.15
GA - 2.45	LA - 32.74

FL - 11.16

TX - 35.53

Vessel Disbursement Guidance:

- An Advisory Panel will be established in each state to determine how the funds should be used to benefit the state's commercial food shrimp industry.

- Each Advisory Panel will include 7 individuals representing the state's shrimp industry and will be selected by the respective state's organization(s) as cited in section 1.

- It is recommended that A.P. members be selected that represent an array of industry sectors, i.e. vessel owners; shore-side facilities and neutral parties knowledgeable in the shrimp industry.

- It is recommended that Advisory Panels solicit and consider input from organizations and industry members through public meeting(s) on how funds should be disbursed or used.