

**Testimony of Senator Thad Cochran**  
**International Trade Commission**  
**Hearing on Antidumping Duties for Frozen**  
**Warmwater Shrimp**

**Inv. Nos. 731-TA-1063, 1064, and 1066-1068 (Final)**

Chairman Okun and members of the Commission, thank you for giving me the opportunity to testify before you today. I am here to give voice to the shrimp harvesters, their docks and the shrimp processors from the state of Mississippi and from across the country. Today, I ask this Commission, the institution charged with preventing the unfair dumping of foreign products into the United States, to vote against revocation of the orders on frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam. Preservation of these orders is necessary to

promote the long term viability of the domestic shrimp industry, a vibrant and important part of this nation's economy and a cultural institution in our Gulf region.

The shrimp industry, like other domestic industries, relies on the International Trade Commission to enforce the U.S. trade laws and ensure that domestic workers and domestic industries can compete on a level playing field. I urge the Commission to make the right decision in this case and vote against revocation of the antidumping orders, as revocation may permanently destroy this nation's domestic shrimp industry.

A significant number of Mississippians are involved in the shrimp industry. In 2009, Mississippi produced over 10 million pounds of shrimp at a value of almost \$13 million

dollars and contributed to a total economic impact of about \$115 million dollars.

Before imposition of the antidumping orders, domestic prices for shrimp were in a state of freefall in order to compete with unfairly priced imports. The domestic shrimp industry was also experiencing declines in employment, wages paid to workers, and declines in revenue. There was also a significant decline in the number of shrimp fishing licenses.

Fortunately, the antidumping duty orders imposed on shrimp from these five countries have been successful. Imports that are subject to antidumping duties have fallen to levels well below their pre-petition peak in 2003.

Moreover, the orders have imposed discipline on subject import prices, stabilizing prices for the domestic industry.

The domestic industry's shrimp production has also increased since imposition of the orders. In Mississippi, shrimp production totaled approximately 10 million pounds in 2009, a 26 percent increase when compared to 7.8 million pounds in 2005. Additionally, due to the market discipline provided by the orders, domestic shrimp processors had the confidence they needed to make capital investments, such as purchasing new equipment and freezers that have helped the industry improve its efficiency and increase production. These positive trends will be reversed if the orders are revoked. Of course, the production data from 2010 is down, due to the blowout of the oil well that devastated this industry and countless

others across the Gulf region. But the industry is already pulling itself back on its feet, and it is committed to fighting for its long-term survival.

A story from one of our local processors in Biloxi illustrates the resilience of our country's shrimp industry. M&M Processing is a notable company that began decades ago with the philosophy of attracting "customers, not sales." M&M was one of the many shrimp processors that had its facility completely destroyed after Hurricane Katrina in 2005, but within a week of the storm, plans were already being made to rebuild the facility. By the summer of 2006, M&M was boasting a new facility and new machinery that took its production lines from merely operational, to optimal. The new technology, including stainless steel construction and automated feed systems, has

made M&M more efficient, helping to save processing costs while increasing production.

M&M's story, while remarkable, is not unique for this industry. Many other shrimp fishermen and processors have lost everything, but refuse to give up. They renewed their commitment to the Gulf region by reinvesting in this vital and culturally significant industry. Absent antidumping orders to level the playing field, this reinvestment would have been virtually impossible.

As you probably know, most of the domestic shrimp fishermen and shrimp processors run small family businesses that create jobs in their communities across the Gulf. They simply cannot compete against illegal dumping by huge foreign enterprises. If they lose their businesses,

they lose their only way of life and their only means of an income. This is something that must be taken into consideration, especially during this time of economic hardship.

If the orders are revoked, subject countries have the capacity to resume larger volumes of exports to the U.S. market at dumped prices, inevitably causing this nation's domestic shrimp industry to suffer additional significant damage. The Commission should keep in mind that shrimpers in my state and across the U.S. have been subjected to a series of misfortunes with the 2005 and 2008 hurricanes, the economic recession, and most recently, the Gulf oil spill. This is a vulnerable industry and it will not survive a barrage of illegally dumped shrimp from the subject countries.

February 1, 2011

I trust that when you review the facts of this case, the Commission will vote not to revoke the antidumping orders on frozen warmwater shrimp. Revocation of the orders will have a serious impact on my state and the domestic shrimp industry as a whole. We need to protect this vital domestic industry.

Thank you again for the opportunity to share my views with you today.