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Royal Red Shrimp Fishery, Imports from Argentina, Gulf Shrimp Permits, and Recent Economic Performance of Permitted Vessels

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Royal Red Shrimp Fishery

- Gulf royal red shrimp landings at Atlantic ports have been < 3,400 pounds total from 2015-2017 and none in 2018/19
- 3 of 5 years of data are confidential from 2015-2019, so difficult to ascertain trend in ex-vessel price. Though preliminary 2020 data suggests nominal price down to \$3.50/\$6.30

<u>Year</u>	<u>Number of Vessels</u>	<u>Number of Dealers</u>	<u>Nominal Ex-vessel Price (heads-on/ heads-off)</u>
2015	6	5	\$3.77/\$6.79
2016	4	2	confidential
2017	5	3	\$3.68/\$6.62
2018	4	3	confidential*
2019	3	2	confidential



Imports from Argentina

- Imports from Argentina more than tripled from 2015-2020, falling back some in 2021. Species not identified in data. Vast majority are warm-water shrimp that may compete with Gulf Red

<u>Year</u>	<u>Total Imports (lbs)</u>	<u>Warm-water (lbs)</u>
2015	11,180,541	10,937,543
2016	17,051,303	16,579,693
2017	27,671,511	26,472,466
2018	24,323,590	23,790,165
2019	29,002,261	28,364,967
2020	38,227,319	37,829,277
2021	33,326,665	32,025,218

Farmed vs Wild Harvest Argentina Imports

- However, new Customs HTS codes allowed NMFS to determine wild from farmed product starting July 2021. Much higher percentage of Argentina imports are farmed than expected. Farmed product would not be red shrimp and would not directly compete with Gulf Red.

<u>Month</u>	<u>Farm Pounds</u>	<u>Wild Pounds</u>	<u>Total Pounds</u>	<u>Percent Farm</u>
July	476,070	1,541,314	2,017,384	23.6
August	114,325	1,778,202	1,892,527	6.0
September	326,431	2,199,895	2,526,327	12.9
October	983,730	3,457,148	4,440,879	22.2
November	1,149,826	2,924,836	4,074,662	28.2
December	1,301,167	2,385,807	3,686,973	35.3
Total	4,351,550	14,287,203	18,638,753	23.3

Valid and Active Gulf Shrimp Permits

- Updated for 2015-2019 in table below using current, official counts of valid permits per year.
- Only uses data from historic Gulf shrimp landings dataset – annual landings form data not considered. May underestimate actual count of active permits based on previous analysis looking at both.

<u>Year</u>	<u>Number of Valid Permits</u>	<u>Number of Active Permits</u>
2015	1,471	1,060
2016	1,454	1,054
2017	1,442	1,073
2018	1,426	1,053
2019	1,418	1,008

Valid and Active Gulf Shrimp Permits

- 2015-2019 estimates based on SERO's current, official approach for counting valid permits in a year, where a permit is counted if valid for at least one day even if later terminated in that same year as they could have legally fished under the permit.
- Estimates for earlier years in Ams. 17A/B, including open access years (2003-2006), but using a different methodology (2007 is hybrid year of both permits).
- Moratorium permit data requested early in the following year for various survey purposes, but all permits that had already terminated were eliminated from the counts. So underestimates counts of valid and active permits relative to current approach.
- What is AP's view on what is needed for Amendment and other purposes from this point forward?

Economic Performance of Gulf Shrimp Fishery from 2014-2019

- Please refer to pdf document in background materials
- Focus on difference between 2014 and average from 2015-2019, particularly the highlighted estimates.
- Given that 2020/2021 estimates are not yet available, our view is 2015-2019 average is indicative of current “baseline” economic conditions, whereas 2014 is not because performance clearly declined after 2014.
- Does the AP concur?