

April 30 - May 1, 2024

Southeast Shrimp Strategy and Planning



BURDEN CONFERENCE CENTER - BATON ROUGE, LA

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Burden Conference Center

Baton Rouge, LA

Executive Summary

The Southeast Shrimp Strategy and Planning Meeting convened from April 30 to May 1, 2024, at the Burden Conference Center. Hosted by Georgia, Louisiana and Texas Sea Grant College Programs with the Gulf States Marine Fisheries Commission, the meeting aimed to address the pressing challenges facing the shrimp industry, including economic hardships, market dynamics, regulatory issues and sustainability concerns. Key sessions covered topics such as USDA programs, shrimp marketing strategies, NOAA initiatives, legal and policy updates and USDA food assistance programs. A total of 61 attendees represented all eight warm-water shrimp harvesting states in the Southeast, from North Carolina to Texas. The attendees were a mix of harvesters, docks, processors, seafood buyers, state and federal agencies as well as Sea Grant and Gulf States Marine Fisheries Commission staff.

Day 1 of the Southeast Shrimp Strategy and Planning Meeting provided a comprehensive overview of the challenges and opportunities facing the industry, with stakeholders discussing strategies for enhancing competitiveness, sustainability and resilience in the face of evolving market dynamics and regulatory pressures.

The meeting commenced with Laura Picariello (Texas Sea Grant) and Gary Graham (shrimp industry) providing insights into the current state of the industry, highlighting economic challenges exacerbated by factors such as inflation, natural disasters and imported shrimp competition. Dr. Evelyn Watts then discussed the potential for transitioning shrimp regulation to USDA oversight, drawing parallels with the catfish industry's transition. Cody Adkins from the USDA Risk Management Agency then spoke on exploring new insurance programs tailored to the shrimp industry's needs, emphasizing the importance of revenue protection.

A panel on shrimp marketing, moderated by John Fallon, featured seafood buyers discussing their strategies for sourcing domestic shrimp and addressing consumer preferences. The panel underscored the importance of quality and sustainability in marketing domestic shrimp to differentiate them from imports.

NOAA representatives outlined the agency's strategies for supporting the domestic seafood economy. Discussions highlighted new efforts like the Seafood Strategy Office and Shrimp Futures and providing regulatory support for the industry, as well as efforts to combat illegal fishing practices and ensure sustainability.

Legal and policy updates provided by Melissa Daigle covered pending federal legislation impacting the shrimp fishery, including bills addressing trade, tariffs and community resilience. The presentations underscored efforts to promote domestic shrimp consumption, enhance market transparency and support industry resilience.

USDA programs focused on food assistance initiatives and farm-to-school programs, aiming to promote local seafood consumption and support producers. Discussions highlighted the importance of educating consumers about the nutritional benefits and sustainability of domestic shrimp.

Day 2 focused on participants identifying the key challenges facing the domestic shrimp industry, potential solutions and envisioning a successful shrimp industry future through collaborative breakout sessions and prioritization discussions.

Key Challenges:

- **Imports:** Unfair competition from imported shrimp due to lax regulations (environmental, health and safety), labeling inconsistencies, forced labor and potential subsidies.
- **Consumer Awareness:** Lack of consumer education regarding the benefits of domestic wild-caught shrimp.
- **Funding and Infrastructure:** Limited access to capital for equipment upgrades, infrastructure improvements and disaster relief.
- **Workforce Development:** Difficulty attracting and retaining skilled workers due to low wages, demanding work conditions and lack of training programs.
- **Regulation and Policy:** Complex and sometimes contradictory regulations hindering industry operations and increasing costs.

Action Items:

- **Marketing and Education:**
 - Develop a national brand identity for domestic shrimp.
 - Conduct a market and economic analysis for the shrimp industry.
 - Launch consumer education campaigns highlighting the sustainability, quality and taste of domestic shrimp.
 - Partner with schools and culinary programs to promote domestic shrimp consumption.
 - Educate the industry on quality best practices and create workforce training programs.
- **Policy and Advocacy:**
 - Push for stricter labeling requirements for imported shrimp, including country-of-origin labeling and menu labeling for restaurants.
 - Advocate for increased inspections of imported shrimp to ensure safety and compliance with regulations.
 - Lobby for policies that support domestic shrimp purchases by government programs and institutions.
 - Work with agencies like NOAA and USDA to streamline disaster relief programs and access to funding.
 - Advocate for the inclusion of shrimp in the Farm Bill to increase industry support.
- **Industry Collaboration:**
 - Maintain a collaborative industry group to share information, advocate for policy changes, and develop solutions.
 - Encourage collaboration between different sectors of the shrimp industry (shrimpers, processors, retailers) to strengthen the supply chain.
- **Workforce Development:**
 - Invest in training programs to improve skills and attract new generations of workers to the industry.
 - Address challenges related to substance abuse and mental health within the workforce.

Additional Considerations:

- Supply chain mapping and transparency: There is a need for analysis and communication surrounding shrimp's path from boat to plate and costs associated at each level.
- Investigate opportunities for funding through existing programs (SK Grants, loan programs) and potential new initiatives (USDA Regional Food Business Centers).
- Explore the feasibility of USDA crop insurance for the shrimp industry.
- Identify solutions for overcoming limitations in public-private partnerships for infrastructure development.

Next Steps:

- Participants are encouraged to share meeting summaries with local groups and state representatives.
- Industry partners will develop and implement action plans based on the identified priorities.
- Continued communication and collaboration are essential for achieving positive outcomes for the domestic shrimp industry.

Overall, this meeting highlighted the need for a comprehensive approach that addresses various challenges faced by the shrimp industry. By working together, the industry can create a more sustainable and prosperous future.

Full Meeting Summary

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For agenda and participants, see Appendix A.

Videos of the presentations are available on the Gulf States Marine Fisheries Commission YouTube Channel: www.youtube.com/watch?v=J8FDZ4OduiE.

Day 1

Setting the Stage – Laura Picariello and Gary Graham

Laura Picariello (Texas Sea Grant) helped set the stage for the meeting and Gary Graham (shrimp industry member and former Sea Grant) gave the opening. After discussing how he got into the industry and inspiration for his career, Graham explained that what he is seeing now is a new situation. “Even in the ‘50s there were economic problems. Seventies’ - fuel prices and shrimp market collapse. Has always been problems.” We have lots of shrimp. The resource is there, but the economics are not. For example, his new insurance is more than \$29,000 for one vessel this year. We have reached a new place for the industry where costs continue to rise and shrimp prices continue to fall; something must change. It’s really rough right now.

Picariello discussed the current state she sees at the docks and the many extra stressors and hurdles that have compounded for the industry, including the problems of the global level of shrimp production. The U.S. consumed 1.6-1.7 billion pounds of shrimp and imported 1.9 billion pounds. The industry is facing inflation, natural disasters, imported shrimp and concerns about the quality (use of banned chemicals and antibiotics) of shrimp coming into the country.

Session 1 – USDA Programs – Dr. Evelyn Watts

Given several recent requests from some members of the shrimp industry to better understand the potential for shrimp to transition to USDA, Dr. Evelyn Watts presented (*see slides, Appendix B*) on a similar situation where a seafood product transitioned under USDA – catfish. Watts presented on the final rule for USDA-FSIS Inspection Program for Siluriformes (Catfish) implemented in March 2016 with a phase-in that moved catfish from NOAA to USDA, fully implemented Sept. 1, 2017. This was pushed for by the U.S. catfish aquaculture industry to fight against the quantity and price of other catfish-like

imports known as basa, pangasius or swai. The inspection process is normally for meat and poultry before and after slaughter during hours of operation where an inspector must be on site. After slaughter, value-added processing is inspected on patrol with one inspector rotating around for eight hours, 40 hours a week. If above and beyond the normal working hours, the facility must pay the inspector's time. Retail and some others like cooking and smoking are exempted. For wild-harvested seafood/catfish, this is a problem as it's harder to work in the normal 40-hour work week. Under USDA, everything must have HACCP plan. There were also concerns with salmonella that required going out every other month to each facility to take samples. There were more catfish landings (increasing trend) going into 2017, but then landings saw a drop after the rule went into effect. Prices have been steady, but no large increase versus imports has been realized. Lessons Learned: it may be difficult to use meat rules and guidance for fish and while this switch may allow more regulation for imports, it may introduce more regulation on domestic industry.

Discussion (participant comments):

- USDA program does not fit the shrimp program and some catfish harvesters went out of business when the USDA changed the catfish industry.
- It has been difficult for catfish, and Watts worked with each processor. Catfish is a smaller industry than shrimp.
- Need to change the name of domestic shrimp to something different so people can easily recognize the difference between imported and domestic. For catfish, it was regulatory, based on species.
- The USDA change helped some pond-raised catfish even though it didn't help wild caught producers. If receiving catfish and icing the fish, some farmed catfish processors were impacted as their buyers did not want to deal with USDA.

Questions:

- Could limits be based on country of origin instead of species, like catfish did? Did catfish consider country instead of species for differentiation?
- If industry requires more time and works above and beyond 40 hours, what is the limiting factor for USDA to not allow more time or holidays, overtime? Is it budget, federal rules, in statute?
- How much of the imported basa or swai is inspected?

Cody Adkins – USDA Risk Management Agency (RMA)

Cody Adkins, the regional US. Department of Agriculture, Risk Management Agency (RMA) director, introduced Brooks Stuart, whose area includes Louisiana. RMA is a small agency within USDA including crop insurance (*see slides, Appendix C*). In 14 years, RMA has doubled the "crop" portfolio it covers. The programs began in 1938 after the Dust Bowl to meet farmers' needs and then expanded in 1994 with RMA created in 1996. RMA includes:

- Insurance services
 - Crop insurance at the local level. They also work to see if they can offer new products or services for crop insurance.
- Compliance
 - Is everything getting done correctly?
- Product Management Division

- Takes all data nationally and how to maintain soybeans, corn, fig or whatever policy. Reviews policies and handbooks.

RMA structure is different as it usually does not interact one-on-one but works with private insurance companies to maintain the actual policies (13 in last year). Adjustors, etc. all work for the private companies. RMA oversees the whole program. Local crop insurance agent is the one that should be the 'go to' for getting the insurance, making a claim, etc. RMA provides the funding for the program.

More than 604 varieties of crops are now covered, up from 340 from 2001. The agency is always looking and talking about what else needs to be or should be covered. The insurance premium cost is a cost-share between the farmer and the U.S. government.

When it comes to shrimp and seafood, Adkins asked how can RMA be involved? One current idea is the whole farm or micro farm programs that are revenue-based, provide five years of revenue tax forms and the program covers that revenue. Adkins and Stuart will be taking these ideas to a higher level within USDA.

Discussion:

- The shrimp industry tried this before, but Adkins explained that the micro farm and whole farm programs are new as of 2018.
- The federal government doesn't move fast, and even pushing new options under RMA will take a couple years. It would not be an immediate bandage for the current situation.
- Trip tickets per boat and per dock for years would help provide data needed to move any new programs forward. Container/caged oyster production in Louisiana is currently excluded from similar programs in other states due to the lack of historic data.
- This would still be an insurance product that individual entities could opt into and pay their premium to participate.
- This may help offset the NOAA disaster process as that takes so long to implement, so maybe crop insurance could help provide some more stability in the meantime to get through weather perils, etc. a: 'prevent plant' could be an existing USDA program/policy that could be sued and example for when fishers cannot get to go out fishing (e.g. after a hurricane, other natural disaster).

Questions:

- RMA works off of farming effort in yields. Could fishing be converted to yield?
- Sugarcane has a price floor to protect commodity price. Could this apply to shrimp?
- How does crop insurance/RMA work versus programs like ELAP and PLC under FSA?
- Would any new legislation (likely within the Farm Bill) be necessary to add shrimp to crop insurance versus the whole farm program?
- How does an abundance of product impact RMA programs? It's not the lack of the product right now but inability to get it due to price. However, hurricanes and other disasters would also impact ability to go get the product.
- Revenue protection is the biggest issue in the shrimping industry and what could cover that or create something that fits the shrimping industry?

Shrimp and Marketing Panel – John Fallon

John Fallon, with the Audubon Nature Institute, moderated a panel with five seafood buyers of domestic shrimp (four present; one virtual). Note: these are summary notes, not direct quotes.

Introduction - What has been successful in your business for domestic shrimp?

Stephanie Bernard, New Orleans Dickie Brennan buyer: Covering nine restaurants and catering services, shrimp is a huge piece of what they do - appetizer to entrée. Buys 20,000 lbs. of shrimp at a time; only buys domestic, mostly white shrimp. This last year were the lowest prices she had seen, even at her level in the supply chain. Brennan focused on staying local as that is what they want - deveined, top quality. They look at multiple options to get the best quality. For the restaurant/ catering group, the price has been good to allow them to buy more.

Michael Brainard, Ole Miss/Aramark: All but one state in their southern region they cover for university food service is attached to Gulf, and Ole Miss is their largest. They are trying to get more domestic shrimp into the schools - but usually for catering and athletics to get the better price point. Most clients are college students but try to do pop-up education to teach them how to eat beyond college. Dining hall is harder for domestic shrimp (\$7-\$12/meal) to keep meal plan costs down. For them, the imported shrimp is always significantly less in price with their distributor.

Monte Sheffield, Palmers: As a landlocked restaurant, everyone still loves shrimp. They have no state regulations on labeling, but they prefer to buy a lot of wild Gulf for 95 percent of what they do. Bacon wrapped shrimp is their biggest. Education is the biggest problem with seafood, people don't understand local shrimp. Located in a college town near Austin. They are three hours from the Gulf and people think frozen shrimp is not good. He believes freezing on boat is the best quality for shrimp for landlocked restaurants and there is a need to educate people on this. They like white shrimp.

Brian Shernack, Philly Seafood/Homegrown Seafood: Homegrown Seafood is owned by producers out of Texas. Feels like domestic shrimp have a better flavor profile and need to be better marketed. Focus on why the product is so good. Industries that promote USA products tend to do better. Quality, quality, quality. Need to double down on the best quality to differentiate from imports. Domestic shrimp will never fill the demand, so we need to focus on the quality of the domestic product to get premiums.

Guy Pizzuti, Publix (Virtual): 1,400 stores in the southeast. Publix is one of the biggest seafood retailers in the region. Shrimp is 22 percent of their seafood sales, about 10-11 million lbs. of domestic shrimp product. Publix supermarkets saw an 11 percent increase in volume of domestic shrimp in 2023. Pizzuti focused on understanding the role of domestic and the need for marketing domestic product. There is a need to determine where that price premium is, but also understand that domestic is not going to fill the total demand. It's how we manage and talk about it to the customers. What consumers say they want versus what they do are different. They say they want domestic, but then they buy imports. Need to identify the difference of the price point - say want domestic and maybe will pay a premium - but need to identify that willingness to pay for domestic over import. For Publix, \$2/lb. difference seems to work, but \$3 is too much.

Who/where does each entity buy from?

Stephanie Bernard: Buys from several seafood houses in New Orleans (assuming dock, then processor first).

Michael Brainard: Aramark: Can buy from Inland or some other local purveyors or then larger like Sysco. They see a price increase from local farm (20 percent increase) to Inland to handle distribution, insurance, holding products, etc.

Monte Sheffield: Buy from Groomers out of San Antonio or Corpus Christi, but the shrimp move through a one-person middle operation first. He also buy from Sysco. Right now, the same shell on, headless 15/10 is \$1.10 more for domestic over import.

Brian Shernack: We never sell imported shrimp because we want to support the domestic. We want to see domestic value increase. Does the room want all imports gone? But domestic can't fill the market, so just getting rid of imports in some stores isn't realistic. Their customers will do what their customers want. If a customer wants cheap shrimp, then they will go somewhere else to get it.

Guy Plzzuti, Publix: Public buys two different products. Domestic and Imported shrimp. They don't choose one over the other, they offer both at the same time to meet different customer needs. Customers vote with their dollars. Seafood, in general, is down in the market right now.

What training or education programs are you doing?

Michael Brainard: Training program at Aramark and big social media pushes. Growing up inland, many are not aware of the fishing world. Students come from all over the country to Ole Miss, Alabama, others. What students are eating in college can influence their decisions into the future. It's hard to get the price point for an all you can eat buffet at \$7 on a college campus, but we can still educate and do some different promotions and education events around domestic shrimp.

What corporate responsibility factors, like sustainability, do you have to consider when purchasing?

John Fallon: Corporate responsibility - labor practices, etc. There are lots of sustainability pressures on the corporate policies for buying, etc. Gulf shrimp has been pursuing sustainability as large buyers want to see a third-party sustainability certification. Hope to see certification for Gulf shrimp by this summer.

Michael Brainard: Students and younger generations want to see 'sustainable'. Ole Miss was the first certified green restaurant in the state. However, as a buyer, they don't see the dock day-to-day struggles. Aramark can't buy certain things if it doesn't meet their sustainability policies/standards.

Participant: Where is the accountability for third-party certifications, like BAP, where some of these certified products still have social abuses, antibiotic use, etc.?

John Fallon: Unless there is market pressure, there is no reason for a fishery to pursue third-party, independent certifications. In the U.S. market, a certification generally won't get you a better price. But in some markets, you will now lose share if you don't get certification, because corporate policy requires it. Labor abuse is just starting to get addressed with certifications. Fishery Improvement Plans is the first step including social responsibility.

John Fallon: How do you get people to know that your product is the best without vilifying the rest? Need to amplify and elevate domestic shrimp without scaring people off from seafood overall.

Brian Shernack: Social responsibility and certifications are important, but it's also frustrating as a producer. We need to focus on educating consumers, particularly the children, on why domestic products are better.

Discussion:

- Co-ops could be formed to get boats together at one entity, giving them the market capacity of the processing and distribution entities. But investment is needed to get those groups together. Even \$1 would help a lot.
- At the Boston Seafood Show and at the Global Shrimp Forum Meeting and Global Shrimp Council (hosted by National Fisheries Institute) it was announced that global farmed shrimp producers are working on a massive shrimp marketing campaign across the US and other countries. The marketing campaign is generic and won't distinguish the difference between farm and domestic.
- COOL does not apply to some imported products - there are loopholes. Some product processing here in the U.S. gets exempted from having to put original country of origin of the product. The actual restaurant owners and others are not always buying imports on purpose. They think it's domestic because of the misleading labeling.
- False advertising is hurting business – Louisiana fried shrimp from Ruby Tuesdays was not from Louisiana. The spices and seasoning were 'Louisiana', but the shrimp were imported.
- The hope is that by this summer there will be a sustainability certification complete for Gulf shrimp. Biggest key is education on a premium product.
- There is always the assumption that others are making all the money in the supply chain, but everyone has costs. There is a significant need for supply chain analysis and transparency.
- Social media is huge. Need to get videos posted on wild caught shrimp. Showing invoices buying local wild caught shrimp. Promote all the business buying domestic shrimp. Pull an Erin Brockovich - 'oh that is Hinckley water', but for us - 'oh that is imported shrimp'.
- Louisiana has a labeling law for restaurants now, but restaurant association is very strong. LRA did not support the labeling. However, some restaurants want domestic and want the restaurant associations to help educate.
- There is a need for stronger support from state marketing boards/programs as well as national.

Questions:

- How do we distinguish domestic shrimp in the marketplace? Bring back up the earlier point - do we call domestic or imports something else to make a legal distinction?
- How do we educate the buyers about the issues with imported shrimp, like child labor exploitation, mangrove destruction and other environmental concerns, banned antibiotics?
- Producers want to know when the price is going to change at the boat level. How is marketing going to help boat owners?

NOAA Programs

Dr. Michael Rubino with the Seafood Strategy office (*see slides, Appendix D*) described NOAA's direction for supporting a thriving domestic U.S. seafood economy and enhancing the resilience of the seafood

sector in the face of climate change and other stressors. He talked about four strategies: Increase sustainable wild capture, increase sustainable aquaculture and two more. However, NOAA Fisheries has not increased funding much in ten years. How do we make the case to do more (so need more resources)? Alaska requested market snapshot report.

Over the next three months they are doing a market study with Alaska and Gulf coast to inform members of Congress on what's going on. They are promoting trade to support U.S. seafood, work domestically and internationally to combat illegal, unreported and unregulated fishing, labor abuses and harmful fishing practices. Can the Fisheries Finance Program help with industry?

Frank Helies, the branch chief for Gulf of Mexico operations with the NOAA Fisheries Southeast Regional Office (SERO) in St. Petersburg, Fla., gave a brief overview of what SERO does for the shrimp industry. Essentially, they manage shrimp with both councils (Gulf of Mexico Fishery Management Council and South Atlantic Fishery Management Council). The science centers collect the data. They also work with external partners; for example, they worked with LGL in the past for the old logbook system. John Walter, the deputy director for science and council services with the Southeast Fisheries Science Center presented on the Shrimp Futures Project (for slides, see Appendix E). Walter explained NMFS' role in supporting sustainable shrimp fisheries through management. They are working on conceptual models to show what is connected to what, from shrimp harvesting to docks to buyers to consumers with barriers identified like price differential from boat to buyer. The Shrimp Futures Project objectives are to characterize current state and major challenges; develop a short (2025), medium (2033) and long term (2050) vision for the fishery; and identify and address the major pathways, impediments and uncertainties towards achieving the visions.

Discussion:

- In terms of protecting the industry from foreign industries, like Fortune Fish and other international companies buying up the US infrastructure, NOAA explained we live in a global market system, but we do have limits on ownership except in processing. Many processing centers have foreign interests.
- The U.S. makes it hard to export products to other countries.
- When it comes to delays in data coming out of NOAA, data historically would take time to reconcile both state and federal data. They now have it electronically and can look upon last year. They are working on collecting electronically to get it monthly. Shrimp fishery numbers come from several partners. Additional delays are caused by NOAA going through a modernization centralized delay.
- Exports: The seafood inspection program is down to 50 people, and the federal hiring process is difficult. It's not easy to quickly increase capacity even if the will and funding are available.
- The U.S. imported \$26 million of India wild caught shrimp, and they don't use TEDS. These costs to comply are being borne by the domestic fishermen, not the international producers. A program used to make sure Section 609 - other countries are using comparable TEDs, was followed. There are a lot of U.S. resources going to allow these other countries to import into the U.S., but not so much going to make sure the domestic industry is allowed to sell. NOAA pointed out that they did decertify Mexico based on Section 609, and Mexico did clean up their act.
- The Seafood Strategy Office exists to lift up domestic seafood. As NOAA took on a more conservation purpose to stop overfishing, protect Endangered, Protected and threatened species (ETP; mammals and turtles), which was needed, NOAA lost the services side including

finance, communications, seafood strategy, open up export markets. NOAA asked the industry - need to let NOAA show you what they can do over the next few years.

- Emergency disaster funding takes five-plus years to complete the process of getting funds to the states and then states are asking people to come up with receipts from five to six years ago. This is challenging in the best times, but along the Southeast coasts other disasters have happened since then eliminating records and receipts.
- Harvesters pointed out that one-third of the fleet is supposedly randomly selected to fill out forms, but he and others have been picked three out of four years. If it's not that random, or then the random sample is bias, they should just collect the data from all the boats. NOAA agreed to look at the survey.
- If so much imported shrimp tests positive for contaminations (60 percent of the imported shrimp tested positive with bacterial contamination and 2 percent of that tested positive for Methicillin-resistant *Staphylococcus aureus* (MRSA)), it's time to stop pointing fingers at the industry for issues with turtles when so much work is done with TEDs and BRDs. Turtle populations have improved.
- Sustainable - the domestic shrimp industry is sustainable. Bycatch is so much better than years ago. Fishermen did their part to bring turtles back up. It's always put on shrimp fishermen to fix the problem. NOAA agreed that the U.S. leads the charge on turtle protection. Harvesters should get credit for turtle-safe shrimp, and bycatch problems are a thing of the past.

Questions:

- What is the point to trumpet that U.S. shrimp is the most sustainable in the world when the fisherman are being put out of business?
- Can we expand the terminology to add economic disaster to a NOAA fisheries disaster declaration?
- What can NOAA do for the industry? What is NOAA capable of besides regulatory and research? Who upholds the U.S. domestic seafood industry?

Legal and Policy Updates

Melissa Daigle from Louisiana Sea Grant presented an overview of some bills at the federal level that could impact the shrimp fishery (*see slides, Appendix F*).

To set the stage, she explained the Tariff Act of 1939. There are two types of claims – antidumping claim and countervailing duties claim. Subtitle 4 is how to initiate, conduct, review process. An antidumping claim can be made if another company sold the shrimp for less in the U.S. than would be sold in their own country. It is not when imports cost less than domestic. Countervailing is when unfair subsidies like direct cash payments, tax credits, and/or unfair loans are made to the exporting entities giving them an unfair advantage in the market. Who investigates – United States International Trade Commission (ITC) and Department of Commerce. One petition is filed, and each investigates different aspects. If dumping or subsidies are proved, duties get applied and funds go to the U.S. Treasury.

In terms of Pending Federal Legislation:

- LESS Act – HR 4547 – laws ensuring safe shrimp act, promote inspection and consumption funds would have 70 percent of the duties collected in a claim (above) would go into a fund with 50

percent of the fund for the inspection and sampling of foreign shrimp. The other 50 percent would go to the Secretary of Agriculture for promoting domestic shrimp consumption.

- The Resilient Communities Act – S. 3425 – for communities impacted by trade – provide grants to those communities. Secretary of Commerce would have funds – 100 percent of duties, Community would get grants, and then communities would decide what to do, but domestic producers likely to increase production and local jobs
- FISHERIES Act (HR5103) – would create specific timelines for each step of a fisheries disaster declaration to greatly decrease the current timeline and increase timeliness of getting funds back to impacted fisheries.
- SHELLS Act (HR3951 and S 2211) – sustaining healthy ecosystems, livelihoods and local seafood act. Provide support to aquaculture farmers through USDA.
- SSA – Save our Shrimpers Act – the Ecuador shrimp farms are being financed by the U.S. U.S. funding should not go to international shrimp aquaculture through the International Monetary Fund, World Bank or other entities.

Discussion:

- Efforts are being made to add seafood in more places of the Farm Bill.
- National Seafood Supply Act introduced by Alaska.
- With Senator Cassidy – looking at adding tariffs on Indian imports to match what India put on imports into their countries – India Shrimp Tariff Act.

USDA Programs

Douglas McKean with the Louisiana Department of Agriculture and Forestry (LDAF) discussed the food assistance program where seafood can go into food banks. The new programming and additional funding is from the COVID 19 stimulation plan to help local producers sell food. In Louisiana it has been grassroots going through AgCenter, Southern Ag, etc. to reach out to producers to let them know about the program. The program runs until June 2025 unless the Farm Bill has new legislation to stabilize the program. This also applies to the Farm to School Program. Must be within 400 miles of destination and certify with the program. It can cross state lines as long as within 400 miles.

If you qualify for one, they try to get you on both lists. Department of Agriculture must stay neutral and not promote one company versus another company to the schools or food banks, but they can say these are the companies and what is available. He can also give out the list of what entities have been interested in the program to the producers.

Dieticians and school nurses are a good place to focus education. Catfish and shrimp are eligible for both programs with bonus funding available, but shrimp is often flagged as 'allergen' so they pass on the funding. Education is needed on fish and shrimp being an allergen.

Crystal Besse with LSU AgCenter presented on the Farm to School Program (see slides, Appendix G). The program supports local farms, businesses and local economies with increased meal quality. Kids are willing to try new things and are more invested having met the fishermen or having grown the kale. This can greatly vary from a lot to a little with different schools. Benefit has been a 5 percent increase in local markets with entering farm to school.

The school meal programs are NSLP; FFVP; SBP (National School Lunch Program, Fresh Fruits and Vegetables Program, School Breakfast Program). Additional - CACFP- daycare, etc. and summer food service program.

In Louisiana, 545,226 children served through; 55 percent of schools participate in farm to school; \$1.6M being spent on local food (2019), and the funding is USDA to state agencies (Department of Education or Department of Agriculture) to school districts. School districts get an allotment and can choose how they want to spend it.

School districts: Some purchase direct local products, but often through distributors. 'Local' can be defined in many ways. USDA says 400 miles. School districts can say 'within Louisiana', or if near a border, within a radius of 20 to 200-plus miles.

In Louisiana – they try to incorporate more education and engage students, teachers and parents with harvest of the month programming. The Louisiana program has 21 different harvests of the month. They have a cute shrimp coloring page and poster, plus more for schools to use to engage with the food products beyond just served at lunch.

Products must meet USDA foods requirements including 'minimal processed' so cannot be cooked, heated, breaded, canned, etc. There are a lot of procurement resources on the Seeds to Success website.

McKean can try to help set up being recognized as a vendor for shrimp. You would need to be licensed as a processor with LDWF.

Discussion:

- USDA food lists: Shrimp is included, although not found on all the websites.
- Several shrimpers in Louisiana are participating in Farm to School.
- A shrimp video will be released for the Louisiana School Food Program on National Shrimp Day- May 10.

Day 2

Day 2 focused on collaborative breakout and prioritization sessions with participants to create an action plan. An initial summary of known issues, who can help, and possible solutions (Appendix H) from previous discussions was provided to participants as a starting point for discussions. Meeting participants broke out into five groups (seven to ten people per group) to facilitate dialog.

The first breakout session was a quick round to identify missing pieces from the Day 1 discussions.

Breakout Session 1

What hurdles, stressors, limiting factors are we missing?

- Environmental and Regulatory Challenges:
 - Fishery management and shrimp advisory panels.
 - Impact of ESA issues on the industry, including critical habitats for whales, turtles, giant manta rays and sawfish.
 - Shark predation on gear. Limitations on the shark fishery have caused population increases and increased shark interactions with the shrimp fishery causing significant losses for shrimp operations.
 - Effects of offshore wind development on fishing grounds and potential for space debris in nets due to Space X and NASA area closures.
 - Extensive time for disaster programs and extensive paperwork needed.

- Infrastructure and Operational Challenges:
 - Access to ice, quality product and loss of infrastructure such as old docks and lack of safe harbors for hurricanes.
 - Challenges with observers on boats, including low pay and concerns about data use against fishermen.
 - Workforce issues:
 - Difficulty in calculating the true number of workers in the industry.
 - Challenges in finding deckhands due to low pay, lack of benefits, substance abuse issues and the nature of payment by shares of catch.
 - Issues with using programs for international workers (H2B visas).
 - Cold storage challenges and the need to sell inventory quickly.
 - Updating equipment for sustainability, safety and responsibility in the industry.
 - Loss of working waterfronts.

- Industry Coordination and Lobbying:
 - Fractured lobbying efforts due to differences in needs among large boats, small boats, processors and restaurants regarding shrimp imports and labeling.
 - Issues with seafood labeling and imports, including the need to lobby for domestic benefits in labeling (International products not 'shrimp' (Ref. *Litopenaeus vannamei*); Country of origin; species-specific labeling requirements).

Overall, these notes highlight a range of complex challenges facing the shrimp industry, spanning environmental, regulatory, operational and market-related issues.

What topics do you want more information about? (Like education meetings or webinars on a specific federal program?)

- Environmental Issues or Impacts:
 - Offshore wind areas, impact to whales, shrimp, turtle migrations.
 - Fishery management.
 - ESA issues and impact on industry.

- Federal Agencies:
 - How to increase cross agency communications.
 - What are the USDA programs to promote seafood.
 - Blue Agenda/Blue Economy and how do shrimpers fit.
 - How does the FDA fit into the domestic shrimp industry.
 - What grants are available and from which agencies.
 - Why is such a small amount of imported seafood inspected.
 - Export workshops - how to do it.

- Economics:
 - Evaluation of the commercial shrimp fishery effects on the economy.
 - Economic disaster relief programs.
 - There is a gap in pay between what the boat makes and what the customer buys, we need to understand vessel pay, products, buyers.
 - Impacts of loss of infrastructure, ice houses, shark damage to gear and shrimp loss.

- Future of Industry/Workforce Development:
 - Need education on the industry.
 - Who they are.
 - Drug use and substance abuse, mental health.
 - Workforce development programs.
 - Working waterfront programs.
 - Workforce recruitment options and strategies.
 - Shrimp quality.
 - Brown shrimp Identification and marketing (ex. “Get in the Groove”).

- Other:
 - Retail/direct sales.
 - Pending federal and state legislation.
 - Seafood promotion: Who leads the effort? What will that look like? What is the plan?
 - Harbors of refuge from hurricanes.
 - MSC certification.

Overall, these notes highlight the multifaceted educational needs of the seafood industry, ranging from understanding environmental impacts to advocating for industry interests and developing workforce skills.

Who wasn't in the room (that should have been)?

The following groups were listed in addition to those provided:

- USDA:
 - AMS - Agricultural Marketing Service
 - Food Assistance Programs
- US Fish and Wildlife
- Ports and Transportation:
 - Department of Transportation
- NOAA:
 - NOAA Seafood Monitoring Program
 - NOAA Trade and Commerce
- State level:
 - Managers
 - Seafood marketing entities
- Academics and researchers: economists
- Legislators/Policy Makers/Elected Officials

Breakout Session 2

The second breakout session focused on what could be considered success.

What does success look like to you?

- Empowered consumers: An educated public is driving demand for high-quality, domestic wild-caught shrimp served in local restaurants, school programs, etc.
- Supply chain: Transparency exists across the supply chain to improve quality and facilitate all levels receiving a fair price.
- Sustainable livelihoods: Shrimpers can build a sustainable livelihood, passing down their skills and traditions to future generations with their family and crew fed. This attracts new people to the industry, ensuring a skilled workforce.
- Modernization and investment: New boats and new infrastructure like docks with enough capital to update and modernize equipment. Shrimp has a respected presence on working waterfronts, and with business attractive to potential buyers.
- Brand recognition and stability: Domestic wild-caught shrimp has a strong brand identity. This stability attracts investment and inter-industry cooperation, creating a more robust and successful industry overall.

Where is the product ending up in the market? How is it labeled/recognized?

- Differentiation in the marketplace: Trademarks for regional or domestic terms like Wild Gulf Shrimp, 'shrimp' for specific species or locations can help consumers identify authentic domestic shrimp and increase brand recognition.
- Building a strong brand: Programs like 'Turtle Safe Shrimp' can highlight the environmentally friendly practices of the domestic industry.
- Government support: Support for marketing programs from federal and state agencies significantly raise awareness of domestic wild-caught shrimp. This includes initiatives like those developed by Sea Grant post-Deepwater Horizon Oil Spill.

- Regional collaboration: Interstate and regional marketing collaborations create broader marketing campaigns, maximizing impact.
- State marketing boards: State marketing boards champion domestic wild-caught shrimp.
- Grocery stores: Grocery stores create impactful in-store marketing campaigns highlighting the benefits of domestic wild-caught shrimp.

What does success for your business look like?

- Sufficient capital: Businesses have access to enough capital to address unexpected issues, invest in new technologies and weather market fluctuations.
- Technological innovation: Cutting-edge technologies improve fishing practices, promote sustainability and boost efficiency. This could involve gear advancements, data-driven resource management and alternative harvesting methods.
- Expanding markets: Finding new buyers and diversifying markets to ensure consistent demand. Smaller operations will capitalize on direct sales channels, allowing them to capture a larger profit margin. Larger vessels will continue to rely on processors and established supply chains. Processors will be equipped to navigate market fluctuations and always have capacity to buy quality shrimp when a boat comes to dock.

Breakout Session 3

To start creating an action plan involving all aspects of the industry, the third breakout of Day 2 focused on what education and marketing should include, look like, the audiences and who can do it?

What education or marketing is needed (possible audiences: consumers, retailers, chefs/restaurants, industry, new markets? Quality/handling?)

Who can do it? (Example: state/federal agency marketing programs, industry, Sea Grant, etc.?)

Target Audiences:

- Consumers
- Retailers
- Chefs and restaurants
- Culinary students
- Shrimp industry
- Government agencies
- Congress

Messaging and Education:

- Highlight positive attributes: Focus on the benefits of domestic shrimp, including:
 - Sustainable practices (e.g., "Turtle Safe Shrimp"); U.S. seafood is sustainable without needing a certification logo.
 - No forced labor or antibiotics.
 - Superior taste and quality.
 - Freshness and responsible harvesting methods.
 - Avoid negative marketing which usually does not resonate or does not lead to increase in your product.

- Food safety and domestic food security.
- Educate consumers:
 - Demystify shrimp sizing and offer practical uses.
 - Explain the difference between farm-raised and wild-caught shrimp.
 - Address misconceptions about bycatch and sustainability.
 - Teach consumers about shrimp seasonality and the value of fresh domestic shrimp.
- Educate chefs and retailers: Train chefs and retailers on the unique qualities and responsible sourcing of domestic shrimp.
- Educate shrimp industry:
 - Provide training programs on quality control and best practices on the boat, dock and processing.
 - Buyers implement stricter quality control measures to maintain consistent product quality and freshness.
 - Develop training programs to diversify skills within the industry and attract new generations of shrimpers.
 - Cross training among different sectors of seafood industry to keep workers on the job.
- Educate government agencies: Importance of quicker access to disaster relief funds and streamlined regulations.
- Educate Congress: Educate Congress about the domestic shrimp industry, importance of seafood to coastal communities and policies that support the domestic shrimp industry,

Marketing Strategies:

- Branding: Develop a strong national brand identity for domestic wild-caught shrimp, emphasizing its unique selling points. Gulf Seafood Coalition is an example of not focusing on the state level.
- Digital marketing: Leverage social media platforms to engage consumers and influencers. Partner with chefs and food bloggers to promote domestic shrimp.
- School lunch programs: Introduce domestic shrimp into school lunch programs to educate young consumers and create lasting positive associations.
- Tourism and food trails: Partner with coastal tourism boards to create "shrimp trails" and educational tours for visitors.
- Collaboration: Foster collaboration between industry associations, government agencies, NGOs and universities to develop effective marketing campaigns and educational materials. Utilize university marketing professors and classes.
- Point-of-sale education: Utilize informative signage and displays at grocery stores to educate consumers about domestic shrimp at the point of purchase.
- Lessons learned: Look to other products to learn what might work or should be avoided like Vidalia onions, Idaho potatoes, wild caught versus aquacultured salmon
- Tracking success: Can we track domestic market share as a measure of success?
- NOAA support: NOAA could provide assistance with economics, market analysis, fisheries data, R&D for industry, education on current programs like FishWatch
- Resources: Saltonstall-Kennedy grants or others could provide funding for marketing, education or creation of resources. Young Fishermen Development Act should be funded for workforce development education programs.
- Shared resources: Creation of digital marketing toolkits/materials that can be widely used by industry

Marketing and Education Priorities Summary

Target Audience	Messaging & Education
Consumers	Highlight positive attributes (sustainable practices, taste, freshness, safety) - Educate: shrimp sizing, farm-raised vs. wild-caught, seasonality - Avoid negative marketing
Retailers	Educate on unique qualities and responsible sourcing of domestic shrimp
Chefs & Restaurants	Train on unique qualities and responsible sourcing
Culinary Students	Train on responsible sourcing and cooking techniques
Shrimp Industry	Train on quality control and best practices - Diversify skills and attract new generations. Collaboration among industry sectors
Government Agencies	Educate on importance of quicker disaster relief and streamlined regulations
Congress	Educate on importance of domestic shrimp industry and coastal communities - Advocate for policies that support the industry.

Breakout Session 4

These notes highlight key policy and regulation changes proposed to support the domestic wild-caught shrimp industry.

What policies do they want to see implemented (state versus federal)?

Who is needed to make that happen? Who can push this forward?

What agency would implement the policy?

Focus Areas:

- **Fair Trade and Market Protection:**
 - **Tariff Rate Quotas (TRQs):** Implement TRQs to incentivize domestic consumption and protect market share.
 - **Country-of-Origin Labeling (COOL):** Expand COOL requirements to cover all shrimp products (cooked, whole, etc.) for better consumer transparency.
 - **Stop World Bank funding:** Advocate for an end to World Bank funding of overseas shrimp farms, which contribute to oversupply.
 - **Import caps:** Consider implementing import caps based on domestic consumption levels.
 - **Duties:** Implement duties on imported product to match the duties those countries place on U.S. product.
 - **Licensing:** Require entities handling imports to get state licenses like domestic processors need to have so they can be tracked.
 - **Increase inspections:** Greatly increase the inspections for imported shrimp in the U.S.
 - **Enforcement crackdown:** Enforce existing health and safety regulations and impose stricter penalties for mislabeling and other violations.
 - **Destroy rejected imports:** Require the destruction of shrimp shipments rejected by the FDA to prevent them from entering the market.

- **Financial Assistance and Incentives:**
 - **Fuel subsidies:** Explore fuel subsidies or alternative fuel programs to reduce operational costs for shrimpers. This could be in equipment upgrades instead of strictly fuel subsidies.
 - **Duty relief:** Direct duty revenue towards industry initiatives like inspections and Section 32 purchases.
 - **Tax breaks:** Offer tax breaks for the domestic shrimp industry to encourage investment and growth.
 - **SNAP vouchers:** Create a voucher program within the Supplemental Nutrition Assistance Program (SNAP) to facilitate purchases of domestic seafood.
 - **Marketing funds:** Allocate funding for marketing campaigns to promote domestic shrimp and educate consumers about its benefits.
 - **Domestic purchases:** Explore policies to support buying domestic seafood for school, food assistance programs, prisons and military before imported product.

Policy and Regulation Summary Table

Focus Area	Policy Recommendations
Fair Trade & Market Protection	Implement Tariff Rate Quotas (TRQs) - Expand Country-of-Origin Labeling (COOL) - Advocate against World Bank funding of overseas shrimp farms. Implement import caps or duties - Increase inspections of imported shrimp - Enforce existing regulations & impose stricter penalties - Require destruction of rejected imports
Financial Assistance & Incentives	Explore fuel subsidies or alternative fuel programs - Allocate duty revenue towards industry initiatives - Offer tax breaks for the domestic shrimp industry - Create a SNAP voucher program for domestic seafood - Allocate funding for marketing campaigns - Explore policies to prioritize domestic seafood in government programs
Infrastructure & Equipment	Support programs for equipment modernization - Secure funding for working waterfront revitalization - Advocate for disaster relief funding and resiliency programs - Increase USDA involvement in purchasing domestic shrimp - Add shrimp and seafood to the Farm Bill - Foster collaboration between relevant agencies

After the breakout session, the participants came back together to discuss their overall priorities.

Prioritization of Marketing and Education Priorities

- Differentiated domestic product compared to imported shrimp.
- Consumer education and marketing.
- School programs and education.
- Collaborating across state/groups instead of state or local focus.
- Industry education.
- Quality training from 'Boat to Table'.
- Social media training.
- Lobbying training.

Prioritization of Policy Priorities

- Country of origin labeling - address loopholes, include restaurants.
- Inspections of imported product.
- Seafood in the Farm Bill.
- Crop insurance.
- Fisheries disasters more timely, and including economic disasters.

- Shrimp purchasing under USDA increased.
- Access to resources increased - cold storage, gear grants, safe harbors.

Overall Priorities Discussion

This outlines key priorities and potential actions identified during the final discussion and wrap up of the shrimp industry meeting.

- Addressing imports: The group unanimously agreed that addressing the issue of imported shrimp is a top priority. This includes:
 - Enforcing existing labeling and safety regulations.
 - Holding repeat violators accountable.
 - Testing and potentially destroying contaminated imports.
 - Evaluating the feasibility of requiring all containers to be tested if one is found to be contaminated.
- Effective labeling: Standardize and improve shrimp labeling practices to ensure clarity for consumers. This may involve:
 - Distinguishing between "shrimp" and "prawns."
 - Implementing national labeling standards (similar to catfish).
 - Strengthening the role of agencies like USDA and FDA in labeling enforcement.
- Sustainability certification: Establish a federal system for recognizing sustainable domestic shrimp practices.
- Building a national brand: Develop a strong national brand identity for domestic shrimp to differentiate it from imports.

Action Steps:

- Continue collaboration: Maintain a collaborative industry group to share information, advocate for policy changes and leverage collective experience.
- Information sharing platform: Sea Grant should create a centralized information hub (e.g., Google Drive, website) to share resources such as:
 - List of relevant agencies and grants.
 - Best practices and educational materials.
 - Information on existing services like Fish News and Local Catch Network.
- Education and public awareness:
 - Partner with state education departments to educate consumers, particularly young people, about the benefits of domestic shrimp.
 - Collaborate with culinary schools to promote the use of domestic shrimp in restaurants.
- Immediate relief for shrimpers:
 - Advocate for emergency funding to support struggling shrimpers while long-term solutions are developed.

Potential Funding Opportunities:

- New SK grant program: Explore the recently announced SK grant program for potential funding opportunities.

- Loan programs: Investigate existing loan programs that might be available to shrimpers.
- Port infrastructure development: Investigate longer-term infrastructure modernization programs for ports, potentially in collaboration with public entities. However, finding a public entity to collaborate is a major limitation for most of the shrimp businesses, docks, processors, etc.
- USDA Regional Food Business Centers: Stay informed about the development and potential benefits of USDA's Regional Food Business Centers.
- National Working Waterfronts Group: Join the National Working Waterfronts Group for information on grant opportunities and collaboration.

Addressing Disaster Application Challenges:

- Advocate for streamlined processes: Lobby NOAA to streamline its disaster assistance application process, potentially learning from USDA's approach.
- Communication to policymakers: Draft letters to the NOAA Administrator and Congress urging for changes to NOAA's disaster relief programs. Partners in the room including NOAA and USDA agreed to take these messages back to their agencies. Making changes to existing programs is usually faster and more streamlined than trying to implement a new program.
- Letters were sent by several state governors asking NOAA to consider the current economic crisis as a disaster and it did not help. NOAA said it did not fit.

Participants are encouraged to take summaries of this meeting to their local groups and states.