

**CERTAIN FROZEN WARMWATER SHRIMP FROM CHINA, ECUADOR, INDIA,
INDONESIA, MALAYSIA, THAILAND, AND VIETNAM
INVESTIGATION NOS. 701-TA-491-497 (FINAL)**

**PUBLIC HEARING BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

AUGUST 13, 2013

**STATEMENT OF ALAN GIBSON
PRESIDENT AND OWNER
TIDELANDS SEAFOOD CO., INC.**

Good morning. My name is Alan Gibson, and I am the President and Owner of Tidelands Seafood Co., Inc., a member of the Coalition of Gulf Shrimp Industries. We are located in Dulac, Louisiana. I am the fourth generation of my family to be in the shrimp industry, one of the biggest employers in Dulac. I have committed myself to helping promote the industry by serving on the Louisiana Shrimp Task Force and the Louisiana Seafood Promotion and Marketing Board.

Subsidized imports are severely distorting the U.S. market, and countervailing duties are needed to bring relief to the domestic industry. Imports from the seven countries in this case jumped in 2010 as the domestic industry was forced to grapple with the BP oil spill. Once the waters re-

opened, however, the injury continued. Imports rose again in 2011, and maintained their elevated market share in 2012.

How did foreign producers and importers hold on to their market share after the BP oil spill was over? By aggressively undercutting prices and holding down the prices that we're able to get for our product.

I see import competition affecting my business every day. It is just a daily fact of life in our business. Many of our customers purchase domestic as well as imported product. Primarily all of my business is spot sales. Contracts do not give me any protection from price competition, and I have not had much success with them. Contract customers will demand price discounts when the import price falls, and they will even refuse delivery if imports are significantly cheaper than my product.

Every week, I publish a price list based on the prices that I pay to the boats for fresh product. Over the past three to four years, my customers and brokers have been quoting me lower prices for imported shrimp on a weekly basis. In 2012, for example, shrimp from India and Ecuador were selling at a dollar or more below our prices. When import prices get this low, it makes it nearly impossible for us to pay the boats what they need to remain fishing while also covering our own costs.

Also in 2012, one of our brokers who was quoting cheaper product out of India told me that we had to “get real” and “wake up to reality” by lowering our prices if we wanted to make sales in this country.

During the oil spill, some of my customers were forced to use imports for the first time. When they saw that their own customers – (the ultimate consumer) – could substitute the imported product for domestic shrimp, those customers now want to pay import prices for domestic shrimp. (This has continued even after the spill was over.)

Because U.S. processors have to bid against imports to sell our shrimp, and our costs are based on the boat prices, our margins are extremely thin. Over the past few years, some processors have been making only a few pennies per pound. The margins have become so minimal over the years that I am not sure how much longer we ultimately can stay in business if we don’t get lasting relief from subsidized imports.

I will tell you that the prices in the market today are much better than they were in 2012, and we are paying much more to our shrimpers as a result. There are two reasons for this. One of the reasons is the EMS disease in some Asian countries. This is temporary, and production and imports are expected to recover at some point in the near future. The second reason is the petitions we filed. Importers ramped up their imports in May

of this year to get in before the duties hit. After duty liability was put in place on June 4, import volume from these countries dropped by 21 million pounds in just one month. And this was in June, a time of the year when imports are typically on the rise.

The situation in the market today shows how beneficial import relief can be, and it confirms that the health of our domestic industry depends on disciplining these imports. If that relief is not maintained, imports will start flooding in again, especially when the EMS-affected countries fully recover, which is expected at the end of this year or early next year. And when they do flood back in, we can expect the same price undercutting and price suppression we have seen for the past few years, if not worse.

Finally, I want to emphasize to you, that the few good months we've had thanks to these petitions are not going to be enough to protect us from continued injury if duties are not imposed. Because our margins have been so low the past few years, we haven't been able to afford critical investments to maintain and expand our production facilities. We have freezing equipment that's more than 25 years old and needs to be replaced, and at one point our company was planning to put an IQF line in to grow our business. But I can't be sure that I will get a return on these investments if I do not know where the market will be a few months or years from now. Getting

enduring relief from subsidized imports, and a fair price for our product, will go a long way towards helping us justify these needed investments.

Like my great grandfather, grandfather, and father before me, I have committed my career to producing Gulf shrimp. I would like to see the industry survive for generations to come, and I am committed to helping lead the Louisiana shrimp industry's efforts to promote the long-term viability of our industry. But we need to take action against these unfair foreign subsidies if we want an opportunity for our efforts to pay off. I urge the Commission to ensure we have that opportunity. Thank you.