

**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 CHEF JOHN D. FOLSE

Chairman Williamson, Commissioners, thank you for the opportunity to be here today. My name is Chef John Folse. I have been in the restaurant and food service industry for over forty years. Earlier this year, I was proud to be appointed to the Louisiana Seafood Promotion and Marketing Board by Governor Bobby Jindal, and I now serve as the Board's chair. I am deeply committed to the shrimp industry in our region, and I strongly support imposing duties on imported shrimp to offset the unfair subsidies foreign shrimp producers receive.

I opened my Lafitte's Landing Restaurant in Donaldsville, Louisiana in 1978, and I launched my latest restaurant, Restaurant R'evolution, in the French Quarter of New Orleans this past year. I have had the honor of bringing Louisiana's Cajun and creole cuisine to the world ... First with the Reagn-Gorbachev summit of 1988 in Moscow. I brought Louisiana seafood

to restaurant openings in Japan, Seoul, Taipei, and even the Vatican, having served seafood gumbo to Pope John Paul, who is now on his way to sainthood. I have been in the food manufacturing business since 1991, producing regional cuisine for companies globally. Our manufacturing company produces more than 60 tons of processed food every week for food service, retail, and restaurant chain accounts nationally. We are proud to have received national recognition for our products, including T.G.I. Friday's food vendor of the year award for 2009, 2011, and 2013. Shrimp is a key ingredient in many of the items we manufacture, including our soups, gumbos, and of course our shrimp creole.

I have built my career on my commitment to Louisiana's unique cuisine and culture. My philosophy is that the best cuisine is the one that is built not only on our heritage, but on the local ingredients that sets us apart from the rest of the world. Our rich culinary heritage draws its tradition on the unique cultures that settled our coastlands ... France, Spain, Germany, Italy, the West Indies, Haiti, Africa, and Native Americans. And our cuisine is built on some of the best ingredients in the world – the wonderful bounty of shrimp, oysters, crawfish, crab, wild game, vegetables, and herbs that we are blessed with in Bayou Country.

I am here today because some of the people that make this cuisine possible – our domestic shrimp producers – are getting destroyed by subsidized shrimp imports. Foreign governments are pouring significant resources into their shrimp industries, which are major exporters in these countries. When that foreign shrimp enters the U.S., the subsidized prices they offer are often below our own industry's costs of production. Our domestic shrimpers and processors simply cannot survive for much longer if they do not get relief from these unfairly traded imports.

As a chef and as a food processor, my success depends on having the best ingredients and ensuring absolutely consistent quality that meets the stringent specifications of our customers. I know that Gulf shrimp is of the highest quality, has a delicious flavor and texture, and can meet the tightest specs anywhere. Unfortunately, many of my food service and retail clients – and certainly their own customers, the ultimate consumer – simply don't care. To them, shrimp is shrimp, no matter where it comes from. And, to be honest, some of the big chains and big box retailers have an interest in keeping the customer uninformed, because it all comes down to price.

This creates a huge dilemma for my business. I want to use Gulf shrimp, I want to support my community, and I know the product can meet or exceed the quality and consistency of any import. But I also need to meet

my customers' price points. This is an extremely competitive business with very thin margins, and customers will beat down prices to the penny. And those prices are driven by imports. Imports from the seven countries you are looking at make up over three quarters of the market, and they set the bar for prices for everyone. The substantial subsidies foreign producers get allow them to charge such low prices that our producers simply cannot compete. I can tell you from my personal experience buying shrimp every day for my businesses ... that the price quotes we get for imported shrimp are always – always – below the prices for domestic shrimp.

A processor cannot keep selling shrimp at prices that don't cover his own costs of production, much less allow him to reinvest in his plant and equipment. A processor also has to be able to pay fishermen enough to give them the incentive to keep going out and catching shrimp. But a fisherman has no incentive to do so if the price he gets at the dock cannot cover his fuel, ice, maintenance, food, and other costs. Eventually he has to make a rational business decision and tie up his boat. This deprives the processor and consumer of the product, and, eventually, causes the industry to collapse.

Any time I have to buy imported shrimp to meet customers' price demands, it sends a hot knife through my heart. But as long as imports are

allowed to come in at these subsidized prices, I will be forced to make these gut-wrenching decisions to stay in business. If you impose duties on these imports, it will help stabilize the market and bring prices to rational levels. It will allow our processors to cover their costs, invest in their plants, and sustain their family-owned businesses. It will allow our fishermen to go out to sea with the confidence that they can catch as much of this wonderful resource as they can and earn a price that rewards their labor. The future of this vital and cherished industry depends on your decision in this case, and I ask you to give our domestic shrimp industry the relief they so desperately need.

Thank you.