

**FROZEN WARMWATER SHRIMP FROM BRAZIL, CHINA, INDIA, THAILAND, AND VIETNAM
INVESTIGATION NOS. 731-TA-1063, 1064, 1066-1068 (REVIEW)**

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

FEBRUARY 1, 2011

**TESTIMONY OF E. RICHARD GOLLOTT, SR.
VICE PRESIDENT
GOLDEN GULF COAST PACKAGING CO., INC.**

I am Richard Gollott, Vice President of Golden Gulf Coast Packaging Co., Inc., which is located in Biloxi, Mississippi. I also sit on the board of directors of the American Shrimp Processors Association. My family has been in the seafood processing business for three generations. Today, my son, two brothers and three sisters are all in the business.

I personally got started in the seafood business when I was 13 years old. In 1983, I acquired a dock in Biloxi and started unloading shrimp. We then built a facility to process that shrimp in 1984.

When I last appeared before this Commission in December of 2004, our industry – both fishermen and processors – had been overwhelmed by a surge of dumped imports. Subject imports were growing and gaining market share at our expense. Falling import prices drove down prices for our domestic product. The impact on the domestic industry was truly devastating. In the case of my company alone, between the time of the Commission's staff conference and the hearing in the final phase investigation, the number of boats unloading at our dock fell from 95 to 64, a decline of 33 percent.

Since the petitions were filed in 2003, subject imports have dropped and remained well below their 2003 peak. Prices have stabilized. The domestic industry's market share, as

measured by landings, increased during the period of review. The increase in subject import prices caused by the orders led directly to improved domestic prices. Prior to the recession of 2009, domestic wholesale prices were above 2005 levels. In the case of Golden Gulf, the orders made it possible for us to add a new freezers and additional processing capacity, and we are currently adding even more new equipment and making other improvements.

All that said, our industry has nevertheless been severely harmed by other events since 2005. Many processing operations were completely wiped out by the hurricanes. The oil spill took large numbers of fishing boats out of operation as fishing areas closed. Consumers' uncertainty about the impact of the oil spill affected demand for all shrimp. In short, while the industry was lucky to come back from these disasters, it remains in a fragile, vulnerable state. If the orders are revoked, subject imports will be able to do what natural and man-made disasters have not – and that is destroy this industry.

During the original investigation, this Commission found that domestic shrimp and subject imports were sold to similar types of customers, for the same applications. Responses from purchasers confirmed that they generally saw domestic and import product as interchangeable, and that competition was based on price. Your prehearing staff report shows that this is still the case today.

What has changed is where subject producers are exporting their shrimp. Since 2003, exports from these five countries to the U.S. declined by 86 million pounds, but increased to other countries by 585 million pounds. Redirection of just a fraction of that volume to our market would raise subject imports back above the 2003 peak. What has also changed is that these foreign producers have large and growing excess capacity. And, keep in mind that, even with the orders in place, they still export sizeable volumes of shrimp to the U.S., showing their

continuing strong interest in this market. If the orders are revoked, these countries will come storming back in with huge volumes of imports at dumped prices.

We, of course, recognize that this market needs imports since the domestic industry cannot supply 100 percent of demand. But if the orders are removed and imports are permitted once again to be sold at dumped prices, then the fishermen won't be able to afford to go out and harvest shrimp and processors such as Golden Gulf will not have any shrimp to process. The boats will remain tied up at the docks, workers will be laid off, processors will simply close their doors and a unique American way of life and culture will cease to exist. As someone whose family has been in this business for three generations, and with a fourth generation taking over, I ask you not to let that happen.