Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam

Investigation Nos. 731-TA-1063-1064 and 1066-1068 (Second Review)

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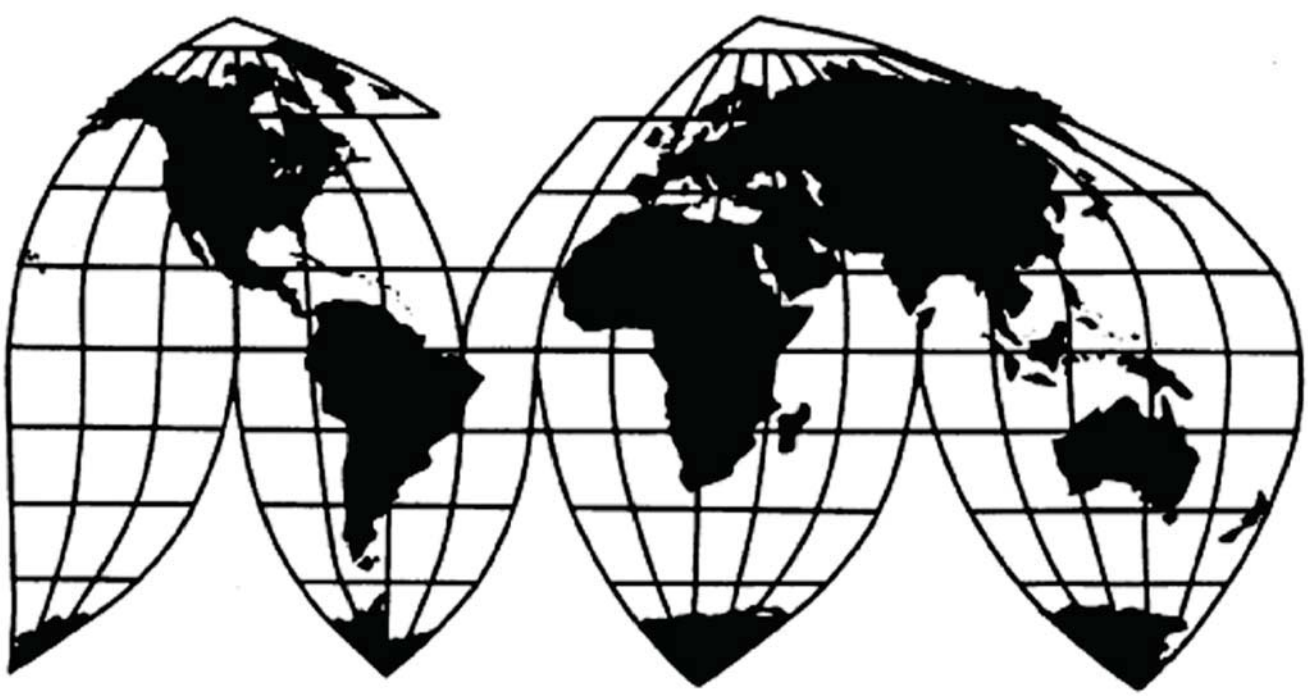

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-1063-1064 and 1066-1068 (Second Review)

Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the antidumping duty orders on frozen warmwater shrimp from China, India, Thailand, and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determines that revocation of the antidumping duty order on frozen warmwater shrimp from Brazil would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on March 1, 2016 (81 F.R. 10659) and determined on June 6, 2016 that it would conduct full reviews (81 F.R. 39711, June 17, 2016). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on November 8, 2016 (81 F.R. 78632). The hearing was held in Washington, DC, on March 16, 2017, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping duty orders on frozen warmwater shrimp ("warmwater shrimp") from China, India, Thailand, and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We also determine that revocation of the antidumping duty order on warmwater shrimp from Brazil would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations: The Ad Hoc Shrimp Trade Action Committee ("AHSTAC") filed petitions with Commerce and the Commission on December 31, 2003. In January 2005, the Commission determined that an industry in the United States was materially injured by reason of less than fair value (LTFV) imports of frozen warmwater shrimp and prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam.[1] Commerce issued antidumping duty orders with respect to imports from the subject countries on February 1, 2005.[2] Commerce subsequently revoked in its entirety the order with respect to imports from Ecuador.[3] It has also revoked the orders with respect to certain producers in China, India, Thailand, and Vietnam.[4]

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[1] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam*, Inv. Nos. 731-TA-1063-1068 (Final), USITC Pub. 3748 (Jan. 2005) ("*Original Determinations*"). The Commission found canned shrimp to be a separate domestic like product, and made negative or negligible import determinations with respect to canned shrimp from each subject country. There was no litigation concerning the Commission's original determinations, its changed circumstances review determinations, or its determinations in the first five-year reviews.

[2] *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Brazil*, 70 FR 5143 (Feb. 1, 2005); *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from the People's Republic of China*, 70 FR 5149 (Feb. 1, 2005); *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Ecuador*, 70 FR 5156 (Feb. 1, 2005); *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from India*, 70 FR 5147 (Feb. 1, 2005); *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Thailand*, 70 FR 5145 (Feb. 1, 2005); and *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam*, 70 FR 5152 (Feb. 1, 2005).

[3] *Implementation of the Findings of the WTO Panel in United States Antidumping Measure on Shrimp from Ecuador: Notice of Determination Under section 129 of the Uruguay Round Agreements Act and*

(*continued*...)

In April 2005, the Commission instituted changed circumstances reviews with respect to the orders on subject imports from India and Thailand. (The changed circumstances arose from the December 2004 tsunami that struck India and Thailand.) In November 2005, the Commission determined that revocation of the orders on subject imports from India and Thailand would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.[5]

First reviews: In March 2011, the Commission conducted full reviews and reached affirmative determinations with respect to all subject countries.[6] Commerce issued a notice continuing antidumping duty orders on warmwater shrimp from Brazil, China, India, Thailand, and Vietnam, effective April 29, 2011.[7]

Second reviews: The Commission instituted these second reviews on March 1, 2016.[8] The Commission received six submissions in response to its notice of institution filed on behalf of domestic interested parties, and producers and exporters of subject merchandise from Brazil, India, Thailand, and Vietnam. The Commission determined to conduct full reviews for each of the antidumping duty orders.[9]

Two sets of domestic interested parties have participated in these reviews. One is the AHSTAC, the petitioner in the original investigations, and the Ad Hoc Shrimp Industry Committee ("AHSIC") (collectively referred to as "AHSTAC/AHSIC").[10] The other consists of the

(…*continued*)

Revocation of the Antidumping Duty Order on Frozen Warmwater Shrimp from Ecuador, 72 FR 48257 (Aug. 23, 2007).

[4] Confidential Report ("CR") at I-17 – I-20; Public Report ("PR") at I-15 – I-17.

[5] *Certain Frozen Warmwater Shrimp and Prawns from India and Thailand*, Inv. Nos. 751-TA-28-29 (Changed Circumstances Reviews), USITC Pub. 3813 (Nov. 2005).

[6] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam,* Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review), USITC Pub. 4221 (March 2011) ("*First Reviews*"); *see also Frozen Warmwater Shrimp From Brazil, China, India, Thailand, and Vietnam*, 76 FR 18782 (April 5, 2011).

[7] *Certain Frozen Warmwater Shrimp From Brazil, India, the People's Republic of China, Thailand, and the Socialist Republic of Vietnam: Continuation of Antidumping Duty Orders*, 76 FR 23972 (April 29, 2011).

[8] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam; Institution of five-year reviews,* 81 FR 10659 (March 1, 2016).

[9] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam; Notice of Commission Determination to Conduct Full Five-Year Reviews,* 81 FR 39711 (June 17, 2016). *See also* Explanation of Commission Determination of Adequacy. The Commission found that both the domestic interested party group response and the respondent interested party group response were adequate with respect to the orders on subject merchandise from Brazil, India, Thailand, and Vietnam. With respect to the order on the subject merchandise from China, the Commission found that the respondent interested party group response was inadequate, but that circumstances warranted conducting a full review.

[10] AHSTAC includes eight members; each produces fresh and/or frozen warmwater shrimp in the United States. AHSTAC Response to Notice of Institution at 3-4. A majority of the 261 members of AHSIC are fishermen. INV-OO-047 at I-2 n.4 (May 23, 2016).

American Shrimp Processors Association ("ASPA"), a U.S. trade association that reports that a majority of its members are domestic producers of fresh and/or frozen warmwater shrimp.[11] AHSTAC/AHSIC and ASPA each participated at the Commission's hearing and filed separate prehearing and posthearing briefs and final comments. We refer to AHSTAC/AHSIC and ASPA jointly as "Domestic Parties."

Respondent entities from four of the five subject countries participated in these reviews. Respondent groups from three subject countries (India, Thailand, and Vietnam) ("Joint Respondents")[12] each participated at the Commission's hearing and filed joint prehearing and posthearing briefs and final comments. Additionally, Associacao Brasileira de Criadores de Camarao ("ABCC"), a Brazilian trade and business association consisting of producers and exporters of frozen warmwater shrimp, and seven individual producers/exporters of subject merchandise from Brazil (collectively "Brazilian Respondents") participated in the Commission's hearing, and submitted prehearing and posthearing briefs and final comments.

Data Coverage. U.S. industry data are based on the questionnaire responses of 28 U.S. processors of fresh and/or frozen warmwater shrimp that are believed to account for approximately 64.3 percent of U.S. production of fresh and frozen warmwater shrimp based on live (head-on shell-on) weight, and virtually all domestic production of fresh and frozen warmwater shrimp based on headless shell-on weight in 2015.[13] In addition, U.S. industry data are based on the questionnaire responses of 182 U.S. farmers/fishermen that are believed to account for approximately 11.9 percent of U.S. wild-caught and farmed fresh and frozen warmwater shrimp in 2015.[14] U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of 26 U.S. importers of frozen warmwater shrimp that accounted for *** percent of total U.S. imports during 2015 and for *** percent of total subject imports during that year.[15] The Commission received responses to its questionnaires from 74 foreign producers of subject merchandise: seven

[11] Forty members of ASPA are involved in the processing of warmwater shrimp. ASPA Response to Notice of Institution at Exhibit 1.

[12] Joint Respondents consist of: (1) Seafood Exports Association of India ("SEAI"), an association all of whose members are producers and/or exporters of subject merchandise from India ("Indian Respondent"); (2) thirty-two individual foreign producers and exporters of the subject merchandise from Thailand ("Thai Respondents"); and (3) Vietnamese Association of Seafood Exporters and Producers ("VASEP"), an association of producers and exporters of seafood, including frozen warmwater shrimp, from Vietnam, and 24 individual members of the Vietnamese shrimp industry ("Vietnamese Respondents").

[13] The Commission received questionnaire responses from 35 U.S. processors, 28 of which provided useable data. CR at I-34; PR at I-26.

[14] CR at I-33 and I-34; PR at I-26.

[15] CR at I-37 and IV-1; PR at I-28 and IV-1. Questionnaire responses accounted for the following shares of individual subject country's subject imports during 2015: *** percent of subject imports from China; *** percent of subject imports from India; *** percent of subject imports from Thailand; and *** percent of subject imports from Vietnam. There were no subject imports from Brazil in 2015. CR/PR at IV-1.

producers/exporters in Brazil, accounting for approximately 41 percent of total Brazilian production in 2015; zero producers/exporters in China; 20 producers/exporters in India, whose exports accounted for approximately *** percent of subject imports from India based on adjusted official Commerce statistics in 2015; 28 producers/exporters in Thailand, whose exports accounted for approximately *** percent of subject imports from Thailand in 2015; and 19 producers/exporters in Vietnam, whose exports accounted for approximately *** percent of subject imports from Vietnam in 2015.[16] The Commission also received 37 useable questionnaire responses from firms that have purchased warmwater shrimp from 2013 to 2015.[17]

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[18] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[19] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[20]

Commerce has defined the imported merchandise within the scope of the antidumping duty orders under review as follows:

> … certain frozen warmwater shrimp and prawns whether wild-caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-

[16] CR at I-12 and I-13; PR at I-11.

[17] CR at I-40; PR at I-30.

[18] 19 U.S.C. § 1677(4)(A).

[19] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979). The Commission generally considers a number of factors (herein "traditional domestic like product factors"), including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken*, 913 F. Supp. at 584.

[20] *See*, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

on or tail-off, deveined or not deveined, cooked or raw, or otherwise processed in frozen form.

The frozen warmwater shrimp and prawn products included in the Orders, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products which are processed from warmwater shrimp and prawns through freezing and which are sold in any count size.

The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the Penaeidae family. Some examples of the farmed and wild-caught warmwater species include, but are not limited to, whiteleg shrimp (*Penaeus vannemei*), banana prawn (*Penaeus merguiensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Macrobrachium rosenbergii*), giant tiger prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern rough shrimp (*Trachypenaeus curvirostris*), southern white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*).

Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope of the Orders. In addition, food preparations, which are not “prepared meals,” that contain more than 20 percent by weight of shrimp or prawn are also included in the scope of the orders.

Excluded from the Orders are: (1) Breaded shrimp and prawns (HTSUS subheading 1605.20.10.20); (2) shrimp and prawns generally classified in the *Pandalidae* family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled (HTSUS subheadings 0306.23.00.20 and 0306.23.00.40); (4) shrimp and prawns in prepared meals (HTSUS subheading 1605.20.05.10); (5) dried shrimp and prawns; (6) canned warmwater shrimp and prawns (HTSUS subheading 1605.20.10.40); (7) certain dusted shrimp; and (8) certain battered shrimp. Dusted shrimp is a shrimp-based product: (1) That is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a “dusting” layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the non-shrimp content of the end product constituting between four and 10 percent of the product's total weight after being dusted, but prior to being frozen; and (5) that is subjected to IQF freezing immediately after application of the dusting layer. Battered shrimp is a shrimp-based product that, when dusted in accordance with the definition of dusting above, is coated with a wet viscous layer containing egg and/or milk, and par-fried.[21]

a. The Original Investigations

In the original investigations, the Commission addressed three issues pertinent to the definition of the domestic like product. First, the Commission determined that the domestic like product should be defined to include fresh warmwater shrimp, an item excluded from the scope. Using the "semifinished products" analysis, the Commission found that fresh shrimp should be included in the domestic like product because fresh shrimp was overwhelmingly used as an input in the production of the frozen product, shrimp was overwhelmingly sold in a processed form, and the initial stages of processing did not significantly change the physical characteristics and uses of the product and appeared to add at most moderate value to the product.[22] Second, the Commission rejected an argument that "shrimp scampi" should be defined as a separate domestic like product, observing that the proponent of this domestic like product failed to define it meaningfully and that there were no clear distinctions between "shrimp scampi" and other domestically produced products described by the scope.[23] Third, the Commission found that canned warmwater shrimp, which was then within the scope definition, should be defined as a domestic like product separate from fresh and frozen warmwater shrimp.[24] The Commission made negative or negligible import determinations for canned shrimp from all subject countries. Consequently, the single domestic like product for which the Commission reached affirmative determinations consisted of fresh warmwater shrimp and those frozen warmwater shrimp products described in the scope.[25]

b. First Five-Year Reviews

In the first five-year reviews, the Commission found that the record did not indicate any changes in product characteristics since the original investigations and no party argued for a different definition for the domestic like product. Thus, the Commission again defined a single

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[21] *Certain Frozen Warmwater Shrimp From Brazil, India, the People's Republic of China and Thailand: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 81 FR 44275 (July 7, 2016) (footnotes omitted); and *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the Second Five-Year Sunset Review of the Antidumping Duty Order*, 82 FR 8724 (Jan. 30, 2017) (footnotes omitted).

[22] *Original Determinations,* USITC Publication 3748 at 6.

[23] *Original Determinations,* USITC Publication 3748 at 6-8.

[24] *Original Determinations,* USITC Publication 3748 at 8-10. Commissioners Koplan and Lane did not define canned warmwater shrimp as a separate domestic like product.

[25] *Original Determinations,* USITC Publication 3748 at 11.

domestic like product encompassing fresh warmwater shrimp and frozen warmwater shrimp as described by the scope definition.[26]

c. The Current Reviews

Domestic Parties contend that the Commission should again define a single domestic like product consistent with its definition in the original investigations and first five-year reviews.[27] Joint Respondents do not contest the Commission's original and first review domestic like product definitions.[28] No other interested party provided further comment on the domestic like product.

The record in these reviews does not indicate that there have been any changes in the product characteristics of either fresh or frozen warmwater shrimp since the original investigations and first five-year reviews.[29] Based on the analysis in the original investigations, the record in these reviews, and the lack of any contrary argument, we again define a single domestic like product encompassing fresh warmwater shrimp and the frozen warmwater shrimp described by the scope definition.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[30] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[31]

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[26] *First Reviews,* USITC Publication 4221 at 6. The Commission also found that because the scope definition now included dusted shrimp, and the record provided no basis for treating dusted shrimp as a distinct like product, the domestic like product included dusted shrimp. *Id*. at 6 n.22.

[27] ASPA Prehearing Brief at 6; AHSTAC/AHSIC Prehearing Brief at 2-3.

[28] Joint Respondents Prehearing Brief at 7.

[29] *See generally* CR at I-25 – I-31; PR at I-21 – I-24.

[30] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[31] In the original investigations and first five-year reviews, the Commission found that processing activities such as deheading, grading, machine peeling, deveining, and cooking were all sufficient activities to constitute domestic production because these operations typically each required specialized equipment and added more value to the process than any preceding stage. By contrast, the Commission found that marinating and skewering did not constitute domestic production because they involved no specialized equipment and added relatively modest value to the processed shrimp product. Finally, the Commission found that breading could not constitute domestic production activity because breaded shrimp was not part of the domestic like product in the prior antidumping duty investigations and reviews. *Original Determinations*, USITC Pub. 3748 at 12-13; *First Reviews*, USITC Pub. 4221 at 8-9.

(*continued*...)

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[32] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[33]

In the original investigations and first five-year reviews, the Commission found that certain processors of warmwater shrimp were subject to exclusion under the related parties provision because they imported subject merchandise during the pertinent period examined. The Commission found that appropriate circumstances existed to exclude *** processors from the domestic industry in the original investigations and *** processor in the first five-year reviews.[34]

The record in these reviews indicates that one U.S. processor, Tampa Bay, imported warmwater shrimp directly from subject countries during the period of investigation.[35] Thus, it

(…*continued*)

In the current reviews, the record does not indicate any change in the nature of shrimp processing since the time of the original investigations and first five-year reviews. CR at I-28 – I-30; PR at I-22 – I-24. Moreover, the parties in the current reviews have not contested what activities do and do not constitute domestic production. ASPA Prehearing Brief at 6; AHSTAC/AHSIC Prehearing Brief at 3-4; Joint Respondents Prehearing Brief at 7. Thus, we make the same findings that the Commission did in the original determinations and first five-year reviews concerning the shrimp processing activities that do and do not constitute domestic production. Based on these findings, each processor that submitted a response to the domestic producers' questionnaire engages in sufficient production-related activities to be considered a domestic producer.

[32] *See Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[33] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31(Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[34] The ***. *Original Determinations*, USITC Pub. 3748 at 15-17 and *Confidential Original Views of the Commission* at 22-27 (EDIS # 580528**)**. The ***. *First Reviews*, USITC Pub. 4221 at 9-10 and *Confidential First Review Views of the Commission* at 12-14 (EDIS# 580527).

[35] CR/PR at Tables I-8 and III-9.

is a related party that is subject to exclusion from the definition of the domestic industry under appropriate circumstances.[36]

Tampa Bay accounted for *** of domestic warmwater shrimp processing in 2015.[37] Its domestic production *** in 2015.[38] Its imports of subject merchandise were relatively *** as a share of its domestic production from 2013 to 2015. Its imports of subject merchandise, which were from ***.[39] Tampa Bay reported that its reason for importing or purchasing subject imports was because there was not enough U.S. domestic shrimp to cover demand.[40] Tampa Bay *** the orders.[41]

While we recognize that Tampa Bay's ratio of subject imports (as well as purchases of such imports) to production increased from 2013 to 2015, its U.S. production, which is substantially larger than its importation of subject merchandise, also continued to increase. Thus, we find that its principal interest lies in domestic production. Therefore, we find that appropriate circumstances do not exist to exclude Tampa Bay from the domestic industry as a related party.

Accordingly, in light of the definition of the domestic like product and the above analysis, we define a single domestic industry encompassing all fishermen and processors of warmwater shrimp.

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[36] One other U.S. processor, ***, is related to a U.S. distributor (***) that is not a direct importer of subject merchandise ***. Because *** is a distributor rather than an importer, CR/PR at Table I-8 n.1, *** is not under common control with an importer or exporter of subject merchandise and hence is not a related party. *See* 19 U.S.C. § 1677(4)(B)(i).

Two other U.S. processors, ***, did not import subject merchandise directly, but did purchase such merchandise. CR/PR at Table III-10. Consequently, they would be treated as a related party if they control large volumes of subject imports. *See Iron Construction Castings from Brazil, Canada, and China*, Inv. Nos. 701-TA-249 and 731-TA-262, 263, and 265 (Fourth Review), USITC Pub. 4655 at 11 (Dec. 2016). These processors purchased no more than *** of subject imports in any calendar year, CR/PR at Table III-10; total annual imports were at least *** pounds during the period of review, CR/PR at Table IV-1. The record consequently indicates that *** do not control large volumes of subject imports. Accordingly, we find that neither of the processors that purchased subject merchandise warrants treatment as a related party.

[37] CR/PR at Table I-7.

[38] CR/PR at Table III-9. Tampa Bay's domestic production was *** in interim 2016. *Id*.

[39] CR/PR at Tables III-9. Tampa Bay's subject imports were *** in interim 2016. *Id*. Tampa Bay's ratio of subject imports to production was *** in interim 2016. *Id*. Tampa Bay also purchased substantial volumes of subject imports throughout the period: *** in interim 2016. CR/PR at Table III-10. Calculated from CR/PR at Tables III-10 and IV-1.

[40] CR/PR at Table III-9.

[41] CR/PR at Table I-7.

III. Cumulation

A. Legal Standard

> With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[42]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[43] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

Original Investigations and First Reviews. In the original investigations, in which the issue of cumulation was not contested, the Commission cumulated imports of frozen warmwater shrimp from all subject countries.[44] It found a reasonable overlap in competition among subject imports from these countries, and between subject imports and the domestic like product.[45]

In the first five-year reviews, the Commission did not find that imports from Brazil, China, India, Thailand, or Vietnam would be likely to have no discernible adverse impact on the domestic industry in the event of revocation.[46] It found a likely reasonable overlap of

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[42] 19 U.S.C. § 1675a(a)(7).

[43] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

[44] *Original Determinations*, USITC Pub. 3748 at 19-21. The Commission also cumulated imports from Ecuador, but those imports are no longer subject to orders. *See id*.

[45] *Original Determinations*, USITC Pub. 3748 at 19-21.

[46] *First Reviews*, USITC Pub. 4221 at 12-15.

competition among imports from these subject countries and between subject imports and the domestic like product, and it did not find any likely differences in the conditions of competition among these five subject sources of frozen warmwater shrimp.[47] Thus, the Commission cumulated subject imports from Brazil, China, India, Thailand, and Vietnam.[48]

Current Reviews. The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: March 1, 2016.[49]

Domestic Parties contend that each of the factors that supported cumulation in the original investigations and first five-year reviews continues to apply for all five subject countries in these reviews.[50] In particular, regarding Brazil, they contend that the Brazilian shrimp industry has excess capacity, is increasing its production, and is looking to increase its international market presence. The U.S. market, with its relatively high prices and less stringent import standards, would be a prime target in their view. According to Domestic Parties, the decline in exports from Brazil appears to be the result of: 1) the U.S. antidumping order, 2) the loss of tariff preferences in the European Union, and 3) a protected home market.[51]

Joint Respondents do not contest the cumulation of subject imports from all five countries subject to review.[52]

Brazilian Respondents argue that subject imports from Brazil are likely to have no discernible adverse impact on the domestic industry or, in the alternative, that the Commission should decline to cumulate imports from Brazil with subject imports from China, India, Thailand, and Vietnam because such imports are likely to compete under different conditions of competition than imports from other subject sources.[53] They claim that the information regarding the industry in Brazil is now markedly different than it was six years ago, demonstrating a permanent shift of such Brazilian producers away from export markets (including the United States) in favor of sales to the Brazilian home market.[54] They assert that the fact that Brazilian producers have abandoned all export markets – not just the United States – indicates that the shift to predominantly serving the home market is not a function of the antidumping order and that subject imports from Brazil are not likely to return to the U.S. market. According to Brazilian Respondents, there are two primary reasons for the Brazilian producers to focus almost entirely on the domestic market: 1) there has been a significant

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[47] *First Reviews*, USITC Pub. 4221 at 15-17.

[48] *First Reviews*, USITC Pub. 4221 at 17.

[49] 81 FR 10659 (March 1, 2016).

[50] ASPA Prehearing Brief at 6-59; AHSTAC/AHSIC Prehearing Brief at 5-29.

[51] ASPA Prehearing Brief at 6-51; AHSTAC/AHSIC Prehearing Brief at 5-21; ASPA Posthearing Brief at 1-4 and Answers to Questions at Johanson 1 and Williamson 2.

[52] Joint Respondents Prehearing Brief at 7-8.

[53] Brazilian Respondents Prehearing Brief at 1-19.

[54] Brazilian Respondents Prehearing Brief at 6-11. In noting that there were very small levels of imports into the United States in 2013 and 2014, they refer to *** to assert that even *** might be overstated, and that it is quite likely that ***. *Id*. at 7.

growth of shrimp consumption in Brazil; and 2) Brazil has enacted import restrictions that severely limit import competition, reduce shrimp availability, and keep domestic prices high.[55]

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[56] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[57] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from any of the subject countries would likely have no discernible adverse impact on the domestic industry in the event of revocation.

Brazil. In the original investigations, the volume of subject imports from Brazil increased from *** pounds in 2001 to *** pounds in 2003, but were lower in January-June ("interim") 2004 than in interim 2003.[58] During the first five-year reviews, subject imports from Brazil were *** pounds in 2005, *** pounds in 2006 and were at minimal levels thereafter.[59] During the current period of review, subject imports from Brazil were only present in very small volumes in 2013 and 2014; they were *** pounds in 2013, *** pounds in 2014, and *** in 2015 and interim 2016.[60] Accordingly, the share of apparent U.S. consumption accounted for by subject imports from Brazil was *** in each year and interim period examined.[61]

In the current reviews, the Commission received usable data from seven firms in Brazil, estimated to account for 41 percent of total Brazilian production in 2015; ***.[62] Reported

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[55] Brazilian Respondents Prehearing Brief at 13-19.

[56] 19 U.S.C. § 1675a(a)(7).

[57] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

[58] CR/PR at Table C-2 (Original Investigation).

[59] CR/PR at Table C-1 (First Review).

[60] CR/PR at Table IV-1.

[61] CR/PR at Table I-11.

[62] CR at IV-19; PR at IV-15. In the first five-year reviews, three firms provided usable data. ***, and these firms were estimated to account for *** of Brazilian shrimp production in 2009. CR at IV-18; PR at IV-14, and Calculated from Confidential First Review Staff Report, INV-JJ-016 at Tables IV-7 and IV-8 (Feb. 25, 2011). While these producers exported *** subject merchandise to the United States during the period of review, their exports to Europe constituted between *** of their annual shipments during the period of review. *First Reviews*. USITC Pub. 4221 at Table IV-8. In the original investigations, 13

(*continued*...)

Brazilian production capacity was constant at 127.5 million pounds from 2013 to 2015, and 95.9 million pounds in interim 2015 and 95.3 million pounds in interim 2016.[63] Reported production fluctuated annually, declining from 29.5 million pounds in 2013 to 26.7 million pounds in 2015, and was lower in interim 2016 than in interim 2015.[64] Brazilian capacity utilization declined irregularly from 23.2 percent in 2013 to 20.9 percent in 2015, and was lower in interim 2016 than in interim 2015.[65]

While the Brazilian industry was heavily export oriented during the original investigations,[66] the Brazilian shrimp industry has shifted from exporting to predominately supplying the domestic market. During the current period of review, Brazil's reported exports of frozen warmwater shrimp as a share of total shipments ranged from a low of *** on an annual basis, with an increasing share of its total shipments directed to its home market.[67] Global Trade Atlas ("GTA") data indicate that Brazil only accounted for 0.1 percent of total global exports by value in 2015.[68] Exports of warmwater shrimp from Brazil decreased from 2.3 million pounds in 2013 to 1.4 million pounds in 2015.[69]

Based on the record, we do not find that subject imports from Brazil would likely have no discernible adverse impact on the domestic industry if the order on subject imports from Brazil was revoked.

China. In the original investigations, the volume of subject imports from China increased from *** pounds in 2001 to *** pounds in 2003, and was higher in interim 2004 than in interim 2003.[70] During the first five-year reviews, subject imports from China fluctuated from a low of *** pounds in 2005 to a high of *** pounds in 2006, with *** pounds imported in 2009.[71]

(…*continued*)

Brazilian producers/exporters provided usable data, and their collective exports to the United States were equivalent to 46.7 percent of subject imports from Brazil in 2003. CR at IV-18; PR at IV-14.

[63] CR/PR at Table IV-11.

[64] CR/PR at Table IV-11.

[65] CR/PR at Table IV-11. Throughout these views, we take into account that in considering processors' capacity utilization, excess capacity can only be used if there is a sufficient supply of shrimp.

[66] *Original Determinations*, USITC Pub. 3748 at Table VII-1; *see also First Reviews*, USITC Pub. 4221 at 12-13.

[67] CR/PR at Table IV-11. During the current reviews, exports as a share of total shipments were *** in interim 2016. *Id*. Home market shipments ranged between *** on an annual basis; home market shipments were *** in interim 2016. *Id*. During the first five-year reviews, home market shipments ranged between *** of total shipments on an annual basis. *First Reviews* at Table IV-8. In the original investigations, home market shipments were only 3.2 percent as a share of total shipments in 2003 and export shipments were 96.8 percent. *Original Determinations*, USITC Pub. 3748 at Table VII-1.

[68] CR/PR at Table IV-34.

[69] CR/PR at Table IV-14. Japan was Brazil's largest export destination, accounting for 56.1 percent of Brazil's exports in 2015, followed by Belgium at 16.0 percent and France at 12.6 percent. *Id*.

[70] CR/PR at Table C-2 (Original Investigation).

[71] CR/PR at Table C-1 (First Review).

Subject imports from China were present each year during the current period of review; they were *** pounds in 2013, *** pounds in 2014, *** pounds in 2015, *** pounds in interim 2015, and *** pounds in interim 2016.[72] The share of apparent U.S. consumption accounted for by subject imports from China was *** in each year and interim period examined.[73]

No subject Chinese producer reported data to the Commission on its shrimp production operations for the period of review.[74] Thus, the limited data in the record regarding shrimp production in China is derived from the original investigations, the prior reviews, and other available industry sources. In the first five-year reviews, reported Chinese production capacity increased from 157.7 million pounds in 2005 to 251.2 million pounds in 2009, and was higher in interim 2010 than in interim 2009.[75] Reported production increased from 68.0 million pounds in 2005 to 127.8 million pounds in 2009, and was higher in interim 2010 than in interim 2009.[76] These producers' annual capacity utilization rates ranged between 43.1 and 50.9 percent during the period of review, with the highest capacity utilization occurring during 2009 and interim 2010.[77] The Chinese industry was export oriented. During the first reviews, Chinese exports as a share of total shipments ranged between 74.9 and 81.3 percent.[78] Asia was the largest export market; exports to the United States constituted 15.1 percent of total shipments in 2006, but were not above 10 percent of total annual shipments during any other year, and were 1.0 percent or less of total annual shipments in 2008 and 2009.[79]

The Commission found in the first five-year reviews that China was among the world's largest producers of warmwater shrimp.[80] In the current reviews, based on Aquaculture Asia Pacific ("AAP") data, estimated shrimp aquaculture production ranged from a low of 1.9 billion pounds of shrimp in 2015 to a high of 3.3 billion pounds of shrimp in 2013.[81]

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[72] CR/PR at Table IV-1.

[73] CR/PR at Table I-11.

[74] CR at IV-26; PR at IV-21. In the first five-year reviews, 34 firms provided usable data, and were estimated to account for 6.2 percent of subject imports from China in 2009. *Id.* In the original investigations, 28 Chinese producers/exporters provided usable data, and their collective exports to the United States were equivalent to 54.9 percent of subject imports from China in 2003. *Id*

[75] *First Reviews*, USITC Pub. 4221 at Table IV-9.

[76] *First Reviews*, USITC Pub. 4221 at Table IV-9.

[77] *First Reviews*, USITC Pub. 4221 at Table IV-9.

[78] *First Reviews*, USITC Pub. 4221 at Table IV-9.

[79] *First Reviews*, USITC Pub. 4221 at Table IV-9.

[80] *First Reviews*, USITC Pub. 4221 at 13.

[81] Joint Respondents Posthearing Brief at 5. Based on GAA data, estimated shrimp aquaculture production ranged from a low of 3.1 billion pounds of shrimp in 2015 to a high of 4.1 billion pounds of shrimp in 2014. CR/PR at Table IV-8. We recognize that the data presented in Table IV-8 for 2015-2018 regarding aquaculture production in subject countries are based on estimates and not actual production volumes. *See* Joint Respondents' Posthearing Brief at 3-6. The Commission has questionnaire responses for subject producers in all countries except China and has relied primarily on the actual data collected in those responses for its analysis. Because no subject Chinese producers responded to the Commission's questionnaire, the Commission has relied on the facts available in its analysis of the subject industry in China.

According to GTA data, exports of warmwater shrimp from China decreased from 295.9 million pounds in 2013 to 209.6 million pounds in 2015.[82] China's largest export destinations in 2015 were Spain, Hong Kong, and Japan, accounting for 15.6 percent, 14.8 percent, and 14.2 percent, respectively, of China's exports in 2015.[83] China's exports of warmwater shrimp to the United States increased irregularly from 8.0 million pounds (2.7 percent of its total exports) in 2013 to 18.2 million pounds (8.7 percent of its total exports) in 2015.[84] GTA data indicate that China was the world's fifth largest exporter of warmwater shrimp, accounting for 7.3 percent of total global exports by value in 2015.[85]

Based on the record, we do not find that subject imports from China would likely have no discernible adverse impact on the domestic industry if the orders were revoked.

India. In the original investigations, the volume of subject imports from India increased from *** pounds in 2001 to *** pounds in 2003, but was lower in interim 2004 than in interim 2003.[86] During the first five-year reviews, subject imports from India fluctuated from a low of *** pounds in 2008 to a high of *** pounds in 2005, with *** pounds imported in 2009.[87]

Subject imports from India were present each year during the current period of review; they were *** pounds in 2013, *** pounds in 2014, *** pounds in 2015, *** pounds in interim 2015, and *** pounds in interim 2016.[88] The share of apparent U.S. consumption accounted for by subject imports from India increased in each period examined from *** in 2013 to *** in 2014 and *** in 2015; it was *** in interim 2015 and *** in interim 2016.[89]

In the current reviews, the Commission received usable data from 20 firms in India, whose collective exports were equivalent to *** of subject imports from India in 2015.[90] Reported production capacity of subject Indian producers increased from 561.8 million pounds in 2013 to 578.0 million pounds in 2015, and was higher in interim 2016 than in interim 2015.[91] Reported production also increased from 233.9 million pounds in 2013 to 303.1 million pounds in 2015, and was higher in interim 2016 than in interim 2015.[92] Capacity utilization for the

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[82] CR/PR at Table IV-15. GTA data would include exports from producers in China not subject to the order.

[83] CR/PR at Table IV-15.

[84] CR/PR at Table IV-15.

[85] CR/PR at Table IV-34.

[86] CR/PR at Table C-2 (Original Investigation).

[87] CR/PR at Table C-1 (First Review).

[88] CR/PR at Table IV-1.

[89] CR/PR at Table I-11.

[90] CR at IV-30; PR at IV-24. In the first five-year reviews, 36 firms provided usable data, and were estimated to account for 75.9 percent of subject imports from India in 2009. *Id*. at IV-29. In the original investigations, 96 Indian producers/exporters provided usable data, and their collective exports to the United States were equivalent to 81.7 percent of subject imports from India in 2003. *Id*

[91] CR/PR at Table IV-18.

[92] CR/PR at Table IV-18.

subject industry increased from 41.6 percent in 2013 to 52.4 percent in 2015, and was higher in interim 2016 than in interim 2015.[93]

The Commission found in the first five-year reviews that the Indian industry is heavily export oriented.[94] Subject Indian producers reported exporting *** of their total shipments of frozen warmwater shrimp throughout the current period of review.[95] Moreover, an increasing share of the subject Indian industry's total shipments was directed to the United States, increasing from *** of total shipments in 2013 to *** in 2015.[96]

GTA data indicate that India was the world's largest exporter of warmwater shrimp, accounting for 23.2 percent of total global exports by value in 2015.[97] Exports of warmwater shrimp from India increased substantially from 455.1 million pounds in 2013 to 814.8 million pounds in 2015.[98] The United States was India's largest export destination during 2013 to 2015, accounting for 33.5 percent of India's exports in 2015.[99]

Based on the record, we do not find that subject imports from India would likely have no discernible adverse impact on the domestic industry if the orders were revoked.

Thailand. In the original investigations, the volume of subject imports from Thailand fluctuated between years, decreasing from *** pounds in 2001 to *** pounds in 2003, and was higher in interim 2004 than in interim 2003.[100] During the first five-year reviews, subject imports from Thailand increased from *** pounds in 2005 to *** pounds in 2006 and declined the next three years, reaching *** pounds in 2009.[101]

Subject imports from Thailand were present each year during the current period of review; they were *** pounds in 2013, *** pounds in 2014, *** pounds in 2015, *** pounds in interim 2015, and *** pounds in interim 2016.[102] The share of apparent U.S. consumption accounted for by subject imports from Thailand fluctuated between years and declined from *** in 2013 to *** in 2015; it was *** in interim 2015 and *** in interim 2016.[103]

In the current reviews, the Commission received usable data from 26 firms in Thailand, whose collective exports were equivalent to *** percent of subject imports from Thailand in

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[93] CR/PR at Table IV-18.

[94] *First Reviews*, USITC Pub. 4221 at 13-14. In the first five-year reviews, India's exports as a share of total shipments were 98.2 percent in 2009. *Id*. at Table IV-11.

[95] CR/PR at Table IV-18.

[96] CR/PR at Table IV-18. During the first five-year reviews, exports from India to the United States ranged between 23.6 percent and 44.0 percent of total shipments on an annual basis. *First Reviews* at Tables IV-11.

[97] CR/PR at Table IV-34.

[98] CR/PR at Table IV-21. GTA data include exports from the producers in India not subject to the order.

[99] CR/PR at Table IV-21.

[100] CR/PR at Table C-2 (Original Investigation).

[101] CR/PR at Table C-1 (First Review).

[102] CR/PR at Table IV-1.

[103] CR/PR at Table I-11.

2015.[104] Reported production capacity of subject Thai producers declined from 651.3 million pounds in 2013 to 599.9 million pounds in 2015, and was lower in interim 2016 than in interim 2015.[105] Reported production fluctuated from year to year, declining from 231.6 million pounds in 2013 to 204.7 million pounds in 2015, and was higher in interim 2016 than in interim 2015.[106] Thai capacity utilization declined irregularly from 35.6 percent in 2013 to 34.1 percent in 2015, and was higher in interim 2016 than in interim 2015.[107]

The Commission found in the first five-year reviews that the Thai industry was heavily export oriented.[108] This continues to be true during the current period of review, when subject Thai producers' reported exports of frozen warmwater shrimp as a share of total shipments was 90.6 percent in 2013 and 83.6 percent in 2015.[109] Moreover, an increasing share of the Thai industry's total shipments were directed to the United States, increasing from 40.2 percent of total shipments in 2013 to 43.8 percent in 2015.[110]

GTA data indicate that Thailand was the world's seventh largest exporter of warmwater shrimp, accounting for 4.7 percent of total global exports by value in 2015.[111] Exports of warmwater shrimp from Thailand decreased from 194.1 million pounds in 2013 to 151.7 million pounds in 2015.[112] The United States was Thailand's largest export destination during 2013 to 2015, accounting for 42.0 percent of Thailand's exports in 2015.[113]

Based on the record, we do not find that subject imports from Thailand would likely have no discernible adverse impact on the domestic industry if the orders were revoked.

Vietnam. In the original investigations, the volume of subject imports from Vietnam increased from *** pounds in 2003, but was lower in interim 2004 than in interim 2003.[114]

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[104] CR at IV-39; PR at IV-31. In the first five-year reviews, 34 firms provided usable data, and were estimated to account for 97.0 percent of subject imports from Thailand in 2009. CR at IV-38; PR at IV-30. In the original investigations, 37 Thai producers/exporters provided usable data, and their collective exports to the United States were equivalent to 95.4 percent of subject imports from Thailand in 2003. *Id*

[105] CR/PR at Table IV-24.

[106] CR/PR at Table IV-24.

[107] CR/PR at Table IV-24.

[108] *First Reviews*, USITC Pub. 4221 at 14. In the first five-year reviews, Thailand's exports as share of total shipments were 86.5 percent in 2009. *Id*. at Table IV-13.

[109] CR/PR at Table IV-24.

[110] CR/PR at Table IV-24. During the first five-year reviews, exports from Thailand to the United States ranged between 46.1 percent and 57.6 percent of total shipments on an annual basis. *First Reviews*, USITC Pub. 4221 at Table IV-13.

[111] CR/PR at Table IV-34.

[112] CR/PR at Table IV-27. GTA data include exports from producers in Thailand not subject to the order.

[113] CR/PR at Table IV-27.

[114] CR/PR at Table C-2 (Original Investigation).

During the first five-year reviews, subject imports from Vietnam fluctuated from a low of *** pounds in 2006 to a high of *** pounds in 2008, with *** pounds imported in 2009.[115]

Subject imports from Vietnam were present each year during the current period of review; they were *** pounds in 2013, *** pounds in 2014, *** pounds in 2015, *** pounds in interim 2015, and *** pounds in interim 2016.[116] The share of apparent U.S. consumption accounted for by subject imports from Vietnam fluctuated between years and declined from *** in 2013 to *** in 2015; it was *** in interim 2015 and *** in interim 2016.[117]

In the current reviews, the Commission received usable data from 19 firms in Vietnam, whose collective exports were equivalent to *** of subject imports from Vietnam in 2015.[118] Reported production capacity of subject Vietnamese producers increased irregularly from *** pounds in 2013 to *** pounds in 2015, and was higher in interim 2016 than in interim 2015.[119] Reported production fluctuated from year to year, increasing from *** pounds in 2013 to *** pounds in 2015, and was lower in interim 2016 than in interim 2015.[120] Capacity utilization declined irregularly from *** in 2015, and was lower in interim 2016 than in interim 2015.[121]

The Commission found in the first five-year reviews that the Vietnamese industry is heavily export oriented.[122] This continues to be true during the current period of review, when subject Vietnamese producers' reported exports of frozen warmwater shrimp as a share of total shipments was *** in 2015.[123] From 2013 to 2015, a substantial share of the Vietnamese industry's total shipments were directed to the United States, but decreased from *** of total shipments in 2013 to *** in 2015; export shipments to the United States as a share of total shipments were higher in interim 2016 than in interim 2015.[124]

GTA data indicate that Vietnam was the world's third largest exporter of warmwater shrimp, accounting for 13.1 percent of total global exports by value in 2015.[125] Exports of warmwater shrimp from Vietnam decreased irregularly from 556.1 million pounds in 2013 to

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[115] CR/PR at Table C-1 (First Review).

[116] CR/PR at Table IV-1.

[117] CR/PR at Table I-11.

[118] CR at IV-49; PR at IV-38. In the first five-year reviews, 26 firms provided usable data, and were estimated to account for 95.8 percent of subject imports from Vietnam in 2009. CR at IV-48; PR at IV-37. In the original investigations, 36 Vietnamese producers/exporters provided usable data, and their collective exports to the United States were equivalent to 97.1 percent of subject imports from Vietnam in 2003. *Id*

[119] CR/PR at Table IV-30.

[120] CR/PR at Table IV-30.

[121] CR/PR at Table IV-30.

[122] *First Reviews*, USITC Pub. 4221 at 14. In the first five-year reviews, Vietnam's exports as share of total shipments were 82.1 percent in 2009. *Id*. at Table IV-15

[123] CR/PR at Table IV-30.

[124] CR/PR at Table IV-30. During the first five-year reviews, exports from Vietnam to the United States ranged between 32.1 percent and 36.1 percent of total shipments on an annual basis. *First Reviews*, USITC Pub. 4221 at Table IV-15.

[125] CR/PR at Table IV-34.

407.0 million pounds in 2015.[126] The United States was Vietnam's second largest export destination during 2013 to 2015, accounting for 17.4 percent of Vietnam's exports in 2015.[127]

Based on the record, we do not find that subject imports from Vietnam would likely have no discernible adverse impact on the domestic industry if the orders were revoked.

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[128] Only a "reasonable overlap" of competition is required.[129] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[130]

Fungibility. In the original investigations, the Commission found that market participants perceived at least some degree of overlap in the applications for which the domestic like product and the subject imports were used.[131] In the first five-year reviews, the Commission found that the record concerning fungibility was comparable to that of the original investigations; there was a general perception among market participants of at least some degree of interchangeability between the domestic like product and the subject imports, as

[126] CR/PR at Table IV-33. GTA data would include exports from the Vietnamese producer not currently subject to the order.

[127] CR/PR at Table IV-33.

[128] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[129] *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Werke,* 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States,* 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g*., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[130] *See generally*, *Chefline Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

[131] *Original Determinations*, USITC Pub. 3748 at 19-21.

well as evidence that the domestic like product and imports from multiple subject countries competed head-to-head in certain product lines.[132]

In the current reviews, the record indicates that there is at least a moderate degree of substitutability between U.S. produced warmwater shrimp and that imported from subject countries.[133] Most responding domestic processors reported that subject imports from all subject countries are always used interchangeably with each other and with the domestic like product.[134] Responses of importers were mixed; in all five United States-subject country comparisons, pluralities or majorities of importers reported that the subject imports were frequently or sometimes interchangeable with the domestic like product.[135] Responses of purchasers were mixed and relatively polarized; in all five comparisons, a majority of those responding picked the two extreme responses ("always" or "never"), with greater numbers finding that the domestic like product was always comparable to subject imports from Brazil or India, greater numbers finding that the domestic like product was never comparable to subject imports from China, and equal numbers finding that the domestic like product and subject imports from Thailand or Vietnam always or never comparable.[136] Most purchasers also reported that U.S. product and imports from each subject country (other than Brazil) always or usually meet minimum quality specifications,[137] and most purchasers reported that U.S. product and shrimp from subject sources (other than Brazil) were comparable on at least 12 of 18 factors.[138]

Geographic Overlap. In the original investigations and first five-year reviews, the Commission found that both the domestic like product and imports from all subject sources were distributed either nationally or in multiple U.S. regions.[139]

In the current reviews, both U.S. producers and importers from each subject country reported selling warmwater shrimp to all regions in the contiguous United States.[140] Thus, warmwater shrimp from all sources served a nationwide market during the period examined.

Channels of Distribution. In the original investigations, the Commission found that channels of distribution for the domestic like product and the subject imports overlapped and that numerous market participants purchased the domestic like product and imports from multiple subject countries.[141] In the first five-year reviews, the Commission found that over 90 percent of shipments of the domestic like product and a substantial proportion of the imports from each subject source were to distributors. Most remaining shipments of the domestic like

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[132] *First Reviews*, USITC Pub. 4221 at 15-16.

[133] CR at II-24; PR at II-16.

[134] CR/PR at Table II-13.

[135] CR/PR at Table II-13.

[136] CR/PR at Table II-13. Purchasers reported that factors limiting interchangeability include differences between types of products available, quality, and availability. CR at II-41; PR at II-28.

[137] CR/PR at Table II-14.

[138] CR/PR at Table II-12.

[139] *Original Determinations*, USITC Pub. 3748 at 20; *First Reviews*, USITC Pub. 4221 at 16.

[140] CR at II-3 and Table II-2; PR at II-2 and Table II-2.

[141] *Original Determinations*, USITC Pub. 3748 at 20.

product were directed to retailers or institutional buyers, which were a substantial channel of distribution for imports from each of the subject countries.[142]

In the current reviews, the domestic like product and the subject imports were sold to distributors, end users, and/or retail/institutional customers such as grocers and restaurants. The majority of domestically produced product and a plurality of subject imports from each subject country in 2015 were sold to distributors, although the share to distributors and retail/institutional customers has differed among the subject countries and has fluctuated annually.[143]

Simultaneous Presence in Market. In the original investigations, both the domestic like product and imports from each subject country were present in the U.S. market throughout the period of investigation.[144] In the first five-year reviews, the domestic like product and imports from each of the subject countries except Brazil were present throughout the period of review.[145]

In the current reviews, warmwater shrimp from all sources except Brazil were simultaneously present in the U.S. market. Subject imports from India, Thailand, and Vietnam entered the United States in every month of the period examined, and subject imports from China entered the United States in all but three months in 2014 and two months in 2015.[146] Subject imports from Brazil were largely absent from the U.S. market during the period of review, with small amounts shipped in two months in 2013 and one month in 2014.[147]

Conclusion. The record in these reviews indicates reasonable overlaps between the domestic like product and imports from each subject country, and between imports from different subject sources, in channels of distribution and geographic presence. The record concerning fungibility appears similar to that in the original investigations and first five-year reviews; there is a general perception among market participants of at least some degree of interchangeability between the domestic like product and subject imports from each subject country. The domestic like product and imports from four of the five subject countries were simultaneously present in the U.S. market during the period of review. Although subject imports from Brazil have entirely or nearly entirely exited the U.S. market, such imports were simultaneously present with other subject imports for a few months in the first two years of the period of review. In light of these considerations, and the lack of any contrary argument, we find that there would likely be a reasonable overlap of competition between the domestic like product and imports from each subject country and between imports from each subject country.

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[142] *First Reviews*, USITC Pub. 4221 at 16.

[143] CR/PR at Table II-1.

[144] *Original Determinations*, USITC Pub. 3748 at 20.

[145] *First Reviews*, USITC Pub. 4221 at 16. The Commission found that subject imports from Brazil had largely ceased after 2006, although there were small amounts shipped in one month in 2008, 2009, and interim 2010. *Id*.

[146] CR/PR at Table IV-6.

[147] CR/PR at Table IV-6.

D. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate subject imports, we assess whether the subject imports from Brazil, China, India, Thailand, and Vietnam are likely to compete under similar or different conditions in the U.S. market in the event of revocation.[148]

We find that subject imports from Brazil would likely compete under different conditions of competition than subject imports from China, India, Thailand, or Vietnam. During the original investigations, the warmwater shrimp industries in each of the five subject countries were heavily export oriented.[149] While the record in the current reviews demonstrates that the industries in India, Thailand, and Vietnam still are heavily export oriented and that the industry in China exports large volumes of warmwater shrimp, this is not the case for the industry in Brazil, whose primary focus is no longer on exports but rather on a home market that it has invested in and developed for over a decade.[150]

Data from GTA show that the Brazilian industry accounted for only 0.1 percent of global exports in 2015.[151] By comparison, data from GTA rank the Indian industry as the world's largest exporter of warmwater shrimp, accounting for 23.2 percent of global exports by value in 2015, the Vietnamese industry as the third largest exporter, accounting for 13.1 percent of global exports, the Chinese industry as the fifth largest exporter, accounting for 7.3 percent of global exports, and the Thai industry as the seventh largest exporter, accounting for 4.7 percent of global exports.[152] Questionnaire data from subject producers also show the distinctions between the industry in Brazil and those in the other subject countries. During the current period of review, Brazil's reported exports of warmwater shrimp as a share of total shipments ranged from *** on an annual basis, and were ***; by contrast, Brazil's exports as share of total shipments were *** in 2009 (first five-year reviews), and 96.8 percent in 2003 (original investigations).[153] The other subject countries continue to focus on export markets; export shipments as a share of total shipments in 2015 for the shrimp industries in India, Thailand, and Vietnam were ***, 83.6 percent, and ***, respectively.[154]

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[148] *Nucor Corp. v. United States*, 601 F. 3d 1291, 1296 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *see also Allegheny Ludlum Corp*., 475 F. Supp. 2d at 1378 (recognizing the wide latitude the Commission has in selecting the type of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp*., 569 F. Supp. 2d at 1337-38.

[149] *Original Determinations*, USITC Pub. 3748 at VII-1 n.2 and Tables VII-1, VII-2, VII-4, VII-5, and VII-6.

[150] *See* Brazilian Respondents Posthearing Brief at Exhibit 1 (*Global Aquaculture Advocate,* Volume 18, Issue 2 at 44-46 (March/April 2015)); ASPA Prehearing Brief at Exhibit 39.

[151] CR/PR at Table IV-34.

[152] CR/PR at Table IV-34.

[153] CR/PR at Table IV-11; *First Reviews* at Tables IV-8; *Original Determinations*, USITC Pub. 3748 at Table VII-1.

[154] CR/PR at Tables IV-18, IV-24, and IV-30. No subject Chinese producer responded to the Commission questionnaire. The facts available from the first five-year reviews demonstrate that the

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While subject imports from the other four subject countries have continued to enter the U.S. market, subject imports from Brazil were only present in very small volumes in 2013 and 2014; they were *** pounds in 2013, *** pounds in 2014, and *** in 2015 and interim 2016.[155] Moreover, during the first five-year reviews, subject imports from Brazil declined from *** pounds in 2005 to *** pounds in 2006 and were at minimal levels from 2007 to 2009.[156] Thus, subject imports from Brazil have not entered the U.S. market in any meaningful manner since 2006.[157]

The Brazilian shrimp industry is now heavily oriented towards its home market.[158] During the current review period, the Brazilian industry's shipments to its home market as a share of total shipments ranged from a low of *** on an annual basis, and was *** in interim 2015 and *** in interim 2016.[159] By comparison, home market shipments as a share of total shipments in 2015 for the industries in India, Thailand, and Vietnam were ***, 16.4 percent, and ***, respectively.[160]

(…*continued*)

Chinese industry was export oriented at that time with exports as a share of total shipments ranging between ***. *First Reviews*, USITC Pub. 4221 at Table IV-9.

[155] CR/PR at Table IV-1.

[156] CR/PR at Table C-1 (First Review).

[157] While Domestic Parties allege that the Brazilian seafood industry has recently participated in U.S. seafood trade fairs, they have provided no evidence that these industry participants were actively marketing shrimp exports. Thus, we do not find these allegations to be persuasive evidence that there likely will be substantial exports of shrimp from Brazil to the U.S. market in the reasonably foreseeable future. *See* AHSTAC/AHSIC Posthearing Brief at A-22-23; ASPA Posthearing Brief at 3-4, and Answers to Questions at Johanson 1 and Williamson 2; Brazilian Respondents Posthearing Brief, Appendix at 4-5 ("Exhibit 6 contains an Internet listing of the Brazilian companies participating in the {2017 Seafood Expo North America in Boston} event. Not a single company lists shrimp as their main or only product . . . .That any of the exhibitors might list shrimp as a product does not mean that the exhibitor produce shrimp; nor does it mean that shrimp is available for export"); Brazilian Respondents Final Comments at 1-3 ("Even more telling is the notable absence from AHSTAC's and ASPA's remarks of any example of any of the participants at the Seafood Expo North American (including those at the "Brasil Pavilion") actually informing AHSTAC or ASPA that it was able to export (or interested in exporting) shrimp to the United States.").

[158] As discussed below, the Brazilian government has imposed and strictly enforced sanitary requirements that severely limit the importation of shrimp into Brazil. These restrictions have essentially created a barrier to most imports and protected the home market for the Brazilian industry. *See* Brazilian Respondents Prehearing Brief at 16-19 and Exhibit 2; Brazilian Respondents Posthearing Brief, Appendix at 8-9 and at Exhibit 1 (*Global Aquaculture Advocate,* Volume 18, Issue 2 at 44-46 (March/April 2015)); ASPA Prehearing Brief at Exhibit 39.

[159] CR/PR at Table IV-11. During the first five-year reviews, home market shipments ranged between *** of total shipments on an annual basis. *First Reviews* at Tables IV-8. In the original investigations, home market shipments were only 3.2 percent as a share of total shipments in 2003 and export shipments were 96.8 percent. *Original Determinations*, USITC Pub. 3748 at Table VII-1.

[160] CR/PR at Tables IV-18, IV-24, and IV-30. No subject Chinese producer responded to the Commission questionnaire. The facts available from the first five-year reviews show that the Chinese

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In addition, the Brazilian shrimp industry has much smaller production capacity than the other four subject industries. Questionnaire data indicate that in 2015, the industries in India, Thailand, and Vietnam each had over four times the capacity of the Brazilian industry.[161] While we recognize that the Brazilian industry's capacity utilization rates during the current review are lower than those for the industries in the other subject countries, these rates are similar to those for the Brazilian industry in the first five-year reviews, and combined with its much smaller production capacity, indicate that it has much less unused capacity than the other subject industries.

Based on these considerations, including the Brazilian industry's home market focus, its substantially lower export orientation, and its lower export capability in light of its smaller capacity and smaller excess capacity, we find that subject imports from Brazil are likely to compete under different conditions of competition upon revocation than subject imports from China, India, Thailand, and Vietnam. By contrast, the greater export orientation, substantial volumes of global exports, greater production capacity, and greater amount of excess capacity of the Chinese, Indian, Thai, and Vietnamese industries indicate that subject imports from China, India, Thailand, and Vietnam are likely to compete under similar conditions of competition upon revocation.

E. Conclusion

In sum, we determine that subject imports from all five countries are not likely to have no discernible adverse impact on the domestic industry in the event of revocation and that there would likely be a reasonable overlap of competition between the subject imports from each country and the domestic like product. We also determine that subject imports from Brazil would not be likely to compete under similar conditions of competition with the subject imports from China, India, Thailand, and Vietnam, but that subject imports from China, India, Thailand, and Vietnam would be likely to compete under similar conditions of competition. Accordingly, for the reasons discussed above, we exercise our discretion to cumulate subject

(…*continued*)

industry's home market shipments as a share of total shipments ranged between ***. *First Reviews*, USITC Pub. 4221 at Table IV-9. In the original investigations, home market shipments as a share of each of the five subject countries' total shipments were: Brazil, 3.2 percent; China, 2.6 percent; India, 0.6 percent; Thailand, 1.4 percent; and Vietnam, 13.8 percent. *Original Determinations*, USITC Pub. 3748 at VII-1 n.2.

[161] Capacity of the subject producers in 2015 totaled 127.5 million pounds in Brazil, 578.0 million pounds in India, 599.9 million pounds in Thailand, and *** pounds in Vietnam. CR/PR at Tables II-4, IV-11, IV-18, IV-24, and IV-30. While comparable questionnaire data for the shrimp industry in China are unavailable, the GAA data indicate that Chinese production was 3.1 billion pounds in 2015 and AAP data indicate such production was 1.9 billion pounds in 2015. CR/PR at Table IV-8 and Joint Respondents' Posthearing Brief at 5. Based on these data, the Chinese industry's production capacity dwarfs the Brazilian industry's capacity to process shrimp.

imports from China, India, Thailand, and Vietnam, and consider them separately from subject imports from Brazil.

IV. Whether Revocation of the Antidumping Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[162] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[163] Thus, the likelihood standard is prospective in nature.[164] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[165]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[166] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but

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[162] 19 U.S.C. § 1675a(a).

[163] SAA at 883-84. The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id*. at 883.

[164] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

[165] *See NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), *aff'd mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion;" "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[166] 19 U.S.C. § 1675a(a)(5).

normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”[167]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”[168] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[169] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.[170]

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[171] In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[172]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to

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[167] SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id*.

[168] 19 U.S.C. § 1675a(a)(1).

[169] 19 U.S.C. § 1675a(a)(1). Commerce found duty absorption in its second administrative review of the antidumping duty order on subject imports from Thailand; two of the three exporters that Commerce found absorbed duties are ones as to which Commerce subsequently revoked the order. There have been no affirmative duty absorption findings concerning warmwater shrimp from Brazil, China, India, or Vietnam. CR at I-13 n.16; PR at I-11 n.16.

[170] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[171] 19 U.S.C. § 1675a(a)(2).

[172] 19 U.S.C. § 1675a(a)(2)(A-D).

consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[173]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[174] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[175]

B. Findings in the Original Investigations and Prior Reviews

1. The Original Investigations

a) Conditions of Competition

Demand. The Commission found that apparent U.S. consumption of warmwater shrimp increased throughout the period of investigation, although market participants disagreed as to the reasons for this increase. It further found that warmwater shrimp is generally used in meal preparations, and that restaurants accounted for about 80 percent of total U.S. consumption.[176]

Supply. The Commission observed that the domestic like product was overwhelmingly wild-caught. Harvesting occurred in the Gulf of Mexico, and to a lesser extent in the Atlantic Coast between the Carolinas and Florida. Production was seasonal, with the main fishing

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[173] *See* 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[174] 19 U.S.C. § 1675a(a)(4).

[175] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[176] *Original Determinations*, USITC Pub. 3748 at 22-23.

season occurring between May and December. There were numerous entities in the United States engaged in the harvesting or processing of warmwater shrimp. Information the petitioners provided indicated that in 2003 there were 16,000 holders of commercial fishing licenses in the Gulf states and 125 domestic shrimp processors.[177]

By contrast, the vast majority of subject imports were farmed. The Commission found that, while there was some degree of seasonality in the supply of particular sizes and/or species from individual subject countries, the supply of subject imports were in the aggregate less seasonal than that of domestically-harvested shrimp.[178] The Commission found that, during the period of investigation, subject imports accounted for the majority of U.S. supply. The domestic industry supplied a smaller share than either subject imports or nonsubject imports. The parties agreed that the quantity of warmwater shrimp available from U.S. fishermen was insufficient to meet national demand.[179]

Interchangeability. The Commission found that both the domestic like product and the subject imports were sold to similar types of customers for the same applications. Market participants had mixed perceptions about the interchangeability and substitutability of the subject imports and the domestic like product.[180] The Commission provided four reasons for its conclusion that the record did not support Respondents' contentions that the domestic like products and the subject imports were highly differentiated products. First, the same purchasers acquired both the domestic like product and the subject imports. Second, the data indicated that the domestically processed product satisfied purchaser approval standards with at least some frequency. Third, purchasers' comments on availability and product range to some extent merely reflected quantitative and seasonal constraints in the supply of the domestically processed shrimp. Fourth, nothing in the purchasers' comments indicated that subject imports could not be substituted for domestically processed product. The Commission concluded that the domestic like product and the subject imports were at least moderate substitutes.[181]

b) Volume

The Commission found that the increases in the volume and market share of the cumulated subject imports throughout the period of investigation came largely at the expense of the domestic industry.[182] The Commission concluded that the increase in subject import market share was not merely a function of the natural limitations of U.S. fisheries. It found that the shipments of U.S. processors did not increase commensurately with the supply of U.S. fresh

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[177] *Original Determinations*, USITC Pub. 3748 at 23-24.
[178] *Original Determinations*, USITC Pub. 3748 at 23-24.
[179] *Original Determinations*, USITC Pub. 3748 at 24.
[180] *Original Determinations*, USITC Pub. 3748 at 24-25.
[181] *Original Determinations*, USITC Pub. 3748 at 25.
[182] *Original Determinations*, USITC Pub. 3748 at 26. The domestic industry's market share declined by 3.3 percentage points between 2001 and 2003 and was 1.7 percentage points lower in interim 2004 than in interim 2003.

shrimp between 2002 and 2003. The Commission further found that the decline in the number of days fished between interim 2003 and interim 2004 was Adue to reduced fishing effort attributable to the very low prices which precluded fishermen from operating profitably@ rather than due to natural factors. Moreover, the Commission concluded that the record indicated that the subject imports had not created any new markets or channels of distribution during the period examined. In light of this, the Commission found that the increase in subject imports did not merely satisfy increased U.S. demand, but displaced U.S. production. The Commission concluded that the volume of subject imports and the increase in that volume, both in absolute terms and relative to consumption in the United States, was significant.[183]

c) Price Effects

The Commission found that price was at least a moderately important factor in purchasing decisions, and that price played a significant role in purchasing decisions. Additionally, in light of the moderate substitutability of the subject imports and the domestic like product, changes in the prices of the subject imports affected the prices of domestically processed shrimp to a significant degree.[184]

The Commission found that subject imports predominantly undersold the domestic product for the entire spectrum of pricing products for which it collected data. In light of the importance of price in purchasing decisions and the gains in market penetration the subject imports achieved at the expense of the domestic industry during the period of investigation, the Commission found this underselling to be significant.[185]

The Commission observed that there were large price declines for both the domestically produced product and the subject imports during the period of investigation. It found that there was no record support for respondents' contention that the price declines in the subject imports simply reflected efficiencies in shrimp farming. It rejected respondents' contention that price declines were due to competition among farmed shrimp products because subject imports took market share not only from the domestic industry but from nonsubject imports as well. The Commission therefore concluded that the subject imports had significant price-depressing effects.[186]

d) Impact

The Commission separately examined data for fishermen and processors. It found that during the period of investigation, fishermen experienced declines in employment-related

[183] *Original Determinations*, USITC Pub. 3748 at 26-28.
[184] *Original Determinations*, USITC Pub. 3748 at 28.
[185] *Original Determinations*, USITC Pub. 3748 at 29.
[186] *Original Determinations*, USITC Pub. 3748 at 28-31.

indicators and extreme deterioration in operating performance.[187] Processors showed increases in inventories, declines in employment, and generally poor operating performance.[188]

The Commission concluded that the large and increasing volume of subject imports caused prices for the domestic like product to decline, which led to the observed declines in operating revenue for fishermen and processors, poor financial performance, and declining employment. The Commission consequently concluded that the subject imports had a significant impact on the domestic industry.[189]

The Commission rejected several theories respondents proffered to explain the domestic industry's difficulties. It rejected the notion that the industry's problems were structural in nature, observing that notwithstanding a decline in the fishing fleet during the period of investigation, and increased productivity from those fishermen remaining, the operating performance of the fishermen deteriorated sharply.[190] It rejected the contention that the industry's problems were self-inflicted by its failure to market itself as a high-quality niche product as having dubious relevance; moreover, the record did not indicate that better marketing would have materially ameliorated the adverse effects of subject imports.[191] It rejected arguments concerning low dumping margins as factually inaccurate and not responsive to its statutory inquiry of whether material injury was caused by dumped imports (as opposed to the act of dumping).[192]

2. First Five-Year Reviews

a) Likely Conditions of Competition

The Commission found that many of the conditions of competition in the original investigations continued to exist, although there were some differences which were relevant to its determinations.

Demand. The Commission found that warmwater shrimp continued to be used principally in meal preparations and thus demand primarily comes from retail sellers, such as grocers and restaurants. While market participants' perceptions of changes in demand were mixed, demand was basically stable from 2007 to 2009, and parties agreed that lower levels in interim 2010 were a function of the April 20, 2010 Gulf Oil Spill. The parties did not believe the Gulf Oil Spill was likely to cause a lasting decline in U.S. demand for warmwater shrimp.[193]

Supply. The Commission observed that many of the conditions regarding supply of the domestic like product in the original investigations still existed. Because the domestically produced product was overwhelmingly wild-harvested, harvest locations, seasonality, and

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[187] *Original Determinations*, USITC Pub. 3748 at 31.
[188] *Original Determinations*, USITC Pub. 3748 at 32.
[189] *Original Determinations*, USITC Pub. 3748 at 35.
[190] *Original Determinations*, USITC Pub. 3748 at 34.
[191] *Original Determinations*, USITC Pub. 3748 at 34.
[192] *Original Determinations*, USITC Pub. 3748 at 34-35.
[193] *First Reviews*, USITC Pub. 4221 at 21-22.

phenomena affecting coastal waters such as hurricanes affected the supply of warmwater shrimp. However, during the period of review, the domestic supply was also affected by the closure for fishing of waters in the Gulf because of the Gulf Oil Spill. In addition, a large percentage of the Gulf shrimping fleet received payments from BP either for assistance in the clean-up or as compensation for damages. The domestic industry acknowledged that it could not harvest sufficient shrimp to satisfy U.S. demand and supplied less than the share supplied by either subject or nonsubject imports.[194]

The Commission observed that conditions regarding the subject import supply also were similar to the original investigations, in that subject imports were generally farm-raised and available year-round. It recognized that there had been several revocations or partial revocations of antidumping duty orders during the period of review. Thus, while subject imports supplied the majority of apparent U.S. consumption during the first three years of the period of review, after 2008 they supplied a lower percentage than nonsubject imports, as imports from Ecuador and some producers that were previously subject were now nonsubject.[195]

Substitutability. The Commission found that the parties expressed divergent views on substitutability – Domestic Parties argued the products were highly substitutable and Joint Respondents argued that competition between the domestic product and subject imports were highly attenuated. While market participants provided different general assessments of interchangeability, the Commission found that the record did not indicate clear distinctions in the markets or customers served by the domestic product and subject imports. The distinction that domestic supply was overwhelmingly wild-caught and subject imports were farm-raised did not significantly limit substitutability between them and a majority of purchasers indicated that they purchased both for the same end uses.[196]

The Commission found that differences in product mix and availability between the subject imports and the domestic like product limited to some extent the substitutability of warmwater shrimp from different sources. Nevertheless, it did not perceive significant differences in regional availability, product range, or quality between domestically produced shrimp and subject imports. Moreover, because the record showed no significant market segment in which the domestic like product participated and subject imports did not, the Commission did not agree with Respondents' argument that subject imports and the domestic like product competed in separate markets. As in the original investigations, the Commission found that the record in the first reviews supported finding that the products were at least moderate substitutes.[197]

Other Conditions. The Commission observed that spot market sales were significant for both the domestic like product and subject imports. In addition, fuel and oil costs were the

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[194] *First Reviews,* USITC Pub. 4221 at 22-23.
[195] *First Reviews,* USITC Pub. 4221 at 22-23.
[196] *First Reviews,* USITC Pub. 4221 at 23-25.
[197] *First Reviews,* USITC Pub. 4221 at 23-25.

largest individual component of operating expenses for fishermen and high fuel costs could serve as a disincentive to fishermen taking their boats out to harvest shrimp.[198]

b) Likely Volume

The Commission observed that although cumulated subject import quantity and market share declined from 2006 to 2009, the order revocations with respect to various Ecuadorean, Indian, and Thai producers played a substantial role in these declines. The reported capacity of the industry in each of the subject countries increased, as did the reported production on a cumulated basis from 2005 to 2009. The Commission found that the record contained no information suggesting that the reported increases in production during the period of review were not likely to continue in the reasonably foreseeable future. To the contrary, public data projected that shrimp aquaculture production in each of the subject countries would increase.[199]

The Commission found that, should the orders be revoked, the subject producers were likely to direct a significant volume of the increased production to the U.S. market. It provided three basic reasons for this finding. First, the subject industries were heavily export oriented and Respondents' contentions that production increases would serve home market demand lacked record support. Second, notwithstanding the orders, the United States remained an important market to the subject producers in the aggregate.[200] Indeed, during the period of review, the United States was generally the largest single export market for the subject Thai and Vietnamese producers and remained an important market for Indian producers. Third, the United States was an attractive market to exporters, and one of only a handful of very large world export markets for shrimp, the others being Japan and the European Union. Additionally, available data in the record indicated that the United States offered exporters prices that were at least competitive with those available in other export markets.[201]

The Commission found that the magnitude of likely additional production, the export orientation of the subject producers, and the size and attractiveness of the U.S. market B as evidenced by its continued importance to the subject producers B all supported its conclusion that significant additional volumes of subject imports were likely to enter the U.S. market upon revocation.[202]

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[198] *First Reviews,* USITC Pub. 4221 at 25.

[199] *First Reviews,* USITC Pub. 4221 at 26-29.

[200] *First Reviews,* USITC Pub. 4221 at 27. The Commission found that the declines in subject import volume were largely a result of the revocation of some orders and thus the declines did not indicate that suppliers had lost either the interest or ability to supply the U.S. market. *Id*. at 27 n.181.

[201] *First Reviews,* USITC Pub. 4221 at 27-28.

[202] *First Reviews,* USITC Pub. 4221 at 28-29.

c) Likely Price Effects

In the first five-year reviews, the Commission concluded, as it did in the original investigations, that price was at least a moderately important factor in purchasing decisions.[203] The pricing data collected in the first reviews showed subject imports underselling the domestic like product in 317 instances, or 56.7 percent of total comparisons, and overselling the domestic like product in 242 instances. Prices for the domestic like product and subject imports fluctuated and did not always move in concert during the period of review, but declined for most products in 2006, rose in 2007 and 2008, declined in 2009, and rose during the first three quarters of 2010.

The Commission found that purchaser data provided persuasive evidence that price changes for the subject imports would affect prices for the domestic like product, in contrast to the analyses the responding parties submitted purporting to show low correlations between prices of the domestic like product and prices of the subject imports. The Commission found that absent the discipline of the orders, the subject producers would likely cut prices in the same manner that they did during the original investigations, which would likely continue or accelerate the patterns of predominant underselling observed both in the original investigations and the first reviews. In light of the importance of price in purchasing decisions, the substitutability of the subject imports with the domestic like product, and the relationship between prices for the subject imports and prices for the domestic like product, the Commission found that domestic producers would need to cut prices to match subject import price competition and make sales. Consequently, the Commission concluded that upon revocation of the orders the subject imports were likely to enter the United States at prices that would likely have significant suppressing or depressing effects on the price of the domestic like product, as they did during the original investigations.[204]

d) Likely Impact

As it did in the original investigations, the Commission examined the data pertaining to industry performance separately for the two segments of the industry – fishermen and processors. Public data indicated that fishermen's wild-catch landings fluctuated from year to year and were considerably lower in interim 2010, when the Gulf Oil Spill limited shrimp fishing, than in interim 2009. Processors' production and domestic shipments exhibited the same trends as wild-catch landings.[205]

In light of the poor financial performance the processors displayed throughout the period of review, the operating losses the reporting fishermen recorded in 2009 and interim 2010, and the declines in employment and output both fishermen and processors experienced in interim 2010 when the Gulf Oil Spill limited fishing, the Commission concluded that the

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[203] *First Reviews*, USITC Pub. 4221 at 30.
[204] *First Reviews*, USITC Pub. 4221 at 30-31.
[205] *First Reviews*, USITC Pub. 4221 at 33-36.

domestic industry was in a vulnerable condition. Furthermore, it found that, to compete with the likely additional volumes of subject imports, the domestic industry would need to cut prices or restrain price increases, resulting in loss of revenues which would likely cause further deterioration in the already poor financial performance of the vulnerable domestic industry.[206]

In considering the likely effects of factors other than cumulated subject imports, the Commission found that the evidence did not support Joint Respondents' argument that the domestic industry's performance was simply a function of landings and that large landing quantities resulted in positive operating performance for processors but low prices and poor operating performance for fishermen.[207] The record did not support Joint Respondents' theory and the Commission again found that the domestic industry does not operate in an environment where the sole determinant of prices and operating performance is domestic production.[208] The Commission found no indication in the record that competition from nonsubject imports would prevent the subject imports from increasing their presence in the U.S. market upon revocation. To the contrary, the increased shipments to the United States of formerly subject imports indicated that revocation of the orders would likely lead to a significant increase in the volume of imports then subject to the orders.[209] Finally, it rejected Joint Respondents' argument that the domestic industry's difficulties were due to its inability to market itself as a purveyor of a high-quality, niche product, on the basis that the record did not support the notion that the domestic product was of insufficient quality to compete with subject imports.[210]

C. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[211] The following conditions of competition inform our determinations.

Many of the conditions of competition that were relevant in the original investigations and the first five-year reviews remain pertinent in the current reviews.

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[206] *First Reviews*, USITC Pub. 4221 at 33-35.

[207] *First Reviews*, USITC Pub. 4221 at 35-36.

[208] *First Reviews*, USITC Pub. 4221 at 36.

[209] *First Reviews*, USITC Pub. 4221 at 36.

[210] The Commission also pointed out that this argument was essentially a reprise of a respondent argument that it rejected in the original investigations. *First Reviews*, USITC Pub. 4221 at 36.

[211] 19 U.S.C. § 1675a(a)(4).

1. Demand Considerations

Frozen shrimp continues to be used principally in meal preparations.[212] Demand for the product comes primarily from retail sellers of both prepared and unprepared warmwater shrimp, such as grocers and restaurants.[213] There is some seasonality in U.S. demand for shrimp, which typically is higher around the Easter, Christmas, and New Year's holidays.[214]

Apparent U.S. consumption of warmwater shrimp increased over the period of review. Apparent U.S. consumption was 1.12 billion pounds in 2013, 1.26 billion pounds in 2014, and 1.29 billion pounds in 2015; it was 895.7 million pounds in interim (January-September) 2015 and 922.3 million pounds in interim 2016.[215] These levels of apparent U.S. consumption are consistent with historical levels in prior investigations and reviews.[216] Domestic processors' perceptions of whether U.S. demand changed during the period of review differed from those of U.S. importers, purchasers, and foreign producers; most processors reported either no change or fluctuations in demand while most importers, purchasers, and foreign producers reported increases or no change in demand.[217] Most U.S. processors (21 of 35 responding) and purchasers (26 of 33 responding) reported that since 2013 the BP Oil Spill, which occurred in 2010, did not have a continuing effect on demand for shrimp.[218]

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[212] The market tendency is for large shrimp (less than 36 per pound, heads-off, shell-on basis) to be sold raw and frozen to restaurants, hotels, and other food institutions; for small to medium shrimp (36-60 per pound) to be breaded, canned, or sold at retail (*e.g.*, supermarkets); and for extra small (61 to 70 per pound) and tiny shrimp (more than 70 per pound) to be used by canners, dryers, and producers of specialty products. CR at I-27; PR at I-22.

[213] CR at II-20; PR at II-13. The food service industry reportedly purchases the majority of warmwater shrimp in the United States. CR at II-21; PR at II-13 and II-14. Domestic Parties report that the majority of warmwater shrimp are eaten in restaurants. CR at II-20; PR at II-13. In the original investigations, it was estimated that 80 percent of shrimp in the U.S. market was purchased by restaurants. CR at I-27; PR at I-22. Respondents argue that during the period of review, U.S. consumption of shrimp per capita was relatively consistent, at about 4.0 pounds. Joint Respondents Prehearing Brief, Exhibit 2 at 6 (FUS 2015 at 108). Respondents state that larger restaurant chains and U.S. seafood processors (*i.e.*, breaders, skewers, and marinaters) prefer farm-raised shrimp because they have greater uniformity, and are consistently available year-round in large volumes. CR at II-32; PR at II-21.

[214] CR at II-20; PR at II-13.

[215] CR/PR at Table I-11.

[216] *See First Reviews*, USITC Pub. 4221 at Table I-15; *Original Determinations*, USITC Pub. 3748 at Table IV-4; *CVD Determinations*, USITC Pub. 4429 at Table IV-6.

[217] CR/PR at Table II-5.

[218] CR at II-11; PR at II-7. In June 2010, as much as 37 percent of the Gulf of Mexico was closed to fishing due to the BP Oil Spill, and portions of state waters closed to fishing ranged from 2 percent (Florida) to 95 percent (Mississippi). The spill lasted for nearly three months during the prime fishing season, and a small area close to the well that caused the spill remained closed for much longer. *See First Reviews*, USITC Pub. 4221 at II-5, n.10; *CVD Determinations*, USITC Pub. 4429 at 21-22.

Market participants provided a range of responses concerning likely future demand in the U.S. market. A majority of U.S. processors reported that demand either likely would not change or would fluctuate, while majorities of importers and purchasers reported demand likely would increase or fluctuate; a majority of foreign producers reported that demand in the U.S. market likely would not change or would increase.[219] Responses by market participants were more consistent concerning demand outside of the United States for both the period of review and the future, with a majority reporting either increases or no change.[220]

2. Supply Considerations

Domestically produced shrimp is overwhelmingly wild caught (ocean harvested).[221] Harvesting takes place in the waters of the Gulf of Mexico and off the Atlantic Coast from the Carolinas to Florida.[222] In the United States, the main fishing season is from May to December, with different times of the year being better for different species and sizes of shrimp.[223] During the off season (roughly January through April), some fishermen make repairs and upgrades, and U.S. processors make sales from inventory. Historically, prices have been higher when the supply of both fresh and frozen shrimp is lower, such as in the off season.[224]

Phenomena that affect the waters in which shrimp grow and are harvested and in the coastal areas where fishing boats are docked and processing plants are located will also affect the supply of the domestic like product. Joint Respondents argue that the supply of U.S. shrimp is finite and the processors' livelihood is dependent on biological and environmental factors (*e.g.*, how many shrimp can be harvested from the Gulf and southern Atlantic coast).[225] They

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[219] CR/PR at Table II-5.

[220] CR/PR at Table IV-35. Many of the firms reported that demand outside the United States had increased during the period of review or would likely increase in the future, citing growing demand in China, among a wide range of other reasons for such increases. CR at IV-58 and 59; PR at IV-44.

[221] CR at I-27 and II-1; PR at I-22 and II-1. U.S. shrimp farm producers are also included in the domestic industry. Reported farm-raised shrimp production as a share of total domestic production increased from *** in 2013 to *** in interim 2016. Calculated from CR/PR at Table III-4. U.S. shrimp aquaculture is constrained by several factors, including the cost of land, price pressure, high feed costs, and environmental and water quality regulations. CR at I-31; PR at I-24; *CVD Determinations*, USITC Pub. 4429 at I-9, n.25.

[222] CR at II-5; PR at II-4.

[223] CR at II-7; PR at II-5.

[224] CR at II-7; PR at II-5.

[225] Joint Respondents Prehearing Brief at 8-14; Joint Respondents Posthearing Brief, Answers to Questions at 9-16, 111-118, and 147-148. As the Commission previously has noted, "there is no short supply provision in the statute" and "the fact that the domestic industry may not be able to supply all of demand does not mean the industry may not be materially injured or threatened with material injury by reason of subject imports." *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 108 n.310 (Dec. 2003); *see also Small Diameter Graphite Electrodes from China*, Inv. No. 731-TA-1143 (Final), USITC Pub. 4062 at 22-23 (Feb. 2009); *Sodium Hexametaphosphate from China*, Inv. No. 731-TA-1110 (Final), USITC Pub. 3984 at 27 n.109 (Mar. 2008).

contend that the evidence strongly indicates that the biological limit is lower now than in previous periods.[226] Domestic Parties acknowledge that U.S. producers continue to supply only a portion of domestic consumption, but counter that the record shows that wild catch landings increased from 2013 to 2015, and thus supports the reports from a majority of firms that supply was not inhibited by the Gulf Oil Spill or weather events during the period of review.[227] They maintain that the domestic supply of shrimp is based on economics ("the profitability of shrimping") and turns in large part on the incentive for fishermen to harvest shrimp, with the cost of fuel as the single largest component of operating expenses.[228] Fuel costs and low prices can serve as a disincentive to fishermen to take their boats out to harvest shrimp.[229]

During the period of review, the domestic industry supplied between 9.2 percent and 11.0 percent of apparent U.S. consumption on an annual basis.[230] This is substantially less than the share supplied by either subject or nonsubject imports.[231]

Subject imports supplied a large share of apparent U.S. consumption during the period of review, ranging from *** of the U.S. market on an annual basis.[232] Subject imports are primarily farm raised; shrimp of many different species can be farmed.[233] Shrimp farms in India, Thailand, and Vietnam generally are designed to produce shrimp principally for export. Most importers describe the subject imports as having no business cycles or seasonality because farming permits year-round availability.[234] However, farmed shrimp are more prone than wild shrimp to exposure to diseases that may dramatically impact harvest levels because

[226] Hearing Tr. at 177. They speculate that recent lower levels of landings may be a long term effect of the BP Oil Spill, possibly linked to the dispersants used. Joint Respondents Posthearing Brief, Appendix (Answers to Questions) at 9-10, and 147-148.

[227] AHSTAC/AHSIC Prehearing Brief at 30-34; ASPA Prehearing Brief at 64-70; ASPA Posthearing Brief, Answers to Questions at Schmidtlein 1 (Efforts to Control EMS) and Williamson 1 (Impact of the BP Oil Spill).

[228] CR at II-5, II-6 and V-1; PR at II-4 and V-1; Hearing Tr. at 46 ("I have to consider whether the shrimp that we produce is going to be enough to cover the money it costs to send those boats out. A long time ago before the flood of dumped shrimp imports, back when prices were higher, you could get a decent night's work if you pulled 250 pounds of shrimp. Now to meet our expenses at current prices, we need to produce around 1,000 pounds of shrimp."). During the current reviews, the effect of payments from BP either for assistance in the Gulf clean-up or as compensation for damages on the number of boats engaged in shrimping is unclear. CR at II-7 n.12 and II-11; PR at II-5 n.12 and II-7.

[229] CR at II-5 and II-6; PR at II-4; Hearing Tr. at 48-49 ("What stops me from working my boats more is the risk of taking heavy losses. If I keep our engines running and burn fuel without enough production to cover our costs, we will not operate for long."). Diesel prices in the Gulf Coast region decreased irregularly from almost $4 to slightly under $2 per gallon from January 2013 to February 2016, and then remained at under $2.50 per gallon through February 2017. CR/PR at Figure V-1.

[230] CR/PR at Table I-11.

[231] CR/PR at Table I-11.

[232] CR/PR at Table I-11.

[233] CR at I-25 and I-26 and II-1; PR at I-21 and II-1.

[234] CR at II-21; PR at II-14.

shrimp populations in ponds are much denser.[235] An outbreak of a disease called Early Mortality Syndrome ("EMS") began in 2012 and was particularly devastating to production of farm-raised shrimp in three subject countries (China, Thailand, and Vietnam); Brazil and India were largely spared.[236] While the specific cause of EMS was identified in the spring of 2013, the speed of recovery from EMS has varied by country -- Vietnam's recovery began in 2014 and has largely been completed; China's recovery has been uneven; and Thailand's recovery has been the slowest, continuing in 2017 and not expected to be completed until 2018.[237]

Nonsubject sources supplied the majority of the U.S. market, ranging from *** of the U.S. market on an annual basis.[238] The largest sources of nonsubject imports during the period of review were Indonesia, Ecuador, Mexico, and Thailand (nonsubject producers). Other nonsubject sources included Peru, India (nonsubject producers), Malaysia, Guyana, Argentina, China (nonsubject producers), Honduras, Panama, and Nicaragua.[239]

There had been several revocations or partial revocations of the antidumping duty orders during the first five-year review period.[240] In the current reviews, the order on subject imports from China was revoked with respect to multiple producers effective March 22, 2013.[241] The order on subject imports from Vietnam was revoked with respect to producer Minh Phu Group effective July 18, 2016.[242]

3. Substitutability

The parties have expressed divergent views on the substitutability of the domestic like product and the subject imports, with Domestic Parties arguing that the products are moderately or highly substitutable[243] and Respondents arguing that any competition between

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[235] CR at I-26; PR at I-21.

[236] CR at I-26; PR at I-21 – I-22. Some farms in China and Thailand reportedly lost 60 to 80 percent of their shrimp stock to the disease during the early period of the outbreak. *Id*. Nonsubject countries, such as Malaysia, also faced large losses. *Id*.

[237] CR at I-26; PR at I-22.

[238] CR/PR at Table I-11.

[239] CR/PR at Table IV-2.

[240] Commerce had revoked in its entirety the order with respect to imports from Ecuador effective August 15, 2007 and also revoked the orders with respect to certain producers in India, Thailand, and Vietnam. CR at I-3 and I-17 – I-20; PR at I-2 and I-15 – I-17.

[241] CR at I-18; PR at I-15 – I-16.

[242] CR at I-20; PR at I-17.

[243] AHSTAC/AHSIC Prehearing Brief at 34-37; ASPA Prehearing Brief at 70-74. Domestic Parties contend that the domestic and imported product continue to be highly interchangeable, and price remains a very important factor in purchasing decisions. They maintain that over 85 percent of purchasers reported that they did not have different certifications or qualifications for wild caught and farmed shrimp, and over 70 percent reported purchasing both types of shrimp during the period of review. They point out that a plurality of responding purchasers and the vast majority of U.S. producers reported that U.S. shrimp and subject imports were always or frequently interchangeable. They argue
(*continued*...)

the domestic like product and the subject imports is significantly attenuated.[244] As indicated in the discussion of cumulation, U.S. processors and importers provided different general assessments of interchangeability, with U.S. processors overwhelmingly reporting that the domestic like product and imports from each subject country were always interchangeable, and majorities or pluralities of responding importers reporting that the domestic like product and imports from each subject country were frequently or sometimes interchangeable.[245] The responses of purchasers were mixed and relatively polarized.[246] However, most purchasers also reported that the U.S. product and imports from each subject source (other than Brazil) always or usually meet minimum quality specifications,[247] and most purchasers reported that the U.S. product and shrimp from each subject source (other than Brazil) were comparable on at least 12 of 18 purchasing factors.[248]

When asked whether differences other than price are ever significant to purchasers in choosing between shrimp from subject countries and shrimp from the United States, a majority of responding domestic processors reported "never."[249] Responding importers were divided on the question, with a majority reporting that differences other than price are always or frequently significant comparing the U.S. product to subject imports from India, Thailand, and

(…*continued*)

that the vast majority of shrimp consumed in the United States bears no indication of its country of origin, and shrimp from domestic and imported sources remain indistinguishable for U.S. customers, who make purchasing decisions primarily based on price.

[244] Joint Respondents Prehearing Brief at 27-33; Joint Respondents Posthearing Brief, Answers to Questions at 122-128. Joint Respondents allege that competition is attenuated for a number of reasons: 1) domestic processors cannot produce sufficient quantities of particular products (*e.g.*, larger shrimp, individually quick frozen ("IQF") shrimp, peeled and deveined shrimp, tail-on shrimp, easy to peel shrimp) that are widely available from importers; 2) cooked shrimp is rarely available from domestic processors; 3) domestic processors have limited ability to supply large-volume customers; 4) domestic processors concentrate their sales efforts in a limited area near their facilities; 5) out-of-scope breaded shrimp imports have an adverse effect on domestic processors; and 6) quality rather than price is the most important purchasing consideration. Joint Respondents contend the claim that "a shrimp is a shrimp" is accurate only in the sense that wild-caught and farm-raised shrimp both can be prepared and eaten in the same way, but that shrimp purchasers, including food service distributors, retailers, and restaurants, are more sophisticated in their purchasing and use of shrimp.

[245] CR/PR at Table II-13.

[246] In all five comparisons, a majority of those responding purchasers picked the two extreme responses ("always" or "never"), with greater numbers finding that the domestic like product was always comparable to subject imports from Brazil or India, greater numbers finding that the domestic like product was never comparable to subject imports from China, and equal numbers finding that the domestic like product and subject imports from Thailand or Vietnam was always or never comparable. CR/PR at Table II-13. Purchasers reported that factors limiting interchangeability include differences between types of products available, quality, and availability. CR at II-41; PR at II-28.

[247] CR/PR at Table II-14.

[248] CR/PR at Table II-12.

[249] CR/PR at Table II-15.

Vietnam, but never when comparing domestic product to subject imports from Brazil and China.[250] Responding purchasers also were divided on the question.[251]

One distinction between the domestic like product and the subject imports is that the domestic like product is overwhelmingly wild-caught, while the subject imports are predominantly farm-raised. However, the record does not indicate that this distinction, taken alone, significantly limits substitutability between the domestic like product and the subject imports. The record in these reviews also does not indicate clear distinctions in the markets or customers served by the domestic like product and the subject imports. Both the domestic like product and the subject imports are available in every region of the country and through the same channels of distribution.[252] Moreover, most purchasers (26 of 36 responding) purchased both wild-caught and farm-raised warmwater shrimp.[253]

The record indicates that the domestic industry supplies all major product forms. Although a large proportion of domestic production is block-frozen product, the domestic industry has the capacity to produce appreciable quantities of IQF product.[254] The domestic industry also offers products in all possible size ranges. Similarly, the record does not indicate any major product form that the subject imports do not supply.[255]

We find that differences in product mix and availability among the subject imports and the domestic like product limit to some extent the substitutability of warmwater shrimp from different sources. Nevertheless, we do not perceive significant differences in availability or product range among the domestically produced and subject products. We find that the record in these reviews supports finding that the products are at least moderate substitutes and that they compete for sales in the U.S. market.[256]

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[250] CR/PR at Table II-15.

[251] Purchasers were evenly divided between those reporting there were always or frequently differences other than price and those reporting sometimes or never when comparing domestic product to subject imports from India, Thailand, and Vietnam. The majority of responding purchasers reported there were sometimes or never differences other than price when comparing domestic product to subject imports from Brazil, and reported there were always or frequently differences other than price when comparing domestic product to subject imports from China. CR/PR at Table II-15.

[252] CR/PR at Tables II-1 and II-2. The majority of both domestically produced product and a plurality of subject imports from each subject country in 2015 was sold to distributors, although the share to distributors and end users/retail customers has differed among the subject countries and has fluctuated annually. *Id*. at Table II-1.

[253] CR at II-31; PR at II -21. The record in the first five-year reviews also showed that a majority of reporting purchasers purchased wild-caught and farm-raised shrimp for the same end uses, and three times as many purchasers indicated that the two types of shrimp were purchased for the same end uses as reported that they were not. USITC Pub. 4221 at Table II-17.

[254] CR/PR at Table III-6.

[255] *See, e.g.*, CR/PR at II-1 and Tables III-6, IV-13, IV-20, IV-26, and IV-32.

[256] CR at II-24; PR at II-16.

4. Other Conditions

U.S. processors and foreign producers in India and Vietnam reported the majority of their sales of warmwater shrimp in the spot market, while most importers of subject warmwater shrimp reported the majority of their sales were under short-term contracts.[257] Sales in the spot market accounted for the largest share of total sales by foreign producers in Thailand, although over half of their sales were made by a combination of annual or short-term contracts.[258] Both U.S. processors and importers entered into short-term contracts with both price and quantity fixed.[259]

D. Revocation of the Antidumping Orders on Subject Imports from China, India, Thailand, and Vietnam Is Likely to Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time

1. Likely Volume of Subject Imports

Cumulated subject imports of warmwater shrimp from China, India, Thailand, and Vietnam have remained in the U.S. market in substantial volumes even with the orders in place. During the first review period, the Commission found that declines in subject imports in the latter portion of the period were substantially due to revocations of the orders with respect to imports from Ecuador and from specific Indian and Thai producers.[260] In the current reviews, cumulated subject imports of warmwater shrimp increased each year and were higher in interim 2016 than in interim 2015. The volume of cumulated subject imports from China, India, Thailand, and Vietnam increased from *** pounds in 2013 to *** pounds in 2014 and *** pounds in 2015; cumulated subject imports were *** pounds in interim 2015 and higher, at *** pounds, in interim 2016.[261]

While the market share of cumulated subject imports fluctuated slightly from year to year, their market share in interim 2016 was appreciably higher than in interim 2015 as rising subject imports outpaced increases in apparent U.S. consumption between interim periods. Cumulated subject imports' share of apparent U.S. consumption declined from *** in 2013 to

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[257] CR/PR at Table V-2. For responding U.S. processors and foreign producers in India and Vietnam, 68.9 percent, 82.5 percent, and *** percent, respectively, of their sales were in the spot market. *Id*. Responding importers reported 56.8 percent of their sales were under short-term contracts and 30.7 percent were in the spot market. *Id*.

[258] CR/PR at Table V-2. Responding foreign producers in Thailand reported 46.4 percent of their sales were in the spot market, 26.7 percent were under annual contracts, and 25.8 percent were under short-term contracts. *Id*.

[259] CR at V-4; PR at V-3. Two U.S. processors and three importers that use long-term contracts reported providing such contracts for two or three years. *Id*.

[260] *First Reviews*, USITC Pub. 4221 at 26.

[261] Calculated from CR/PR at Table I-10.

*** in 2014 and then increased to *** in 2015; their market share was *** in interim 2015 and *** in interim 2016.[262]

As discussed above, the responses to the foreign producers' questionnaires provide the Commission with relatively high coverage of the subject industries in India, Thailand, and Vietnam; however, no foreign producers in China responded to the Commission questionnaires.[263] In light of the lack of Chinese participation, the Commission supplemented the available questionnaire data for foreign producers in India, Thailand, and Vietnam with available information from industry sources for China to assess cumulative subject country capacity, production, and shipment patterns.[264] We recognize that since the questionnaire responses did not involve complete coverage for any of the subject sources and because we have used Chinese production data as a surrogate for its capacity, the combined total data that we have analyzed presumably are under reported.

The information available in these five-year reviews indicates that the warmwater shrimp industries in these four countries, on a cumulated basis, have substantial production capacity, and considerable unused capacity, and that they export substantial volumes of warmwater shrimp. Cumulated production capacity for these four countries, as reported to the Commission in the first reviews, was 1.987 billion pounds in 2009.[265] By 2015, the cumulated production capacity has almost doubled to *** pounds, based on the questionnaire responses from the industries in India, Thailand, and Vietnam and on published data estimates for production in China.[266]

Combined production for these four countries, as reported to the Commission in the first reviews, was 1.157 billion pounds in 2009, leaving substantial excess capacity of 830 million pounds.[267] Based on the questionnaire responses from the industries in India, Thailand, and

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[262] Calculated from CR/PR at Table I-11.

[263] CR at I-12 and I-13; PR at I-11.

[264] There are two publicly available data sources for aquaculture production in the subject countries – Food and Agriculture Organization of the United Nations/Global Aquaculture Alliance ("FAO/GAA") and Aquaculture Asia Pacific ("AAP") data. The former is set forth in CR/PR at Table IV-8 and the latter was provided by Joint Respondents in their Posthearing Brief at 5 and Exhibit 6. The FAO/GAA data is based on actual FAO data for 2013-14 and GAA projections for 2015-18. The AAP data generally reports lower production for each subject country than the levels in the FAO/GAA data. We have based our analysis of cumulated subject country capacity, production, and shipments, on combined data from questionnaire responses for India, Thailand, and Vietnam and AAP production data for Chinese production.

[265] *First Five-Year Reviews*, USITC Pub. 4221, calculated from Tables IV-9, IV-11, IV-13, and IV-15.

[266] Calculated from CR/PR at Tables IV-18, IV-24, and IV-30, and Joint Respondents Posthearing Brief at 5 (AAP data). The cumulated capacity is a conservative calculation because AAP data for Chinese production in 2015 is used as a proxy for capacity, even though reported Chinese capacity utilization in the first reviews ranged from 43.1 percent to 50.9 percent. USITC Pub. 4221 at Table IV-9.

[267] *First Five-Year Reviews*, USITC Pub. 4221, calculated from Tables IV-9, IV-11, IV-13, and IV-15.

Vietnam and on published data estimates for the production in China, combined production in 2015 had increased to *** pounds, leaving excess capacity at a very high level, *** pounds.[268]

The record contains no information suggesting that the large volume of production seen during the period of review is not likely to continue in the reasonably foreseeable future.[269] In fact, because shrimp producers in China and Thailand are still recovering from the effects of EMS, their production is expected to increase as their recovery is completed.[270] Moreover, public data projected that cumulated shrimp aquaculture production for the four subject countries would range from 3.516 billion pounds to 4.299 billion pounds in 2016.[271]

Not only do these four subject countries have substantial cumulated production and excess capacity even based on conservative estimates, but they also export substantial volumes of warmwater shrimp, including to the United States. We find that, should the orders be revoked, the subject producers are likely to continue to direct a significant volume of their substantial production to the U.S. market, and will have the incentive to increase that volume without the discipline of the orders.

First, the subject industries in India, Thailand, and Vietnam are heavily export-oriented and the industry in China exports substantial volumes of warmwater shrimp. Subject Indian producers reported exporting *** of their total shipments of warmwater shrimp in 2015, subject Thai producers reported exporting 83.6 percent and subject Vietnamese producers reported exporting ***.[272] While the industry in China reportedly has recently focused more on its growing home market, producers in China reported exporting at least 74.9 percent of their total shipments during each year in the period of the first review.[273] Moreover, regardless of its export orientation, the industry in China exports large volumes of warmwater shrimp. According to GTA data, the Indian industry is the world's largest exporter of warmwater shrimp, accounting for 23.2 percent of global exports by value, or $3.1 billion, in 2015; the Vietnamese industry is the third largest exporter, accounting for 13.1 percent of global exports, or $1.7 billion; the Chinese industry is the fifth largest exporter, accounting for 7.3 percent of global

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[268] Calculated from CR/PR at Tables IV-18, IV-24, and IV-30, and Joint Respondents Posthearing Brief at 5 (AAP data).

[269] Based on questionnaire responses, production of warmwater shrimp in India increased by 29.6 percent from 2013 to 2015 and was 9.5 percent higher in interim 2016 then in interim 2015. CR/PR at Table IV-18. Similarly, production of warmwater shrimp in Vietnam increased by *** from 2013 to 2015, but was *** lower in interim 2016 than in interim 2015. CR/PR at Table IV-30. While production of warmwater shrimp in Thailand declined by 11.6 percent from 2013 to 2015, the record indicates this decline was a result of the continued effects of the EMS outbreak and slow recovery in Thailand. CR/PR at Table IV-24.

[270] Production of the subject industry in Thailand in interim 2016 (167.9 million pounds) was substantially higher (13.4 percent) than its production in interim 2015 (148.1 million pounds), in line with its reported continuing recovery from the effects of EMS, which is expected to be completed in 2018. CR at I-26 and Table IV-24; PR at I-21 – I-22 and Table IV-24.

[271] Joint Respondents Posthearing Brief at 5 (AAP data).

[272] CR/PR at Tables IV-18, IV-24, and IV-30.

[273] *First Reviews*, USITC Pub. 4221 at Table IV-9.

exports, or $970.6 million; and the Thai industry is the seventh largest exporter, accounting for 4.7 percent of global exports, or $624.1 million.[274]

Second, notwithstanding the orders, the United States remains an important market to the subject producers in the aggregate. Indeed, during the period of review, the United States was generally the largest single export market for the subject Indian and Thai producers, the second largest market for the subject Vietnamese producers, and it remained an important market for the subject Chinese producers. Based on GTA data, the U.S. market accounted for 8.7 percent of China's exports in 2015, 33.5 percent of India's exports, 42 percent of Thailand's exports, and 17.4 percent of Vietnam's exports.[275]

Third, the attractiveness of the relatively open U.S. market and its competitive prices provide further incentives for subject producers to increase production to ship to the United States and to divert some exports currently shipped to other markets to the U.S. market if the orders are revoked. The United States is one of a handful of very large world export markets for shrimp served by the subject countries, the others being Japan, the European Union, and more recently China.[276] Although most market participants perceive that worldwide demand for shrimp is likely to increase or remain stable,[277] there are widespread perceptions among U.S. market participants that U.S. demand will also likely increase or remain unchanged at high levels.[278] Additionally, available data in the record indicate that the U.S. market offers exporters prices that are at least competitive with, if not higher than, those available in other export markets.[279]

Joint Respondents argue that subject producers will not direct additional production to the United States if the orders are revoked, because shipping patterns indicate that production in India, Thailand, and Vietnam is predominately dedicated to other growing export markets, and that production in China and Vietnam is being directed to growing home markets.[280] This argument fails to recognize that the subject producers do not need to divert production from home markets and/or other export markets to the United States given their likely significant increases in warmwater shrimp production.[281] Given the magnitude of the likely subject production, the large volume of exports by the subject producers, and the size and attractiveness of the U.S. market, as evidenced by its continued importance to the subject producers, we conclude that the volume and market share of cumulated subject imports from

[274] CR/PR at Table IV-34. As mentioned above, GTA data include data from producers not subject to the orders.

[275] CR/PR at Table IV-34.

[276] CR at IV-60 and Figures IV-4 and IV-6; PR at IV-45 and Figures IV-4 and IV-6.

[277] CR/PR at Table IV-35.

[278] CR/PR at Table II-5.

[279] CR/PR at Tables IV-15, IV-21, IV-27, and IV-33.

[280] Joint Respondents Prehearing Brief at 47-62; Joint Respondents Posthearing Brief at 2-10 and Answers to Questions at 104-111 and 118-122.

[281] We also note that a significant share of sales in the United States are in the spot market; this market characteristic enhances subject producers' ability to quickly sell additional volumes of warmwater shrimp to the U.S. market. CR/PR at Table V-2.

China, India, Thailand, and Vietnam would likely be significant within a reasonably foreseeable time if the orders were revoked.[282]

2. Likely Price Effects

As discussed above, the record indicates that subject imports and domestically produced frozen shrimp are at least moderately substitutable and that price is at least a moderately important factor in purchasing decisions.[283]

The Commission collected quarterly pricing data on six frozen shrimp products.[284] Twenty-one U.S. producers and 17 importers of product from subject countries provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms accounted for 14.3 percent of U.S. producers' shipments of frozen shrimp and *** of subject imports from India, *** of subject imports from Thailand, and *** of subject imports from Vietnam during the period of review; no pricing data were reported for subject imports from China.[285]

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[282] We examined several other factors, but do not rely on any of them in our conclusion with respect to the likely volume.

We examined inventories of the subject merchandise. Inventories of the subject merchandise in the United States at the conclusion of the period of review were substantial: *** pounds at the end of 2015, *** pounds at the end of September 2015, and *** pounds at the end of interim 2016. The quantity of such inventories, however, fluctuated in a fairly narrow range throughout the period of review. CR/PR at Table IV-4. Reported inventory levels in the subject countries were mixed relative to production. CR/PR at Tables IV-18, IV-24, and IV-30.

Several subject firms indicated that they produce other products on the same equipment and facilities used to produce frozen warmwater shrimp; among these is breaded shrimp. CR/PR at Tables IV-20, IV-26, and IV-32. The record, however, contains no information suggesting that a producer would have an economic incentive to shift production of breaded shrimp to subject merchandise, particularly inasmuch as breaded shrimp is a higher value product. Joint Respondents Posthearing Brief, Appendix at 157.

We also examined whether there are barriers to the importation of subject merchandise in countries other than the United States. In the current reviews, there are no known antidumping or countervailing duty orders of warmwater shrimp in third country markets. CR at IV-56; PR at IV-42.

[283] CR at II-24; PR at II-16. Most purchasers reported that price played a major role in purchasing decisions; of 36 responding purchasers, 31 reported price as a very important purchasing consideration. CR/PR at Table II-9. Moreover, purchasers most commonly listed price as the number two factor in purchasing decisions. *Id*. at Table II-8. Although a large majority of purchasers named quality as the number one factor in purchasing decisions, the domestic like product was at least as likely as the subject imports to satisfy purchasers' quality requirements. *Id*. at Table II-14.

[284] Five of these are block-frozen products, each of different sizes (26-30 count, 31-40 count, 41-50 count, and 71-90 count). The other product is an IQF product (26-30 count). There also were differences for each product regarding the extent of processing (*e.g.*, headless, shell-on product; peeled and deveined, tail off; cooked). CR at V-6; PR at V-4 and V-5.

[285] CR at V-7 (calculated from CR at Table I-10); PR at V-5 (calculated from CR at Table I-10).

We find that the significant volumes of cumulated subject imports likely following revocation of the orders would likely have significant price effects on the domestic like product. In the original investigations, subject imports from these four countries undersold the domestic like product in 266 of 407, or 65.4 percent, of quarterly comparisons.[286] In the first five-year reviews, even with the orders in place, imports from the four subject countries undersold the domestic like product in 306 of 543, or 56.4 percent, of quarterly comparisons.[287] In these reviews, with the discipline of the orders, subject imports undersold the domestic like product in 64 of 166, or 38.6 percent, of quarterly comparisons.[288] Thus, even with the orders in place, the record shows a pattern of mixed underselling and overselling between the subject imports and the domestic like product.

The predominant overselling observed during the period of review can be explained in part by the inclusion of price comparison data for two pricing products that may not be representative and provide limited probative value to our analysis.[289] Pricing product 3 represents a very small share of imports and resulted in only three quarterly comparisons.[290] While pricing product 6 – cooked shrimp – involved a large number of quarterly comparisons, it accounts for a very small share of domestic product; thus, the price behavior for this product is not necessarily representative of the broader market.[291] Subject imports undersold the domestic like product in 62 of 118, or 52.5 percent, of quarterly comparisons for products other than products 3 and 6.[292]

Given the incentive for subject producers to ship significant volumes of subject imports to the U.S. market upon revocation, and the resulting price competition without the discipline of the orders, subject imports would likely undersell the U.S. product to increase sales and gain market share. We consequently conclude that there will likely be significant price underselling should the orders under review be revoked.

Over the January 2013 to September 2016 period, prices for the domestic like product and the subject imports generally increased initially, peaked in 2014, and then declined. A review of pricing trends for products 1, 4, and 5 – the products that involved the most competition between the domestic and imported product – show that the prices moved

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[286] CR/PR at Table V-10 n.1. In the original investigations, subject imports undersold the U.S. product as follows: China, in 68 of 100 comparisons; India, in 55 of 90 comparisons; Thailand, in 78 of 113 comparisons; and Vietnam, in 65 of 104 comparisons. *Id.*

[287] *First Reviews*, USITC Pub. 4221 at Table V-10.

[288] CR/PR at Table V-10.

[289] No pricing data were reported for sales of subject imports for product 2. CR/PR at Table V-4.

[290] CR/PR at Tables V-5 and V-11.

[291] CR at V-29 and Tables V-8 and V-11; PR at V-20, V-21, and Tables V-8 and V-11. *See also* Joint Respondents Posthearing Brief, Appendix at 32-35 (For product 6, the overselling "reflects imports' dominance as compared with the domestic industry with respect to this particular type of value-added product – i.e., cooked, peeled and deveined. . . ." *Id*. at 34-35). Of the *** pounds of subject imports from India, Thailand, and Vietnam involved in overselling comparisons, a large majority – *** pounds – were of pricing product 6. CR/PR at Tables V-10 and V-11.

[292] Calculated from CR/PR at Table V-11.

relatively in concert; domestic prices declined when at least one subject source also declined, and were able to increase when subject prices increased.[293]

Joint Respondents argue that competition between domestic product and subject imports is attenuated and thus import prices do not have a significant effect on domestic prices.[294] We find, however, that the evidence in the record, including that proffered by Joint Respondents regarding the effects of EMS on global supply as a reason for domestic price increases in 2014 and declines in 2015, does not support this premise. Specifically, Joint Respondents maintained that prices in the U.S. market increased from 2013 to 2014 as a result of the more limited global supplies of warmwater shrimp at the height of the EMS outbreak.[295] They acknowledged that domestic and imported prices moved together, decreasing from 2014 to 2015 as the EMS crisis abated and global supplies increased.[296] We find that this pattern of

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[293] CR at V-7; PR at V-5. For products 1, 4, and 5, prices for the domestically produced product and prices for all subject imports initially increased, peaked in the first or second quarter of 2014, and then declined. CR/PR at Tables V-3 to V-8 and Figures V-2 to V-7. There were overall price declines for all three of the domestically produced products; prices for subject imports from India declined overall in products 1 and 4; and prices for subject imports from Vietnam declined overall in products 4 and 5. CR/PR at Table V-10.

For products 2 and 3, prices for domestic products peaked in the first or second quarter of 2014 and increased slightly overall; there were no subject import prices reported for product 2 and only three quarterly comparisons reported for product 3. For product 6, prices for the domestically produced product and prices for all subject imports peaked in the first or second quarter of 2014 and then declined but increased overall. CR/PR at Tables V-3 to V-8 and Figures V-2 to V-7.

[294] Joint Respondents Posthearing Brief, Appendix at 53-78. Joint Respondents submitted a correlation analysis that purports to show low correlations between prices of the domestic like product and prices of the subject imports. *Id*. at 60-64. We do not find this analysis persuasive and give it no weight. We also note that Joint Respondents acknowledge that, based on their correlation analysis, "there was a higher degree of correlation between domestic prices and subject imports" for the current reviews than for the first five-year reviews and CVD investigations. *Id*. at 63. They contend that it was the global supply shortage due to the EMS crisis during the current review period that increased the correlation between the prices for subject imports and the domestic product. While the global supply shortage may have been one factor that influenced prices, the increases in low-priced subject imports was another factor that had a significant effect on domestic shrimp prices in the U.S. market.

[295] Joint Respondents Posthearing Brief, Appendix at 55-59. Joint Respondents also contend that "the increase in domestic prices was at least in part attributable to the decrease in domestic supply, *i.e.*, the relatively lower volume of landings in 2013 and 2014." *Id*. at 58. This argument, however, does not address the role that increases of low-priced subject imports in 2015 played in the declines in domestic prices in 2015.

[296] Joint Respondents Posthearing Brief, Appendix at 55-59 ("Respondents have also argued that the supply shock resulting from shortages (and fears of shortages) due to Early Mortality Syndrome caused prices to increase throughout the market. Indeed, this massive supply shortage resulted in domestic prices and import prices moving in a similar direction, i.e., increasing from 2013 into 2014 as shortages and fears of shortages arose and then decreasing after early-to-mid 2014 when buyers were able to find other sources of supply and concerns of shortages abated." *Id*. at 55).

domestic and imported prices moving together indicates that prices for the subject imports affected those for the domestic like product. Further supporting this finding is information in the record indicating that the declines in domestic prices from 2014 to 2015 were a result of the increases in supply of cumulated subject imports. In fact, the domestic industry was able to gain a small amount of market share from 2014 to 2015 because domestic processors decreased prices to compete with declines in subject import prices.[297] The trends from 2014 to 2015 underscore the existence of strong price competition between subject imports and the domestic product and the price depressing effects of subject imports on the domestic industry even with the orders in place. We therefore find that prices for the subject imports would likely significantly affect prices for the domestic like product following revocation.

Because price is important to purchasing decisions, the presence of significant quantities of subject imports that are likely to enter the United States after revocation of the orders under review and that are likely to undersell the domestically produced product will force domestic warmwater shrimp producers to either cut prices or risk losing sales to subject import competition. In light of these considerations and the price-sensitive nature of the market for warmwater shrimp, we conclude that the subject imports will also likely have significant price-depressing or price-suppressing effects.

We consequently find that absent the disciplining effects of the orders, significant volumes of subject imports from China, India, Thailand, and Vietnam would likely significantly undersell the domestic like product to gain market share and likely would have significant depressing and/or suppressing effects on prices of the domestic like product.

3. Likely Impact

As was true in the original investigations and first five-year reviews on frozen shrimp, the domestic industry has two primary segments – fishermen and processors.[298] We examine

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[297] From 2013 to 2014, as global supplies were limited by EMS, subject import average unit values ("AUVs") rose by *** and domestic shipment AUVs increased by 17.9 percent. CR/PR at Table C-1. As EMS was brought under control and supplies rebounded in 2015, subject import AUVs dropped by ***. In an effort to avoid losing sales and maintain market share as subject imports increased at lower prices, domestic processors dropped their prices, as evident by the 27.0 percent decline in domestic shipment AUVs in 2015. Thus, while subject import market share increased from 2014 to 2015 by ***, the domestic industry was able to not only maintain but slightly increase (by 0.5 percentage points) its market share because it lowered its prices to meet subject import competition. *Id*. We are mindful that the use of AUVs for establishing price trends or comparisons may present product mix issues in that divergent values may reflect different merchandise rather than differences in price. *Accord Allegheny Ludlum Corp. v. United States*, 287 F.3d 1365, 1373-74 (Fed. Cir. 2002).

[298] Shrimp aquaculture in the United States was estimated to account for 1.7 percent of U.S production in 2015, down from its peak in 2003 at about 4.5 percent of U.S. production. CR at I-31 and Table I-10; PR at I-24 and Table I-10.

the data pertaining to industry performance separately for each segment, as the Commission has done in the past.[299]

Public data indicate that fishermen's wild-catch landings fluctuated during the period of review. Landings decreased from 210.8 million pounds in 2013 to 201.8 million pounds in 2014, and then increased to 221.1 million pounds in 2015; landings were 128.4 million pounds in interim 2015 and 116.1 million pounds in interim 2016.[300] We recognize that landings historically have fluctuated from year to year, and annual fluctuations that occurred during the prior periods were comparable to those during the current period of review.[301]

The responding fishermen reported an overall increase in sales volumes of warmwater shrimp; they reported sales volumes of 23.6 million pounds in 2013 and 2014, and 26.9 million pounds in 2015.[302] The financial results of responding fishermen fluctuated annually, but were positive throughout the period of review. Sales value fluctuated between years, and decreased overall from 2013 to 2015.[303] Operating income reached its highest level in 2014, on both an absolute basis and as a share of net sales, and then declined to its lowest level on an absolute basis in 2015. Fishermen reported operating income as a ratio to net sales of 5.0 percent in 2013, 11.2 percent in 2014, and 5.1 percent in 2015.[304] The responding fishermen's ratio of operating expenses to net sales was relatively high and fluctuated between years; it was 95.0 percent in 2013, 88.8 percent in 2014, and 94.9 percent in 2015.[305] We observe that, because of non-operating income received from sources such as BP Oil Spill compensation and clean-up efforts, distributions pursuant to the Continued Dumping and Subsidies Offset Act of 2000 ("CDSOA"), and other revenue, responding fishermen reported net income that was notably

[299] The Commission received timely usable questionnaire responses from 182 fishermen, a relatively small share of the shrimp fleet that may limit the representativeness of the data. For these reasons, we place less weight on questionnaire data regarding the fishermen segment of the domestic industry. *See* CR/PR at Appendix E.

[300] CR/PR at Table I-10. The public data reported online by the same source (National Marine Fisheries Services) for wild-catch landings showed slightly higher levels and an increase each year from 2013 to 2015. CR/PR at Figure E-1. Wild-catch landings reported online were: 220.9 million pounds in 2013; 232.0 million pounds in 2014; and 234.4 million pounds in 2015. *Id*.

[301] For instance, in the first five-year reviews, landings during the 2005 to 2009 review period ranged from a low of 211.3 million pound to a high of 294.8 million pounds. *First Reviews*, USITC Pub. 4221 at Table I-15. Also in the 2013 original countervailing duty investigations on warmwater shrimp from China, Ecuador, India, Malaysia, and Vietnam, landings during the 2010 to 2012 period ranged from a low of 199.0 million pounds to a high of 234.2 million pounds. *Frozen Warmwater Shrimp from China, Ecuador, India, Malaysia, and Vietnam*, Inv. Nos. 701-TA-491-493, 495 and 497 (Final), USITC Pub. 4429 at Table IV-5 ("*CVD Determinations*").

[302] CR/PR at Table E-5.

[303] CR/PR at Table E-5.

[304] CR/PR at Table E-5. For purposes of this discussion, operating income refers to net sales value minus operating expenses.

[305] CR/PR at Table E-5. For purposes of this discussion, operating expenses include officer/partner salaries.

higher than their operating income on both an absolute basis and as a share of net sales for every year in the period of review.[306]

Processors' production exhibited different trends from wild-catch landings. Production increased from 138.4 million pounds in 2013 to 144.4 million pounds in 2014 and 144.5 million pounds in 2015.[307] Production was higher in interim 2016, at 109.1 million pounds, than in interim 2015, at 101.0 million pounds.[308] Processors' capacity rose during each year of the period of review, increasing from 390.4 million pounds in 2013 to 404.7 million pounds in 2015; capacity was 295.9 million pounds in interim 2015 and 296.4 million pounds in interim 2016.[309] Capacity utilization increased from 35.5 percent in 2013 to 36.4 percent in 2014, then decreased to 35.7 percent in 2015; the 36.8 percent capacity utilization rate in interim 2016 was higher than the 34.1 percent rate in interim 2015.[310]

Processors' U.S. shipments showed different trends from production, declining from 146.5 million pounds in 2013 to 136.6 million pounds in 2014, then increasing to 146.2 million pounds in 2015.[311] U.S. shipments of 113.2 million pounds in interim 2016 were higher than the 102.6 million pounds of shipments in interim 2015.[312] Ending inventory quantities fluctuated annually and increased overall from 22.9 million pounds in 2013 to 27.9 million pounds in 2015; ending inventory quantities were 25.3 million pounds in interim 2015 and 22.0 million pounds in interim 2016.[313]

The number of production and related workers, hours worked, total wages paid, and hourly wages fluctuated annually and increased overall from 2013 to 2015.[314] Labor productivity increased each year of the period.[315]

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[306] CR/PR at Table E-5. The responding fishermen's net income as a share of net sales was 22.5 percent in 2013, 12.4 percent in 2014, and 15.7 percent in 2015. *Id*.

[307] CR/PR at Table III-4.

[308] CR/PR at Table III-4.

[309] CR/PR at Table III-4.

[310] CR/PR at Table III-4. As noted earlier, we take into account that in considering processors' capacity utilization, excess capacity can only be used if there is sufficient supply of shrimp.

[311] CR/PR at Table III-7.

[312] CR/PR at Table III-7. Export shipments were very small in relation to domestic shipments. *Id*.

[313] CR/PR at Table III-8.

[314] The number of PRWs increased from 1,272 in 2013 to 1,344 in 2014, then declined slightly to 1,308 in 2015; the number of PRWs was 1,240 in interim 2015 and 1,248 in interim 2016. CR/PR at Table III-11. Hours worked increased from 2.243 million hours in 2013 to 2.324 million hours in 2014, then declined slightly to 2.315 million hours in 2015; hours worked was 1.690 million hours in interim 2015 and 1.857 million hours in interim 2016. *Id*. Wages paid increased from $31.1 million in 2013 to $32.6 million in 2014, then declined to $32.2 million in 2015; wages paid was $23.4 million in interim 2015 and $24.8 million in interim 2016. *Id*. Hourly wages rose from $13.88 in 2013 to $14.01 in 2014 and then declined to $13.91 in 2015; hourly wages were $13.84 in interim 2015 and $13.36 in interim 2016. *Id*.

[315] Labor productivity increased from 61.7 pounds per hour worked in 2013 to 62.1 pounds per hour worked in 2014 and 62.4 pounds per hour worked in 2012; it was 59.8 pounds per hour worked in interim 2015 and 58.8 pounds per hour worked in interim 2016. CR/PR at Table III-11.

The processors' total net sales values fluctuated between years but declined overall from 2013 to 2015; they were higher in interim 2016 than in interim 2015. Processors' total net sales values were $689.2 million in 2013, $757.9 million in 2014, and $591.2 million in 2015 their total net sales values were $428.8 million in interim 2015 and $476.9 million in interim 2016.[316] The processors' cost of goods sold ("COGS") also fluctuated between years; as a share of net sales, it was 91.3 percent in 2013, 92.1 percent in 2014, 89.6 percent in 2015, 91.1 percent in interim 2015, and 89.0 percent in interim 2016.[317] Processors' operating income margin decreased from 0.8 percent in 2013 to 0.7 percent in 2014 and 2015; it was negative 0.4 percent in interim 2015 and 2.2 percent in interim 2016.[318] Capital expenditures also fluctuated from year to year but were higher in interim 2016 than in interim 2015.[319]

In light of the poor financial performance of the domestic industry, particularly processors, during the period of review, we conclude that it is in a vulnerable condition. We find that the industry could not withstand significantly increased volumes of low-priced subject imports without likely sustaining significant adverse effects. We have concluded that cumulated subject import volumes will likely be at significant levels and will be priced in a manner that will likely undersell the domestic like product and have significant price-depressing or price-suppressing effects on the prices of the domestic like product in the reasonably foreseeable future if the orders under review were revoked. Because subject imports are interchangeable for the domestic like product and price is an important factor in purchasing decisions, the domestic industry will need to cut prices or restrain price increases to compete with the significant volumes of low-priced subject imports. In doing so, the low-priced subject imports would likely have the effect of exacerbating the already weak production, shipments, market share, and financial performance of the domestic industry. The domestic industry's revenues will likely decline significantly in light of the anticipated volume of subject imports. This, in turn, will likely lead to declines in the industry's operating performance.

In conducting our analysis of likely impact, we have also considered the likely effect on the domestic industry of factors other than the cumulated subject imports. Joint Respondents argue that the performance of the processors and fishermen is primarily affected by fluctuations in the raw shrimp supply/landings, which in turn are affected by biological and environment factors.[320] They claim that the decline in the domestic industry's market share and operating performance came during a period of extremely low landings that prevented the

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[316] CR/PR at Table III-12.

[317] CR/PR at Table III-12.

[318] CR/PR at Table III-12.

[319] Capital expenditures increased from $6.2 million in 2013 to $7.8 million in 2014, then declined to $5.3 million in 2015. They totaled $4.2 million in interim 2015 and $6.4 million in interim 2016. CR/PR at Table III-16.

[320] Joint Respondents Prehearing Brief at 73-87; Joint Respondents Posthearing Brief at 12-14. Joint Respondents speculate that the biological limit is lower now than in previous periods and that this lower level of landings may be a long-term effect of the BP Oil Spill, possibly linked to dispersants used. Hearing Tr. at 177; Joint Respondents Posthearing Brief, Appendix (Answers to Questions) at 9-10, and 147-148.

domestic industry from increasing its shipments of processed shrimp. Joint Respondents' contention is not supported by the record. Wild catch landings and the domestic industry's financial performance did not move in the same direction. While wild catch landings and the domestic processors' operating margins were both lower in 2014 than in 2013, landings increased to their highest levels for the period of review in 2015 but the domestic processors' operating margins did not improve as cumulated subject import volumes also increased that year.[321] Moreover, wild catch landings increased overall from 2013 to 2015, and were at historically average levels in 2015, indicating that supply was not inhibited by the Gulf Oil Spill or weather events during the period of review.[322]

We find that overall the domestic supply of shrimp turns in large part on the incentive for fishermen to harvest shrimp, and that fuel costs and low prices can serve as a disincentive to fishermen to take their boats out to harvest shrimp.[323] Moreover, the record does not support the notion that the domestic industry operates in an environment where the sole determinant of prices and operating performance is domestic production.[324]

We have also considered the role of nonsubject imports in the U.S. market. As previously discussed, nonsubject imports supplied a greater percentage of the market than did subject imports during the period of review. Joint Respondents contend that any increases in subject imports upon revocation likely would only replace nonsubject imports and not affect the domestic industry.[325] The record does not support this argument. The presence of substantial quantities of nonsubject imports during the original period of investigation did not preclude the subject imports from taking market share from the domestic industry as well as the nonsubject imports.[326] Moreover, the domestic industry and nonsubject imports both lost market share to subject imports in interim 2016 compared with interim 2015.[327] Accordingly,

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[321] CR/PR at Tables I-10 and C-1. Wild-catch landings were 210.8 million pounds in 2013, 201.8 million pounds in 2014, 221.1 million pounds in 2015, 128.4 million in interim 2015, and 116.1 million in interim 2016; whereas the domestic processors' operating income margins were 0.8 percent in 2013, 0.7 percent in both 2014 and 2015, negative 0.4 percent in interim 2015 and 2.2 percent in interim 2016. *Id*. Moreover, fishermen's operating performance seemed to move in the opposite direction to landings with their highest operating margins reported in 2014 when landings were at the lowest levels on an annual basis. Fishermen's operating income margins were 5.0 percent in 2013, 11.2 percent in 2014, and 5.1 percent in 2015. CR/PR at Table E-5.

[322] CR at II-7 n.12 and II-11; PR at 5 n.12 and II-7; AHSTAC/AHSIC Prehearing Brief at 30-34; ASPA Prehearing Brief at 64-70; ASPA Posthearing Brief, Answers to Questions at Schmidtlein 1 (Efforts to Control EMS) and Williamson 1 (Impact of the BP Oil Spill).

[323] CR at II-5, II-6 and V-1; PR at II-II-4, II-5 and V-1; Hearing Tr. at 46, 48-49.

[324] Even assuming *arguendo* that the quantity of domestic production would not decline in response to likely additional quantities of subject imports, the likely price effects of these imports and the consequent diminution of revenue that the domestic industry would receive would constitute a likely adverse impact on the domestic industry.

[325] Joint Respondents Posthearing Brief at 8-9.

[326] *Original Determinations*, USITC Pub. 3748 at 31.

[327] CR/PR at Tables C-1.

there is no indication in the record that competition from nonsubject imports will prevent the subject imports from increasing their presence in the U.S. market upon revocation. Moreover, the increased competition between subject and nonsubject imports likely would result in price depression for the domestic industry; subject and nonsubject imports will compete on the basis of price, and any resulting lower prices in the U.S. market will also pull down prices for the domestically produced product. Lower prices will affect the domestic industry's revenues, and in turn, will likely lead to declines in the industry's operating performance in the reasonably foreseeable future.[328]

Consideration of factors other than the cumulated subject imports therefore does not detract from our finding that the cumulated subject imports are likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time should the antidumping duty orders be revoked.

E. Revocation of the Antidumping Order on Subject Imports from Brazil Is Not Likely to Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time

1. Likely Volume of Subject Imports

In the original investigations, the volume of subject imports from Brazil increased from *** pounds in 2001 to *** pounds in 2003, but was lower in January-June 2004 than in January-June 2003.[329] During the first five-year reviews, while subject imports from Brazil were *** pounds in 2005, they declined to *** pounds in 2006, and were at minimal levels thereafter.[330] During the current period of review, subject imports from Brazil were only present in minimal volumes in 2013 and 2014.[331] Accordingly, the share of apparent U.S. consumption accounted for by subject imports from Brazil was *** in each year and interim period examined.[332]

While the Brazilian industry was heavily export oriented during the original investigations,[333] it has shifted away from exporting (not only to the U.S. market but globally as well) to predominately supplying its domestic market. According to GTA data, exports of warmwater shrimp from Brazil decreased from 2.3 million pounds in 2013 to 1.4 million pounds in 2015.[334] GTA data indicate that Brazil accounted for only 0.1 percent of total global exports

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[328] As discussed above, depressed domestic prices for warmwater shrimp also may be a disincentive to domestic shrimping efforts which would result in lower landings.

[329] CR/PR at Table C-2 (Original Investigation).

[330] CR/PR at Table C-1 (First Review).

[331] CR/PR at Table IV-1. Subject imports from Brazil were *** pounds in 2013, *** pounds in 2014, and *** in 2015 and interim 2016.

[332] CR/PR at Table I-11.

[333] *Original Determinations*, USITC Pub. 3748 at Table VII-1; *see also First Reviews*, USITC Pub. 4221 at 12-13.

[334] CR/PR at Table IV-14. Japan was Brazil's largest export destination, accounting for 56.1 percent of Brazil's exports in 2015, followed by Belgium at 16.0 percent and France at 12.6 percent. *Id*. The (*continued*...)

by value for each year in the period of review.[335] The questionnaire data show that during the current period of review, Brazil's reported exports of frozen warmwater shrimp as a share of total shipments ranged from a low of *** share of its total shipments directed instead to its home market.[336] Home market shipments ranged between *** of total shipments during the period of review.[337]

The evidence demonstrates that over the past eight years almost all of Brazil's farmed shrimp production has been absorbed by the domestic market.[338] As demand for warmwater shrimp in the Brazil home market increased, home market prices have also increased.[339] Due in part to the strict enforcement of sanitary requirements by the Brazilian government, importation of shrimp into Brazil is severely limited and thus the home market is supplied almost entirely by the Brazilian industry.[340]

The Commission received usable data from seven firms.[341] Reported Brazilian production capacity was constant at 127.5 million pounds from 2013 to 2015, and 95.9 million

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(…*continued*)

AUVs for Brazil's exports to Japan were $6.12 per pound and to Belgium were $5.50 per pound, while the AUVs for subject imports in the U.S. market were $*** in 2015, suggesting that to the extent that Brazil exports shrimp, the United States may not be an attractive market. CR/PR at Tables IV-1 and IV-14.

[335] CR/PR at Table IV-34. Similarly, Brazil's total exports in 2015 were equivalent to only *** percent of apparent U.S. consumption. Calculated from CR/PR at Tables I-11 and IV-14.

[336] CR/PR at Table IV-11.

[337] CR/PR at Table IV-11. During the first five-year reviews, home market shipments ranged between *** of total shipments on an annual basis. *First Reviews* , USITC Pub. 4221 at Table IV-8. In the original investigations, home market shipments were only 3.2 percent as a share of total shipments in 2003, and export shipments were 96.8 percent. *Original Determinations*, USITC Pub. 3748 at Table VII-1.

[338] *See* Brazilian Respondents Posthearing Brief at Exhibit 1 (*Global Aquaculture Advocate,* Volume 18, Issue 2 at 44-46 (March/April 2015); ASPA Prehearing Brief at Exhibit 39.

[339] CR at IV-60 and Figures IV-4, IV-6 and IV-7; PR at IV-45 and Figures IV-4, IV-6 and IV-7; Brazilian Respondents Posthearing Brief at Exhibits 3 and 4.

[340] *See* Brazilian Respondents Prehearing Brief at 16-19 and Exhibit 2; Brazilian Respondents Posthearing Brief, Appendix at 8-9 and at Exhibit 1. We recognize that Ecuador has recently (as of March 15, 2017) met the sanitary requirements for importation of shrimp from Ecuador and that Ecuadorian companies could move forward with the normal import procedures for food consumables, which entails licensing, authorization of processing plants, approval of labels, and Import Risk Analyses. Thus, while it is likely that Ecuadorian shrimp will be permitted to re-enter the Brazilian market in the near future, the record does not indicate that any other country is likely to gain approval to re-enter this market in the reasonably foreseeable future. Brazilian Respondents Posthearing Brief, Appendix at 8-9.

[341] In the current reviews, the Commission received usable data from seven firms, estimated to account for 41 percent of total Brazilian production in 2015; ***. CR at IV-19; PR at IV-15. While we recognize that Brazilian industry coverage is not complete, available data regarding U.S. imports from Brazil and GTA data concerning all exports from Brazil of warmwater shrimp, as well as the available industrywide production data in the record, indicate to us that the available questionnaire data – which show few exports to the United States or globally – are representative of the Brazilian industry as a whole, which is not export oriented.

pounds in interim 2015 and 95.3 million pounds in interim 2016.[342] Reported production fluctuated from year to year, declining from 29.5 million pounds in 2013 to 26.7 million pounds in 2015, and was lower in interim 2016 than in interim 2015.[343] The decline in Brazilian production of warmwater shrimp in 2015 and 2016 reportedly resulted from the outbreak of a serious shrimp disease and other substantial shrimp aquaculture problems.[344] While Brazilian production is projected to increase in the next two years, these increases would essentially compensate for the lost production due to the outbreak of disease and return production to levels similar to those in 2014 when there were no exports to the U.S. market and global exports accounted for *** of Brazil's reported total shipments.[345] We recognize that Brazilian capacity utilization was low and declined over the period of review.[346] Nonetheless, even with excess capacity, Brazilian exports globally declined on an absolute basis and as a share of total shipments from 2013 to 2015.[347]

Given the minimal level of Brazilian exports globally relative to apparent U.S. consumption, and the continued likely demand in Brazil's relatively closed home market, the Brazilian industry has little incentive to return to exporting significant volumes of warmwater shrimp to the U.S. market if the order were revoked.

Thus, while Domestic Parties contend that the cessation of exports to the U.S. market is related to the existence of the antidumping duty order,[348] the evidence demonstrates that the Brazilian industry has not only reduced exports to the U.S. market since 2006 but also substantially reduced its exports globally since 2010 and focused instead primarily on its home market. We also do not find persuasive allegations that the reduction in exports was due to the outbreak of disease or the denial of GSP treatment in Europe.[349] Both events (denial of GSP treatment in 2014 and the disease outbreak in 2015) occurred well after the substantial reduction in exports by the Brazilian industry in 2010.

Domestic Parties also contend that the Brazilian industry's focus on the home market was due to the strong Brazilian real making its exports less competitive and that, as the real weakens, they will resume exporting.[350] However, the Brazilian industry did not take advantage of the relatively weak Brazilian real in 2015 and 2016 (during the Brazilian recession), when the

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[342] CR/PR at Table IV-11.

[343] CR/PR at Table IV-11.

[344] Brazilian Respondents Posthearing Brief at 4 and Exhibits 2 and 3.

[345] CR/PR at Table IV-11 and Brazilian Respondents Posthearing Brief at 4 and Exhibits 2 and 3.

[346] Capacity utilization of reporting subject producers in Brazil declined irregularly from 23.2 percent in 2013 to 20.9 percent in 2015, and was lower in interim 2016 than in interim 2015. CR/PR at Table IV-11.

[347] CR/PR at Tables IV-11 and IV-14.

[348] ASPA Posthearing Brief at 2 and Answers to Questions at Johanson 1; AHSTAC/AHSIC Prehearing Brief at 9.

[349] ASPA Prehearing Brief at 48 and Exhibit 38; ASPA Posthearing Brief, Answers to Questions at Johanson 1; AHSTAC/AHSIC Prehearing Brief at 9 and Exhibit 2.

[350] ASPA Prehearing Brief at 49-50; ASPA Posthearing Brief, at 3 and Answers to Questions at Johanson 1; ASPA Final Comments at 2-3.

exchange rate climbed to highs of 4.25 real to the U.S. dollar, to export more shrimp. It is even less likely that they will view export markets as attractive options now as the Brazilian economy recovers and the real is 25 percent stronger at 2.9 real to the U.S. dollar.[351]

Finally, as discussed above, Domestic Parties have made claims but provided no evidence that the Brazilian seafood industry's participation in U.S. seafood trade fairs involved active marketing of shrimp exports.[352] Moreover, even if some increase in subject imports from Brazil occurs upon revocation of the order, given the size of the Brazilian industry and its established home market focus, we conclude that the likely volume of subject imports from Brazil in the reasonably foreseeable future is not likely to be significant.[353]

2. Likely Price Effects

In considering the likely price effects of subject imports from Brazil if the order was revoked, we acknowledge, as discussed above, that subject imports from Brazil and the domestic like product generally are interchangeable, and the general importance of price in purchasing decisions. In these reviews, there is no pricing data specific to warmwater shrimp from Brazil. In the original investigations, the pricing data regarding subject imports from Brazil was mixed, with such imports underselling the domestic product in 33 of 74 price comparisons.[354]

Given our findings that the volume of subject imports from Brazil upon revocation is not likely to be significant, any likely volume of subject imports from Brazil would be too small to have a significant effect on prices for the domestic like product. As discussed above, the Brazilian industry has not exported warmwater shrimp to the U.S. market in any measurable volume since 2006 and its exports to other markets during the period of review have been extremely limited because it has focused almost entirely on supplying its home market. Accordingly, we find that revocation of the antidumping duty order on warmwater shrimp from Brazil would not be likely to lead to significant underselling or significant price depression or suppression within a reasonably foreseeable time.

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[351] Brazilian Respondents Final Comments at 3-4.

[352] *See* AHSTAC/AHSIC Posthearing Brief at A-22-23; ASPA Posthearing Brief at 3-4, and Answers to Questions at Johanson 1 and Williamson 2; Brazilian Respondents Posthearing Brief, Appendix at 4-5; Brazilian Respondents Final Comments at 1-3, 23.

[353] In addition, other considerations support our finding regarding likely volume of subject imports. There were no inventories of the subject merchandise from Brazil in the United States throughout the period of review. CR/PR at Table IV-4. Reported inventory levels in Brazil relative to production ranged from a low of *** during the period of review. CR/PR at Table IV-11.

*** of the producers in Brazil reported that they produce other products on the same equipment and facilities used to produce warmwater shrimp. CR at IV-23; PR at IV-18.

We also examined whether there are barriers to the importation of subject merchandise in countries other than the United States. There are no known antidumping or countervailing duty orders of warmwater shrimp in third country markets. CR at IV-56; PR at IV-42.

[354] CR/PR at Table V-10 n.1.

3. Likely Impact

In evaluating the likely impact of subject imports from Brazil on the domestic industry, we acknowledge our finding that the domestic industry is in a vulnerable condition, as discussed in section IV.D.3 above. However, given that we do not find it likely that there would be a significant volume of subject imports from Brazil or that any such imports likely would have significant price effects, we find that revocation of the antidumping duty order on subject imports from Brazil would not likely lead to a significant impact on the domestic industry.

For all of these reasons, we conclude that revocation of the antidumping duty order on subject imports of warmwater shrimp from Brazil would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

V. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping duty orders on warmwater shrimp from China, India, Thailand, and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We also determine that revocation of the antidumping duty order on warmwater shrimp from Brazil would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

PART I: INTRODUCTION

BACKGROUND

On March 1, 2016, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the antidumping duty orders on frozen warmwater shrimp ("warmwater shrimp") from Brazil, China, India, Thailand, and Vietnam would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On June 6, 2016, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.[4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

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[1] 19 U.S.C. 1675(c).

[2] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Institution of five-year reviews*, 81 FR 10659, March 1, 2016. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission's notice of institution. *Initiation of Five-Year ("Sunset") Review*, 81 FR 10578, March 1, 2016.

[4] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam; Notice of Commission Determination to Conduct Full Five-Year Reviews,* 81 FR 39711, June 17, 2016. With respect to the orders on the subject merchandise from Brazil, India, Thailand, and Vietnam, the Commission found that both the domestic and respondent interested party group responses to its notice of institution were adequate and determined to proceed to full reviews of the orders. With respect to the order on the subject merchandise from China, the Commission found that the domestic interested party group response was adequate and the respondent interested party group response was inadequate, but that circumstances warranted conducting a full review.

[5] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B presents the witnesses appearing at the Commission's hearing.

Effective date	Action
February 1, 2005	Commerce's antidumping duty orders on warmwater shrimp from Brazil, China, India, Thailand, and Vietnam (70 FR 5143, 5149, 5147, 5145, and 5152, respectively)
March 1, 2016	Commission's institution of five-year reviews (81 FR 10659)
March 1, 2016	Commerce's initiation of five-year reviews (81 FR 10578)
June 6, 2016	Commission's determinations to conduct full five-year reviews (81 FR 39711, June 17, 2016)
July 7, 2016	Commerce's final results of expedited five-year reviews of the antidumping duty orders from Brazil, China, India, and Thailand (81 FR 44275)
November 2, 2016	Commission's scheduling of the reviews (81 FR 78632, November 8, 2016)
January 30, 2017	Commerce's final results of full five-year review of the antidumping duty order from Vietnam (82 FR 8724)
March 16, 2017	Commission's hearing
May 2, 2017	Commission's vote
May 25, 2017	Commission's determinations and views

The original investigations

The original investigations resulted from petitions filed on December 31, 2003 with Commerce and the Commission by the Ad Hoc Shrimp Trade Action Committee, Washington, DC. In January 2005, the Commission determined that an industry in the United States was materially injured by reason of less than fair value (LTFV) imports of certain frozen warmwater shrimp and prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam.[6] Commerce issued antidumping duty orders with respect to imports from the subject countries on February 1, 2005.[7] Effective August 15, 2007, Commerce subsequently revoked in its entirety the order with respect to imports from Ecuador.[8]

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[6] *Certain Frozen or Canned Warmwater Shrimp and Prawns From Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005. On January 6, 2005, when the Commission conducted its vote in the original investigations, it stated that it was concerned about the possible impact of the December 26, 2004 tsunami on the shrimp industries of India and Thailand that occurred prior to the closing of the record in those investigations. On February 8, 2005, the Commission published a notice inviting comments from the public on whether changed circumstances existed sufficient to warrant instituting changed circumstances reviews of its final determinations regarding subject imports from India and Thailand. The Commission determined that good cause existed to institute such reviews. Based on the record in the changed circumstances reviews, the Commission determined that revoking the antidumping duty orders on certain frozen warmwater shrimp and prawns from India and Thailand was likely to lead to continuation or recurrence of material injury to the domestic industry within the reasonably foreseeable future. *Certain Frozen Warmwater Shrimp and Prawns from India and Thailand*, Inv. Nos. 751-TA-28 to 29 (Changed Circumstances Reviews), USITC Pub. 3813 at pp. 1, 3 (November 2005).

[7] *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Brazil*, 70 FR 5143, February 1, 2005; *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen*

(*continued*...)

The first five-year reviews

In March 2011, the Commission completed its first full five-year reviews and found that revocation of the antidumping duty orders on warmwater shrimp from Brazil, China, India, Thailand, and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[9] Following affirmative determinations in the first five-year reviews by Commerce[10] and the Commission, Commerce issued a notice continuing the antidumping duty orders on warmwater shrimp from Brazil, China, India, Thailand, and Vietnam, effective April 29, 2011.[11]

(…*continued*)
Warmwater Shrimp from the People's Republic of China, 70 FR 5149, February 1, 2005; *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Ecuador*, 70 FR 5156, February 1, 2005; *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from India*, 70 FR 5147, February 1, 2005; *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Thailand*, 70 FR 5145, February 1, 2005; and *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam*, 70 FR 5152, February 1, 2005.

[8] *Implementation of the Findings of the WTO Panel in United States Antidumping Measure on Shrimp from Ecuador: Notice of Determination Under Section 129 of the Uruguay Round Agreements Act and Revocation of the Antidumping Duty Order on Frozen Warmwater Shrimp from Ecuador*, 72 FR 48257, August 23, 2007.

[9] *Frozen Warmwater Shrimp From Brazil, China, India, Thailand, and Vietnam*, 76 FR 18782, April 5, 2011.

[10] *Certain Frozen Warmwater Shrimp from Brazil, India, the People's Republic of China and Thailand: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 27299, May 14, 2010; and *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Notice of Correction to Amended Final Determination of Sales at Less Than Fair Value Pursuant to Court Decision*, 75 FR 60074, September 29, 2010. *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the First Five-year "Sunset" Review of the Antidumping Duty Order,* 75 FR 75965, December 7, 2010. Commerce issued a notice reopening its first five-year review of the antidumping duty order on imports from Vietnam. *Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam: Notice of Reopening of the First Five-Year "Sunset" Review of the Antidumping Duty Order*, 79 FR 15310, March 19, 2014 (noting that certain information had come to Commerce's attention "that may call into question the integrity of the first sunset review and the information on which the Department relied for its final results"). In separate proceedings, the government of Vietnam challenged Commerce's first review determination and certain of its administrative review determinations regarding imports of certain frozen warmwater shrimp from Vietnam. *US – Shrimp II (Vietnam)*, DS429. In response, on March 25, 2015, the United States and Vietnam informed the WTO Dispute Settlement Body that they had mutually agreed to modify the reasonable period of time for implementation of the recommendations and rulings of the DSB by August 22, 2016.

[11] *Certain Frozen Warmwater Shrimp From Brazil, India, the People's Republic of China, Thailand, and the Socialist Republic of Vietnam: Continuation of Antidumping Duty Orders*, 76 FR 23972, April 29, 2011.

PRIOR RELATED INVESTIGATIONS

On December 28, 2012, the Coalition of Gulf Shrimp Industries filed countervailing duty petitions with the Commission and Commerce concerning frozen warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam. On August 19, 2013, Commerce published a notice of its affirmative final determinations in the countervailing duty investigations concerning imports of frozen warmwater shrimp from China, Ecuador, India, Malaysia, and Vietnam and negative final determinations in the countervailing duty investigations concerning imports from Indonesia and Thailand.[12] The Commission terminated its investigations on imports from Indonesia and Thailand on August 19, 2013.[13] Subsequently, in October 2013, the Commission determined that an industry in the United States was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded by reason of imports from China, Ecuador, India, Malaysia, and Vietnam of frozen warmwater shrimp.[14]

SUMMARY DATA

Table I-1 presents a summary of data from the original investigations and subsequent full five-year reviews.

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[12] *Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 78 FR 50391, August 19, 2013; *Certain Frozen Warmwater Shrimp From Ecuador: Final Affirmative Countervailing Duty Determination*, 78 FR 50389, August 19, 2013; *Certain Frozen Warmwater Shrimp from India: Final Affirmative Countervailing Duty Determination*; 78 FR 50385, August 19, 2013; *Certain Frozen Warmwater Shrimp From Malaysia: Final Affirmative Countervailing Duty Determination*, 78 FR 50381, August 19, 2013; *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam*: Final Affirmative Countervailing Duty Determination, 78 FR 50387, August 19, 2013; *Certain Frozen Warmwater Shrimp From Thailand: Final Negative Countervailing Duty Determination*, 78 FR 50379, August 19, 2013; *Certain Frozen Warmwater Shrimp From the Republic of Indonesia: Final Negative Countervailing Duty Determination*, 78 FR 50383, August 19, 2013.

[13] *Frozen Warmwater Shrimp from Indonesia and Thailand; Termination of Investigations*, 78 FR 54912, September 6, 2013.

[14] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 701-TA-491-493, 495, and 497 (Final)*, USITC Publication 4429, October 2013. The Commission's negative final determinations in the countervailing duty investigations were upheld on appeal. *See Coalition of Gulf Shrimp Industries v. United States*, 71 F. Supp. 3d 1356 (Ct. Int'l Trade 2015).

Table I-1
Warmwater shrimp: Comparative data from the original investigations and subsequent reviews, 2003, 2009, and 2015

Item	Original investigations 2003	First reviews 2009	Second reviews 2015
	Quantity (1,000 pounds)		
U.S. consumption	1,205,729	1,259,986	1,293,595
	Share of quantity (percent)		
Share of U.S. consumption: U.S. producers' share	11.9	11.9	9.7
U.S. importers' share: Brazil	4.0	0.0	***
China subject	***	***	***
Ecuador subject	6.1	([1])	([1])
India subject	8.2	***	***
Thailand subject	23.1	***	***
Vietnam subject	10.3	7.0	***
Subject sources	***	***	37.6
China nonsubject	***	***	***
Ecuador nonsubject	([1])	***	14.2
India nonsubject	([1])	***	***
Thailand nonsubject	([1])	***	***
Vietnam nonsubject	([1])	([1])	***
All other sources	22.4	31.8	***
Nonsubject sources	***	***	***
All import sources	88.1	88.1	90.3
	Value (1,000 dollars)		
U.S. consumption	4,410,398	4,239,648	5,902,995
	Share of value (percent)		
Share of U.S. consumption: U.S. producers' share	15.3	14.0	12.3
U.S. importers' share: Brazil	2.3	0.0	***
China subject	***	***	***
Ecuador subject	4.9	([1])	([1])
India subject	9.3	***	***
Thailand subject	22.5	***	***
Vietnam subject	13.7	9.0	***
Subject sources	***	***	38.5
China nonsubject	***	***	***
Ecuador nonsubject	([1])	***	***
India nonsubject	([1])	***	***
Thailand nonsubject	([1])	***	***
Vietnam nonsubject	([1])	([1])	***
All other sources	22.1	30.6	***
Nonsubject sources	***	***	***
All import sources	84.7	86.0	87.7

Table continued on next page.

Table I-1--Continued
Warmwater shrimp: Comparative data from the original investigations and subsequent reviews, 2003, 2009, and 2015

Item	Original investigations 2003	First reviews 2009	Second reviews 2015
	Quantity (1,000 pounds); Value (1,000 dollars); and Unit Value (dollars per pound)		
U.S. imports from.-- Brazil: Quantity	48,023	37	0
Value	103,100	86	0
Unit value	$2.15	$2.32	$0.00
China subject: Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***
Ecuador subject: Quantity	73,112	([1])	([1])
Value	214,873	([1])	([1])
Unit value	$2.94	([1])	([1])
India subject: Quantity	99,140	***	***
Value	412,027	***	***
Unit value	$4.16	***	***
Thailand subject: Quantity	278,632	***	***
Value	991,425	***	***
Unit value	$3.56	***	***
Vietnam subject: Quantity	124,152	***	***
Value	602,235	***	***
Unit value	$4.85	***	***
Subject sources: Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***

Table continued on next page.

Table I-1--Continued
Warmwater shrimp: Comparative data from the original investigations and subsequent reviews, 2003, 2009, and 2015

Item	Original investigation 2003	First review 2009	Second review 2015
	Quantity (1,000 pounds); Value (1,000 dollars); and Unit Value (dollars per pound)		
China nonsubject sources: Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***
Ecuador nonsubject: Quantity	([1])	***	183,559
Value	([1])	***	633,197
Unit value	([1])	***	$3.45
India nonsubject: Quantity	([1])	***	***
Value	([1])	***	***
Unit value	([1])	***	***
Thailand nonsubject: Quantity	([1])	***	***
Value	([1])	***	***
Unit value	([1])	***	***
Vietnam nonsubject: Quantity	([1])	([1])	***
Value	([1])	([1])	***
Unit value	([1])	([1])	***
All other sources: Quantity	270,163	401,163	416,829
Value	976,375	1,295,902	1,877,180
Unit value	$3.61	$3.23	$4.50
Nonsubject sources: Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***
All import sources: Quantity	1,062,282	1,110,013	1,168,585
Value	3,737,315	3,646,368	5,178,162
Unit value	$3.52	$3.28	$4.43

Table continued on next page.

Table I-1--Continued
Warmwater shrimp: Comparative data from the original investigations and subsequent reviews, 2003, 2009, and 2015

Item	Original investigations 2003	First review 2009	Second review 2015
	Quantity (1,000 pounds); Value (1,000 dollars); and Unit Value (dollars per pound)		
U.S. processors' U.S. shipments (based on NOAA data): Quantity	143,447	149,973	125,011
Value	673,063	593,281	724,833
Unit value	$4.69	$3.96	$5.80
U.S. processors' (based on questionnaire data): Capacity (quantity)	***	***	***
Production (quantity)	***	***	***
Capacity utilization (percent)	***	***	***
U.S. shipments: Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***
Ending inventory	***	***	***
Inventories/total shipments	***	***	***
Production workers	***	***	***
Hours worked (1,000)	***	***	***
Wages paid (1,000 dollars)	***	***	***
Hourly wages	***	***	***
Productivity (1,000 pounds per hour)	***	***	***
Unit labor costs	***	***	***
Financial data: Net sales: Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***
Cost of goods sold	***	***	***
Gross profit or (loss)	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Unit COGS	***	***	***
Unit operating income	***	***	***
COGS/ Sales (percent)	***	***	***
Operating income or (loss)/ Sales (percent)	***	***	***

[1] Not applicable.

Source: Compiled from Original and First Review Staff Reports (memoranda INV-BB-156 and INV-JJ-016), data submitted in response to Commission questionnaires, and National Marine Fisheries Service (NMFS) statistics.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury—

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*
>
> *(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*
>
> *(A) any likely increase in production capacity or existing unused production capacity in the exporting country,*
>
> *(B) existing inventories of the subject merchandise, or likely increases in inventories,*
>
> *(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*
>
> *(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.*

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and
(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to–

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,
(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for warmwater shrimp as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of 35 firms; 28 U.S. producers of warmwater shrimp provided useable data and are believed to have accounted for the vast majority of domestic production of warmwater shrimp in 2015. U.S. import data and related information are based on Commerce's official import statistics, adjusted to exclude certain companies no longer subject to the orders,[15] and the questionnaire responses of 26 U.S. importers of warmwater shrimp that are believed to have accounted for *** percent of total subject U.S. imports during 2015 by quantity. Foreign industry data and related information are based on the questionnaire responses of 74 producers of warmwater shrimp. Seven subject producers in Brazil, zero subject producers in China, 20 subject producers in India, 28 subject producers in Thailand, and 19 subject producers in Vietnam. There were minimal imports from Brazil during the period of review. Brazilian producers estimate that they accounted for 41 percent of total Brazilian production in 2015. Reported exports of warmwater shrimp to the United States in 2015 were equivalent to *** percent of subject U.S. imports from India, *** percent of subject U.S. imports from Thailand, and *** percent of subject U.S. imports from Vietnam in that year based on adjusted Commerce statistics. Responses by U.S. producers, importers, purchasers, and foreign producers of warmwater shrimp to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D. A summary of trade related and financial data for farmers/fishermen as collected is presented in appendix E.

COMMERCE'S REVIEWS

Administrative reviews[16]

Since the last reviews, Commerce has completed five administrative reviews of the order on China, six administrative reviews of the order on India, four administrative reviews of the order on Thailand, and six administrative reviews of the order on Vietnam.[17] The results of the administrative reviews are shown in tables I-2 to I-5. In addition, Commerce has completed one new shipper review of the order on Vietnam, in which it calculated a dumping margin of

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[15] U.S. official import data from subject countries were adjusted to remove the following nonsubject producers: China--Allied Pacific Group, Shantou Red Garden Foodstuff Co., Ltd., Yelin Enterprise Co. Hong Kong, Zhanjiang Guolian Aquatic Products Co., Ltd., and Zhanjiang Regal Integrated Marine Resources Co., Ltd; India--Devi Sea Foods Limited; Thailand—Thai I-Mei Frozen Foods Co., Ltd., the Rubicon Group, and Marine Gold Products Limited; and Vietnam—Minh Phu Group. The Minh Phu Group was excluded from the antidumping duty order effective July 18, 2016. Only import entries after July 2016 were removed with respect to Minh Phu Group. For additional information, please see section titled "Company revocations," in Part I of this report.

[16] Commerce has issued one duty absorption finding with respect to warmwater shrimp from Thailand. Commerce found that antidumping duties were being absorbed by the Rubicon Group, Thai I-Mei, and Thai Union on all U.S. sales made through their affiliated importers of record. *Certain Frozen Warmwater Shrimp From Thailand: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 73 FR 50933, August 29, 2008. There have been no affirmative duty absorption findings concerning certain frozen warmwater shrimp from Brazil, China, India, or Vietnam.

[17] For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

zero percent for Thong Thuan Company Limited, and its subsidiary company, Thong Thuan Seafood Company Limited, for the period February 1, 2010 through January 31, 2011.[18]

Table I-2
Warmwater shrimp: Administrative reviews of the antidumping duty order for China

Date results published	Period of review	Number of producers/exporters covered	Margin (percent)
76 FR 51940, August 19, 2011; amended 79 FR 32217, June 4, 2014	02/01/09-01/31/10	82	0.00 to 112.81
77 FR 53856, September 4, 2012	02/01/10-01/31/11	83	0.00 to 112.81
78 FR 56209, September 12, 2013	02/01/11-01/31/12	70[1]	0.00 to 112.81
79 FR 57872, September 26, 2014	02/01/12-01/31/13	89[2]	112.81
79 FR 75533, December 18, 2014	02/01/13-01/31/14	58[3]	112.81

[1] Commerce also found four companies did not have any reviewable entries of subject merchandise during the period of review.
[2] Commerce also found one company did not have any reviewable entries during the period of review.
[3] Commerce also found two companies did not have reviewable entries during the period of review.

Source: Cited Federal Register notices.

Table I-3
Warmwater shrimp: Administrative reviews of the antidumping duty order for India

Date results published	Period of review	Number of producers/exporters covered	Margin (percent)
76 FR 41203, July 13, 2011	02/01/09-01/31/10	201	1.36 to 2.31
77 FR 40848, July 11, 2012	02/01/10-01/31/11	184	0.13 to 2.51
78 FR 42492, July 16, 2013	02/01/11-01/31/12	193	0.00 to 3.49
79 FR 51309, August 28, 2014	02/01/12-01/31/13	205	1.97 to 3.01
80 FR 54524, September 10, 2015	02/01/13-01/31/14	211	2.63 to 3.28
81 FR 62867, September 13, 2016; amended 81 FR 69041, October 5, 2016	02/01/14-01/31/15	223	0.74-3.37

Source: Cited Federal Register notices.

[18] *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of Antidumping Duty New Shipper Review*, 77 FR 20358, April 4, 2012.

Table I-4
Warmwater shrimp: Administrative reviews of the antidumping duty order for Thailand

Date results published	Period of review	Number of producers/exporters covered	Margin (percent)
76 FR 40881, July 12, 2011	02/01/09-01/31/10	152	0.41 to 0.73
77 FR 40574, July 10, 2012	02/01/10-01/31/11	156	0.97 to 1.78
78 FR 42497, July 16, 2013[1]	02/01/11-01/31/12	149	0.00
79 FR 51309, August 28, 2014	02/01/12-01/31/13	159	1.10

[1] Effective February 1, 2012, the order was revoked with respect to Marine Gold Products Limited.

Source: Cited Federal Register notices.

Table I-5
Warmwater shrimp: Administrative reviews of the antidumping duty order for Vietnam

Date results published	Period of review	Number of producers/exporters covered	Margin (percent)
76 FR 56158, September 12, 2011	02/01/09-01/31/10	30[1]	0.83 to 1.15[2]
77 FR 55800, September 11, 2012	02/01/10-01/31/11	34[3]	1.23 to 1.27
78 FR 56211, September 12, 2013	02/01/11-01/31/12	33[4]	0.00
79 FR 57047, September 24, 2014; amended 79 FR 65377, November 4, 2014	02/01/12-01/31/13	32[5]	4.98 to 9.75
80 FR 55328, September 15, 2015	02/01/13-01/31/14	35[6]	0.00 to 1.39
81 FR 62717, September 12, 2016	02/01/14-01/31/15	32[7]	4.78

[1] An additional 41 companies received the Vietnam-wide rate of 25.76.
[2] In addition, Nha Trang Seafoods Group received a de minimus rate.
[3] An additional 30 companies received the Vietnam-wide rate of 25.76.
[4] An additional 41 companies received the Vietnam-wide rate of 25.76.
[5] An additional 45 companies received the Vietnam-wide rate of 25.76.
[6] An additional 56 companies received the Vietnam-wide rate of 25.76.
[7] An additional 50 companies received the Vietnam-wide rate.

Source: Cited Federal Register notices.

Changed circumstances reviews

Commerce has conducted eight changed circumstances reviews since the last reviews.

With respect to China, in 2013 Commerce reversed its original 2007 changed circumstances review determination that Hilltop is the successor-in-interest to Yelin Enterprise Co. Hong Kong; it determined that Hilltop should properly be considered part of the PRC-wide entity.[19]

[19] *Certain Frozen Warmwater Shrimp From the People's Republic of China: Notice of Final Reconsideration of Changed Circumstances Review*, 78 FR 76106, December 16, 2013. *See also Certain Frozen Warmwater Shrimp from the People's Republic of China: Notice of Final Results of Changed Circumstances Review*, 72 FR 33447, June 18, 2007.

With respect to India, Commerce determined that Apex Frozen Foods Private Limited is the successor-in-interest to Apex Exports,[20] that Premier Marine Products Private Limited is the successor-in-interest to Premier Marine Products,[21] and that Avanti Frozen Foods Private Limited (Avanti Frozen) is the successor-in-interest to Avanti Feeds Limited (Avanti Feeds).[22]

With respect to Thailand, Commerce found that Thai Union Group Public Co., Ltd. is the successor-in-interest to Thai Union Frozen Products Public Co., Ltd.[23]

With respect to Vietnam, Commerce found that Viet I-Mei Frozen Foods Co., Ltd. is the successor-in-interest to Grobest & I-Mei Industrial (Vietnam) Co., Ltd.,[24] that C. P. Vietnam Corporation is the successor-in-interest to C. P. Vietnam Livestock Corporation,[25] and that Gallant Dachan Seafood Co., Ltd. is the successor-in-interest to Gallant Ocean, Co. Ltd.[26]

Scope rulings

On February 1, 2005, Commerce excluded canned warmwater shrimp and prawns from the scope of the orders pertaining to Brazil, China, India, Thailand, and Vietnam to reflect the Commission's determination that a domestic industry in the United States was not materially injured or threatened with material injury by reason of imports of canned warmwater shrimp and prawns from Brazil, China, or Thailand.[27]

On January 23, 2007, the Department issued amended orders clarifying that only frozen warmwater shrimp and prawns are subject to the orders.[28]

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[20] *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From India*, 77 FR 73619, December 11, 2012.

[21] *Notice of Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From India*, 79 FR 71384, December 2, 2014.

[22] *Certain Frozen Warmwater Shrimp From India: Notice of Final Results of Antidumping Duty Changed Circumstances Review*; 81 FR 90774, December 15, 2016.

[23] *Notice of Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From Thailand*, 81 FR 222, January 5, 2016.

[24] *Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of Antidumping Duty Changed Circumstances Review*, 76 FR 30648, May 26, 2011.

[25] *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of Antidumping Duty Changed Circumstances Review*, 77 FR 23222, April 18, 2012.

[26] *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of Changed Circumstances Review*, 79 FR 11411, February 28, 2014.

[27] *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Brazil, China, India, Thailand, {and} Vietnam*, 70 FR 5143, 5149, 5147, 5145, and 5152, February 1, 2005, respectively. *See also Certain Frozen or Canned Warmwater Shrimp and Prawns From Brazil, China, Ecuador, India, Thailand and Vietnam*, 70 FR 3943, January 27, 2005.

[28] *Certain Frozen Warmwater Shrimp from Brazil, Ecuador, India, Thailand, the People's Republic of China and the Socialist Republic of Vietnam; Amended Orders*, 72 FR 2857, January 23, 2007.

On February 26, 2007, in response to a request by Contessa Premium Foods, Commerce issued a final scope ruling that Contessa's Enrobed Shrimp is within the scope of the antidumping duty orders.[29]

In addition, in its final LTFV determinations in the original investigations, Commerce excluded certain dusted shrimp from the scope of these investigations. However, pursuant to a remand by the United States Court of International Trade, on September 2, 2010, Commerce published notice of its amended final determinations to include dusted shrimp within the scope of these investigations.[30]

Company revocations

Commerce has revoked the orders with respect to certain producers in China, India, Thailand, and Vietnam, as discussed below.

China

Zhanjiang Guolian Aquatic Products Co., Ltd. was excluded from the original antidumping duty order because it was found to have a *de minimis* margin in the LTFV investigation.[31]

In response to a challenge by the Government of China before the World Trade Organization ("WTO"), on March 4, 2013, Commerce issued a determination as requested by the U.S. Trade Representative under Section 129 of the Uruguay Round Agreements Act. Commerce issued a determination regarding the offsetting of dumped comparisons with non-dumped comparisons of average-to-average export price and normal value. Based on recalculated margins that were zero, effective March 22, 2013, Commerce revoked the order with respect to Allied Pacific Group, Yelin, Enterprise Co. Hong Kong, and Shantou Red Garden

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[29] *Notice of Scope Rulings*, 72 FR 23802, May 1, 2007.

[30] *Certain Frozen Warmwater Shrimp From Brazil, India, the People's Republic of China, Thailand, and the Socialist Republic of Vietnam: Notice of Amended Final Determinations of Sales at Less Than Fair Value Pursuant to Court Decision*, 75 FR 53947, September 2, 2010.

[31] *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp From the People's Republic of China*, 70 FR 5149, February 1, 2005.

Foodstuff Co., Ltd.[32] [33] Commerce also revoked the order with respect to Chinese exporter Zhanjiang Regal effective February 1, 2012.[34]

India

As a result of a series of administrative reviews, Commerce revoked the antidumping duty order with respect to Devi Sea Foods Limited ("Devi"), effective July 19, 2010.[35]

Thailand

In response to a challenge by the Government of Thailand before the WTO, on January 12, 2009, Commerce issued a determination as requested by the U.S. Trade Representative under Section 129 of the Uruguay Round Agreements Act. Commerce issued a determination regarding the offsetting of dumped comparisons with non-dumped comparisons of average-to-average export price and normal value. Based on recalculated margins that were *de minimis*, effective January 16, 2009, Commerce revoked the order with respect to Thai I-Mei Frozen Foods Co., Ltd. and the Rubicon Group.[36] [37]

As a result of a changed circumstances review, Commerce determined that Phatthana Frozen Food Co., Ltd. ("PFF") and Sea Wealth Frozen Food Co., Ltd. ("Sea Wealth") were the successor-in-interest to the Rubicon Group as it operated during the period of investigation of the LTFV investigation. Commerce subsequently revoked the antidumping duty order with

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[32] *Certain Frozen Warmwater Shrimp From the People's Republic of China and Diamond Sawblades and Parts Thereof From the People's Republic of China: Notice of Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act and Partial Revocation of the Antidumping Duty Orders*, 78 FR 18958, March 28, 2013.

[33] For 2013 import data presented in this report, these companies were classified as nonsubject sources for the entire year.

[34] *Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results of Administrative Review; 2011-2012*, 78 FR 56209, September 12, 2013.

[35] *Certain Frozen Warmwater Shrimp From India: Final Results of Antidumping Duty Administrative Review, Partial Rescission of Review, and Notice of Revocation of Order in Part*, 75 FR 41813, July 19, 2010.

[36] *Implementation of the Findings of the WTO Panel in United States-Antidumping Measure on Shrimp From Thailand: Notice of Determination Under Section 129 of the Uruguay Round Agreements Act and Partial Revocation of the Antidumping Duty Order on Frozen Warmwater Shrimp From Thailand*, 74 FR 5638, January 30, 2009. Commerce also recalculated margins for other firms as follows: 5.34 percent for The Union Frozen Products Co., Ltd. and 5.34 percent for "All Others." Ibid.

[37] Revocation for the Rubicon Group is specific to merchandise produced and exported by Andaman Seafood Co., Ltd., Chanthaburi Frozen Food Co., Ltd., Chanthaburi Seafoods Co., Ltd., Intersia Foods Co., Ltd., Phatthana Seafood Co., Ltd., S.C.C. Frozen Seafood Co., Ltd., Thailand Fishery Cold Storage Public Co., Ltd., Thai International Seafoods Co., Ltd., and Wales Co. Universe Limited. Ibid.

respect to PFF and Sea Wealth, effective January 16, 2009.[38] Commerce also revoked the order with respect to Thai exporter Marine Gold effective February 1, 2012.[39]

Vietnam

In response to a challenge by the government of Vietnam before the WTO, on July 18, 2016, Commerce issued its final determination under a section 129 proceeding regarding the fourth administrative review of the antidumping duty order on certain frozen warmwater shrimp from Vietnam with respect to the Minh Phu Group. Based on a recalculated weighted-average dumping margin of zero percent, which resulted in three consecutive years of no dumping, effective July 18, 2016, Commerce revoked the order with respect to the Minh Phu Group.[40] [41]

Five-year reviews

The country-wide dumping margins ("all others rate") calculated by Commerce in its original investigations were 7.05 percent for Brazil, 112.81 percent for China, 10.17 percent for India, 5.95 percent for Thailand, and 25.76 percent for Vietnam.[42] In Commerce's first reviews,

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[38] *Certain Frozen Warmwater Shrimp From Thailand: Final Results of Antidumping Duty Changed Circumstances Review and Notice of Revocation in Part*, 74 FR 52454, October 13, 2009.

[39] *Certain Frozen Warmwater Shrimp From Thailand: Final Results of Antidumping Duty Administrative Review, Partial Rescission of Review, and Revocation of Order (in Part); 2011-2012,* 78 FR 42497, July 16, 2013.

[40] *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Notice of Implementation of Determination Under Section 129 of the Uruguay Round Agreements Act and Partial Revocation of the Antidumping Duty Order*, 81 FR 47756, July 22, 2016. Commerce recalculated the weighted-average dumping margin for the Minh Phu Group by eliminating the denial of offsets for non-dumped sales.

[41] Revocation for the Minh Phu Group is specific to merchandise produced and exported by: (1) Minh Phu Seafood Export Import Corporation (and affiliates Minh Qui Seafood Co., Ltd. and Minh Phat Seafood Co., Ltd.), (2) Minh Phu Seafood Corp., (3) Minh Phu Seafood Corporation, (4) Minh Phu Seafood Pte, (5) Minh Qui Seafood, (6) Minh Qui Seafood Co., Ltd., (7) Minh Qui, (8) Minh Phat Seafood Co., Ltd., (9) Minh Phat, (10) Minh Phat Seafood, (11) Minh Phat Seafood Corp., (12) Minh Phu Hau Giang Seafood Joint Stock Company, (13) Minh Phu Hau Giang Seafood Co., Ltd., (14) Minh Phu Hau Giang Seafood Corp., and (15) Minh Phu Hau Giang Seafood Processing Co., Ltd. Ibid.

[42] *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Brazil*, 70 FR 5143, February 1, 2005; *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from the People's Republic of China*, 70 FR 5149, February 1, 2005; *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from India*, 70 FR 5147, February 1, 2005; *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from Thailand*, 70 FR 5145, February 1, 2005; and *Notice of Amended Final Determination of*

(*continued*...)

Commerce found the same country-wide dumping margins with respect to Brazil, China, India, and Vietnam.[43] Pursuant to a section 129 proceeding, effective January 16, 2009, Thailand's country-wide margin was amended to 5.34 percent. The order also was revoked in part, with respect to The Rubicon Group and Thai I-Mei Frozen Foods Co., Ltd.[44] Commerce continued to find a country-wide dumping margin of 5.34 percent in its first review final results for Thailand.[45]

In these current reviews, Commerce has issued the final results of its expedited reviews with respect to Brazil, China, India, and Thailand, and the final results of its full review with respect to Vietnam. Commerce found that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at weighted-average margins up to 67.80 percent for Brazil, up to 112.81 percent for China, up to 110.90 percent for India, up to 5.34 percent for Thailand, and up to 25.76 percent for Vietnam.[46] Table I-6 presents the countrywide dumping margins calculated by Commerce in its original investigations and subsequent reviews.

(…*continued*)
Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam, 70 FR 5152, February 1, 2005. Commerce also calculated company-specific rates ranging from 4.97 to 67.80 percent for Brazil; from 27.89 to 82.27 percent for China; from 9.71 to 15.36 for India; 5.29 to 6.82 percent for Thailand; and from 4.30 to 25.76 percent for Vietnam. Ibid.

[43] *Certain Frozen Warmwater Shrimp from Brazil, India, the People's Republic of China and Thailand: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 27299, May 14, 2010; and *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the First Five-year "Sunset" Review of the Antidumping Duty Order*, 75 FR 75965, December 7, 2010. The company-specific rates for Brazil, China, and India remained the same, while company-specific rates for Vietnam ranged from 4.30 percent to 5.24 percent.

[44] *Implementation of the Findings of the WTO Panel in United States-Antidumping Measure on Shrimp From Thailand: Notice of Determination Under Section 129 of the Uruguay Round Agreements Act and Partial Revocation of the Antidumping Duty Order on Frozen Warmwater Shrimp From Thailand*, 74 FR 5638, January 30, 2009. As mentioned previously, this also resulted in several company revocations.

[45] *Certain Frozen Warmwater Shrimp from Brazil, India, the People's Republic of China and Thailand: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 27299, May 14, 2010. The company-specific rate for The Union Frozen Foods Co., Ltd. was also 5.34 percent. Ibid.

[46] *Certain Frozen Warmwater Shrimp From Brazil, India, the People's Republic of China and Thailand: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 81 FR 44275, July 7, 2016; and *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the Second Five-Year Sunset Review of the Antidumping Duty Order*, 82 FR 8724, January 30, 2017.

Table I-6
Warmwater shrimp: Commerce's original, first five-year, and second five-year dumping margins, by country

Country	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)
Brazil	7.05	7.05	Up to 67.80
China	112.81	112.81	Up to 112.81
India	10.17	10.17	Up to 110.90
Thailand	5.95	5.34	Up to 5.34
Vietnam	25.76	25.76	Up to 25.76

Source: Previously cited *Federal Register* notices.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of these reviews as follows:[47]

> … certain frozen warmwater shrimp and prawns whether wild-caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off,[48] deveined or not deveined, cooked or raw, or otherwise processed in frozen form.
>
> The frozen warmwater shrimp and prawn products included in the Orders, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products which are processed from warmwater shrimp and prawns through freezing and which are sold in any count size.
>
> The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the Penaeidae family. Some examples of the farmed and wild-caught warmwater species include, but are not limited to, whiteleg shrimp (*Penaeus vannemei*), banana prawn (*Penaeus merguiensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Macrobrachium rosenbergii*), giant tiger prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern rough shrimp (*Trachypenaeus curvirostris*), southern

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[47] *Certain Frozen Warmwater Shrimp From Brazil, India, the People's Republic of China and Thailand: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 81 FR 44275, July 7, 2016; and *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the Second Five-Year Sunset Review of the Antidumping Duty Order*, 82 FR 8724, January 30, 2017.

[48] "Tails" in this context means the tail fan, which includes the telson and the uropods.

white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*).

Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope of the Orders. In addition, food preparations, which are not "prepared meals," that contain more than 20 percent by weight of shrimp or prawn are also included in the scope of the orders.

Excluded from the Orders are: (1) Breaded shrimp and prawns (HTSUS subheading 1605.20.10.20); (2) shrimp and prawns generally classified in the *Pandalidae* family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled (HTSUS subheadings 0306.23.00.20 and 0306.23.00.40); (4) shrimp and prawns in prepared meals (HTSUS subheading 1605.20.05.10); (5) dried shrimp and prawns; (6) canned warmwater shrimp and prawns (HTSUS subheading 1605.20.10.40); (7) certain dusted shrimp; and (8) certain battered shrimp. Dusted shrimp is a shrimp-based product: (1) That is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a "dusting" layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the non-shrimp content of the end product constituting between four and 10 percent of the product's total weight after being dusted, but prior to being frozen; and (5) that is subjected to IQF freezing immediately after application of the dusting layer. Battered shrimp is a shrimp-based product that, when dusted in accordance with the definition of dusting above, is coated with a wet viscous layer containing egg and/or milk, and par-fried.

Tariff treatment

Warmwater shrimp is classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under subheadings 0306.17.00 (frozen warmwater shrimps and prawns, whether or not in shell), 1605.21.10 (prepared or preserved shrimps and prawns, not in airtight containers), and 1605.29.10 (other prepared or preserved shrimps and prawns). Such shrimp are currently imported under the following HTS statistical reporting numbers: 0306.17.0003, 0306.17.0006, 0306.17.0009, 0306.17.0012, 0306.17.0015, 0306.17.0018, 0306.17.0021, 0306.17.0024, 0306.17.0027, 0306.17.0040, 1605.21.1030, and 1605.29.1010. Warmwater shrimp imported from the subject countries enter the U.S. market at a column 1-general duty rate of "free" under all three HTS subheadings. The HTS subheadings are provided for convenience and for customs purposes only and are not dispositive, but rather the written description of the scope of the orders is dispositive. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

THE PRODUCT

Description and uses[49]

The imported products subject to these investigations are warmwater shrimp. The subject product can be any species of warmwater shrimp and includes both shrimp that were harvested from the ocean (wild-caught) and those produced by aquaculture (farm-raised). The shrimp can be in a wide variety of processed forms including head-on or head-off, tail-on or tail-off, shell-on or peeled, and deveined or not deveined. They may be raw or further processed by cooking, skewering, or processing with marinades, spices, or sauces. Food preparations containing more than 20 percent by weight of shrimp are included in the subject product, as are dusted shrimp. Fresh shrimp (never frozen) in any form are excluded from Commerce's scope definition. Likewise, coldwater shrimp in any form, shrimp in prepared meals, breaded shrimp, and dried shrimp are excluded from the subject product.

Warmwater shrimp are crustaceans that usually inhabit salt waters in coastal regions in the tropics and subtropics. There are also freshwater species of shrimp. The warmwater shrimp subject to these investigations are either wild-caught or farm-raised in tropical or subtropical regions, are generally classified in the *Penaeidae* family, and comprise shrimp of several genera and species.[50]

Imported shrimp are often farm-raised in ponds. One advantage of producing shrimp through aquaculture is that harvests of farm-raised shrimp are available year-round. Also, farmers can adjust production to respond to demand for different sizes and species. A downside of shrimp farming, however, is that shrimp ponds are periodically affected by diseases that can dramatically reduce harvest levels. While these diseases can also affect wild shrimp, they are more common in farming because shrimp populations in ponds are much denser. An outbreak of a disease called Early Mortality Syndrome ("EMS") began in 2012 and was particularly devastating to production in some of the subject countries during the period of review. China and Thailand were the most heavily affected, with some farms losing 60 to 80 percent of their shrimp stocks during the early period of the outbreak.[51] Vietnamese shrimp production was also affected, while India was largely spared. Some non-subject countries, such

[49] Unless otherwise noted, this information is based on *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Nos. 731-TA-1063, 1064, 1066-1068 (Review)* USITC Publication 4221, March 2011, pp. I-22 through I-23.

[50] In the original investigations, it was noted that subject imports included, but were not limited to, shrimp from the following species: whiteleg shrimp (*Penaeus vannamei*), banana prawn (*Penaeus merguiensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Machrobrachium rosenbergii*), giant tiger prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern rough shrimp (*Trachypenaeus curvirostris*), southern white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*). Petition, Exhibit I-1, Scope of investigation.

[51] FAO, "Culprit behind Massive Shrimp Die-offs in Asia Unmasked," May 3, 2013.

as Malaysia, also faced large losses. The speed of recovery from EMS has varied by country. Vietnam was the first country to recover, while China's recovery was uneven and Thailand's was the slowest.[52] Vietnam's recovery, which began in 2014, has largely been completed, while Thailand's recovery continues in 2017 and is not expected to be completed until 2018.[53]

In the United States, virtually all of warmwater shrimp are wild-caught. The catch is composed primarily of brown shrimp (*Penaeus aztecus*), white shrimp (*Penaeus setiferus*), and pink shrimp (*Penaeus duorarum*). Shrimp vary greatly in size, depending on age and species. They typically grow to a harvestable size within one year; their size largely depends on the time of year they are harvested.[54]

Warmwater shrimp are used principally for human consumption and are sold primarily on the basis of size. Because the tail section is the edible portion and spoilage is more rapid with the head on, most shrimp are marketed raw and frozen with the heads off. The market tendency is for large shrimp (less than 36 per pound, heads-off, shell-on basis) to be sold raw and frozen to restaurants, hotels, and other food institutions; for small to medium shrimp (36 to 60 per pound) to be breaded, canned, or sold at retail; and for extra small (61 to 70 per pound) and tiny shrimp (more than 70 per pound) to be used by canners, dryers, and producers of specialty products. In the original investigations it was estimated that 80 percent of shrimp in the U.S. market are bought by restaurants.[55]

Manufacturing process[56]

Harvesting

The U.S. Gulf and South Atlantic warmwater shrimp fleet[57] is composed of thousands of vessels and is spread across about two dozen port communities. The vessels fall into one of three broad categories: recreational shrimpers, commercial bait shrimpers, and commercial shrimpers. The catch of recreational shrimpers and commercial bait shrimpers is very small in proportion to the catch of commercial shrimpers, who account for the great bulk of all U.S. Gulf and South Atlantic warmwater shrimp landings. There are two categories of commercial shrimpers. Inshore shrimpers operate small boats typically manned by one person on day-long

[52] Holland, "Rabobank: Shrimp Industry Bouncing Back from EMS," *SeafoodSource*, December 18, 2014; GAA, "GOAL Shrimp Production Survey: Recovery Coming," January 4, 2016, https://www.aquaculturealliance.org/advocate/goal-shrimp-production-survey-recovery-coming/.

[53] Ibid.

[54] U.S. shrimp fisheries in both the South Atlantic and the Gulf of Mexico are seasonal, and seasonal peaks vary by species.

[55] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. I-6.

[56] Unless otherwise noted, this information is based on *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review),* USITC Publication 4221, March 2011, pp. I-23 through I-25.

[57] Shrimp harvested off the Pacific and Northern Atlantic coasts is coldwater shrimp.

trips in bays, estuaries, and shallow near-shore waters. Offshore shrimpers operate larger vessels typically manned by a crew of three in deeper waters up to the 200-mile U.S. territorial limit.[58] Some offshore vessels can freeze their catch and thus make trips lasting several weeks. Most vessels are individually owned, often by the skipper. While horizontal and vertical integration is limited, some shrimpers also process shrimp and/or own multiple vessels.

Offshore shrimpers use vessels that are typically 56 to 85 feet in length, constructed of steel, and diesel-powered. Such vessels are often equipped with sophisticated electronic gear for navigating, communicating, and locating shrimp. Major costs of operating a vessel include crew share (wages) and fuel as well as depreciation, mortgage payments, insurance, and maintenance on the vessel. Vessels catch shrimp by towing one or more large, funnel-shaped nets. The U.S. fleet, particularly that portion in the Gulf, is relatively mobile and migrates with the seasonal warmwater shrimp populations, or away from areas of poor fishing. Therefore vessels may land shrimp at different ports in different states. Some shrimp vessels are equipped to perform simple processing steps (e.g., deheading, washing, grading, icing, or freezing) while at sea.[59] Shrimp may be placed in mesh bags prior to freezing. Thus, warmwater shrimp can be landed either whole or headed (heads-off) and either fresh or frozen, and shrimp in different forms can be landed from the same trip. Upon unloading, shrimp are generally sold at dockside to dealers or processors. As payment, the vessel's crew typically receive a percentage of the revenue generated by the catch. Because of the differing feeding habits, migration patterns, and habitats of the different species, Gulf and South Atlantic shrimp vessels usually land one species at a time. Likewise, harvesting activities and hence, landings in the U.S. Gulf and South Atlantic, exhibit seasonal patterns that are influenced by the natural patterns of development of the different species of warmwater shrimp.

Processing

While some processors own their boats, most have buying arrangements with several shrimp vessels. After unloading, shrimp are transferred to processing facilities, which are often located dockside, and undergo initial processing such as separating shrimp from ice, weighing, washing, sizing, and grading. At this stage, shrimp may either be frozen in whole form (head-on, shell-on) or may undergo a number of further steps such as deheading, peeling, deveining, and cooking. Resulting from these steps are shrimp in a variety of forms (e.g., head-on, shell-on; headless, shell-on; raw, peeled; and cooked, peeled). Regardless of their specific processed form, shrimp then are typically frozen with the exception that cooked, peeled shrimp may be canned rather than frozen. Many processing steps (e.g., washing, grading, peeling, deveining, and cooking) may be performed manually or mechanically using purpose-built machinery.

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[58] In 2015, shrimp caught within 3 miles of shore accounted for approximately 49 percent of total commercial shrimp landings. NMFS, *Fisheries of the United States, 2015*, September 2016, p. 15.

[59] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. I-7.

Shrimp grading or sorting machines are available from approximately five companies[60] and can be installed onboard shrimp vessels, but they are more often found in shrimp processing facilities. Peeling can be done by one of two types of machines – the Laitram machine that operates by pushing the shrimp out of its shell, or the Jonsson machine that must be fed manually and that peels the shrimp with cutting equipment.

Processing of warmwater shrimp is conducted by a variety of types of operations. Dealers (a.k.a. shrimp houses or fish houses) and packing houses perform minimal processing steps (e.g., weighing, washing, sorting, and packing) for other processors or distributors. Other processors, variously known as freezers, peelers, and breaders, produce the variety of processed forms of shrimp noted previously and perform additional steps such as breading, cutting, and preparing specialty items.

Aquaculture

A small share of U.S. domestic production of warmwater shrimp is produced by aquaculture (i.e., farm-raised). In 2015, an estimated 1.7 percent of U.S. production of warmwater shrimp was farm-raised. The major producing state is Texas, with Hawaii a distant second.[61] U.S. aquaculture of shrimp reached a maximum of 13 million pounds (approximately 4.5 percent of total production) in 2003 prior to the imposition of antidumping duties. The decline in shrimp farming since then has reportedly been because of price pressure, high feed costs, and environmental regulations.[62] While outdoor shrimp aquaculture is the dominant model in the United States, shrimp are occasionally grown in indoor aquaculture facilities, and the number of these facilities seems to have increased in recent years. However, this type of production (which faces a somewhat different cost structure from outdoor aquaculture) still accounts for a small share of even the minor total U.S. shrimp aquaculture production.

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[60] Such companies include those that specialize only in sorting or grading, such as Tomra, and those that offer machinery for all stages of shrimp processing, such as Laitram. North Carolina State University, "Feasibility Study for a Shrimp Processing Line," 2013.

[61] Treece, "The Rise and Decline in U.S. Shrimp Farming," Texas Aquaculture Association, 2017.

[62] Treece, "The Rise and Decline in U.S. Shrimp Farming," Texas Aquaculture Association, 2017.

DOMESTIC LIKE PRODUCT ISSUES

In its original determinations, the Commission defined the domestic like product as non-canned fresh warmwater shrimp and prawns and those frozen warmwater shrimp and prawn products described in Commerce's scope definition.[63] In its full first five-year review determinations, the Commission defined a single domestic like product encompassing fresh warmwater shrimp and frozen warmwater shrimp as described by the scope definition.[64]

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry. According to their response to the notice of institution, the domestic interested parties agree with the Commission's definitions from the original investigations and first reviews.[65] In addition, the Seafood Exporters Association of India indicated that it did not contest the domestic like product and domestic industry definitions from the original investigations and first reviews, but reserved its right to do so if the Commission determined to conduct full reviews.[66] In its prehearing brief, counsel for ASPA notes that no party has contested the domestic like product definition in these current reviews and are not aware of any new facts that warrant a different outcome.[67] In their joint prehearing brief, counsel for Indian, Thai, and Vietnamese respondents do not contest the Commission's original and first review domestic like product definitions.[68] No other interested party provided further comment on the domestic like product.

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[63] *Certain Frozen or Canned Warmwater Shrimp and Prawns From Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. 11. The Commission found canned shrimp to be a separate domestic like product and made negative or negligible import determinations with respect to canned shrimp from each subject country.

[64] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. 6. The Commission also found during the first full reviews that because the scope definition included dusted shrimp, and the record provided no basis for treating dusted shrimp as a distinct like product, the domestic like product included dusted shrimp.

[65] *AHSTAC and AHSIC's Response to the Notice of Institution,* March 31, 2016, pp. 42-43; and *ASPA's Response to the Notice of Institution,* March 31, 2016, p. 24.

[66] *SEAI's Response to the Notice of Institution,* March 31, 2016, pp. 42-43.

[67] ASPA's prehearing brief, p. 6.

[68] Joint respondents' prehearing brief, p. 7.

U.S. MARKET PARTICIPANTS

U.S. producers

At the time of the original investigations, the Commission received usable U.S. fishermen questionnaires from 130 firms, believed to have accounted for approximately 6.5 percent of U.S. wild-caught landings of shrimp during 2003.[69] It received 37 usable U.S. processor questionnaires, accounting for approximately *** percent of U.S. production of shrimp based on live (head-on shell-on) weight, or 91.9 percent of U.S. production of shrimp based on headless shell-on weight.[70]

During the first full five-year reviews, the Commission received usable U.S. fishermen questionnaires from 156 firms, believed to have accounted for approximately 4.3 percent of U.S. wild-caught shrimp during 2009.[71] It received 31 usable U.S. processor questionnaires, accounting for approximately *** percent of U.S. production of shrimp based on live (head-on shell-on) weight, or *** percent of U.S. production of shrimp based on headless shell-on weight.[72]

In this current proceeding, the Commission received usable U.S. farmers'/fishermen's questionnaires from 182 firms, believed to have accounted for approximately 11.9 percent of U.S. wild-caught and farmed warmwater shrimp during 2015. The Commission issued U.S. processors' questionnaires to 70 firms, 35 of which provided the Commission with information on their product operations (28 provided usable data). These firms are believed to account for approximately 64.3 percent of U.S. production of warmwater shrimp based on live (head-on shell-on) weight, and virtually all of U.S. production of warmwater shrimp based on headless shell-on weight in 2015.[73] Presented in table I-7 is a list of responding domestic processors of warmwater shrimp and each company's position on continuation of the orders, production location(s), and share of reported production of warmwater shrimp in 2015. Table I-8 presents responding processors' ownership, related and/or affiliated firms.

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[69] *Certain Frozen or Canned Warmwater Shrimp and Prawns From Brazil, China, Ecuador, India, Thailand, and Vietnam, Investigation Nos. 731 -TA-1063-1068 (Final),* USITC Publication 3748, January 2005, p. III-1.

[70] *Certain Frozen or Canned Warmwater Shrimp and Prawns From Brazil, China, Ecuador, India, Thailand, and Vietnam, Investigation Nos. 731 -TA-1063-1068 (Final)*—Staff Report, INV-BB-156, December 21, 2004, p. III-1.

[71] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. III-1.

[72] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*—Staff Report, INV-JJ-016, February 25, 2011, p. III-1.

[73] Staff's coverage estimate is based on a comparison of data compiled from Commission questionnaires to official NMFS statistics for wild-caught and farmed warmwater shrimp for the Gulf and Southern Atlantic regions. However, the Commission is aware of several small processors that did not provide a questionnaire response in these full reviews.

Table I-7
Warmwater shrimp: U.S. processors, positions on orders, U.S. production locations, and shares of 2015 reported U.S. production

Firm	Position on petition	Production location(s)	Share of production (percent)
Bayou	***	Delcambre, LA	***
BF Millis	***	Sneads Ferry, NC	***
Biloxi	***	Biloxi, MS	***
Bon Secour	***	Bon Secour, AL	***
Bowers	***	Palacios, TX	***
Carson	***	Bon Secour, AL	***
CF Gollott	***	D'Iberville, MS	***
City Market	***	Brunswick, GA	***
Delcambre	***	Delcambre, LA	***
Dominicks	***	Bayou La Batre, AL	***
DoRan	***	Independence, LA	***
Dubberlys	***	Savannah ,GA	***
Golden Gulf	***	BILOXI, MS	***
Gulf Crown	***	Delcambre, LA	***
Gulf Fish	***	Houma, LA	***
Gulf Island	***	Dulac, LA	***
Gulf Pride	***	Biloxi, MS	***
Gulf South	***	Abbeville, LA	***
Hi Seas	***	Dulac, LA	***
JBS	***	Port Arthur, TX	***
Lafitte	***	Lafitte, LA Violet, LA	***
Ocean Harvest	***	Houston, TX	***
Pearl, Inc. d/b/a Indian Ridge Shrimp Co.	***	Chauvin, LA	***
Penguin	***	Northbrook, IL Brownsville, TX Various subcontracted processing plants	***
Piazza and Son	***	New Orleans, LA	***
RA Lesso	***	Biloxi, MS	***
Sea Pearl	***	Bayou La Batre, AL	***
Shell Creek	***	Townsend, GA	***
Carolina Seafood Inc	***	McClellanville, SC	***
Smith and Sons	***	Darien, GA	***
Tampa Bay	***	Dover, FL Plant City, FL	***
Texas Gulf	***	Galveston, TX	***
Texas Pack	***	Port Isabel, TX	***
Tidelands	***	Dulac, LA	***
Tommys	***	New Orleans, LA	***
Total			100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table I-8
Warmwater shrimp: U.S. processors' ownership, related and/or affiliated firms, since January 2013

* * * * * * *

As indicated in table I-8, no U.S. producers are related to foreign producers of the subject merchandise and one is related to a U.S. importer of subject merchandise (***). In addition, as discussed in greater detail in Part III, two U.S. producers directly import warmwater shrimp and three purchase the subject merchandise from U.S. importers.[74]

U.S. importers

In the final phase of the original investigations, questionnaire responses were received from 47 companies that in 2003 accounted for 67.8 percent of U.S. imports of subject merchandise from Brazil, 62.4 percent from China, 60.0 percent from Ecuador, 51.4 percent from India, 73.7 percent from Thailand, and 68.4 percent from Vietnam. During the first full five-year reviews, the Commission received usable questionnaire responses from 55 companies, which in 2009 accounted for 0.0 percent of subject U.S. imports from Brazil, 14.7 percent from China, 69.3 percent from India, 72.2 percent from Thailand, and 68.4 percent from Vietnam. In addition, two U.S. processors reported directly importing warmwater shrimp from subject sources.[75]

In the current proceeding, the Commission issued U.S. importers' questionnaires to 65 firms believed to be importers of warmwater shrimp, as well as to all U.S. producers of warmwater shrimp. Usable questionnaire responses were received from 26 firms, representing *** percent of total U.S imports and *** percent of subject imports in 2015. Table I-9 lists all responding U.S. importers of warmwater shrimp from Brazil, China, India, Thailand, Vietnam, and other sources, their locations, and their shares of reported U.S. imports in 2015.

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[74] ***. Email correspondence with ***, March 21, 2017.

[75] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. 26.

Table I-9
Warmwater shrimp: U.S. importers, their headquarters, and share of total imports by source, 2015

Firm	Headquarters	Share of U.S. imports by source (percent)					
		Brazil	China subject	India subject	Thailand subject	Vietnam subject	Subject
Aqua Star	Seattle, WA	***	***	***	***	***	***
Arista Industries, Inc.	Wilton, CT	***	***	***	***	***	***
Asian Seafoods	Bangkok, TH	***	***	***	***	***	***
Baileys	Lakeland, FL	***	***	***	***	***	***
Censea	Northbrook, IL	***	***	***	***	***	***
Choice Canning Company Incorporated	Jersey City, NJ	***	***	***	***	***	***
CP Brand	Columbia, MD	***	***	***	***	***	***
Devi	Houston, TX	***	***	***	***	***	***
Eastern Fish Company, LLC	Teaneck, NJ	***	***	***	***	***	***
Gamma	Miami, FL	***	***	***	***	***	***
H & N Group Inc.	Vernon, CA	***	***	***	***	***	***
Hanwa	Seattle, WA	***	***	***	***	***	***
Mazzetta	Highland Park, IL	***	***	***	***	***	***
Ocean Bistro Corp.	Vernon, CA	***	***	***	***	***	***
Ocean Garden	San Diego, CA	***	***	***	***	***	***
Ore-Cal	Los Angeles, CA	***	***	***	***	***	***
Pacific Breeze	Long Beach, CA	***	***	***	***	***	***
Penguin	Northbrook, IL	***	***	***	***	***	***
Pescanova	Coral Gables, FL	***	***	***	***	***	***
PRN	Chicago, IL	***	***	***	***	***	***
Sea Port Products Corporation	Kirkland, WA	***	***	***	***	***	***
Southwind	Carson, CA	***	***	***	***	***	***
Sunnyvale	Union City, CA	***	***	***	***	***	***
Tampa Bay	Dover, FL	***	***	***	***	***	***
Top Trade	Wilmington, DE	***	***	***	***	***	***
Tri-Union	El Segundo, CA	***	***	***	***	***	***
Total		***	***	***	***	***	***

Table continued on next page.

Table I-9--Continued
Warmwater shrimp: U.S. importers, their headquarters, and share of total imports by source, 2015

Firm	Headquarters	Share of U.S. imports by source (percent)					
		China nonsubject	India nonsubject	Thailand nonsubject	Vietnam nonsubject	Nonsubject	All sources
Aqua Star	Seattle, WA	***	***	***	***	***	***
Arista Industries, Inc.	Wilton, CT	***	***	***	***	***	***
Asian Seafoods	Bangkok, TH	***	***	***	***	***	***
Baileys	Lakeland, FL	***	***	***	***	***	***
Censea	Northbrook, IL	***	***	***	***	***	***
Choice Canning Company Incorporated	Jersey City, NJ	***	***	***	***	***	***
CP Brand	Columbia, MD	***	***	***	***	***	***
Devi	Houston, TX	***	***	***	***	***	***
Eastern Fish Company, LLC	Teaneck, NJ	***	***	***	***	***	***
Gamma	Miami, FL	***	***	***	***	***	***
H & N Group Inc.	Vernon, CA	***	***	***	***	***	***
Hanwa	Seattle, WA	***	***	***	***	***	***
Mazzetta	Highland Park, IL	***	***	***	***	***	***
Ocean Bistro Corp.	Vernon, CA	***	***	***	***	***	***
Ocean Garden	San Diego, CA	***	***	***	***	***	***
Ore-Cal	Los Angeles, CA	***	***	***	***	***	***
Pacific Breeze	Long Beach, CA	***	***	***	***	***	***
Penguin	Northbrook, IL	***	***	***	***	***	***
Pescanova	Coral Gables, FL	***	***	***	***	***	***
PRN	Chicago, IL	***	***	***	***	***	***
Sea Port Products Corporation	Kirkland, WA	***	***	***	***	***	***
Southwind	Carson, CA	***	***	***	***	***	***
Sunnyvale	Union City, CA	***	***	***	***	***	***
Tampa Bay	Dover, FL	***	***	***	***	***	***
Top Trade	Wilmington, DE	***	***	***	***	***	***
Tri-Union	El Segundo, CA	***	***	***	***	***	***
Total		***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. purchasers

The Commission received 37 usable questionnaire responses from firms that bought warmwater shrimp during 2013-15.[76] [77] Seven responding purchasers are food service

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[76] Of the 37 responding purchasers, 30 purchased domestic warmwater shrimp, none purchased imports of warmwater shrimp from Brazil, 7 from subject China, 23 from subject India, 16 from subject Thailand, and 18 from subject Vietnam. Overall, 25 purchased from at least one subject source, and 27 purchased imports of warmwater shrimp from other (nonsubject) sources. Reported nonsubject sources included countries such as Argentina, Bangladesh, Belize, Ecuador, Guatemala, Guyana, Honduras,

(*continued*...)

distributors, 9 are retailers, 18 are other distributors or wholesalers, 6 are food processor/end users, 1 is a restaurant, and 4 are other (including two importers ***,[78] one a broker/trader, and ***).[79] In general, responding U.S. purchasers had headquarters in all regions except the Mountain region.[80] The largest purchasers of warmwater shrimp are, in order of their size, ***, no other purchaser reported purchasing over *** pounds of warmwater shrimp in 2015. These four largest purchasers represent 52.7 percent of the total volume of purchases reported by responding purchasers and their purchases represented 13.2 percent of apparent U.S. consumption in 2015. *** are retailers, *** is a food service distributor, and *** is a distributor other than food service. *** reported purchasing warmwater shrimp from the United States, China, India, Thailand, Vietnam, and nonsubject sources ***. *** reported purchasing warmwater shrimp from the United States, India, Thailand, Vietnam, and nonsubject sources.[81] *** reported purchasing shrimp from India, Thailand, Vietnam, and ***. Table I-9 lists all responding U.S. purchasers and their share of total purchases by source in 2015.

Table I-9
Warmwater shrimp: U.S. purchasers share of total purchases by source, 2015

*   *   *   *   *   *   *

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of warmwater shrimp are shown in table I-10.

(…*continued*)
Indonesia, Malaysia, Mexico, Nicaragua, and Panama, as well as nonsubject firms, Zhanjiang Guolian (China) and Minh Phu (Vietnam), from subject countries.

[77] One of the 37 responding purchasers reported no warmwater shrimp purchases in 2015, but it had purchased warmwater shrimp in earlier years.

[78] ***.

[79] Seven purchasers responded with more than one of the purchaser types. One reported it was a retailer, a food service distributor and an "other distributor;" two reported they were both food service and "other distributors;" two reported they were food processors and "other distributors;" one reported that it was a retailer and "other distributor;" and one reported it was an "other distributor" and an importer.

[80] These firms, however, may sell in all regions of the United States.

[81] ***. ***.

Table I-10
Warmwater shrimp: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January - September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Wild catch landings (gross weight)[1 2]	210,764	201,818	221,126	128,446	116,111
Farmed production (gross weight)	3,049	4,420	3,781	2,835	2,701
Domestic production (gross weight)	213,813	206,238	224,907	131,281	118,812
Domestic production (processed weight)[3]	134,488	129,724	141,466	82,576	74,732
Exports	10,838	14,212	16,456	12,530	13,612
Calculated U.S. shipments	123,651	115,512	125,011	70,046	61,120
U.S. imports from.-- Brazil	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
All other sources	487,546	613,446	600,388	442,576	420,181
Nonsubject sources	***	***	***	***	***
All import sources	995,724	1,144,958	1,168,585	825,631	861,130
Apparent U.S. consumption	1,119,374	1,260,469	1,293,595	895,677	922,251
	Value (1,000 dollars)				
Calculated U.S. shipments[4]	760,845	885,401	724,833	438,670	296,264
U.S. imports from.-- Brazil	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
All other sources	2,289,796	3,191,685	2,510,377	1,863,109	1,747,642
Nonsubject sources	***	***	***	***	***
All import sources	4,977,865	6,424,588	5,178,162	3,699,846	3,792,978
Apparent consumption	5,738,710	7,309,989	5,902,995	4,138,516	4,089,242

Footnotes continued on next page.

[1] Wild catch landings quantities are for the Gulf and Southern Atlantic regions as collected by National Marine Fisheries Service.
[2] For January-September 2015 and January-September 2016, wild catch landings for the Gulf region are from monthly landings statistics collected by the NMFS regional office, and for the South Atlantic are estimated based on the region's average share of total U.S. landings of warmwater shrimp from 2013-15.
[3] U.S. production quantities have been converted to pounds of headless shell-on weight using a conversion factor of 0.629.
[4] U.S. processor shipment values estimated using an average of Urner Barry price series for 6 intermediate sizes of brown and white shrimp

Source: National Marine Fisheries Service (NMFS) for wild catch landings quantities, Texas Aquaculture Alliance for farmed production, official export statistics, HTS subheadings 0306.17, 1605.21, and 1605.29, for exports, official import statistics adjusted with proprietary Customs records to exclude certain companies no longer subject to the orders for U.S. imports, and Urner Barry price series for calculated U.S. shipments values.

Figure I-1

Warmwater shrimp: Apparent U.S. consumption, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

U.S. MARKET SHARES

U.S. market share data are presented in table I-11.

Table I-11
Warmwater shrimp: U.S. consumption and market shares, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January - September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Apparent U.S. consumption	1,119,374	1,260,469	1,293,595	895,677	922,251
	Share of quantity (percent)				
U.S. producers' U.S. shipments	11.0	9.2	9.7	7.8	6.6
U.S. imports from.-- Brazil	0.0	0.0	0.0	0.0	0.0
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
All other sources	43.6	48.7	46.4	49.4	45.6
Nonsubject sources	***	***	***	***	***
All import sources	89.0	90.8	90.3	92.2	93.4
	Value (1,000 dollars)				
Apparent U.S. consumption	5,738,710	7,309,989	5,902,995	4,138,516	4,089,242
	Share of value (percent)				
U.S. producers' U.S. shipments	13.3	12.1	12.3	10.6	7.2
U.S. imports from.-- Brazil	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
All other sources	39.9	43.7	42.5	45.0	42.7
Nonsubject sources	***	***	***	***	***
All import sources	86.7	87.9	87.7	89.4	92.8

Source: National Marine Fisheries Service (NMFS) for wild catch landings quantities, Texas Aquaculture Alliance for farmed production, official export statistics, HTS subheadings 0306.17, 1605.21, and 1605.29, for exports, official import statistics adjusted with proprietary Customs records to exclude certain companies no longer subject to the orders for U.S. imports, and Urner Barry price series for calculated U.S. shipments values.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

U.S. MARKET CHARACTERISTICS

Warmwater shrimp are intended for human consumption, may be farm-raised or wild-caught, and may be processed to varying levels (e.g., peeled, deveined, shell-off, tail-off, marinated, skewered, or sauced). There are also multiple species of shrimp that are both farm-raised and wild-caught, and they exist in a range of sizes.[1]

For U.S.-processed warmwater shrimp, fresh shrimp are harvested (generally wild) and brought to dock by fishermen. Some deheading, sorting, and freezing may take place on the fishing boats. U.S. processors buy the fresh or frozen shrimp at the dock, and then may inspect, weigh, count, devein, peel, and cook it before freezing (refreezing) it. Some of the processed shrimp is put into inventory for later sale. U.S. processors sell the warmwater shrimp to distributors, directly to retail customers, or have their sales handled by brokers. The market is similar for importers of warmwater shrimp; however, importers sometimes import the warmwater shrimp and then process it themselves, either into another form of subject warmwater shrimp (e.g., marinated or sauced) or into a nonsubject product (e.g., breaded shrimp).[2] Some processors process both U.S. and imported shrimp.[3]

Apparent U.S. consumption of warmwater shrimp increased during 2013-15. Overall, apparent U.S. consumption in 2015 was 15.6 percent higher than in 2013.[4]

CHANNELS OF DISTRIBUTION

U.S. producers sold mainly to distributors as did importers from China, India, Thailand, and nonsubject sources, as shown in table II-1. In contrast, importers from Vietnam reported selling more to retailers than to distributors in all periods except 2013. Almost no imports were reported from Brazil over the period and no importer gave information on their imports from Brazil.

Domestic producers report that the majority of the shrimp market is, ultimately, not at retail stores where there is country of origin labeling, but in restaurants where country of origin labeling is not required.[5]

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[1] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, India, Thailand, and Vietnam*, Invs. Nos. 731-TA-1063, 1064, 1066-1068 (Review), USITC Publication 4221, March 2011, p. II-1.

[2] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, India, Thailand, and Vietnam*, Invs. Nos. 731-TA-1063, 1064, 1066-1068 (Review), USITC Publication 4221, March 2011, p. II-1.

[3] *Frozen Warmwater Shrimp from China, Ecuador, India, Malaysia, and Vietnam*, Invs. Nos. 701-TA-491-493, 495, and 497 (Final) Pub. 4429, October 2013, p. II-1.

[4] Apparent U.S. consumption was approximately 3.0 percent higher in January to September 2016 than January to September 2015.

[5] Hearing transcript, p. 64 (Drake).

Table II-1
Warmwater shrimp: U.S. producers' and importers' share of reported U.S. commercial shipments (percent), by sources and channels of distribution, January 2013-September 2016

Item	Period				
	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Share of reported shipments (*percent*)				
U.S. producers' U.S. commercial shipments of warmwater shrimp:					
Distributors	87.0	87.3	85.1	84.9	83.9
End users	3.6	3.7	3.8	4.1	4.2
Retailers	9.4	8.9	11.1	11.0	11.9
U.S. importers' U.S. commercial shipments of warmwater shrimp from subject China:					
Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers' U.S. commercial shipments of warmwater shrimp from subject India:					
Distributors	72.5	68.3	***	***	***
End users	3.9	4.3	***	***	***
Retailers	23.6	27.4	***	***	***
U.S. importers' U.S. commercial shipments of warmwater shrimp from subject Thailand:					
Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers' U.S. commercial shipments of warmwater shrimp from subject Vietnam:					
Distributors	***	***	***	***	***
End users	***	***	***	***	***
Retailers	***	***	***	***	***
U.S. importers' U.S. commercial shipments of warmwater shrimp from all other countries:					
Distributors	71.6	73.7	73.8	74.7	74.2
End users	2.6	2.5	2.0	2.3	2.2
Retailers	25.8	23.8	24.2	23.0	23.5

Note.–-Only countries for which these data were provided are included in this table.

Source: Compiled from data submitted in response to Commission questionnaires.

GEOGRAPHIC DISTRIBUTION

U.S. processors and U.S. importers reported selling warmwater shrimp to all regions in the contiguous United States (table II-2). Regions used in these reviews are designed to reflect the regional purchase patterns for warmwater shrimp and are different from the regional definitions the Commission typically uses.

Table II-2
Warmwater shrimp: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. processors	Brazil	China subject	India subject	Thailand subject	Vietnam subject	All subject
Gulf Coast/South Atlantic.– AL, FL, GA, LA, MS, NC, SC, and TX.	29	0	1	9	10	9	15
Central Southeast.– DE, DC, KY, MD, TN, VA, and WV.	16	0	1	7	9	8	11
Midwest.– AR, IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI.	18	0	1	8	11	9	15
Northeast.– CT, ME, MA, NH, NJ, NY, PA, RI, and VT.	19	0	1	12	13	12	19
Mountains.– AZ, CO, ID, MT, NV, NM, UT, and WY.	9	0	1	9	9	10	13
Pacific Coast.– CA, OR, and WA.	11	0	1	11	14	10	17
Other.– including AK, HI, PR, and VI.	3	0	0	6	5	7	9
All regions (except Other)	0	0	0	0	0	0	0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. processors reported selling 11.9 percent of their warmwater shrimp within 100 miles of their production facility, 33.0 percent between 101 and 250 miles, 24.0 percent between 251 and 500 miles, and 31.1 percent over 500 miles (table II-3). Imported product from subject producers was more likely to be sold within 100 miles of their shipping facility or port of entry than any other distance. Importers sold 32.7 percent within 100 miles of their point of shipment, 24.4 percent between 101 and 250 miles, 15.2 percent between 251 and 500 miles, and 27.7 percent over 500 miles.

Table II-3
Warmwater shrimp: Distance shipping reported by U.S. producers and importers

Source	Share of sales (percent)			
	0 to 100 miles	101-250 miles	250–500 miles	500+ miles
United States	11.9	33.0	24.0	31.1
Imports from subject countries	32.7	24.4	15.2	27.7

Source: Compiled from data submitted in response to Commission questionnaires.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

U.S. supply of fresh shrimp and natural cycle

U.S. shrimp fishermen generally harvest white, pink, and brown shrimp from the Gulf of Mexico, and white and pink shrimp from the Carolina and Florida Atlantic coasts, respectively. U.S. shrimp fishermen typically harvest only shrimp. Shifting to harvesting other types of seafood would be expensive since their equipment (trawlers, nets, etc.) are not appropriate for catching other forms of seafood.[6] Fishermen's decisions on whether or not to shrimp depend on fixed costs, including the cost of the boat, boat maintenance, insurance, and debt-servicing costs, and variable costs, including most importantly fuel, as well as equipment repair and replacement, and labor.[7]

Respondents claim U.S. shrimp landings were lower during 2013 through 2016 than they had been in 1970 to 2008. They claim that this indicates that there is less shrimp available to be caught.[8] Domestic interested parties claim that "economics" (the profitability of shrimping) is an important determinant of the level of shrimp landings, the relatively low prices reduce shrimping efforts and thus lead to lower landings.[9]

Supply of warmwater shrimp in the United States

Five of 28 responding U.S. processors and 7 of 26 responding importers reported changes in their product range, product mix, and/or marketing since January 2013. U.S. processors reported increased retail sales, increased sales of peeled and deveined rather than peeled but not deveined, increased sales of IFQ shrimp, and one firm reported decreasing demand. Importers reported that changes included increased sales of a number of convenience products with shrimp, more value added products produced overseas, and a shift from black tiger shrimp to Vannamei shrimp.[10]

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[6] At the hearing, one shrimper reported that, in addition to shrimping, its boats were also used for "handling research work for universities, site cleanup work and the decommissioning process of oil platforms and relocating endangered species." He also reported that it would be difficult for more shrimpers to follow this strategy because the work was limited. Hearing transcript pp. 46-47 (Bosarge).

[7] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, India, Thailand, and Vietnam*, Invs. Nos. 731-TA-1063, 1064, 1066-1068 (Review), USITC Publication 4221, March 2011, p. II-4.

[8] Hearing transcript, p. 177 (Dougan). Respondents speculate that this lower level of landings may be a long term effect of the BP oil spill, possibly linked to toxic dispersants used. Joint respondents' posthearing brief, appendix, pp. 9-10, 147.

[9] Hearing transcript, pp. 45-46, 48-49 (Bosarge, Garcia).

[10] Respondents report that Vannamei shrimp grow faster and have a higher survival rate than tiger shrimp. This increases the number of pounds of shrimp produced in farming operations. Hearing transcript, p. 225 (Pizzuti).

Three of 26 responding U.S. processors and 7 of 26 responding importers reported that they anticipate change in their product range, product mix, and/or marketing. Only one processor explained its response; it reported demand was decreasing. Importers expect an increase in direct marketing by foreign producers, continued shift from headless blocks to finished goods, shift from shell-on to peeled shrimp, increasing variety of new consumer shrimp products, and more purchasers that will require Best Aquaculture Practice (BAP) certification.

Seasonality

The U.S. supply of wild-caught fresh shrimp varies by season. The main fishing season is May to December, although different times of the year are better for particular species and sizes. In the offseason (roughly January through April), some fishermen take time to maintain and upgrade their ships and equipment while others continue fishing. Although U.S. processors may be able to maintain some supply of warmwater shrimp during the offseason by keeping part of their in-season inventory for later sale, as prices have been historically higher in the offseason since the supply of both fresh and frozen shrimp is lower. U.S. processors and fishermen have described this seasonal supply characteristic as a necessary cycle for shrimp fishermen and U.S. processors to make money (through higher offseason prices) and to make needed repairs and upgrades.[11]

Most U.S. processors (19 of 28 responding) and half the responding importers (13 of 26) reported that there are business cycles or distinctive conditions of competition in U.S. warmwater shrimp market. These firms reported that U.S. shrimping tends to be seasonal, and demand also tends to be seasonal. Distinctive conditions of condition reported by firms included “imports,” competition with meats, weather effects, BP payments (which have reduced shrimping efforts),[12] currency fluctuations affect prices, domestic wild-caught and imported farm-raised shrimp competing in different market sectors, and increased Chinese demand.

Most processors (11 of 19) reported changes in business cycles or conditions of competition since 2013 and most of these reported that the change was increased imports. Fewer importers (8 of 18) reported change in business cycles or conditions of competition since 2013. Changes reported by importers include weather and disease problems, processors[13] that are willing to hold inventories to manage contracts and peak demand periods, a strong U.S. dollar, increased shrimp farming productivity, and increased demand from China.

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[11] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, India, Thailand, and Vietnam*, Invs. Nos. 731-TA-1063, 1064, 1066-1068 (Review), USITC Publication 4221, March 2011, p. II-6.

[12] The effect of BP payments on shrimping efforts is unclear, some report that it reduces fishing efforts as was reported in this questionnaire, others report that it has not reduced fishing efforts. Hearing transcript, pp. 37-38 (Gibson).

[13] ***, it is likely that this refers to foreign processors.

U.S. processors' supply

Based on available information, U.S. warmwater shrimp processors have the ability to respond to changes in demand with moderate changes in their quantity of shipments to the U.S. market. The main contributing factors to the moderate degree of supply responsiveness are some available inventories, and a large unused processing capacity. Supply responsiveness is limited most importantly by the biological/environmental limits on the amount of fresh shrimp that can be fished from U.S. waters, as well as by few alternative markets and production alternatives.

Industry capacity

U.S. processors' capacity increased from 390 million pounds in 2013 to 405 million pounds in 2015. The capacity utilization rate fluctuated within a small range between 2013 and 2015, increasing from 35.5 percent in 2013 to 35.7 percent in 2015. This low level of capacity utilization suggests that U.S. processors may have substantial capacity to increase processing of warmwater shrimp in response to an increase in prices. The actual responsiveness of supply, given excess capacity, ultimately depends on the availability of shrimp to be processed which is largely determined by the amount of wild shrimp available to be harvested and the size, success, and activeness of the shrimp fishing fleet.

Respondents claim that unused capacity is a characteristic of shrimp processing for farm-raised and for wild-caught shrimp because of the uneven supply of shrimp. Processors of both farm-raised and wild-caught shrimp have capacity set for peak supply.[14]

Alternative markets

U.S. processors' exports were less than 1 percent of total shipments. U.S. processors' export shipments increased from *** pounds in 2013 to *** pounds in 2015, indicating that U.S. processors may have little ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. processors' inventories fluctuated but increased overall between 2013 and 2015. Relative to total shipments, U.S. processors' inventory levels as a share of U.S. shipments increased from 15.7 percent in 2013 to 19.0 percent in 2015. These inventory levels suggest that U.S. processors may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

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[14] Hearing transcript, pp. 200-201 (Nicely, Connelly).

Production alternatives

Only 3 of 33 responding processors stated that they could switch production from warmwater shrimp to other products. Two reported actually producing other products and one of these firms listed the other products it produced; this firm reported producing *** on the same equipment. Other products as a share of combined production increased from *** to *** percent between 2013 and 2015. The alternative production suggests that U.S. producers have some ability to respond to changes in demand with shifts in production.

Supply constraints

Thirty-one processors[15] reported production constraints, of these, 24 reported that the availability of shrimp constrained their supply. Other constraints reported included: storms, fuel prices, and need for profit that limit shrimping; the cost of shrimp and need for profit that limit processing; need for working capital; freezing and storage capacity; technology/equipment; labor availability; location of shrimp; and transportation costs.

Twelve of 29 responding purchasers reported supply constraints including: low production/shortage of raw materials; the weather's effect on the amount of shrimping and processing; fewer fishermen who shrimp; limited availability of larger-sizes of wild-caught shrimp; packers that reject orders based on destination; packers that deal only with selected buyers; purchasers that prefer local shrimp face availability which is determined by the local catch; EMS (early mortality syndrome, a deadly shrimp disease) that has reduced supply in Thailand; and less wild-caught shrimp available out of Guyana and Suriname.

Firms were also asked if the BP gulf oil spill that occurred in 2010 continued to affect demand for shrimp since 2013. Most purchasers (26 of 33 responding) reported that it did not, and even those who reported that the gulf oil spill still had an effect typically reported that the effect had been felt up to two years after the spill but did not seem to be important any more. Similarly, most U.S. processors (21 of 35 responding) reported no effects from weather or the BP oil spill. Ten processors reported specifically that the oil spill continued to have an impact on the market, the effects of which included: reduced supply because of the oil spill; need to purchase from different areas/closure of areas to fishing; reduced shrimping efforts because of the BP settlements; and public fears of tainted domestic shrimp.

Subject imports

Unlike U.S. production, warmwater shrimp production in subject countries primarily depends upon the availability of farm-raised shrimp. A number of shrimp species are farmed. Country-by-country data were available for imports of the majority of warmwater shrimp imported into the U.S. markets in 2015 for all subject countries except Brazil, for which there were no imports in 2015, and China, for which no subject producer provided a questionnaire.

[15] Three producers did not respond to the question or reported no production constraints.

These data including imports, capacity, capacity utilization, ratio of inventories to total shipments, shares of sales to the United States and home markets are presented in table II-4.

Table II-4
Warmwater shrimp: Subject foreign producer capacity, total shipments to the U.S. market, capacity utilization, inventories, and sales to various markets

Year	Total capacity	U.S. imports[1]	Capacity utilization	Inventories to shipments	Sales to markets: Home	Sales to markets: U.S.
	1,000 pounds		Percent			
Brazil						
2013	127,477	***	23.2	***	96.1	***
2015	127,477	***	20.9	***	99.0	***
China[2]						
2013	--	***	--	--	--	--
2015	--	***	--	--	--	--
India						
2013	561,801	***	41.6	***	***	62.2
2015	577,961	***	52.4	***	***	69.6
Thailand						
2013	651,325	***	35.6	15.8	9.4	40.2
2015	599,885	***	34.1	23.5	16.4	43.8
Vietnam						
2013	***	***	***	***	***	***
2015	***	***	***	***	***	***

[1] U.S. imports are from official Commerce statistics. All other data are from the foreign producers' questionnaires.
[2] No nonsubject firm provided a Chinese producer/exporter questionnaire.

Note.–-Foreign producer data for most subject countries cover the majority of the subject imports into the United States from India, Thailand, and Vietnam, There were no imports reported by the Brazilian producers/exporters, and almost no imports from Brazil. No Chinese subject producers responded to the foreign producer/exporter questionnaire.

Source: Compiled from data submitted in response to Commission questionnaires, and Official Commerce Statistics.

Respondents assert that "capacity is an unreliable indicator of production and sale intentions."[16] This is because capacity cannot be used unless raw shrimp is available, as most foreign producers reported, thus processing capacity of most producers (domestic and foreign) does not limit production. [17]

Respondents claim that total imports have been "extremely stable over the past thirteen years," in spite of major changes affecting supply, and changes in the firms covered by the orders. As a result respondents believe that "it is highly unlikely that subject producers will increase their exports to the U.S. market upon revocation." [18]

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[16] Joint respondents' prehearing brief, p. 34.
[17] Joint respondents' prehearing brief, pp. 48-50.
[18] Joint respondents' prehearing brief, pp. 35-37.

Almost all foreign producers/exporters (73 of 75 responding) reported that the availability of shrimp constrained their supply of warmwater shrimp.[19] Thus these producers' ability to increase shipments to the U.S. market from all these sources is limited by the supply of shrimp available.

U.S. producers report that cumulative subject country supply (both from subject and nonsubject firms) is anticipated to grow by 573.2 million pounds from 2016 to 2018.[20] In addition, they report that Japan has become a less attractive market for shrimp because of Japan's regulation of ethoxyquin residuals in shrimp. Ethoxyquin is an additive sometimes used in shrimp food.[21]

Brazil

Based on available information, producers of warmwater shrimp from Brazil have the ability to respond to changes in demand with moderate changes in the quantity of shipments of warmwater shrimp to the U.S. market. The main factor contributing to this degree of responsiveness of supply is the availability of unused capacity. Factors mitigating responsiveness of supply include large domestic market share (limited share in the international market) and limited inventories. Brazilian producers/exporters reported that, in addition to the availability of shrimp, capacity was constrained by the type of processing and packaging, by personnel, and by freezing and storage capacity. Foreign producers were asked if the warmwater shrimp they sold in Brazil differed from that sold in the United States, however, none of the Brazilian producers sold product to the United States and thus they were unable to compare these markets.

Brazilian producers report that imports of shrimp are almost completely excluded from their home market[22] and Brazilian demand is increasing and Brazilian prices are relatively high,[23] as a result, Brazilian producers are mainly supplying the domestic market and are likely to continue to do this regardless of the orders.[24] Nonetheless, Brazilian producers report that "it is likely that Ecuadorian shrimp will be permitted to re-enter the Brazilian market in the near future."[25] Domestic producers, however, report that Brazil is planning to increase its shrimp exports and the orders are why the Brazilian product is out of the U.S. market.[26] In addition, domestic interested parties claim that the recession in Brazil increases its incentive to export

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[19] This includes responses of "raw material" (shrimp) and the "EMS" disease which reduces the supply of shrimp.

[20] AHSTAC prehearing brief, p. 51.

[21] AHSTAC prehearing brief, pp. 61-62.

[22] Brazilian respondents' prehearing brief p. 16.

[23] Brazilian respondents' prehearing brief p. 16.

[24] Brazilian respondents' prehearing brief p. 7.

[25] Brazilian respondents' posthearing brief, Q and A appendix, p.9.

[26] ASPS prehearing brief, pp 49-50, and AHSTAC prehearing brief, pp. 7-9.

warmwater shrimp.[27] According to the shrimp panel presentation "Brazil currently bans shrimp imports: could reverse course this year."[28]

China

No subject Chinese producers/exporters provided a questionnaire, therefore industry data on overall Chinese shrimp production is used in this analysis. In 2014, Chinese warmwater shrimp harvesting of both farmed and wild-caught was 5.1 billion pounds, data were not available for 2015.[29] This value is assumed to reflect Chinese capacity.[30] The amount of shrimp China exports to countries other than the United States declined from 288 million pounds in 2013 to 191 million pounds in 2015.[31] Based on available information, producers of warmwater shrimp from China have the ability to respond to changes in demand with large changes in the quantity of shipments of warmwater shrimp to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the large amount of Chinese warmwater shrimp production and the relatively large amount exported that could be shifted to the United States.

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U.S. producers claim that increased shipments in Chinese breaded shrimp into the U.S. market demonstrate that the U.S. market is attractive to China.[32]

Respondents report that China is now a net importer of warmwater shrimp for domestic consumption.[33] In addition, respondents state that a Chinese firm selling breaded shrimp, although no longer covered by the order, "prefers not to sell us non-breaded shrimp."[34]

India

Based on available information, producers of warmwater shrimp from India have the ability to respond to changes in demand with large changes in the quantity of shipments of warmwater shrimp to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and the ability to shift shipments from alternate markets.

Five Indian firms reported changes affecting supply including changes in the availability or price of labor, raw materials, and energy. Seventeen Indian firms reported there had been

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[27] Hearing transcript, p. 61 (Drake).

[28] NFI Global Seafood market conference, San Francisco, California, January 2017, Shrimp panel presentation, slide 8.

[29] FAO Fisheries statistics database: http://www.fao.org/fishery/statistics/en.

[30] This amount may overstate the availability of subject Chinese warmwater shrimp, since some of this will be processed by nonsubject Chinese producer/exporters and some will be consumed fresh and never frozen.

[31] Global Trade Atlas.

[32] AHSTAC prehearing brief, p. 60.

[33] Hearing transcript, p. 155 (Pizzuti).

[34] Hearing transcript, p. 175 (Zhou).

natural forces that affected supply that had affected Indian supply to the United States, including cyclones, floods, unexpected/unusual rain, cold weather, and diseases (particularly EMS).[35] Indian foreign producers/exporters reported experiencing supply constraints that included shrimp supply, storing and freezing capacity, the availability of skilled labor, equipment and machinery, power, and quality assurance requirements. Foreign producers/exporters were asked if the warmwater shrimp they sold in India differed from that sold in the United States. Thirteen of 20 responding foreign producers reported differences, 12 of these reported no sales in India.[36]

U.S. producers claim that shrimp exports from India are expected to increase 20 percent in fiscal year 2017.[37] In addition, the EU increased its sampling of Indian Shrimp regarding pharmacological residues, and this will make the EU a less attractive market for Indian exports.[38]

Thailand

Based on available information, producers of warmwater shrimp from Thailand have the ability to respond to changes in demand with changes in the quantity of shipments of warmwater shrimp to the U.S. market that cannot be determined. The main contributing factors to this are the uncertainty of Thai capacity and capacity utilization. Rising inventories and a large share sold to other markets would, however, indicate greater ability to shift supply to the United States.

Fourteen Thai foreign producers/exporters reported changes affecting supply. A number of firms reported reduced raw material availability because of disease (EMS) which reduced production and productivity. Other problems included flooding/weather, higher labor costs/increased labor regulation, and competition from China. Twenty-five Thai firms reported there had been natural forces that affected supply that had affected Thai supply to the United States. Twenty-five firms reported that EMS has affected Thai supply,[39] some also reported floods and white spot disease. Foreign producers/exporters reported supply constraints which included shrimp supply, storing and freezing capacity, availability of labor/labor laws/difficulty training workers, other equipment, weather conditions, and limited area for farming. Eleven of 26 responding foreign producers/exporters reported differences between warmwater shrimp sold in Thailand and those sold in the United States. These differences include: no sales in

[35] One firm reported that EMS in Thailand had caused prices in India to increase.
[36] The other foreign producer reported that specifications could differ between the United States and India.
[37] AHSTAC prehearing brief, p. 53.
[38] AHSTAC prehearing brief pp. 66-67.
[39] Some of these, however, reported that this had not affected the supply in the United States.

Thailand; differences in weight and specifications; and domestic market prefers raw head-on shell-on shrimp. Firms disagreed about the quality of exports to the United States compared to that purchased domestically; one firm reported that exported shrimp must meet higher specifications than shrimp sold in Thailand and another reported that the local and Asian markets have higher specifications than U.S. sales because local sales are premium product while U.S. sales are of low priced commodity product.

U.S. producers claim that Thailand is increasing its shrimp production and is also likely to shift sales from the EU to the U.S. market.[40]

Vietnam

Based on available information, producers of warmwater shrimp from Vietnam have the ability to respond to changes in demand with large changes in the quantity of shipments of warmwater shrimp to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, inventories, and the ability to shift shipments from alternate markets. Eleven Vietnamese firms reported changes affecting supply including reduced availability of shrimp, and higher energy and labor costs. Seventeen Vietnamese firms reported there had been natural forces that affected supply that had affected Vietnamese supply to the United States. Thirteen of these reported that disease/EMS had reduced the supply of shrimp available.[41] Other reported problems included weather and competition for shrimp from Chinese firms.

Nineteen Vietnamese foreign producers/exporters reported that supply constraints exist; all but two of these reported the most important constraint was the shrimp supply, (the remaining two firms reported that this was their second-most important constraint). Other reported constraints on supply included: storing and freezing capacity; availability of labor; availability of equipment other than that for storage and freezing; and financial constraints. Foreign producers/exporters were asked if the warmwater shrimp they sold in Vietnam differed from that sold in the United States. Fourteen of 17 responding foreign producers reported differences including: not selling in the Vietnamese market; selling raw shrimp rather than frozen in Vietnam; home market has a lower quality standard; Vietnamese use of shrimp mainly for shrimp chips; and differences in specifications, quality standards, packaging, variety, and marketing cost between countries to which they sell shrimp.

U.S. producers report the government of Vietnam "is restructuring its agricultural economy by allocation rice production areas to shrimp farming."[42]

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[40] AHSTAC prehearing brief, pp. 53, 65-66. The EU has "put Thailand 'on formal notice for not taking sufficient measures in the internationals fight against illegal fishing' and warned that if the situation did not improve, the EU could resort to banning fisheries imports from Thailand."

[41] The other firm reported reduced supply of shrimp but did not specify this was caused by disease.

[42] AHSTAC prehearing brief p. 52.

Nonsubject imports

Nonsubject imports accounted for *** percent of total U.S. imports in 2015. The largest sources of nonsubject imports during 2013-15 were Indonesia, Ecuador, and Mexico. Combined, these three countries accounted for *** percent of the quantity of nonsubject imports in 2015.

New suppliers

Nine of 36 responding purchasers indicated that new suppliers entered the U.S. market since January 1, 2013. This included a number of reports of new U.S. shrimping boats as well as new suppliers from overseas. Almost half of the responding purchasers (17 of 35) expect new entrants. Reasons purchasers gave for expecting new suppliers in the U.S. market include: high U.S. demand; the high U.S. dollar; declining U.S. production; the possibility of orders being revoked; the lack of inspection and tariff enforcement in the United States; and improved aquaculture techniques would increase production overseas and exports to the United States.

U.S. demand

Demand for warmwater shrimp comes primarily from retail sellers of both prepared and unprepared warmwater shrimp (e.g., grocery stores) and restaurants. There is some seasonality in U.S. shrimp demand, which is typically higher around the Easter, Christmas, and New Year's holidays.[43] Domestic producers report that the majority of warmwater shrimp are eaten in restaurants.[44]

Based on available information, the overall demand for warmwater shrimp is likely to experience moderate changes in response to changes in price. The main contributing factors are the limited types of substitute products and the difference between frozen warmwater shrimp and available substitute produces, this limits responsiveness to price. On the other hand, the relatively high cost share of shrimp in a meal increases price responsiveness.

End uses and cost share

U.S. demand for warmwater shrimp depends on the demand for shrimp as food, either as a standalone item or as an ingredient with other food. Downstream products include breaded shrimp, frozen meals, and skillet meals. Petitioners report that the "food service industry" purchases the majority of warmwater shrimp in the United States. In the food service industry, larger shrimp are used as a "center-of-the-plate item", and accounts for the largest

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[43] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, India, Thailand, and Vietnam*, Invs. Nos. 731-TA-1063, 1064, 1066-1068 (Review), USITC Publication 4221, March 2011, p. II-15.

[44] Hearing transcript, p. 64 (Drake).

portion of the costs of the meal.[45] Because it is typically a final good, firms were not asked to report cost shares in downstream products. Restaurants were reported to reduce the number of shrimp dishes on their menus when the price of shrimp increased and to put more shrimp dishes on their menus when shrimp prices fell.[46]

Business cycles

Nineteen of 28 responding U.S. processors, 13 of 26 responding importers, and 19 of 35 responding purchasers indicated that the market was subject to business cycles or conditions of competition that are distinct to the industry. Processors and importers frequently reported that demand for shrimp is stronger during the holiday season, the Lenten period, and during spring and summer in beach areas. Domestic shrimp harvests were also seasonal, fishing is mainly between May and December, in contrast imports were available year round. Most firms reporting distinct factors of competition reported competition with imports, other responses were the BP settlement reduced U.S. shrimping, the weather has reduced catch rates, and competition with other protein sources such as chicken, pork and beef.

Eleven of 19 responding U.S. processors, 8 of 18 importers, and 11 of 26 purchasers expected changes in business cycles. Changes expected included: more imports; increased sophistication of overseas processors; weather and disease will affect supply; and changes due to the strong U.S. dollar.

Demand trends

When asked how U.S. demand had changed since January 1, 2013, the most common responses were that demand had increased and demand had not changed (52 firms each) (table II-5). Thirty-three firms reported demand had fluctuated and 18 that demand had decreased. When asked how they expect demand to change over the next two years, firms' responses were mixed. The most common response was that demand would not change (53 firms), followed by demand would increase (47 firms), and demand would fluctuate (45 firms). Only 7 firms expected demand to decrease.

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[45] *Frozen Warmwater Shrimp from China, Ecuador, India, Malaysia, and Vietnam*, Invs. Nos. 701-TA-491-493, 495, and 497 (Final) Pub. 4429, October 2013, p. II-11.

[46] Hearing transcript, p. 237 (Seidel).

Table II-5
Warmwater shrimp: Firms' responses regarding U.S. demand

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	3	9	6	9
Importers	9	10	1	6
Purchasers	15	8	2	11
Foreign producers	25	25	9	7
Anticipated future demand				
U.S. producers	5	9	2	8
Importers	9	6	1	10
Purchasers	16	8	0	12
Foreign producers	17	30	4	15

Source: Compiled from data submitted in response to Commission questionnaires.

Substitute products

Almost all processors (30 of 31 responding), importers (24 of 26 responding), purchasers (35 of 37 responding), and foreign producers (71 of 74 responding) reported that there were no substitutes for warmwater shrimp.[47] The few firms reporting substitutes cited other seafood, langoustine (a type of lobster), clams, cuttlefish, squid, fish, or salmon. While other seafood may be consumed in the place of warmwater shrimp, they offer different tastes, textures, and presentations. One possible substitute for imported subject warmwater shrimp is increased imports of value-added product, such as breaded shrimp produced overseas, rather than having the warmwater shrimp imported and having the value added in the United States.[48]

Respondents report that when EMS caused prices to increase restaurant customers "started taking shrimp off the menu and using other protein or reduction the menu items that had shrimp on them," later, when the price fell, "we started seeing restaurants starting menuing again more shrimp items."[49] However, respondents claim price changes did not affect demand much during 2013 through 2015.[50]

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[47] A number of firms listed as substitutes specific types of subject warmwater shrimp either from different sources not subject to these investigations, or at different levels of processing (with the level of processing still in the definition of subject product), or of different species (but species or groups of species that were subject to these investigations). These responses are not substitutes and therefore questionnaires have been revised to reflect this. Firms reporting only these in scope substitutes were included with firms reporting no substitutes.

[48] *Frozen Warmwater Shrimp from China, Ecuador, India, Malaysia, and Vietnam*, Invs. Nos. 701-TA-491-493, 495, and 497 (Final) Pub. 4429, October 2013, p. II-13.

[49] Hearing transcript, p. 237 (Seidel).

[50] "Per capita consumption of shrimp didn't change much in response to changes in price. So people didn't start eating a lot more shrimp because it got cheaper between '14 and '15 and they didn't eat less between '13 and '14 when it got more expensive. Hearing transcript, pp. 246-247 (Dougan).

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported warmwater shrimp depends upon such factors as relative prices, quality (e.g., species characteristics, consistency, flavor profile, etc.), and conditions of sale (e.g., price discounts/rebates, availability, payment terms, product services, reliability of supply, etc.). Based on available data, staff believes that there is a moderate degree of substitutability between U.S.-produced warmwater shrimp and that imported from subject countries.

Lead times

Warmwater shrimp is primarily sold from inventory. U.S. processors reported that 77.6 percent of their commercial shipments came from inventories, with lead times ranging from 1 to 10 days and averaging 7 days. The remaining 22.4 percent of their commercial shipments were produced-to-order, with lead times ranging from 1 to 45 days and averaging 10 days. Importers reported that 73.5 percent of their commercial shipments came from inventories in the United States, with lead times ranging from 1 to 60 days and averaging 9 days. Most of their remaining commercial shipments (23.8 percent) were produced-to-order, with lead times ranging from 30 to 150 days and averaging 84 days; the remaining 2.7 percent of sales were from foreign inventories with lead times ranging from 7 to 75 days and averaging 46 days. Most foreign producers/exporters' warmwater shrimp is produced-to-order (80.3 percent) with lead times averaging 35 days, and their sales from inventories made up 19.7 percent of sales with lead times averaging 20 days.

Knowledge of country sources

Thirty-six purchasers reported knowing the sources of warmwater shrimp, with some firms reporting knowledge of as many as five of the listed sources (table II-6). [51]

Table II-6
Warmwater shrimp: Number of purchasers reporting knowing specific country sources

United States	Brazil	China Subject	India Subject	Thailand Subject	Vietnam Subject	All nonsubject sources
30	1	8	22	20	20	14

Source: Compiled from data submitted in response to Commission questionnaires.

As shown in table II-7, most purchasers "always" make purchasing decisions based on the producer. Most purchasers "always" or "usually" make purchase decisions based on country of origin. In contrast, most purchasers' customers "sometimes" or "never" make purchase decisions based on the producer or country. Purchasers that reported that they "always" make decisions based on the producer frequently cited a number of concerns

[51] Purchasers reported nonsubject imports from Argentina, Belize, Ecuador, Guatemala, Guyana, Honduras, Indonesia, Malaysia, Mexico, Nicaragua, Panama, Philippines, Peru, Sri Lanka, and Suriname.

including: quality; food safety; regulatory requirements; buy from approved sources; purchase based on "experience, quality control, reputation and integrity;" brand; purchase only from Global Food Safety Initiative (GFSI) certified producers, with good farming practices certification (Best Aquaculture Practices (BAP), Aquaculture Stewardship Council (ASC), etc.);[52] purchase domestic shrimp; and prefer facilities with third party food safety certificates for quality assurance.

Table II-7
Warmwater shrimp: Purchasing decisions based on producer and country of origin

Purchaser/Customer Decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	21	6	5	4
Purchaser's customers make decision based on producer	6	4	15	9
Purchaser makes decision based on country	14	7	10	6
Purchaser's customers make decision based on country	6	6	15	7

Source: Compiled from data submitted in response to Commission questionnaires.

Factors affecting purchasing decisions

The most often cited top-three factors firms consider in their purchasing decisions for warmwater shrimp were quality (33 firms), price (31 firms), and availability (13 firms), as shown in table II-8. Quality was the most frequently cited first-most important factor (cited by 18 firms), followed by price (9 firms); price was the most frequently reported second-most important factor (11 firms); and price was the most frequently reported third-most important factor (14 firms).

[52] GFSI recognizes standard setting bodies. BAP and ASC were created to deal primarily with environmental sustainability issues in aquaculture. With the slave labor issues and other problems with shrimp farming reported in the media, some purchasers also require more supply chain controls.

Table II-8
Warmwater shrimp: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First	Second	Third	Total
Quality	18	9	6	33
Price	6	11	14	31
Availability/ability to deliver	0	7	6	13
Certification/USDC certified facility/food safety	5	1	0	6
Traditional supplier/related supplier/contract	3	0	2	5
Local shrimp/wild	2	0	1	3
Credit/credit terms/extension of credit/terms	1	1	2	4
Reliable/consistent supply	1	1	1	3
Freshness	0	2	0	2
Consistency	0	2	0	2
Service	0	2	0	0
Product range	0	0	2	2
Other[1]	0	1	3	4

[1] Other factors include for second most important factor includes counts and weights, and for third most important factor, location and stability.

Source: Compiled from data submitted in response to Commission questionnaires.

When asked if they purchased warmwater shrimp from one source although a comparable product was available at a lower price from another source, 18 of 29 responding[53] purchasers reported reasons for doing so, including: quality (meet food safety standards, taste, texture); country of origin (customer preferences for/reputation of country of origin, market based on country of origin ***, preference for domestic/only buy domestic); supply (maintaining supply, on-time shipping, delivery schedule, reliability of supplier); sustainability certification; relationship/loyalty to a supplier; and purchases based on species of shrimp not country. Seventeen of 37 responding purchasers reported that certain types of product were only available from a single source. Differences by country included: different size availability depending on the country, different shrimp species were available at different locations in the United States or different countries, cooked shrimp tended to be available from limited sources, and wild-caught was mainly available from the United States.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 18 factors in their purchasing decisions (table II-9). All 36 responding purchasers reported that product consistency was "very important."[54] Other factors rated as "very important" by most responding purchasers were quality meets industry standards (35 of 37 responding), availability, reliability of supply, taste /flavor profile (34 each); consistency from one shipment to another (33); proper cutting, handling, and packing techniques (32); price (31); quality exceeds industry standards (24); delivery time (21); and delivery terms (18). Factors rated as "not important" by more

[53] Nine of the 29 responding purchasers stated not applicable, or provided negative responses.
[54] One firm responded to most other factors but skipped this factor.

purchasers than rated them as “very important” included extension of credit (17); U.S. transportation costs (13); discounts offered (12); and minimum quantity requirement (11).

Table II-9
Warmwater shrimp: Importance of purchase factors, as reported by U.S. purchasers, by factor

Factor	Very important	Somewhat important	Not important
Availability	34	2	1
Consistency from one shipment to another	33	3	0
Delivery terms	18	15	2
Delivery time	21	12	2
Discounts offered	6	17	12
Extension of credit	5	13	17
Minimum quantity requirements	10	15	11
Packaging	15	13	8
Price	31	7	1
Product consistency	36	0	0
Product range	11	24	2
Proper cutting, handling, and packing techniques	32	4	1
Quality exceeds industry standards	24	12	1
Quality meets industry standards	35	1	1
Reliability of supply	34	2	1
Taste/flavor profile	34	2	0
Technical support/service	17	15	4
U.S. transportation costs	10	13	13

Source: Compiled from data submitted in response to Commission questionnaires.

All 37 purchasers reported characteristics that determine the quality of warmwater shrimp which included: customer acceptance; factors having to do with the aesthetic qualities of the shrimp, (i.e., flavor, appearance, odor, color, no soft shell, and texture); wholesomeness (microbiological parameters, wild with no chemicals, proper freezing, and no decomposition); proper handling (freshness, quickly frozen, not over chemical treatment, reliability of cold chain, and workmanship); consistency (size, color, and flavor consistency); proper packing and records (correct weight, correct species, proper sizing/count, lack of damaged or broken shrimp, and traceability); and meeting specifications.

Supplier certification

Over half of the responding purchasers (19 of 36) require that some of the product they purchase be certified. Thirteen of 19 purchasers that required some certification reported that all warmwater shrimp that they purchased must be certified.[55] All but two of the responding purchasers reporting the share of purchases that must be certified required certification for at

[55] One firm reported requiring certification but did not report the share of product that was required to be certified, however, this firm reported that by 2017 all its product must be certified. Another firm simply reported that the time to achieve certification “varies.”

least 95 percent of their purchasers.[56] A number of different certifications were required including HACCP, BRC, MSC, GAA, and GFSO/GFSI.[57]

Purchasers reported that the time to qualify a new supplier ranged from one week to one year. Just over half the responding purchasers (7 of 13) reported certification times of 3 months or less.

Only one of the 34 responding purchasers (***) reported that suppliers had either lost certification or failed to be certified since 2013. It reported that two Vietnamese producers (***) had been rejected because of problems with antibiotics and factory conditions.[58]

Seven of 37 responding purchasers reported that they had rejected shipments since January 2013. Three reported rejecting a total of 782,350 pounds of domestic warmwater shrimp because of quality, odor, dating, or not meeting specifications. Four reported rejecting a total of 731,800 pounds of imported warmwater shrimp because of bacteria, FDA rejection, and failure to meet standards/specifications. Three of 36 responding purchasers reported that they had required price adjustments due to quality defects, quality concerns, or failure to meet specifications for shipments since January 2013. Two reported price adjustments on a total of 350,000 pounds of domestic product for quality, counts, weight, dating, damage to box, and freezer burn. Two reported price adjustments on a total of 850,000 pounds of imported product for quality, clumping, net weight, and count per pound.[59]

Wild vs farmed shrimp

Purchasers were asked if they had different certification or qualification for wild-caught and farmed shrimp. Only 6 of 36 responding purchasers reported differences, however, two of these were among the four largest purchasers and four of the purchasers reporting differences between wild and farmed shrimp certification were retailers.[60] The purchasers that reported different standards for wild-caught and farmed shrimp generally reported that wild-caught

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[56] One purchaser required certification for 70 percent of its purchases; the other required it for 12 percent of its purchases.

[57] All four of the largest responding purchasers required certification for some or all of their purchases. *** percent of its purchases; it required "various certifications on food safety, quality, HACCP plans etc. We also require those suppliers to agree to and conform to our documented specifications and expectations." *** required certification for all its purchases, including "Responsible Sourcing Audit, Food Safety process, MSC or Fisheries Improvement plan and GAA/BAP-Best Aquaculture Practices." *** percent of its purchases, it required HACCP Compliance (food safety), BAP (best aquaculture practices) certification for plants and farms, BRC (sanitary audit) certifications; various social certifications (SMETA, Intertek, SGS etc.). It also required that "New suppliers undergo a rigorous pre-qualification process, demonstrate they can pack to our tight specifications and reliably deliver on time." *** required certification for all its purchases. Its certification included food safety audits, social compliance audits, plant inspections, and sample review.

[58] ***.

[59] *** reported price adjustments for both U.S. and imported warmwater shrimp.

[60] The retailers were ***. *** also reported differences.

shrimp were covered under MSC or Fisheries Improvement Plan which addressed quota, fleet and catching methods while farmed shrimp needed to be certified under Best Aquaculture Practices (BAP) which cover farming standards, processing plant, feed, and hatcheries requirements.

Most purchasers (26 of 36 responding) purchased both wild-caught and farm-raised warmwater shrimp. Eleven purchasers mainly purchased wild-caught warmwater shrimp, 23 purchased mainly farm-raised warmwater shrimp.[61] Most of the warmwater shrimp purchases (87.7 percent) were of farm-raised warmwater shrimp.

Purchasers were asked if they preferred wild-caught or farmed warmwater shrimp. Fifteen firms reported preferring wild-caught, 8 firms preferred farm-raised, and 16 firms reported no preference.[62]

Firms were asked why they purchased wild, farmed, or both wild and farmed warmwater shrimp. All 14 purchasers that reported purchasing 25 percent or more domestic warmwater shrimp reported preferring wild warmwater shrimp. Reasons for preferring wild shrimp included: wild is superior; customers demand wild; wild shrimp support the local fishing community; sell only domestic; wild shrimp are more sanitary and do not have antibiotics; and ***. Reasons purchasers preferred farm-raised shrimp included: consistent quality and availability; offer customers choices; consistency; farm-raised is good for cooked shrimp products; farmed shrimp is better quality and has better temperature controls after harvesting; and the consistent availability of farmed shrimp allow contracts to supply restaurant chains. Some of the firms that reported no preference reported reasons including: purchase based on quality, availability, and price; carry product that sells/that customers prefer; farm-raised is better for larger shrimp, while wild shrimp are used for smaller shrimp; and wild and farm shrimp are different species but both are wanted by consumers.

Respondent interested parties report that customers in the Gulf Coast region are more likely than purchasers in other regions to prefer domestic wild-caught shrimp to imported farmed shrimp. Respondents claim that purchasers that prefer wild-caught shrimp will not buy farm-raised shrimp even if it is cheaper, for these purchasers wild and farmed shrimp are not interchangeable.[63] Respondents also state that farm-raised shrimp have the advantage over wild-caught shrimp that they are consistently available, are available in large volumes, and have greater uniformity.[64]

Changes in purchasing patterns

Purchasers were asked if they had changed their purchasing patterns from domestic producers, subject producers in subject countries, and from nonsubject sources since 2013 (table II-10). Eight purchasers reported reduced purchases from the United States because of

[61] Two purchasers reported that half the product they purchased was wild-caught and the other half was farm-raised.

[62] Both ***

[63] Hearing transcript, p. 158 (Seidel).

[64] Hearing transcript, p. 162 (Weitzer).

price increases, reduced military business, and low availability. Eight purchasers increased purchases from the United States because of increased consumer demand for a natural product, promotions, and increased variety of SKUs (stock keeping units). Reasons purchasers of U.S. warmwater shrimp noted fluctuating purchases included: imports; purchase frozen when fresh is not available; cost and retail strategy; purchase based on the customers' requirements; and changed volume purchased based on prices.

Table II-10
Warmwater shrimp: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	4	8	8	8	6
Brazil	26	0	0	1	0
China (subject)	21	3	2	2	1
India (subject)	7	2	17	3	2
Thailand (subject)	11	14	4	1	1
Vietnam (subject)	8	12	5	2	2
Other: including nonsubject sources in subject countries	4	7	11	8	2
Sources unknown	14	0	0	1	1

Source: Compiled from data submitted in response to Commission questionnaires.

Three purchasers reported they had reduced purchases of Chinese product, with one stating that this was due to increased Chinese consumption and another stating that it dropped one of its Chinese specifications. Two firms reported reduced purchases of Indian product because of high price while eight firms explained they increased purchases of Indian product because of increased availability/new suppliers, as well as good quality and increased consumer demand. Among the 14 purchasers that reported that they had reduced purchases from Thailand, 11 reported it was due to reasons including price, reduced supply/disease (EMS), concerns about slavery, and a shift to a new line of product from Vietnam (EU organic).[65] Four purchasers explained that they increased their purchases from Thailand, citing increased consumer demand and availability. Five of the 12 purchasers reporting decreasing purchases from Vietnam explained why they had done so. One of these purchasers reported that one of its major suppliers in Vietnam had been under the order, but is no longer, so its purchases of product under the order declined. Other reasons purchasers gave for reduced purchases of Vietnamese product were demand, price, lack of size availability, and the decline in the availability of Black tiger shrimp. Three firms explained why they had increased purchases from Vietnam; reasons given included availability, demand, price, and a new product line (***). Purchasers decreased their purchases from all other sources because of price and availability. Purchasers increased purchases from all other sources because of price, demand, because it

[65] One of the firms reporting reduced purchases of Thai shrimp also reported that Thai supplies were recovering and, as a result, its purchases were increasing.

had increased purchases from a nonsubject firm in Vietnam, and because a supplier shifted from being a subject Vietnamese producer to being a nonsubject Vietnamese producer.

Sixteen of 37 responding purchasers reported that they had changed suppliers since January 1, 2013. Purchasers dropped suppliers due to price, quality, availability, services, and supplier bankruptcy causing inability to deliver. Purchasers added new suppliers because their sales increased, price, they had a new product line (***), they wished to diversify supply, more vendors were available, and to replace vendors that they had dropped.

Nine of 36 responding purchasers reported that there were new suppliers since January 2013, and most of these reported new overseas producers.

Importance of purchasing domestic product

Ten of 35 responding purchasers reported no requirement to purchase U.S.-produced product for any of the warmwater shrimp they purchased, in addition, 10 purchasers reported that there was no domestic requirement for 90 percent or more of their purchases, 9 more reported no requirement for some part of their purchases (table II-11). Six purchasers reported that purchasing U.S. product was required by law,[66] 21 reported that it was required by customers,[67] and 6 reported it was required for other reasons.[68] Reasons reported by purchasers included safer options, no other options, to offer consumers options in addition to imported warmwater shrimp, and purchase only directly from U.S. producers.

Table II-11
Warmwater shrimp: Importance of purchasing domestic product and reason for domestic requirement

Factor	Share of purchases (percent)	Count of firms (number)
Purchases no domestic requirements	90.2	29
Purchases domestic requirements by law	1.2	6
Purchases domestic requirements by customers	7.3	21
Purchases domestic requirements other	1.2	6
Total	100.0	35

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were asked to explain if they purchased limited quantities or no domestic frozen warmwater shrimp in 2015. Twelve purchasers[69] gave reasons for purchasing either little or no domestic product including: customer requested imports because of quality or value

[66] These firms reported it was required for 1 percent (two firms), 5 percent (two firms), 20 percent(one firm), and 100 percent (one firm).

[67] Four of these reported that it was required by customers for all its purchases, 13 reported customers required domestic product for 25 percent or less of their purchases, the other four responses ranged from 50 to 95 percent of purchases customers required domestic product.

[68] Four of these required domestic frozen warmwater shrimp for 5 percent or less of their purchases and one each required domestic product for 20 percent and for 100 percent of purchases.

[69] Purchasers that responded to this question but reported purchasing mainly U.S. product were not included in this count.

added processing; U.S. product was not available or inconsistently available; high freight costs from U.S. processors to the West Coast; lower military demand; the firm does not sell U.S. frozen warmwater shrimp; domestic warmwater shrimp does not meet product packaging and technical requirements; purchase domestic shrimp only when requested by customer, this demand is small; not currently producing any shrimp containing products; and domestic and imported frozen warmwater shrimp are marketed differently.[70]

Comparisons of domestic products and imports

Purchasers were asked a number of questions comparing warmwater shrimp produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 18 factors (table II-12) for which they were asked to rate the importance.

All responding purchasers reported that product consistency is a “very important” purchase factor. For China, India, Thailand, Vietnam, and nonsubject product, the most common response was that U.S. product was comparable on product consistency. Other factors reported as “very important” by nearly all responding purchasers included: quality meets industry standards, availability, reliability of supply,[71] and taste profile. For most of these factors, the most common response was that U.S. product and imported product were comparable. However, with respect to availability, most responding purchasers reported India, Thailand, Vietnam, and nonsubject countries’ product was superior to U.S. product.

[70] In addition, *** of its frozen warmwater shrimp purchases in 2015 and that it was increasing domestic wild-caught shrimp’s share of its frozen warmwater shrimp purchases, and *** of the frozen warmwater shrimp it purchased in 2015 and that it wanted to increase this as supplies were available.

[71] For reliability of supply, one more firm reported that U.S. was inferior than reported that they were comparable for India and nonsubject countries.

Table II-12
Warmwater shrimp: Purchasers' comparisons between U.S.-produced and imported product

Factor	U.S. vs. Brazil			U.S. vs. China			U.S. vs. India		
	S	C	I	S	C	I	S	C	I
Availability	3	3	2	4	5	5	3	6	14
Consistency from one shipment to another	3	3	1	3	7	4	4	12	8
Delivery terms	3	3	1	2	10	2	5	14	5
Delivery time	2	3	1	2	8	2	8	12	2
Discounts offered	1	2	4	2	6	5	2	15	5
Extension of credit	3	2	2	2	7	4	3	13	6
Minimum quantity requirements	5	2	0	6	6	2	10	10	3
Packaging	3	3	1	3	9	2	3	16	5
Price[1]	4	2	1	5	3	6	5	7	12
Product consistency	4	1	2	4	5	5	4	11	9
Product range	2	5	0	2	6	5	4	10	9
Proper cutting, handling, and packing techniques	2	5	0	2	7	4	3	10	10
Quality exceeds industry standards	4	3	0	4	7	2	4	12	7
Quality meets industry standards	4	3	0	4	6	3	5	12	6
Reliability of supply	3	3	1	2	7	4	4	9	10
Taste/flavor profile	5	2	0	5	8	0	10	12	1
Technical support/service	3	1	2	4	6	2	5	10	6
U.S. transportation costs[1]	2	4	1	4	7	2	8	12	2

Factor	U.S. vs. Thailand			U.S. vs. Vietnam			U.S. vs. nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	2	4	14	2	7	10	4	6	13
Consistency from one shipment to another	3	9	8	2	10	8	3	12	9
Delivery terms	4	13	2	4	13	3	4	16	3
Delivery time	9	9	1	9	9	2	10	11	2
Discounts offered	0	14	4	1	14	3	1	17	4
Extension of credit	2	14	2	3	12	3	2	16	3
Minimum quantity requirements	7	10	2	7	10	2	7	13	2
Packaging	1	14	4	3	11	5	2	15	5
Price[1]	2	7	11	3	8	9	2	10	11
Product consistency	3	8	9	5	6	9	4	9	11
Product range	1	10	9	2	11	8	2	11	12
Proper cutting, handling, and packing techniques	1	11	8	3	9	8	2	13	9
Quality exceeds industry standards	2	12	6	4	10	6	4	13	7
Quality meets industry standards	2	13	5	4	11	5	3	16	5
Reliability of supply	2	9	9	2	10	8	5	9	10
Taste/flavor profile	6	13	1	7	12	1	8	13	3
Technical support/service	3	11	5	5	9	5	6	11	5
U.S. transportation costs[1]	9	9	2	10	8	1	10	11	2

[1] A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

Source: Compiled from data submitted in response to Commission questionnaires.

A plurality of responding purchasers reported that U.S. and Brazilian warmwater shrimp were comparable on four factors. A plurality of responding purchasers reported U.S. product was superior for extension of credit, minimum quantity requirement, price, product consistency, quality exceeds industry standards, quality meets industry standard, taste/flavor profile and technical support/service. The Brazilian product was rated as superior for discounts offered and an equal number reported U.S. was superior to Brazil and U.S. and Brazil were comparable on availability, consistency from one shipment to another delivery terms, packaging, and reliability of supply.

A plurality of responding purchasers reported that U.S. and Chinese product were comparable on 14 factors. With respect to price a plurality of purchasers each reported U.S. product was inferior to Chinese product. Equal numbers reported that Chinese product was superior to U.S. product and they were comparable for availability and product consistency, equal numbers reported U.S. was superior and to China and they were comparable for minimum quantity requirement.

A plurality of responding purchasers reported that U.S. and Indian product were comparable on 13 factors. A plurality reported that Indian product was superior on availability, price, and reliability of supply. Ten purchasers each reported that U.S. and Indian product were comparable and Indian product was superior on proper cutting, handling, and packing techniques. For minimum quantity requirement, ten purchasers each reported U.S. product was superior and U.S. and Indian product were comparable.

A plurality of responding purchasers reported that U.S. and Thai product were comparable on 12 factors. A plurality reported Thai product was superior on availability, price, and product consistency. For U.S. transportation costs and delivery time, equal numbers of purchasers reported U.S. product was superior and U.S. and Thai product were comparable. For reliability of supply equal numbers of purchasers reported Thailand was superior and U.S. and Thai product were comparable.

A plurality of responding purchasers reported that U.S. and Vietnamese product were comparable on 13 factors. While a plurality reported U.S. product was superior on U.S. transportation cost and a plurality reported U.S. product was inferior on availability, price, and product consistency. For delivery time, the same number of purchasers reported U.S. product was superior and that U.S. and Vietnamese products were comparable.

A plurality of responding purchasers reported that U.S. and nonsubject product were comparable on 13 factors. A plurality of responding purchasers reported nonsubject product was superior on availability, price, product consistency, product range, and reliability of supply.

Comparison of U.S.-produced and imported warmwater shrimp

In order to determine whether U.S.-produced warmwater shrimp can generally be used in the same applications as imports from subject countries, U.S. producers, importers, and purchasers were asked whether the products can "always," "frequently," "sometimes," or "never" be used interchangeably. As shown in table II-13, most responding producers reported that product from all countries was "always" interchangeable. In contrast, most responding importers reported that U.S. and imported product was either "sometimes" or "never" interchangeable for all country pairs except when comparing the U.S. and Brazil. When they compared the U.S. and Brazil, half the responding importers reported that product was either "always" or "usually" interchangeable and half reported "sometimes" or "never" interchangeable.[72]

Table II-13
Warmwater shrimp: Interchangeability between warmwater shrimp produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. Brazil	16	4	2	3	□	3	2	3	6	2	1	4
U.S. vs. China	16	4	2	3	2	4	4	4	6	2	6	8
U.S. vs. India	16	4	2	3	2	5	6	8	8	4	7	7
U.S. vs. Thailand	16	4	2	3	2	6	7	8	7	5	6	7
U.S. vs. Vietnam	16	4	2	3	2	5	6	8	7	5	6	7
Subject country comparisons:												
Brazil vs. China	14	2	2	1	2	3	1	2	7	3	1	0
Brazil vs. India	14	3	2	1	2	3	1	5	7	3	1	0
Brazil vs. Thailand	14	3	2	1	2	3	2	4	7	3	1	1
Brazil vs. Vietnam	14	3	2	1	2	3	1	4	7	3	1	1
China vs. India	15	3	1	1	3	7	1	4	9	3	5	1
China vs. Thailand	15	3	1	1	4	7	3	3	9	4	4	1
China vs. Vietnam	15	3	1	1	3	7	1	4	9	5	3	1
India vs. Thailand	15	3	1	1	4	12	6	0	12	7	4	0
India vs. Vietnam	15	3	1	1	3	10	7	0	11	8	3	0
Thailand vs. Vietnam	15	3	1	1	3	11	6	0	12	8	3	0
Nonsubject country comparisons:												
U.S. vs. nonsubject	15	3	2	4	2	4	6	8	7	4	7	7
Brazil vs. nonsubject	13	3	1	2	2	3	1	3	7	3	1	1
China vs. nonsubject	13	3	1	2	3	6	1	3	8	3	6	1
India vs. nonsubject	13	3	1	2	3	10	6	1	10	7	5	0
Thailand vs. nonsubject	13	3	1	2	3	11	6	0	10	6	7	0
Vietnam vs nonsubject	14	2	1	2	3	9	7	0	10	6	7	0

Note.--A=Always, F=Frequently, S=Sometimes, N=Never.

Source: Compiled from data submitted in response to Commission questionnaires.

[72] Only one more importer reported that Brazilian product was "sometimes" or "never" interchangeable with product from other sources except for China than reported they were "always" or "frequently" interchangeable. Most responding importers each reported that Brazilian and Chinese product was "always" or "frequently" interchangeable.

Purchaser responses were also mixed. One fewer purchaser reported that U.S. and Thai, and U.S. and Vietnamese product were “always” and “frequently” interchangeable than reported they were “sometimes” and “never” interchangeable. For U.S. and Chinese, U.S. and Indian, and U.S. and nonsubject product the majority of responding purchasers reported that they were either “sometimes” or “never” interchangeable. For U.S. and Brazil product, most responding firms reported that they were “always” or “frequently” interchangeable. When comparing subject country pairs, and subject country with nonsubject counties, most purchasers responded that product was either “always” or “frequently” interchangeable.

Differences reported by purchasers between country pairs included differences in the types of product available, quality, and availability. Different types of product include: imported product is available with value added processing not available from U.S. producers; and large sizes produced in some countries are not interchangeable with smaller sizes from other sources. Quality differences included: imports are tainted with chemicals; buyers do not want Chinese for perceived quality; quality of wild-caught U.S. product differs from imported farmed because farmed has more consistency; U.S. product is not competitive with product from India, Thailand, or Vietnam because of quality consistency and year round availability. Availability differences included: no Brazilian imports; and no Chinese imports due to duties on Chinese product.

As can be seen from table II-14, most responding purchasers reported that domestically produced warmwater shrimp and warmwater shrimp from all import sources other than Brazil always or usually met minimum quality specifications.[73]

Table II-14
Warmwater shrimp: Ability to meet minimum quality specifications, by source, and number of reporting firms[1]

Source	Always	Usually	Sometimes	Rarely or never
United States	13	11	4	2
Brazil	1	1	0	2
China	4	6	1	2
India	10	12	2	1
Thailand	11	10	2	1
Vietnam	10	12	1	1
Ecuador	9	11	1	1
Indonesia	10	12	2	1
Other	3	8	0	1

[1] Purchasers were asked how often domestically produced or imported warmwater shrimp meets minimum quality specifications for their own or their customers’ uses.

Source: Compiled from data submitted in response to Commission questionnaires.

[73] Only four purchasers responded for Brazil and two of these reported that Brazilian product rarely or never met minimum quality specifications.

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of warmwater shrimp from the United States, subject, or nonsubject countries. As seen in table II-15, most responding U.S. producers reported that there were “never” significant differences other than price between any of the country pairs listed.

The responses of the importers were more varied. Most responding importers reported that there were “always” or “frequently” differences other than price between product from U.S. and India, U.S. and Thailand, U.S. and Vietnam, and U.S. and nonsubject countries. Most responding importers reported that there were “sometimes” or “never” differences other than price between U.S. and Brazilian and U.S. and Chinese product. For all other country pairs, a plurality of importers reported that there were “sometimes” or “never” differences other than price between warmwater shrimp from the country pairs.

Purchaser responses also tended to vary for comparisons including U.S. warmwater shrimp. Purchasers were evenly divided between those reporting that there are “always” and “frequently” differences other than price and those reporting there are “sometimes” or “never” differences other than price between warmwater shrimp from the U.S. and India, U.S. and Thailand, and U.S. and Vietnam. When comparing U.S. product with product from Brazil, most purchaser responses were that there are “sometimes” or “never” differences other than price. When comparing U.S. product and product from China, most responding purchasers reported that there are “always” or “frequently” differences other than price. Most purchasers, however, reported that there are either “sometimes” or “never” differences other than price for all other country pairs.

Table II-15
Warmwater shrimp: Significance of differences other than price between warmwater shrimp produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. Brazil	2	6	2	12	2	2	3	3	4	1	2	6
U.S. vs. China	2	6	3	12	3	3	4	4	7	5	3	6
U.S. vs. India	2	5	4	12	10	3	4	3	8	6	7	7
U.S. vs. Thailand	2	6	3	12	12	3	4	4	8	6	7	7
U.S. vs. Vietnam	2	6	3	12	11	3	4	3	8	6	8	6
Subject countries comparisons:												
Brazil vs. China	2	4	0	10	1	2	2	4	0	2	2	4
Brazil vs. India	2	5	0	11	1	2	2	4	0	3	2	4
Brazil vs. Thailand	2	5	0	11	1	2	2	4	0	2	3	4
Brazil vs. Vietnam	2	5	0	11	1	2	2	4	0	2	3	4
China vs. India	2	4	0	11	1	2	5	4	0	2	9	5
China vs. Thailand	2	4	0	11	2	2	5	5	0	3	7	6
China vs. Vietnam	2	4	0	11	1	2	5	5	0	3	7	6
India vs. Thailand	2	4	0	11	4	2	9	6	0	3	14	6
India vs. Vietnam	2	4	0	11	2	3	8	7	0	3	14	6
Thailand vs. Vietnam	2	4	0	11	2	3	7	8	0	5	12	7
Nonsubject countries comparisons:												
U.S. vs. nonsubject	2	7	3	12	10	2	5	3	8	5	9	7
Brazil vs. nonsubject	2	6	0	11	1	2	3	4	0	2	3	4
China vs. nonsubject	2	5	0	11	1	2	6	4	0	2	9	5
India vs. nonsubject	2	5	0	11	2	2	10	6	0	2	15	6
Thailand vs. nonsubject	2	5	0	11	2	2	9	6	0	2	15	7
Vietnam vs nonsubject	2	5	0	11	2	2	9	6	0	2	16	6

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

Source: Compiled from data submitted in response to Commission questionnaires.

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties' comment on these estimates are included below.

U.S. supply elasticity

The domestic supply elasticity[74] for warmwater shrimp measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of warmwater shrimp. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced warmwater shrimp. Analysis of these factors earlier indicates that the U.S. industry is likely to have some ability to increase or decrease shipments to the U.S. market; an estimate in the range of 2 to 5 is suggested. However, this is limited by how much can be harvested.

Respondents believe that the domestic supply elasticity is well below 2 to 5. They emphasize that this estimate does not take into account the most important supply constraint for U.S. processors: the availability of shrimp. In addition, capacity numbers are based on the assumption of year-round production, while shrimp harvesting is seasonal and therefore processing can only be done seasonally. In addition, domestic inventories are relatively high in December because this shrimp must supply the market during January through March "when there is no fishing activity."[75] Domestic producers challenge the view that U.S. supply is not affected by price, they claim that, even if the size of the shrimping fleet may not respond quickly to the price of shrimp, the amount of shrimping activity carried out by the boats is determined by the price of shrimp.[76]

U.S. demand elasticity

The U.S. demand elasticity for warmwater shrimp measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of warmwater shrimp. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the warmwater shrimp in the production of any downstream products. Based on the available information, the aggregate demand for warmwater shrimp is likely to be moderately elastic; a range of -1 to -3 is suggested.

Respondents believe that the long-term stability of apparent consumption in spite of wide price variations, indicates that demand elasticity is "closer to the lower range (-1 to -3) suggested by the staff."[77]

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[74] A supply function is not defined in the case of a non-competitive market.

[75] Joint respondents' prehearing brief, pp. 8-9.

[76] "A long time ago before the flood of dumped shrimp imports, back when prices were higher, you could get a decent night's work if you pulled in 250 pounds of shrimp. Now to meet our expenses at current prices, we need to produce around 1,000 pounds of shrimp. If we cannot produce that amount, the fleet does not go out and we do not catch anything. Therefore, the reality is that the fleet catches less shrimp." Hearing transcript, p. 46 (Bosarge).

[77] Joint respondents' prehearing brief, p. 21 and hearing transcript, p. 176 (Dougan).

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[78] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, et cetera) and conditions of sale (e.g., availability, sales terms/ discounts/ promotions, et cetera). Based on available information, the elasticity of substitution between U.S.-produced warmwater shrimp and imported warmwater shrimp is likely to be in the range of 3 to 5.

[78] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

The information in this section of the report was compiled from responses to the Commission's questionnaires. Thirty-five processors (28 provided useable data), which accounted for virtually all of U.S. production of warmwater shrimp during 2015, supplied information on their operations in these reviews.[1] The Commission also received useable U.S. farmers'/fishermen's questionnaires from 182 firms, believed to have accounted for approximately 11.9 percent of U.S. wild-caught and farmed warmwater shrimp during 2015.[2]

Changes experienced by the industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of warmwater shrimp since January 1, 2013. Seventeen of the 35 domestic producers (which provided responses in these reviews) indicated that they had experienced such changes; their responses are presented in table III-1.

Table III-1
Warmwater shrimp: U.S. processors' reported changes in operations, since January 1, 2013

*   *   *   *   *   *   *

In addition, U.S. processors were asked whether the Gulf oil spill and/or other weather-related events affected their supply of warmwater shrimp since January 1, 2013. Fourteen of 35 responding processors reported that they had experienced such effects on their supply; their responses are presented in table III-2. Eight firms reported that the warmwater shrimp supply has been affected by the Gulf oil spill and/or the subsequent BP claims, which has "caused a reduction in shrimping effort{s}." Several firms also reference the historic rainfall and flooding of 2016, which negatively affected the supply of warmwater shrimp.

[1] Staff's coverage estimate is based on comparison of data compiled from Commission questionnaires to official NMFS statistics for wild-caught and farmed warmwater shrimp for the Gulf and Southern Atlantic regions. Seven of the 35 firms, ***, did not provide usable data in their questionnaire responses.

[2] Data for the U.S. farmers/fishermen are presented in Appendix E.

Table III-2
Warmwater shrimp: Changes in operation due to Gulf oil spill or other weather related event, since January 1, 2013

*   *   *   *   *   *   *

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of warmwater shrimp. Their responses appear in table III-3.

Table III-3
Warmwater shrimp: Anticipated changes in the character of U.S. operations

*   *   *   *   *   *   *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-4 and figure III-1 present U.S. processors' production, capacity, and capacity utilization. Processors' capacity and production increased during 2013-15, by 3.7 percent and 4.4 percent, respectively. Warmwater shrimp production was 8.0 percent higher in January-September 2016 when compared to January-September 2015. Four processors, ***, reported an overall increase in capacity during 2013-15, with *** accounting for the vast majority. According to hearing testimony, the U.S. industry maintains excess capacity because of the seasonality of shrimp.[3] Two processors, *** reported only toll operations,[4] while one processor, ***, outsources all processing. *** reported both toll and non-toll operations.

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[3] Hearing transcript, p. 117 (Rickard).
[4] *** provided an incomplete questionnaire response and is excluded from the dataset.

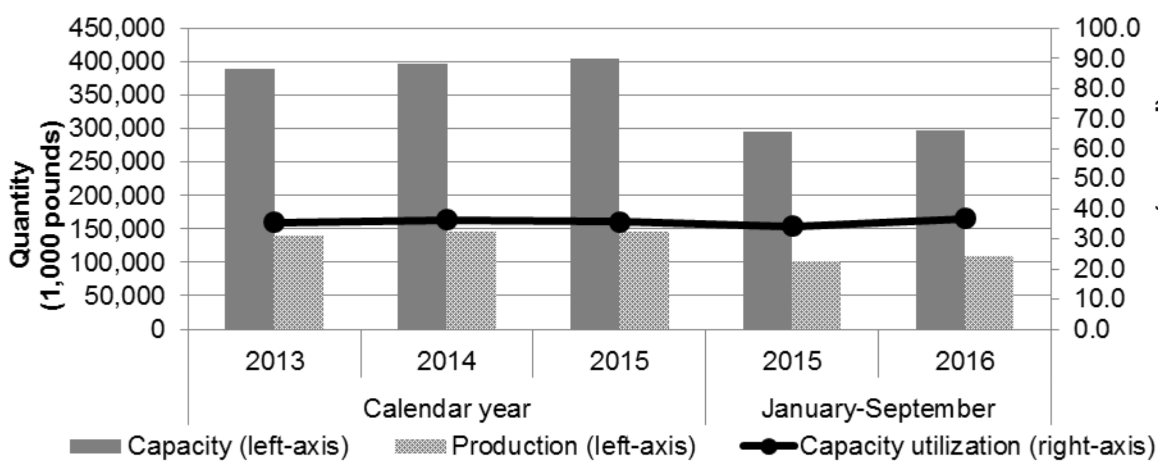
Table III-4
Warmwater shrimp: U.S. processors’ capacity, production, and capacity utilization, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Capacity	390,352	396,707	404,655	295,859	296,422
Production.-- Wild caught	***	***	***	***	***
Farm raised	***	***	***	***	***
Total production	138,448	144,410	144,547	101,009	109,137
	Ratio (percent)				
Capacity utilization	35.5	36.4	35.7	34.1	36.8

Note—*** reported processing capacity that exceeded their freezing capacity, citing that freezing capacity is just one factor of processing capacity. *** reported processing capacity that was less than their freezing capacity.
Note—Staff allocated capacity for *** based on a ratio of its total subject production to overall plant capacity.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-1
Warmwater shrimp: U.S. processors’ capacity, production, and capacity utilization, 2013-15, January-September 2015, and January-September 2016



Source: Compiled from data submitted in response to Commission questionnaires.

Constraints on capacity

Twenty-four of the 35 responding U.S. producers reported constraints in the manufacturing process. Table III-5 presents the firms’ ranking of constraints. Seventeen processors reported the live shrimp supply as the most important constraint, while 11 processors listed freezer/storage capacity as the second most important constraint. Responses by U.S. fishermen concerning the limitations on shrimp fishing activities and the impact of the Gulf oil spill since January 1, 2013 are presented in appendix E.

Table III-5
Warmwater shrimp: U.S. processors' production constraints

Factor	1st	2nd	3rd	4th	5th	Total
	Number of times factor cited (count)					
Shrimp supply / availability	17	8	3	0	1	29
Freezer / storage / capacity	4	11	9	8	7	39
Labor / workforce / employees	0	4	5	6	2	17
Sales / price / cost	5	3	2	0	0	10
All other factors	7	3	2	4	3	19

Source: Compiled from data submitted in response to Commission questionnaires.

Freezing capacity

Table III-6 presents U.S. processors' total freezing capacity.

Table III-6
Warmwater shrimp: U.S. processors' overall freezing capacity, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Overall capacity (1,000 pounds)				
Overall capacity.-- Block freezing capacity	266,463	269,509	270,473	198,178	197,891
IQF freezing capacity	149,254	151,748	154,044	113,710	113,678
Total overall capacity	415,717	421,257	424,517	311,888	311,569
	Share of capacity (percent)				
Share of total overall capacity.-- Block freezing capacity	64.1	64.0	63.7	63.5	63.5
IQF freezing capacity	35.9	36.0	36.3	36.5	36.5
Total overall capacity	100.0	100.0	100.0	100.0	100.0

Footnotes continued on next page.
Note.—*** reported processing capacity approximately *** pounds over their freezing capacity, and *** reported estimates for their processing capacity that was less than their freezing capacity.

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

*** of thirty-five domestic processors (***) reported that they process other products utilizing the same equipment and related workers used to produce warmwater shrimp, which accounted for *** percent and *** percent of overall production in 2015, respectively. Overall, production of other products accounted for *** percent of total U.S. production on the same machinery and equipment. Alternative products included hybrid striped bass, fresh farm raised shrimp on ice (***), and breaded shrimp (***).

U.S. PROCESSORS' U.S. SHIPMENTS AND EXPORTS

Table III-7 presents U.S. processors' U.S. shipments, export shipments, and total shipments. The quantity of U.S. processors' U.S. shipments fluctuated between 2013 and 2015, and decreased slightly overall, by 0.3 percent, but was 10.4 percent higher in January-September 2016 when compared to January-September 2015. Similarly, the value of U.S. shipments decreased by 14.2 percent during 2013-15, but was 10.1 percent higher in January-September 2016 when compared to January-September 2015. U.S. processors' U.S. shipments accounted for the vast majority of total shipments (*** percent based on quantity in 2015). *** reported exports, which increased overall by *** percent during 2013-15, and were higher in January-September 2016 than in January-September 2015 (by *** percent).

Table III-7
Warmwater shrimp: U.S. processors' U.S. shipments, exports shipments, and total shipments, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
U.S. shipments	146,529	136,603	146,159	102,581	113,226
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments	684,354	752,391	587,497	417,893	460,286
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. shipments	4.67	5.51	4.02	4.07	4.07
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of quantity (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. PROCESSORS' INVENTORIES

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. The domestic industry's inventories of warmwater shrimp increased by 21.6 percent from 2013-15, but were 12.9 percent lower in interim 2016 when compared to interim 2015. The ratios of inventories to production and U.S. shipments, peaked in 2014, and were 19.3 percent and 19.1 percent in 2015, respectively; they were lower in interim 2016 compared to interim 2015.

Table III-8
Warmwater shrimp: U.S. processors' inventories, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
U.S. producers' end-of-period inventories	22,938	29,871	27,886	25,285	22,035
	Ratio (percent)				
Ratio of inventories to.-- U.S. production	16.6	20.7	19.3	18.6	15.1
U.S. shipments	15.7	21.9	19.1	18.5	14.6
Total shipments	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. PROCESSORS' IMPORTS AND PURCHASES

Table III-9 presents data on individual U.S. producers' U.S. production and U.S imports of warmwater shrimp from subject sources.[5] Table III-10 presents data on individual U.S. producers' reported purchases of warmwater shrimp imported from subject sources as well as the ratio of such purchases to U.S. production.

Table III-9
Warmwater shrimp: U.S. processors' U.S. imports, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

Table III-10
Warmwater shrimp: U.S. processors' U.S. purchases of subject imports, 2013-15, January to September 2015, and January to September 2016

* * * * * * *

[5] In addition, ***.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-11 shows U.S. producers' employment-related data. All employment-related indicators increased overall between 2013 and 2015, with the exception of unit labor costs, which remained flat. The number of production-related workers engaged in the production of warmwater shrimp increased by 2.8 percent during 2013-15, and was slightly higher in interim 2016 when compared to interim 2015. Hours worked and wages paid similarly increased during the same period, by 3.2 percent and 3.5 percent, respectively, and were higher in interim 2016 than in interim 2015 (by 9.9 percent and 6.0 percent, respectively).

Table III-11
Warmwater shrimp: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
Production-Related Workers (PRWs) (number)	1,272	1,344	1,308	1,240	1,248
Total hours worked (1,000 hours)	2,243	2,324	2,315	1,690	1,857
Hours worked per PRW (hours)	1,763	1,729	1,770	1,363	1,488
Wages paid ($1,000)	31,127	32,570	32,210	23,393	24,806
Hourly wages (dollars per hour)	$13.88	$14.01	$13.91	$13.84	$13.36
Productivity (pounds per hour)	61.7	62.1	62.4	59.8	58.8
Unit labor costs (dollars per pounds)	$0.22	$0.23	$0.22	$0.23	$0.23

Source: Compiled from data submitted in response to Commission questionnaires.

FINANCIAL EXPERIENCE OF THE U.S. PROCESSORS

Introduction

Twenty-seven U.S. processors provided usable financial data on their operations on warmwater shrimp.[6] These data are believed to account for the majority of U.S. processing of warmwater shrimp in 2015. Overall, net sales consisted of commercial sales and minor amounts of internal consumption and related party transfers.[7]

Operations on warmwater shrimp

Income-and-loss data for U.S. processors of warmwater shrimp are presented in table III-12, while selected financial data, by firm, are presented in table III-13.[8] [9] The reported profitability of the U.S. industry declined from 2013 to 2015. The reported aggregate net sales quantity declined by 0.5 percent, while the aggregate net sales value declined by 14.2 percent.

Operating expenses which include both the cost of goods sold ("COGS") and selling, general, and administrative ("SG&A") expenses declined by 14.1 percent during the same period. Operating income declined as a result of the slightly larger decline in revenue compared to operating costs and expenses.[10]

Net sales quantity, value, and profitability were notably higher in January-September 2016 than in January-September 2015. The reported aggregate net sales quantity was higher by 12.0 percent, while the aggregate net sales value was higher by 11.2 percent. Operating expenses were 8.3 percent higher in January-September 2016 than in January-September 2015. Gross, operating, and net income were higher as a result of the larger increase in revenue compared to operating expenses, with both operating and net profitability improving from losses in interim 2015 to the largest operating and net profits of the reporting period. Further, net income was higher due to increased "other income" between the comparable interim periods.

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[6] Most processors reported a fiscal year end of December 31.

[7] Reported internal consumption and related party transfers, combined, were *** percent of total net sales quantity and *** percent of total net sales value from January 2013 to September 2016. Non-commercial sales are included but not shown separately in this section of the report. ***.

[8] ***.

[9] Income-and-loss data for U.S. farmers/fishermen are presented in appendix E.

[10] In contrast, there was a small increase in gross profit during this time, while net income showed a more significant decline than operating income primarily due to a decrease in "other income." From 2013 to 2015, other expense irregularly declined by $1.2 million, while other income continuously declined by $3.7 million. Interest expense was fairly consistent in each full year. Between the comparable interim periods, other expense was $1.3 million higher, while other income was 5.6 million higher. Interest expense was fairly consistent in both interim periods.

***.

Table III-12
Warmwater shrimp: Results of operations of U.S. processors, 2013-15, January-September 2015, and January-September 2016

Item	Fiscal year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Total net sales	146,513	136,353	145,786	103,358	115,785
	Value (1,000 dollars)				
Total net sales	689,204	757,908	591,210	428,770	476,886
Total COGS	629,388	697,806	529,920	390,534	424,373
Gross profit or (loss)	59,816	60,102	61,290	38,236	52,513
SG&A expense	54,617	54,958	57,227	40,053	42,050
Operating income or (loss)	5,199	5,144	4,063	(1,817)	10,463
Other income or (expense), net	(855)	1,136	(3,832)	(1,303)	2,699
Net income or (loss)	4,344	6,280	231	(3,120)	13,162
Depreciation	6,498	6,203	5,868	3,798	4,000
Estimated cash flow	10,842	12,483	6,099	678	17,162
	Ratio to net sales (percent)				
Cost of goods sold-- Raw materials	79.2	81.5	74.9	76.7	75.5
All other COGS	12.1	10.6	14.8	14.4	13.5
Average total COGS	91.3	92.1	89.6	91.1	89.0
Gross profit or (loss)	8.7	7.9	10.4	8.9	11.0
SG&A expenses— Corporate officers' salaries	1.3	1.1	1.5	1.6	1.2
All other SG&A expenses	6.6	6.1	8.2	7.8	7.6
Average total SG&A expenses	7.9	7.3	9.7	9.3	8.8
Operating income or (loss)	0.8	0.7	0.7	(0.4)	2.2
Net income or (loss)	0.6	0.8	0.04	(0.7)	2.8
	Unit value (dollars per pound)				
Total net sales	4.70	5.56	4.06	4.15	4.12
Cost of goods sold-- Raw materials	3.73	4.53	3.04	3.18	3.11
All other COGS	0.57	0.59	0.60	0.60	0.55
Average total COGS	4.30	5.12	3.63	3.78	3.67
Gross profit or (loss)	0.41	0.44	0.42	0.37	0.45
SG&A expenses— Corporate officers' salaries	0.06	0.06	0.06	0.07	0.05
All other SG&A expenses	0.31	0.34	0.33	0.32	0.31
Average total SG&A expenses	0.37	0.40	0.39	0.39	0.36
Operating income or (loss)	0.04	0.04	0.03	(0.02)	0.09
Net income or (loss)	0.03	0.05	0.002	(0.03)	0.11
	Number of firms reporting				
Operating losses	12	11	14	13	10
Net losses	9	10	12	12	7
Data	26	27	27	27	27

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-13
Warmwater shrimp: Selected results of operations of U.S. processors, by firm, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

Per-pound revenue declined from 2013 to 2015, and was lower in January-September 2016 than in January-September 2015.[6] On a per-pound basis, raw materials (primarily shrimp and prawn costs) decreased from 2013 to 2015, and were also lower in January-September 2016 than in January-September 2015.[7] All other COGS modestly increased from 2013 to 2015, and were lower between the comparable interim periods.[8] In combination, per-pound COGS declined from 2013 to 2015, and was also lower in January-September 2016 than in January-September 2015. Per-pound SG&A expenses modestly increased from 2013 to 2015, and were somewhat lower in January-September 2016 than in January-September 2015.[9]

The aforementioned trends in per-pound revenue and costs contributed to relatively stable or declining per-pound profitability from 2013 to 2015, and higher per-pound profitability in January-September 2016 than in January-September 2015.

As a ratio to net sales, raw material costs declined from 2013 to 2015 while all other COGS increased. Both raw material costs and all other COGS were lower in January-September 2016 than in January-September 2015. SG&A expenses increased as a ratio to net sales from 2013 to 2015, and were lower in January-September 2016 than in January-September 2015.[10]

The aforementioned trends in COGS and SG&A expenses as ratios to net sales contributed to an improvement in gross profits, but lower operating and net income as ratios to net sales from 2013 to 2015. Between the comparable interim periods, profitability as a ratio to net sales was higher.

Raw material costs, which as previously stated are primarily shrimp and prawn costs, accounted for an average of 86.2 percent of total COGS from 2013 to September 2016, and had a notable impact on the trends in COGS during this time.

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[6] Net sales declined by $0.64 per pound between 2013 and 2015, and were $0.03 per pound lower in January-September 2016 than January-September 2015.

[7] Raw material costs declined by $0.69 per pound between 2013 and 2015, and were $0.07 per pound lower in January-September 2016 than January-September 2015.

[8] All other COGS increased by $0.03 per pound between 2013 and 2015, and were $0.05 per pound lower in January-September 2016 than January-September 2015.

[9] SG&A expenses increased by $0.02 per pound between 2013 and 2015, and were $0.03 per pound lower in January-September 2016 than January-September 2015.

[10] The Commission's processors' questionnaire requested a break-out between corporate officers' salaries/bonuses and all other SG&A expenses. Aggregate data reveal that corporate officers' compensation represented 15.5 percent of total SG&A expenses from January 2013 to September 2016, and the aggregate value declined between the full year and comparable interim periods. Of the 27 processors that provided usable financial data, 19 provided separate data on such compensation. If those 19 firms are analyzed separately, corporate compensation represented 20.7 percent of total SG&A expenses during the period for which data were requested.

U.S. processors were requested to provide some detail on income reported as part of warmwater shrimp operations that reflect CDSOA receipts, Gulf oil compensation from BP, and revenue received as a result of employment in oil spill clean-up efforts. Table III-14 presents the aggregate results of reported CDSOA receipts and Gulf oil compensation for the 27 usable U.S. processor questionnaires. No firms reported income from oil spill clean-up efforts.

U.S. processors were asked about prospective CDSOA receipts and BP settlement disbursements. Of the 27 usable questionnaires, 10 reported that no future CDSOA receipts or BP settlement disbursements are expected, while 16 reported the expectation of such income.[11] Table III-15 presents the additional detail provided by processors that expect future CDSOA receipts or Gulf oil compensation from BP.[12]

Table III-14
Warmwater shrimp: CDSOA receipts and Gulf oil compensation from BP as reported by U.S. processors, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

Table III-15
Warmwater shrimp: Comments from U.S. processors with affirmative responses regarding prospective CDSOA receipts and Gulf oil compensation from BP, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

Capital expenditures, total assets, and return on assets

The responding firms' aggregate data on capital expenditures, total assets, and return on assets ("ROA") are shown in table III-16. Twenty firms reported capital expenditures, and no firms reported research and development ("R&D") expenses. Aggregate capital expenditures declined irregularly from 2013 to 2015, and were higher in January-September 2016 than in January-September 2015. The total assets utilized in the production, warehousing, and sale of warmwater shrimp increased from 2013 to 2014, then declined in 2015 to a level slightly lower than 2013. The ROA declined from 3.4 percent in 2013 to 2.7 percent in 2015.[13]

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[11] *** did not respond to this question.

[12] Both the Domestic Interested Parties and Respondents provided additional information on current and future CDSOA receipts and Gulf oil compensation from BP. *See* ASPA posthearing brief, Answers to Questions, Broadbent 1 – Remaining CDSOA Funds and BP Compensation, and exhibits 1-3; Joint Respondents' posthearing brief, Answers to Commissioners' Questions, pp. 136-137.

[13] The return on assets is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations were generally required in order to report a total asset value for warmwater shrimp.

Table III-16
Warmwater shrimp: Capital expenditures, total assets, and return on assets of U.S. processors, 2013-15, January-September 2015, and January-September 2016

Item	Fiscal year			January-September	
	2013	2014	2015	2015	2016
	Value ($1,000)				
Capital expenditures	6,187	7,790	5,263	4,231	6,417
Total assets	152,504	171,776	152,326		
	Percent				
ROA	3.4	3.0	2.7		

Source: Compiled from data submitted in response to Commission questionnaires.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Overview

The Commission issued questionnaires to 65 firms believed to have imported warmwater shrimp between January 2013 to September 2016. Twenty-six firms provided data and information in response to the questionnaires. Based on adjusted Commerce statistics for imports of warmwater shrimp, importers' questionnaire data accounted for *** percent of total U.S. imports and *** percent of total subject imports during 2015. Firms responding to the Commission's questionnaire accounted for the following shares of individual subject country's subject imports (as a share of adjusted import statistics, by quantity) during 2015.

- There were no subject imports from Brazil in 2015.
- *** percent of the subject imports from China
- *** percent of the subject imports from India
- *** percent of subject imports from Thailand
- *** percent of subject imports from Vietnam

In light of the data coverage by the Commission's questionnaires, import data in this report are based on official Commerce statistics for warmwater shrimp, adjusted with proprietary Customs records to account for certain companies that are no longer subject to the antidumping duty orders.[1] [2]

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[1] U.S. official import data from subject countries were adjusted to remove the following nonsubject producers: China--Allied Pacific Group, Shantou Red Garden Foodstuff Co., Ltd., Yelin Enterprise Co. Hong Kong, Zhanjiang Guolian Aquatic Products Co., Ltd., and Zhanjiang Regal Integrated Marine Resources Co., Ltd; India--Devi Sea Foods Limited; Thailand—Thai I-Mei Frozen Foods Co., Ltd., the Rubicon Group, and Marine Gold Products Limited; and Vietnam—Minh Phu Group. The Minh Phu Group was excluded from the antidumping duty order effective July 18, 2016. Import entries after July 2016 with respect to Minh Phu Group are classified as "nonsubject." For additional information, please see section titled "Company revocations," in Part I of this report.

[2] The products covered by these reviews are currently classified under the following HTS statistical reporting numbers: 0306.17.0003, 0306.17.0006, 0306.17.0009, 0306.17.0012, 0306.17.0015, 0306.17.0018, 0306.17.0021, 0306.17.0024, 0306.17.0027, 0306.17.0040, 1605.21.1030, and 1605.29.1010.

Imports from subject and nonsubject countries

Table IV-1 and figure IV-1 present information on subject U.S. imports of warmwater shrimp from Brazil, China, India, Thailand, and Vietnam, as well as nonsubject imports from China, India, Thailand, Vietnam, and all other sources over the period examined. Total U.S. imports increased overall during 2013-15, by 17.4 percent and 4.0 percent, based on quantity and value respectively. The quantity of subject imports increased by *** percent during the same period, while the value of subject imports increased *** by *** percent. The quantity and value of subject imports were higher in interim 2016 when compared to interim 2015, by *** percent and *** percent, respectively. The ratio of subject imports to U.S. production increased during 2013-15, and subject imports were equivalent to *** percent of U.S. production in 2015. U.S. import trends during the period of review were affected in part by the global EMS outbreak.[3] Imports from countries that were affected by EMS such as China and Thailand, decreased during the period, while imports from India and nonsubject sources increased substantially.

[3] Hearing transcript, p. 108 (Hooper).

Table IV-1
Warmwater shrimp: U.S. imports by source, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
U.S. imports from.-- Brazil subject	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
Nonsubject sources in subject countries	***	***	***	***	***
All other sources	487,546	613,446	600,388	442,576	420,181
Nonsubject	***	***	***	***	***
Total U.S. imports	995,724	1,144,958	1,168,585	825,631	861,130
	Value (1,000 dollars)				
U.S. imports from.-- Brazil subject	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
Nonsubject sources in subject countries	***	***	***	***	***
All other sources	2,289,796	3,191,685	2,510,377	1,863,109	1,747,642
Nonsubject	***	***	***	***	***
Total U.S. imports	4,977,865	6,424,588	5,178,162	3,699,846	3,792,978

Table continued on next page.

Table IV-1--Continued
Warmwater shrimp: U.S. imports by source, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Unit value (dollars per pound)				
U.S. imports from.-- Brazil subject	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
Nonsubject sources in subject countries	***	***	***	***	***
All other sources	4.70	5.20	4.18	4.21	4.16
Nonsubject	***	***	***	***	***
Total U.S. imports	5.00	5.61	4.43	4.48	4.40
	Share of quantity (percent)				
U.S. imports from.-- Brazil subject	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
Nonsubject sources in subject countries	***	***	***	***	***
All other sources	***	***	***	***	***
Nonsubject	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table IV-1--Continued
Warmwater shrimp: U.S. imports by source, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Share of value (percent)				
U.S. imports from.-- Brazil subject	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
Nonsubject sources in subject countries	***	***	***	***	***
All other sources	46.0	49.7	48.5	50.4	46.1
Nonsubject	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
	Ratio to converted U.S. production (percent)				
U.S. imports from.-- Brazil subject	***	***	***	***	***
China subject	***	***	***	***	***
India subject	***	***	***	***	***
Thailand subject	***	***	***	***	***
Vietnam subject	***	***	***	***	***
Subject sources	***	***	***	***	***
China nonsubject	***	***	***	***	***
India nonsubject	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***
Nonsubject sources in subject countries	***	***	***	***	***
All other sources	362.5	472.9	424.4	536.0	562.2
Nonsubject	***	***	***	***	***
Total U.S. imports	740.4	882.6	826.1	999.8	1,152.3

Source: Official U.S. imports with adjustments based on proprietary Customs records to identify nonsubject sources from subject countries and NMFS data (converted U.S. production).

Figure IV-1

Warmwater shrimp: U.S. import volumes and prices, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

Leading nonsubject sources of imports

During the period for which data were collected, imports of warmwater shrimp entered the United States from several sources. The leading nonsubject sources are shown in table IV-2. The total quantity of nonsubject imports increased during 2013-15, and were lower in interim 2016 when compared to interim 2015. The top leading nonsubject sources of imports were Indonesia and Ecuador, accounting for 20.6 percent and 15.7 percent in 2015, respectively. According to hearing testimony, imports from Malaysia and Ecuador were lower in January-September 2016 than in January-September 2015 due to an FDA ban related to antibiotics found in Malaysian shrimp and Ecuador's increased exports to China.[4]

[4] Hearing transcript, p. 182 (Dougan).

Table IV-2
Warmwater shrimp: U.S. imports from leading nonsubject sources, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Nonsubject U.S. imports from.-- Indonesia	170,786	219,271	241,170	181,253	191,155
Ecuador	156,430	199,424	183,559	144,290	119,861
Mexico	29,260	43,851	59,894	28,882	29,110
Thailand nonsubject	***	***	***	***	***
Peru	19,845	25,878	22,644	18,476	16,341
India nonsubject	***	***	***	***	***
Malaysia	20,986	38,782	18,231	17,498	386
Guyana	19,255	14,730	16,021	13,386	15,935
Argentina	3,710	9,783	10,961	7,178	11,456
China nonsubject	***	***	***	***	***
Honduras	18,777	17,507	10,478	6,593	5,350
Panama	10,429	9,002	6,885	4,891	4,177
Nicaragua	6,723	6,035	5,073	2,387	3,775
All other sources	31,345	29,183	25,471	17,744	22,635
Nonsubject sources	***	***	***	***	***
	Share of total U.S. imports (percent)				
Nonsubject U.S. imports from.-- Indonesia	17.2	19.2	20.6	22.0	22.2
Ecuador	15.7	17.4	15.7	17.5	13.9
Mexico	2.9	3.8	5.1	3.5	3.4
Thailand nonsubject	***	***	***	***	***
Peru	2.0	2.3	1.9	2.2	1.9
India nonsubject	***	***	***	***	***
Malaysia	2.1	3.4	1.6	2.1	0.0
Guyana	1.9	1.3	1.4	1.6	1.9
Argentina	0.4	0.9	0.9	0.9	1.3
China nonsubject	***	***	***	***	***
Honduras	1.9	1.5	0.9	0.8	0.6
Panama	1.0	0.8	0.6	0.6	0.5
Nicaragua	0.7	0.5	0.4	0.3	0.4
All other sources	3.1	2.5	2.2	2.1	2.6
Nonsubject sources	***	***	***	***	***

Source: Official U.S. imports with adjustments based on proprietary Customs records.

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO SEPTEMBER 30, 2016

The Commission requested importers to indicate whether they had imported or arranged for the importation of warmwater shrimp from Brazil, China, India, Thailand, Vietnam, and all other sources for delivery after September 30, 2016. *** of 24 responding importers indicated that they had arranged such imports. These data are presented in table IV-3.

Table IV-3
Warmwater shrimp: U.S. importers' arranged imports

*   *   *   *   *   *   *

U.S. IMPORTERS' INVENTORIES

Table IV-4 presents data for inventories of U.S. imports of warmwater shrimp from Brazil, China, India, Thailand, and Vietnam, and all other sources held in the United States. Inventories of subject imports increased overall by *** percent between 2013 and 2015. Inventories of subject imports were *** percent higher in January-September 2016 when compared January-September 2015. The ratio of importers' inventories to subject imports ranged from *** to *** percent during the period for which data were collected, while the ratio of inventories to nonsubject imports ranged from *** to *** percent.

Table IV-4

Warmwater shrimp: U.S. importers’ end-of-period inventories of imports, by source, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
Imports from Brazil: Inventories (1,000 pounds)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Ratio to total shipments of imports (percent)	***	***	***	***	***
Imports from China subject: Inventories (1,000 pounds)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Ratio to total shipments of imports (percent)	***	***	***	***	***
Imports from India subject: Inventories (1,000 pounds)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Ratio to total shipments of imports (percent)	***	***	***	***	***
Imports from Thailand subject: Inventories (1,000 pounds)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Ratio to total shipments of imports (percent)	***	***	***	***	***
Imports from Vietnam subject: Inventories (1,000 pounds)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Ratio to total shipments of imports (percent)	***	***	***	***	***
Imports from subject: Inventories (1,000 pounds)	50,254	59,241	57,371	52,823	57,844
Ratio to U.S. imports (percent)	26.5	34.6	30.5	31.0	32.4
Ratio to U.S. shipments of imports (percent)	25.7	36.4	30.5	29.8	32.1
Ratio to total shipments of imports (percent)	25.7	36.4	30.5	29.8	32.1
Imports from nonsubject: Inventories (1,000 pounds)	66,588	101,580	103,821	101,420	103,441
Ratio to U.S. imports (percent)	28.2	35.7	35.3	35.2	36.1
Ratio to U.S. shipments of imports (percent)	31.1	40.4	35.9	34.6	36.3
Ratio to total shipments of imports (percent)	31.0	40.1	35.7	34.4	36.1
Imports from all sources: Inventories (1,000 pounds)	116,842	160,821	161,192	154,243	161,285
Ratio to U.S. imports (percent)	27.4	35.3	33.4	33.6	34.7
Ratio to U.S. shipments of imports (percent)	28.5	38.9	33.8	32.8	34.7
Ratio to total shipments of imports (percent)	28.5	38.7	33.6	32.7	34.6

Source: Compiled from data submitted in response to Commission questionnaires.

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-5 presents U.S. processors and U.S. importers' U.S. shipments by type of freezing in 2015. The vast majority of warmwater shrimp sold by U.S. processors in the United States is either block frozen (*** percent) or individually quick frozen (IQF) (*** percent). The majority of U.S. importers' U.S. shipments from any individual source were individually quick frozen (IQF), with *** percent of all subject U.S. importers' shipments being IQF.

Table IV-5
Warmwater shrimp: U.S. shipments, by type of freezing and source, 2015

Item	U.S. processors' U.S. shipments	U.S. importers' U.S. shipments							Processors and importers combined
		China subject	India subject	Thailand subject	Vietnam subject	Subject sources	Nonsubject sources	All import sources	
	Quantity (1,000 pounds)								
Block frozen	***	***	***	***	***	***	***	***	***
IQF	***	***	***	***	***	***	***	***	***
Other	***	***	***	***	***	***	***	***	***
U.S. shipments	146,158	***	***	***	***	***	***	466,105	612,263
	Value (1,000 dollars)								
Block frozen	***	***	***	***	***	***	***	***	***
IQF	***	***	***	***	***	***	***	***	***
Other	***	***	***	***	***	***	***	***	***
U.S. shipments	588,185	***	***	***	***	***	***	2,537,857	3,126,042
	Unit value (dollars per pound)								
Block frozen	***	***	***	***	***	***	***	***	***
IQF	***	***	***	***	***	***	***	***	***
Other	***	***	***	***	***	***	***	***	***
U.S. shipments	4.02	***	***	***	***	***	***	5.44	5.11
	Share of quantity down (percent)								
Block frozen	***	***	***	***	***	***	***	***	***
IQF	***	***	***	***	***	***	***	***	***
Other	***	***	***	***	***	***	***	***	***
U.S. shipments	100.0	***	***	***	***	***	***	100.0	100.0

Note.--Brazil is not displayed separately as no U.S. importer in the dataset reported shipments of imports from Brazil in 2015.

Source: Compiled from data submitted in response to Commission questionnaires.

Presence in the market

Warmwater shrimp produced in the United States was present in the market throughout the period for which data were collected. Table IV-6 and figures IV-2 and IV-3 present the current monthly data for U.S. subject and nonsubject imports of warmwater shrimp between January 2013 and November 2016. Based on proprietary import statistics, subject U.S. imports of warmwater shrimp from India, Thailand, and Vietnam were present in each month during January 2013-November 2016. Subject imports from China were largely present in the market, except for three months in 2014 and two months in 2015. Subject imports from Brazil were largely absent from the market during this period, with small amounts shipped in two months in 2013 and one month in 2014.

Table IV-6
Warmwater shrimp: U.S. imports, by source and month of entry, January 2013-November 2016

Month of entry	Brazil subject	China subject	India subject	Thailand subject	Vietnam subject	Subject sources	Nonsubject sources	Total U.S. imports
	Quantity (1,000 pounds)							
2013.--								
January	0	***	***	***	***	***	***	84,127
February	0	***	***	***	***	***	***	61,784
March	0	***	***	***	***	***	***	65,996
April	0	***	***	***	***	***	***	66,632
May	0	***	***	***	***	***	***	86,625
June	0	***	***	***	***	***	***	66,196
July	0	***	***	***	***	***	***	77,387
August	0	***	***	***	***	***	***	99,389
September	9	***	***	***	***	***	***	96,753
October	11	***	***	***	***	***	***	108,766
November	0	***	***	***	***	***	***	91,275
December	0	***	***	***	***	***	***	90,792
2014.--								
January	0	***	***	***	***	***	***	90,192
February	0	***	***	***	***	***	***	74,693
March	0	***	***	***	***	***	***	87,258
April	0	***	***	***	***	***	***	76,239
May	0	***	***	***	***	***	***	82,099
June	1	***	***	***	***	***	***	84,491
July	0	***	***	***	***	***	***	99,680
August	0	***	***	***	***	***	***	107,672
September	0	***	***	***	***	***	***	116,128
October	0	***	***	***	***	***	***	126,113
November	0	***	***	***	***	***	***	102,402
December	0	***	***	***	***	***	***	97,989

Table continued on next page.

Table IV-6--Continued
Warmwater shrimp: U.S. imports, by source and month of entry, January 2013-November 2016

Month of entry	Brazil subject	China subject	India subject	Thailand subject	Vietnam subject	Subject sources	Nonsubject sources	Total U.S. imports
	Quantity (1,000 pounds)							
2015.-- January	0	***	***	***	***	***	***	98,666
February	0	***	***	***	***	***	***	74,329
March	0	***	***	***	***	***	***	91,382
April	0	***	***	***	***	***	***	91,431
May	0	***	***	***	***	***	***	77,033
June	0	***	***	***	***	***	***	94,147
July	0	***	***	***	***	***	***	95,588
August	0	***	***	***	***	***	***	95,749
September	0	***	***	***	***	***	***	107,307
October	0	***	***	***	***	***	***	113,703
November	0	***	***	***	***	***	***	117,928
December	0	***	***	***	***	***	***	111,322
2016.-- January	0	***	***	***	***	***	***	99,076
February	0	***	***	***	***	***	***	87,028
March	0	***	***	***	***	***	***	81,390
April	0	***	***	***	***	***	***	79,264
May	0	***	***	***	***	***	***	85,956
June	0	***	***	***	***	***	***	92,136
July	0	***	***	***	***	***	***	108,527
August	0	***	***	***	***	***	***	118,900
September	0	***	***	***	***	***	***	108,853
October	0	***	***	***	***	***	***	120,028
November	0	***	***	***	***	***	***	125,184

Source: Official U.S. imports with adjustments based on proprietary Customs records.

Figure IV-2

Warmwater shrimp: U.S. imports, by source and month of entry, January 2013-November 2016

* * * * * * *

Figure IV-3

Warmwater shrimp: Subject U.S. imports, by source and month of entry, January 2013-November 2016

* * * * * * *

Geographical markets

Warmwater shrimp products produced in the United States are shipped nationwide (see part II for more information on geographic markets). U.S. imports of subject merchandise from China, India, Thailand, and Vietnam entered multiple U.S. ports of entry, dispersed across the nation. There were no imports from Brazil in 2015. Table IV-7, based on proprietary import statistics, presents U.S. import quantities of warmwater shrimp, by source and border of entry in 2015. The majority of subject imports from China entered via the West, while the majority of subject imports from India and Vietnam entered via Eastern ports. The majority of subject imports from Thailand entered via both Eastern and Western customs districts.

Table IV-7
Warmwater shrimp: U.S. imports, by source and border of entry, 2015

* * * * * * *

SUBJECT COUNTRY PRODUCERS

The Commission reported in its original investigations as well as in its full first five-year reviews that the vast majority of the imported warmwater shrimp from the subject countries were farmed shrimp, rather than wild-caught.

As presented in table IV-8, publicly available information indicates that overall shrimp aquaculture production in the subject countries increased by 9.4 percent from 2013-14, and is expected to increase between 2015 and 2018. Production levels in 2013–14 reflect the effects of EMS, particularly in China and Thailand, where recovery from the disease has been uneven (and particularly slow in Thailand). A fuller recovery is expected in 2017.[5]

[5] GAA, "GOAL Shrimp Production Survey: Recovery Coming," January 4, 2016, https://www.aquaculturealliance.org/advocate/goal-shrimp-production-survey-recovery-coming/

Table IV-8

Warmwater shrimp: Aquaculture production in subject countries, actual 2013-14, and projected, 2015-18, in 1,000 pounds

Country	2013	2014	2015	2016	2017	2018
Brazil	142,569	143,339	176,368	154,322	165,345	176,368
China	3,744,850	4,108,488	3,086,440	3,031,325	3,141,555	3,196,670
India	640,216	831,264	881,840	881,840	936,955	992,070
Thailand	717,366	622,405	551,150	716,495	771,610	826,725
Vietnam	953,761	1,073,329	959,001	992,070	1,102,300	1,157,415
Total	6,198,762	6,778,825	5,654,799	5,776,052	6,117,765	6,349,248

Note.-- 2015-18 figures are based on a 2016 survey of shrimp producers conducted by the Global Aquaculture Alliance (GAA).
Note.--China projections for 2015-18 may be understated because actual 2014 production figures as reported by FAO were higher than the GAA survey anticipated.
Source: Food and Agriculture Organization of the United Nations (FAO) for 2013-14, http://www.fao.org/fishery/statistics/global-aquaculture-production/en); and Global Aquaculture Alliance for projected 2015-18, http://advocate.gaalliance.org/global-shrimp-survey-goal-2016/.

THE INDUSTRY IN BRAZIL

Overview

During the final phase of the original investigations, 13 Brazilian producers/exporters provided usable data in response to Commission's questionnaires. The collective exports to the United States of these firms were equivalent to 46.7 percent of subject U.S. imports from Brazil during 2003.[6] During the first full five-year reviews, Brazilian interested parties indicated that the Brazilian farmed shrimp industry had undergone significant changes since the original investigations.[7] The ABCC, a trade and business association in Brazil whose membership reportedly comprised the vast majority of Brazilian production and capacity of farmed shrimp at the time of the first reviews, reported that the farmed shrimp industry in Brazil had ***. During the first reviews, the Commission received usable data from three firms, ***.[8]

In the current reviews, the Commission received one response to the notice of institution from ABCC that contends Brazilian respondents have not exported subject

[6] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. VII-1.

[7] The ABCC indicated that some of ABBC's 37 members had *** shrimp production (e.g.***. The ABCC also stated that the Brazilian shrimp industry has been adversely affected in recent years by ***, certain environmental restrictions imposed by state and federal laws, and the steep appreciation of the Brazilian currency.

[8] Confidential First Review Staff Report, INV-JJ-016, February 25, 2011, p. IV-20; and *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. IV-16.

merchandise to the United States after 2009. They also note that currently, almost all farmed shrimp in Brazil is destined for consumers in the local fresh and frozen shrimp market.[9]

Operations on warmwater shrimp

The Commission received useable questionnaire data from seven firms, ***. Responding Brazilian producers estimate that they accounted for 41 percent of total Brazilian production in 2015. Table IV-9 presents summary production and shipment data for the responding Brazilian producers of warmwater shrimp, by firm, in 2015.

Table IV-9
Warmwater shrimp: Summary data on firms in Brazil, 2015

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Anequim	***	***	***	***	***	***
Camanor	***	***	***	***	***	***
Celm	***	***	***	***	***	***
EBP	***	***	***	***	***	***
Enseg	***	***	***	***	***	***
Potipora	***	***	***	***	***	***
Valenca da Bahia	***	***	***	***	***	***
Total	26,668	***	***	100.0	***	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Producers of warmwater shrimp in Brazil were asked if they had experienced any plant openings, plant closures, relocations, expansions, acquisitions, consolidations, prolong shutdowns or importation curtailments, revised labor agreements, or other changes in their operations relating to the production of warmwater shrimp since January 1, 2013. Three of the seven producers indicated that they had experienced such changes; their responses are presented in table IV-10.

Table IV-10
Warmwater shrimp: Reported changes in operations by producers in Brazil, since January 1, 2013

* * * * * * *

[9] *Brazilian Producers and Exporters' Response to Notice of Institution*, March 31, 2016, pp. 6-7, 9.

Table IV-11 presents data provided by Brazilian producers/exporters with respect to their warmwater shrimp operations in Brazil.

Table IV-11

Warmwater shrimp: Data on industry in Brazil, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Capacity	127,477	127,477	127,477	95,944	95,262
Production	29,531	32,212	26,668	20,965	19,204
End-of-period inventories	***	***	***	***	***
Shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	28,569	31,229	27,087	21,285	18,104
Export shipments to: United States	***	***	***	***	***
European Union	***	***	***	***	***
Asia	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
Shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	112,155	130,887	90,719	72,603	75,592
Export shipments to: United States	***	***	***	***	***
European Union	***	***	***	***	***
Asia	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***

Table continued on next page.

Table IV-11--Continued

Warmwater shrimp: Data on industry in Brazil, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Unit value (dollars per pound)				
Shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	3.93	4.19	3.35	3.41	4.18
Export shipments to: United States	***	***	***	***	***
European Union	***	***	***	***	***
Asia	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Ratios and shares (percent)				
Capacity utilization	23.2	25.3	20.9	21.9	20.2
Inventories/production	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***
Share of total shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to: United States	***	***	***	***	***
European Union	***	***	***	***	***
Asia	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Constraints on capacity

All seven Brazilian producers reported constraints in the manufacturing process. Table IV-12 presents the firms' ranking of constraints. All seven firms reported the live shrimp supply as the most important constraint, while three firms reported freezer/storage capacity as the second most important constraint

Table IV-12
Warmwater shrimp: Brazilian producers' production constraints

Factor	1st	2nd	3rd	4th	5th	Total
	Number of times factor cited (count)					
Shrimp supply / availability	7	0	1	0	0	8
Freezer / storage / capacity	0	3	1	0	0	4
Labor / workforce / employees	0	0	0	0	0	0
Sales / price / cost	0	0	0	0	0	0
All other factors	0	1	1	1	0	3

Source: Compiled from data submitted in response to Commission questionnaires.

Freezing capacity and alternative products

Table IV-13 presents Brazilian producers' overall plant capacity and their share of production by freezing type. *** of the Brazilian producers reported producing other products on the same equipment and machinery used in the production of warmwater shrimp since January 1, 2013.

Table IV-13
Warmwater shrimp: Overall capacity and production on the same equipment as in-scope production for firms in Brazil, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Overall capacity.-- Block freezing capacity	83,368	83,368	83,368	62,569	62,569
IQF freezing capacity	44,109	44,109	44,109	33,375	33,375
Total overall capacity	127,477	127,477	127,477	95,944	95,944
	Ratios and shares (percent)				
Share of capacity: Block freezing capacity	65.4	65.4	65.4	65.2	65.2
IQF freezing capacity	34.6	34.6	34.6	34.8	34.8
Total overall capacity	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Exports

Table IV-14 presents Brazilian global exports for HTS subheading 0306.17, "Shrimps and prawns, frozen, other than cold-water," as reported in Global Trade Atlas ("GTA"). According to GTA, Japan was Brazil's largest export destination during 2013-15, accounting for 56.1 percent of Brazil's exports in 2015.

Table IV-14

Warmwater shrimp: Brazil's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (1,000 pounds)		
Brazil exports to the United States	28	0	0
Brazil exports to other major destination markets.-- Japan	791	757	759
Belgium	0	33	216
France	1,362	228	171
Netherlands	0	38	123
Spain	97	105	85
Canada	0	14	0
Vietnam	0	368	0
Total Brazil exports	2,277	1,543	1,354
	Value (1,000 dollars)		
Brazil exports to the United States	237	0	0
Brazil exports to other major destination markets.-- Japan	5,496	5,152	4,645
Belgium	0	218	1,190
France	4,376	772	428
Netherlands	0	246	656
Spain	337	657	387
Canada	0	103	0
Vietnam	0	1,339	0
Total Brazil exports	10,447	8,488	7,305

Table continued on next page.

Table IV-14--Continued

Warmwater shrimp: Brazil's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per pound)		
Brazil exports to the United States	8.61	([1])	([1])
Brazil exports to other major destination markets.-- Japan	6.95	6.81	6.12
Belgium	0.64	6.55	5.50
France	3.21	3.39	2.51
Netherlands	([1])	6.44	5.33
Spain	3.48	6.25	4.55
Canada	([1])	7.38	([1])
Vietnam	([1])	3.64	([1])
Total Brazil exports	4.59	5.50	5.39
	Share of quantity (percent)		
Brazil exports to the United States	1.2	0.0	0.0
Brazil exports to other major destination markets.-- Japan	34.7	49.0	56.1
Belgium	0.0	2.2	16.0
France	59.8	14.8	12.6
Netherlands	0.0	2.5	9.1
Spain	4.3	6.8	6.3
Canada	0.0	0.9	0.0
Vietnam	0.0	23.8	0.0
Total Brazil exports	100.0	100.0	100.0

[1] Not applicable.

Source: Official Brazil export statistics under HTS subheading 0306.17 as in the IHS/GTA database, accessed January 10, 2017.

THE INDUSTRY IN CHINA

Overview

During the final phase of the original investigations, 28 Chinese producers/exporters provided usable data in response to Commission's questionnaires. Their collective exports to the United States were equivalent to 54.9 percent of subject U.S. imports from China during 2003.[10] During the first full five-year reviews, the Commission received usable foreign producer/exporter questionnaires from 34 firms, estimated to account for 6.2 percent of subject U.S. imports from China during 2009.[11] No Chinese producers/exporters responded to the Commission's notice of institution, and no subject Chinese producers/exporters provided a questionnaire response in these second five-year reviews.

Operations on warmwater shrimp

The Commission did not receive data from subject producers in China. It did receive a foreign producer response from Shantou Red Garden Foodstuff Co., Ltd., who is excluded from the antidumping duty order. Shantou Red Garden estimated that it accounted for *** percent of exports from China to the United States in 2015.

Exports

Table IV-15 presents Chinese global exports for HTS subheading 0306.17, "Shrimps and prawns, frozen, other than cold-water," as reported in GTA. According to GTA, China's largest export destinations in 2015 included Spain, Hong Kong, and Japan.

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[10] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. VII-3.

[11] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. IV-17.

Table IV-15

Warmwater shrimp: China's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (1,000 pounds)		
China exports to the United States	8,046	6,398	18,229
China exports to other major destination markets.-- Spain	39,086	36,474	32,637
Hong Kong	29,504	38,043	30,980
Japan	48,460	42,265	29,802
Taiwan	11,878	15,672	18,162
Malaysia	38,156	54,355	13,693
Korea South	19,840	12,647	11,299
Russia	27,385	21,243	9,845
Canada	5,424	5,789	7,345
All other destination markets	68,120	52,554	37,559
Total China exports	295,901	285,440	209,550
	Value (1,000 dollars)		
China exports to the United States	29,345	25,148	89,765
China exports to other major destination markets.-- Spain	77,657	89,428	93,531
Hong Kong	166,316	262,959	195,977
Japan	160,786	130,638	97,547
Taiwan	67,660	99,143	115,436
Malaysia	196,725	339,720	88,885
Korea South	68,907	53,870	41,311
Russia	94,739	100,107	33,660
Canada	28,197	30,767	43,468
All other destination markets	268,169	216,997	170,995
Total China exports	1,158,502	1,348,776	970,574

Table continued on next page.

Table IV-15--Continued

Warmwater shrimp: China's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per pound)		
China exports to the United States	3.65	3.93	4.92
China exports to other major destination markets.-- Spain	1.99	2.45	2.87
Hong Kong	5.64	6.91	6.33
Japan	3.32	3.09	3.27
Taiwan	5.70	6.33	6.36
Malaysia	5.16	6.25	6.49
Korea South	3.47	4.26	3.66
Russia	3.46	4.71	3.42
Canada	5.20	5.31	5.92
All other destination markets	3.94	4.13	4.55
Total China exports	3.92	4.73	4.63
	Share of quantity (percent)		
China exports to the United States	2.7	2.2	8.7
China exports to other major destination markets.-- Spain	13.2	12.8	15.6
Hong Kong	10.0	13.3	14.8
Japan	16.4	14.8	14.2
Taiwan	4.0	5.5	8.7
Malaysia	12.9	19.0	6.5
Korea South	6.7	4.4	5.4
Russia	9.3	7.4	4.7
Canada	1.8	2.0	3.5
All other destination markets	23.0	18.4	17.9
Total China exports	100.0	100.0	100.0

Source: Official China export statistics under HTS subheading 0306.17 as in the IHS/GTA database, accessed January 10, 2017.

THE INDUSTRY IN INDIA

Overview

During the final phase of the original investigations, 96 Indian producers/exporters provided usable data in response to the Commission's questionnaires. Their collective exports to the United States were equivalent to 81.7 percent of subject U.S. imports from India during 2003.[12] During the first full five-year reviews, the Commission received usable foreign producer/exporter questionnaires from 36 firms, estimated to account for 75.9 percent of subject U.S. imports from India during 2009.[13]

In the current second reviews, the Commission received one response to the notice of institution from SEAI, an Indian trade association whose members are producers and/or exporters of frozen warmwater shrimp. Its members represent 99 percent of all Indian warmwater shrimp production. SEAI states that India has relatively little internal consumption of warmwater shrimp, and it estimates production volume of subject merchandise in India to be the same as export volume.[14]

Operations on warmwater shrimp

The Commission received useable questionnaire data from 20 firms, which were equivalent to *** percent of subject U.S. imports from India in 2015. Table IV-16 presents summary production and shipment data for the responding Brazilian producers of warmwater shrimp, by firm, in 2015.

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[12] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. VII-3.

[13] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. IV-20

[14] SEAI's *Response to Notice of Institution*, March 31, 2016, p. 6.

Table IV-16
Warmwater shrimp: Summary data on firms in India, 2015

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Ananda Group	***	***	***	***	***	***
Apex Frozen Foods	***	***	***	***	***	***
Asvini Fisheries	***	***	***	***	***	***
Avanti Feeds	***	***	***	***	***	***
Choice Trading	***	***	***	***	***	***
Coastal	***	***	***	***	***	***
Devi Fisheries	***	***	***	***	***	***
Falcon Marine	***	***	***	***	***	***
Jagadeesh Marine	***	***	***	***	***	***
Jaya Lakshmi	***	***	***	***	***	***
Kay Kay	***	***	***	***	***	***
Liberty Foods	***	***	***	***	***	***
Nekkanti Sea Foods	***	***	***	***	***	***
Sagar Grandhi	***	***	***	***	***	***
Sai Marine	***	***	***	***	***	***
Sandhya Marines	***	***	***	***	***	***
Sprint Exports	***	***	***	***	***	***
Suryamitra Exim	***	***	***	***	***	***
Waterbase	***	***	***	***	***	***
Wellcome Fisheries	***	***	***	***	***	***
Total	303,127	100.0	211,410	100.0	***	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Producers of warmwater shrimp in India were asked if they had experienced any plant openings, plant closures, relocations, expansions, acquisitions, consolidations, prolong shutdowns or importation curtailments, revised labor agreements, or other changes in their operations relating to the production of warmwater shrimp since January 1, 2013. Ten of the 20 responding producers indicated that they had experienced such changes; their responses are presented in table IV-17. In addition, nine Indian firms reported capacity expansions.

Table IV-17
Warmwater shrimp: Reported changes in operations by producers in India, since January 1, 2013

*   *   *   *   *   *   *

Table IV-18 presents data provided by Indian producers/exporters with respect to their warmwater shrimp operations in India.

Table IV-18
Warmwater shrimp: Data on industry in India, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Capacity	561,801	583,601	577,961	425,445	450,512
Production	233,902	265,787	303,127	227,642	249,214
End-of-period inventories	33,821	34,826	34,036	34,202	46,312
Shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to: United States	144,924	165,673	211,410	160,978	167,288
European Union	37,617	45,092	39,277	29,638	27,716
Asia	32,754	34,285	36,067	27,760	28,953
All other markets	17,537	19,719	17,125	12,757	14,777
Total exports	232,832	264,769	303,879	231,133	238,734
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
Shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to: United States	843,978	1,021,649	977,404	753,573	823,402
European Union	180,772	231,607	167,091	131,559	125,631
Asia	161,308	174,263	142,996	111,173	109,689
All other markets	82,005	97,686	67,189	57,134	60,947
Total exports	1,268,063	1,525,205	1,354,680	1,053,439	1,119,669
Total shipments	***	***	***	***	***

Table continued on next page.

Table IV-18--Continued

Warmwater shrimp: Data on industry in India, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Unit value (dollars per pound)				
Shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to: United States	5.82	6.17	4.62	4.68	4.92
European Union	4.81	5.14	4.25	4.44	4.53
Asia	4.92	5.08	3.96	4.00	3.79
All other markets	4.68	4.95	3.92	4.48	4.12
Total exports	5.45	5.76	4.46	4.56	4.69
Total shipments	***	***	***	***	***
	Ratios and shares (percent)				
Capacity utilization	41.6	45.5	52.4	53.5	55.3
Inventories/production	14.5	13.1	11.2	11.3	13.9
Inventories/total shipments	***	***	***	***	***
Share of total shipments: Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to: United States	***	***	***	***	***
European Union	***	***	***	***	***
Asia	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0

[1] ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Constraints on capacity

All 20 Indian producers reported constraints in the manufacturing process. Table IV-19 presents the firms' ranking of constraints. Fourteen firms reported the live shrimp supply as the most important constraint, while nine firms reported labor as the second most important constraint

Table IV-19
Warmwater shrimp: Indian producers' production constraints

Factor	1st	2nd	3rd	4th	5th	Total
	Number of times factor cited (count)					
Shrimp supply / availability	14	4	1	0	0	19
Freezer / storage / capacity	3	4	9	7	6	29
Labor / workforce / employees	2	9	2	3	0	16
Sales / price / cost	1	1	0	0	0	2
All other factors	0	2	6	4	5	17

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

Table IV-20 presents Indian producers' overall plant capacity and their share of production by freezing type as well as production of other products. *** Indian producers reported producing other products on the same equipment and machinery used in the production of warmwater shrimp since January 1, 2013.

Table IV-20
Warmwater shrimp: Overall capacity and production on the same equipment as in-scope production for firms in India, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Overall capacity.-- Block freezing capacity	249,512	256,669	251,029	187,163	191,071
IQF freezing capacity	312,289	326,932	326,932	238,281	259,440
Total overall capacity	561,801	583,601	577,961	425,444	450,511
	Ratios and shares (percent)				
Share of capacity: Block freezing capacity	44.4	44.0	43.4	44.0	42.4
IQF freezing capacity	55.6	56.0	56.6	56.0	57.6
Total overall capacity	100.0	100.0	100.0	100.0	100.0
	Production (1,000 pounds)				
Production: Frozen warmwater shrimp	233,902	265,787	303,127	227,642	249,214
All other products	***	***	***	***	***
Total production on same machinery	***	***	***	***	***
	Ratios and shares (percent)				
Capacity utilization	***	***	***	***	***
Share of Production: Frozen warmwater shrimp	***	***	***	***	***
All other products	***	***	***	***	***
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Exports

Table IV-21 presents Indian global exports for HTS subheading 0306.17, “Shrimps and prawns, frozen, other than cold-water,” as reported in GTA. According to GTA, the United States was India’s largest export destination during 2013-15, accounting for 33.5 percent of India’s exports in 2015, followed by Vietnam, accounting for 17.6 percent.

Table IV-21
Warmwater shrimp: India’s exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (1,000 pounds)		
India exports to the United States	164,893	228,486	273,309
India exports to other major destination markets.-- Vietnam	61,288	122,436	143,751
Japan	41,241	66,364	72,131
Belgium	25,537	45,700	40,278
Netherlands	9,148	25,585	36,008
United Arab Emirates	9,783	30,617	29,300
United Kingdom	18,526	28,345	25,590
Canada	15,044	20,418	22,011
China	7,456	9,007	19,835
All other destination markets	102,195	169,494	152,579
Total India exports	455,111	746,451	814,791
	Value (1,000 dollars)		
India exports to the United States	919,194	1,347,469	1,166,582
India exports to other major destination markets.-- Vietnam	283,222	563,064	493,506
Japan	222,881	345,534	302,872
Belgium	111,962	212,255	149,919
Netherlands	32,575	91,269	110,063
United Arab Emirates	37,149	129,304	105,663
United Kingdom	87,663	140,548	100,866
Canada	84,298	119,167	91,898
China	28,872	33,066	58,427
All other destination markets	381,222	680,849	491,294
Total India exports	2,189,038	3,662,525	3,071,089

Table continued on next page.

Table IV-21--Continued

Warmwater shrimp: India's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per pound)		
India exports to the United States	5.57	5.90	4.27
India exports to other major destination markets.-- Vietnam	4.62	4.60	3.43
Japan	5.40	5.21	4.20
Belgium	4.38	4.64	3.72
Netherlands	3.56	3.57	3.06
United Arab Emirates	3.80	4.22	3.61
United Kingdom	4.73	4.96	3.94
Canada	5.60	5.84	4.18
China	3.87	3.67	2.95
All other destination markets	3.73	4.02	3.22
Total India exports	4.81	4.91	3.77
	Share of quantity (percent)		
India exports to the United States	36.2	30.6	33.5
India exports to other major destination markets.-- Vietnam	13.5	16.4	17.6
Japan	9.1	8.9	8.9
Belgium	5.6	6.1	4.9
Netherlands	2.0	3.4	4.4
United Arab Emirates	2.1	4.1	3.6
United Kingdom	4.1	3.8	3.1
Canada	3.3	2.7	2.7
China	1.6	1.2	2.4
All other destination markets	22.5	22.7	18.7
Total India exports	100.0	100.0	100.0

Source: Official India export statistics under HTS subheading 0306.17 as in the IHS/GTA database, accessed January 10, 2017.

THE INDUSTRY IN THAILAND

Overview

During the final phase of the original investigations, 37 Thai producers/exporters provided usable data in response to Commission's questionnaires. Their collective exports to the United States were equivalent to 95.4 percent of subject U.S. imports from Thailand during 2003.[15] During the first full five-year reviews, the Commission received usable foreign producer/exporter questionnaires from 34 firms, estimated to account for 97.0 percent of subject U.S. imports from Thailand during 2009.[16]

In the current second reviews, the Commission received one response to the notice of institution on behalf of 32 Thai producers/exporters of warmwater shrimp, representing virtually all Thai exports shipped to the United States in 2015. The Thai respondents identified seven other possible producers of the subject product in Thailand.[17] They also note that all major Thai shrimp producers now have a significant and growing domestic shrimp market.[18]

During the subject period, Thailand experienced a relatively slow recovery from EMS that was compounded by problems growing their shrimp to a marketable size quickly and by low prices in the U.S. market in 2015.[19] It is likely that these conditions contributed to the slight declines in capacity that Thailand experienced between 2013 and 2015 (shown below). Conditions have since stabilized in Thailand as recovery from EMS has continued and U.S. prices have increased somewhat.

Operations on warmwater shrimp

The Commission received useable questionnaire data from 26 firms, which were equivalent to *** percent of subject U.S. imports from Thailand in 2015.[20] Table IV-22 presents

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[15] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. VII-3.

[16] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. IV-23.

[17] *Thai Producers and Exporters' Response to Notice of Institution*, March 31, 2016, p. 20.

[18] *Thai Producers and Exporters' Response to Notice of Institution*, March 31, 2016, p. 13.

[19] Ramsden, "2015 Vannamei Roundup: Thai EMS Recovery Doesn't Mean Smooth Sailing," Undercurrent News, January 15, 2016, https://www.undercurrentnews.com/2016/01/15/2015-vannamei-roundup-thai-ems-recovery-doesnt-mean-smooth-sailing/ .

[20] In addition, Lee Heng Seafood Co., Ltd. and The Union Frozen Products Co., Ltd/Bright Sea Co., Ltd submitted incomplete questionnaire responses. The Commission also received selected data from all Thai firms no longer subject to the order, except for Thai I-Mei Frozen Foods Co., Ltd. In 2015, these nonsubject firms exported 41.9 million pounds to the United States, valued at $227.2 million, and accounted for 32.3 percent and 36.2 percent of total reported Thai exports to the United States (subject and nonsubject), based on quantity and value, respectively.

summary production and shipment data for the responding Thai producers of warmwater shrimp, by firm, in 2015.

Table IV-22
Warmwater shrimp: Summary data on firms in Thailand, 2015

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Anglo-Siam	***	***	***	***	***	***
Asian Seafoods	***	***	***	***	***	***
Charoen Pokphand Foods	***	***	***	***	***	***
Fortune Frozen Foods	***	***	***	***	***	***
Good Fortune	***	***	***	***	***	***
Good Luck Product	***	***	***	***	***	***
KF Foods	***	***	***	***	***	***
Kiang Huat	***	***	***	***	***	***
Kingfisher	***	***	***	***	***	***
Kitchens of the Oceans	***	***	***	***	***	***
Kongphop	***	***	***	***	***	***
May Ao Foods	***	***	***	***	***	***
Mayao Group	***	***	***	***	***	***
Narong Seafood	***	***	***	***	***	***
Okeanos	***	***	***	***	***	***
Ongkorn	***	***	***	***	***	***
Seafresh	***	***	***	***	***	***
Shing-Fu Seaproducts	***	***	***	***	***	***
Siam Union	***	***	***	***	***	***
Starfoods	***	***	***	***	***	***
Tey Seng	***	***	***	***	***	***
Thai Royal	***	***	***	***	***	***
Thai Union Samut Sakhon	***	***	***	***	***	***
Thai Union Songkhla	***	***	***	***	***	***
Xianning Thai	***	***	***	***	***	***
Yeenin	***	***	***	***	***	***
Total	204,718	100.0	87,825	100.0	200,628	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Producers of warmwater shrimp in Thailand were asked if they had experienced any plant openings, plant closures, relocations, expansions, acquisitions, consolidations, prolong shutdowns or importation curtailments, revised labor agreements, or other changes in their operations relating to the production of warmwater shrimp since January 1, 2013. Their responses are presented in table IV-23.

Table IV-23

Warmwater shrimp: Reported changes in operations by producers in Thailand, since January 1, 2013

* * * * * * *

Table IV-24 presents data provided by Thai producers/exporters with respect to their warmwater shrimp operations in Thailand.

Table IV-24

Warmwater shrimp: Data on industry in Thailand, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Capacity	651,325	635,640	599,885	445,832	435,321
Production	231,595	197,282	204,718	148,061	167,942
End-of-period inventories	39,752	42,779	47,121	53,676	45,508
Shipments: Internal consumption/ transfers	9,932	13,722	17,437	14,092	7,318
Commercial home market shipments	13,684	13,750	15,554	11,360	17,479
Total home market shipments	23,616	27,472	32,991	25,452	24,797
Export shipments to: United States	101,208	79,821	87,825	57,850	74,287
European Union	35,935	21,096	10,709	7,505	8,447
Asia	72,149	48,057	51,877	36,008	47,388
All other markets	18,630	18,067	17,226	10,444	14,866
Total exports	227,922	167,041	167,637	111,807	144,988
Total shipments	251,538	194,513	200,628	137,259	169,785
	Value (1,000 dollars)				
Shipments: Internal consumption/ transfers	38,138	58,725	70,481	57,243	30,346
Commercial home market shipments	56,495	68,957	65,458	48,595	66,641
Total home market shipments	94,633	127,682	135,939	105,838	96,987
Export shipments to: United States	549,085	469,601	400,151	275,857	342,169
European Union	188,096	140,429	61,822	44,816	44,381
Asia	376,447	286,205	258,152	187,545	231,152
All other markets	93,444	101,129	84,357	51,840	66,405
Total exports	1,207,072	997,364	804,482	560,058	684,107
Total shipments	1,301,705	1,125,046	940,421	665,896	781,094

Table continued on next page.

Table IV-24--Continued

Warmwater shrimp: Data on industry in Thailand, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Unit value (dollars per pound)				
Shipments: Internal consumption/ transfers	3.84	4.28	4.04	4.06	4.15
Commercial home market shipments	4.13	5.02	4.21	4.28	3.81
Total home market shipments	4.01	4.65	4.12	4.16	3.91
Export shipments to: United States	5.43	5.88	4.56	4.77	4.61
European Union	5.23	6.66	5.77	5.97	5.25
Asia	5.22	5.96	4.98	5.21	4.88
All other markets	5.02	5.60	4.90	4.96	4.47
Total exports	5.30	5.97	4.80	5.01	4.72
Total shipments	5.17	5.78	4.69	4.85	4.60
	Ratios and shares (percent)				
Capacity utilization	35.6	31.0	34.1	33.2	38.6
Inventories/production	17.2	21.7	23.0	27.2	20.3
Inventories/total shipments	15.8	22.0	23.5	29.3	20.1
Share of total shipments: Internal consumption/ transfers	3.9	7.1	8.7	10.3	4.3
Commercial home market shipments	5.4	7.1	7.8	8.3	10.3
Total home market shipments	9.4	14.1	16.4	18.5	14.6
Export shipments to: United States	40.2	41.0	43.8	42.1	43.8
European Union	14.3	10.8	5.3	5.5	5.0
Asia	28.7	24.7	25.9	26.2	27.9
All other markets	7.4	9.3	8.6	7.6	8.8
Total exports	90.6	85.9	83.6	81.5	85.4
Total shipments	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Constraints on capacity

All 28 Thai producers reported constraints in the manufacturing process. Table IV-25 presents the firms’ ranking of constraints. Sixteen firms and nine firms reported the live shrimp supply as the most important constraint and second most important constraint, respectively, eight firms reported labor as the second most important constraint.

Table IV-25

Warmwater shrimp: Thai producers' production constraints

Factor	1st	2nd	3rd	4th	5th	Total
	Number of times factor cited (count)					
Shrimp supply / availability	16	9	1	1	2	29
Freezer / storage / capacity	5	3	5	6	3	22
Labor / workforce / employees	3	8	8	5	5	29
Sales / price / cost	0	1	2	1	1	5
All other factors	4	4	2	0	0	10

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

Table IV-26 presents Thai producers' overall plant capacity and their share of production by freezing type as well as production of other products. *** Thai producers reported producing other products on the same equipment and machinery used in the production of warmwater shrimp since January 1, 2013.

Table IV-26

Warmwater shrimp: Overall capacity and production on the same equipment as in-scope production for firms in Thailand, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year			January-September	
	2013	2014	2015	2015	2016
	Quantity (1,000 pounds)				
Overall capacity.-- Block freezing capacity	135,865	136,065	129,816	96,434	95,773
IQF freezing capacity	536,416	520,531	491,025	366,614	356,773
Total overall capacity	672,281	656,596	620,841	463,048	452,546
	Ratios and shares (percent)				
Share of production: Block freezing capacity	20.2	20.7	20.9	20.8	21.2
IQF freezing capacity	79.8	79.3	79.1	79.2	78.8
Total overall capacity	100.0	100.0	100.0	100.0	100.0
	Production (1,000 pounds)				
Production: Frozen warmwater shrimp	231,595	197,282	204,718	148,061	167,942
All other products	53,261	53,921	51,316	37,517	37,449
Total production on same machinery	284,856	251,203	256,034	185,578	205,391
	Ratios and shares (percent)				
Capacity utilization	42.4	38.3	41.2	40.1	45.4
Share of Production: Frozen warmwater shrimp	81.3	78.5	80.0	79.8	81.8
All other products	18.7	21.5	20.0	20.2	18.2
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Exports

Table IV-27 presents Thai global exports for HTS subheading 0306.17, “Shrimps and prawns, frozen, other than cold-water,” as reported in GTA. According to GTA, the United States was Thailand’s largest export destination during 2013-15, accounting for 42.0 percent of Thailand’s exports in 2015, followed by Japan, accounting for 16.5 percent.

Table IV-27
Warmwater shrimp: Thailand’s exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (1,000 pounds)		
Thailand exports to the United States	75,101	58,193	63,694
Thailand exports to other major destination markets.-- Japan	44,370	27,350	24,954
Vietnam	8,671	11,784	15,562
China	4,012	4,981	9,487
Canada	11,694	10,674	9,349
Australia	6,510	6,857	6,182
Korea South	7,083	6,460	5,324
United Kingdom	11,030	9,819	4,326
Taiwan	7,337	4,587	3,857
All other destination markets	18,281	18,086	8,954
Total Thailand exports	194,090	158,791	151,689
	Value (1,000 dollars)		
Thailand exports to the United States	358,929	305,375	255,508
Thailand exports to other major destination markets.-- Japan	214,965	138,326	108,321
Vietnam	29,751	42,988	50,169
China	14,674	19,848	42,774
Canada	56,106	58,217	41,601
Australia	30,187	38,153	27,294
Korea South	27,378	34,134	24,238
United Kingdom	54,780	66,216	23,490
Taiwan	28,332	20,701	15,512
All other destination markets	80,816	94,565	35,166
Total Thailand exports	895,918	818,523	624,072

Table continued on next page.

Table IV-27--Continued
Warmwater shrimp: Thailand's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per pound)		
Thailand exports to the United States	4.78	5.25	4.01
Thailand exports to other major destination markets.-- Japan	4.84	5.06	4.34
Vietnam	3.43	3.65	3.22
China	3.66	3.98	4.51
Canada	4.80	5.45	4.45
Australia	4.64	5.56	4.42
Korea South	3.87	5.28	4.55
United Kingdom	4.97	6.74	5.43
Taiwan	3.86	4.51	4.02
All other destination markets	4.42	5.23	3.93
Total Thailand exports	4.62	5.15	4.11
	Share of quantity (percent)		
Thailand exports to the United States	38.7	36.6	42.0
Thailand exports to other major destination markets.-- Japan	22.9	17.2	16.5
Vietnam	4.5	7.4	10.3
China	2.1	3.1	6.3
Canada	6.0	6.7	6.2
Australia	3.4	4.3	4.1
Korea South	3.6	4.1	3.5
United Kingdom	5.7	6.2	2.9
Taiwan	3.8	2.9	2.5
All other destination markets	9.4	11.4	5.9
Total Thailand exports	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

THE INDUSTRY IN VIETNAM

Overview

During the final phase of the original investigations, 36 Vietnamese producer/exporters provided usable data in response to Commission's questionnaires. Their collective exports to the United States were equivalent to 97.1 percent of subject U.S. imports from Vietnam during 2003.[21] During the first full five-year reviews, the Commission received usable foreign producer/exporter questionnaires from 26 firms, estimated to account for 95.8 percent of subject U.S. imports from Vietnam during 2009.[22]

In the current second reviews, the Commission received a response to the notice of institution on behalf of VASEP, a foreign trade association consisting of producers and exporters of seafood, including frozen warmwater shrimp. The VASEP represents 24 producers accounting for *** percent of subject U.S. imports from Vietnam during 2015.[23]

Operations on warmwater shrimp

The Commission received useable questionnaire data from 19 firms, which were equivalent to *** percent of subject U.S. imports from Vietnam in 2015. Table IV-28 presents summary production and shipment data for the responding Vietnamese producers of warmwater shrimp, by firm, in 2015.

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[21] *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-1068 (Final)*, USITC Publication 3748, January 2005, p. VII-7.

[22] *Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063, 1064, 1066-1068 (Review)*, USITC Publication 4221, March 2011, p. IV-26.

[23] VASEP's *Response to Notice of Institution*, March 31, 2016, Exhibits 1 and 7.

Table IV-28
Warmwater shrimp: Summary data on firms in Vietnam, 2015

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments over period (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Bac Lieu	***	***	***	***	***	***
Ca Mau Seafood	***	***	***	***	***	***
Cafish	***	***	***	***	***	***
Camimex	***	***	***	***	***	***
CP Vietnam	***	***	***	***	***	***
Cuulong Seaproducts	***	***	***	***	***	***
Danang Seaproducts	***	***	***	***	***	***
Hai Viet	***	***	***	***	***	***
Minh Hai	***	***	***	***	***	***
Minh Phu Seafood	***	***	***	***	***	***
Nha Trang	***	***	***	***	***	***
Quoc Viet	***	***	***	***	***	***
Sao Ta Foods	***	***	***	***	***	***
Sea Primexco	***	***	***	***	***	***
Soc Trang	***	***	***	***	***	***
Thuan Phuoc	***	***	***	***	***	***
Utxi Aquatic Products	***	***	***	***	***	***
Viet Foods	***	***	***	***	***	***
Vina Cleanfood	***	***	***	***	***	***
Total	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Producers of warmwater shrimp in Vietnam were asked if they had experienced any plant openings, plant closures, relocations, expansions, acquisitions, consolidations, prolong shutdowns or importation curtailments, revised labor agreements, or other changes in their operations relating to the production of warmwater shrimp since January 1, 2013. Eight of the 18 responding producers indicated that they had experienced such changes; their responses are presented in table IV-29.

Table IV-29
Warmwater shrimp: Reported changes in operations by producers in Vietnam, since January 1, 2013

*   *   *   *   *   *   *

Table IV-30 presents data provided by Vietnamese producers/exporters with respect to their warmwater shrimp operations in Vietnam.

Table IV-30
Warmwater shrimp: Data on industry in Vietnam, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

Constraints on capacity

All 19 Vietnamese producers reported constraints in the manufacturing process. Table IV-31 presents the firms' ranking of constraints. Fifteen firms reported the live shrimp supply as the most important constraint, while nine firms reported freezer and storage capacity as the second most important constraint.

Table IV-31
Warmwater shrimp: Vietnamese producers' production constraints

* * * * * * *

Alternative products

Table IV-32 presents Vietnamese producers' overall plant capacity and their share of production by freezing type as well as production of other products. *** Vietnamese producers reported producing other products on the same equipment and machinery used in the production of warmwater shrimp since January 1, 2013.

Table IV-32
Warmwater shrimp: Overall capacity and production on the same equipment as in-scope production for firms in Vietnam, 2013-15, January-September 2015, and January-September 2016

* * * * * * *

Exports

Table IV-33 presents Vietnamese global exports for HTS subheading 0306.17, "Shrimps and prawns, frozen, other than cold-water," as reported in GTA. According to GTA, Japan was Vietnam's largest export destination during 2013-15, accounting for 20.0 percent of Vietnam's exports in 2015, followed by the United States, accounting for 17.4 percent.

Table IV-33

Warmwater shrimp: Vietnam's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (1,000 pounds)		
Vietnam exports to the United States	122,885	141,644	70,967
Vietnam exports to other major destination markets.-- Japan	125,732	113,442	81,307
China	81,934	76,882	56,371
Korea South	42,382	54,676	36,067
Hong Kong	13,871	17,153	16,773
Canada	23,534	30,285	16,025
Germany	15,638	21,893	13,751
Other Asia N.E.S.	22,243	20,190	12,779
United Kingdom	15,622	16,581	12,053
All other destination markets	92,248	133,862	90,937
Total Vietnam exports	556,089	626,609	407,030
	Value (1,000 dollars)		
Vietnam exports to the United States	439,511	560,997	301,879
Vietnam exports to other major destination markets.-- Japan	449,694	449,300	345,861
China	293,047	304,501	239,790
Korea South	151,584	216,552	153,422
Hong Kong	49,611	67,936	71,351
Canada	84,171	119,948	68,166
Germany	55,930	86,709	58,494
Other Asia N.E.S.	79,553	79,963	54,358
United Kingdom	55,873	65,670	51,271
All other destination markets	329,936	530,175	386,825
Total Vietnam exports	1,988,909	2,481,753	1,731,416

Table continued on next page.

Table IV-33--Continued
Warmwater shrimp: Vietnam's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per pound)		
Vietnam exports to the United States	3.58	3.96	4.25
Vietnam exports to other major destination markets.-- Japan	3.58	3.96	4.25
China	3.58	3.96	4.25
Korea South	3.58	3.96	4.25
Hong Kong	3.58	3.96	4.25
Canada	3.58	3.96	4.25
Germany	3.58	3.96	4.25
Other Asia N.E.S.	3.58	3.96	4.25
United Kingdom	3.58	3.96	4.25
All other destination markets	3.58	3.96	4.25
Total Vietnam exports	3.58	3.96	4.25
	Share of quantity (percent)		
Vietnam exports to the United States	22.1	22.6	17.4
Vietnam exports to other major destination markets.-- Japan	22.6	18.1	20.0
China	14.7	12.3	13.8
Korea South	7.6	8.7	8.9
Hong Kong	2.5	2.7	4.1
Canada	4.2	4.8	3.9
Germany	2.8	3.5	3.4
Other Asia N.E.S.	4.0	3.2	3.1
United Kingdom	2.8	2.6	3.0
All other destination markets	16.6	21.4	22.3
Total Vietnam exports	100.0	100.0	100.0

Source: Official Vietnam exports statistics under HTS subheading 0306.17 as in the IHS/GTA database, accessed January 10, 2017.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

There are no known antidumping or countervailing duty orders on warmwater shrimp in third-country markets.

GLOBAL MARKET

Table I-34 presents the largest global export sources of warmwater shrimp during 2013-15. India, Ecuador, and Vietnam were the largest exporting countries in 2015, accounting for 23.2 percent, 14.3 percent, and 13.1 percent of total global exports, by value, respectively.

Table IV-34

Warmwater shrimp: Global exports by source, 2013-15

Item	Calendar year		
	2013	2014	2015
	Value (1,000 dollars)		
United States	48,526	58,440	66,989
China	1,158,502	1,348,776	970,574
India	2,189,038	3,662,525	3,071,089
Brazil	10,447	8,488	7,305
Vietnam	1,988,909	2,481,753	1,731,416
Thailand	895,918	818,523	624,072
Subject countries	6,242,814	8,320,065	6,404,456
Other major exporters.— Indonesia	1,181,228	1,530,864	1,189,566
Ecuador	1,214,333	1,978,091	1,894,817
Argentina	614,755	758,686	763,760
Mexico	247,370	304,299	316,679
Spain	277,365	291,622	303,609
Honduras	196,617	301,808	259,911
Belgium	281,528	327,946	248,205
Netherlands	168,579	282,950	235,436
All other exporters	1,659,609	1,816,942	1,564,080
Total global exports	12,132,723	15,971,714	13,247,510
	Share of value (percent)		
United States	0.4	0.4	0.5
China	9.5	8.4	7.3
Brazil	0.1	0.1	0.1
India	18.0	22.9	23.2
Vietnam	16.4	15.5	13.1
Thailand	7.4	5.1	4.7
Subject countries	51.5	52.1	48.3
Other major exporters.— Indonesia	9.7	9.6	9.0
Ecuador	10.0	12.4	14.3
Argentina	5.1	4.8	5.8
Mexico	2.0	1.9	2.4
Spain	2.3	1.8	2.3
Honduras	1.6	1.9	2.0
Belgium	2.3	2.1	1.9
Netherlands	1.4	1.8	1.8
All other exporters	13.7	11.4	11.8
Total global exports	100.0	100.0	100.0

Note.--Global trade data presented here for the subject countries do not distinguish whether the exports are subject or not to the orders in place.

Source: Official Global exports statistics under HTS subheading 0306.17 as in the IHS/GTA database, accessed January 10, 2017.

Demand

When asked how demand had changed outside the United States (and for foreign producers outside of their home market) since January 1, 2013, over half the responding firms reported that demand had increased (66 of 122 responding firms) [24] (table IV-35).[25] Many of the firms reporting demand had increased cited growing demand in China. Other reasons firms reported that demand increased included: increase in demand from growing middle classes because of development; shrimp is a healthy protein source; increased demand in Asia; increased demand in developing countries; increased supply; introduction of organic shrimp; new business in the Middle East; increased consumption in Europe; early mortality syndrome (EMS) in Thailand;[26] increased supply; and increased demand in Korea. Foreign producers reported increased demand in their home markets because of increased demand, increased population, changes in lifestyle, growth in dining out and tourism, higher income, and increased retail availability. Reasons firms reported that demand had decreased included: price; decreased consumer demand in the EU because of worsening economic conditions; less shrimp available EMS outbreak; and withdrawal of GSP. Foreign producers reported domestic demand had decreased because less shrimp was available (due to EMS).

Table IV-35
Warmwater shrimp: Firms' responses regarding demand outside of the United States, by number of responding firms

*   *   *   *   *   *   *

When asked how they expect demand outside the United States (and for foreign producers outside of their home market) to change over the next two years the most common response was firms expected demand to increase (55 of 120). The most common reason given for anticipating increased demand was demand was expected to grow in China. Other reasons that firms anticipated demand outside the United States would increase included: increase in demand from growing middle classes; shrimp is a healthy protein source; increased demand in southeast Asia; increased demand in developing countries; introduction of organic shrimp; increased demand in Europe; increased demand for value added product; new markets emerging; improved supply of shrimp; health benefits of seafood; and less availability of wild caught seafood. Foreign producers expected demand to increase in their home market because of growth in income and population, improvements in availability, health benefits of seafood,

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[24] Firms responding to this question include U.S. producers, importers, purchasers, and foreign producers.

[25] Foreign producers were less likely to report demand had increased in their home markets, with as many responding that home market demand had increased as that it had not changed (29 each). Only two foreign producers reported demand in their home markets had decreased.

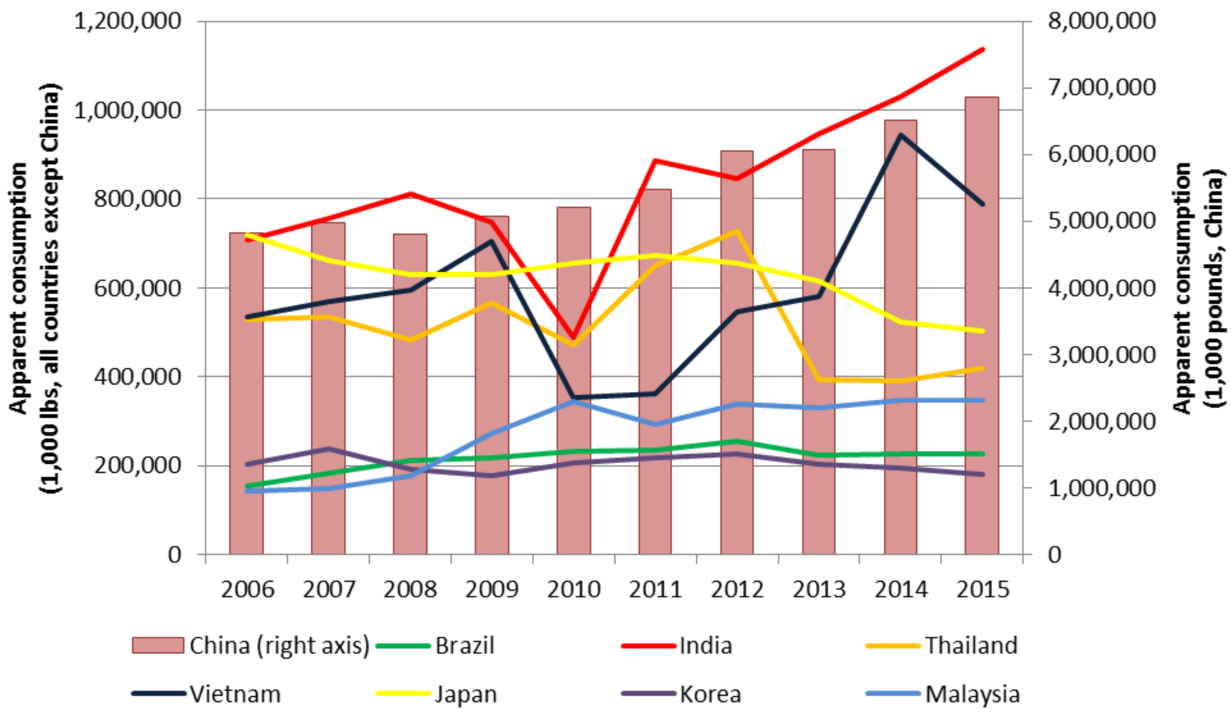
[26] EMS in Thailand would reduce Thai supply and thus increase demand for product from other countries.

reduced availability of wild caught seafood. Reasons that firms anticipated demand outside the United States would decrease included: price and decreased consumer demand in the EU because of worsening economic conditions.

Figures IV-4 to IV-7 provide apparent consumption calculations for the subject countries and three additional large markets in Asia (Japan, Korea, and Malaysia). Over the past ten years, shrimp consumption has increased steadily in China, consistent with firms' responses regarding demand outside of the United States (discussed above). Total apparent consumption in China was more than six times higher in 2015 than India, the next largest market presented below. Consumption has also increased in other developing markets: India, Malaysia, and (to a lesser extent) Brazil. More developed Asian markets show a different trend, with consumption declining in Japan and flat in Korea over the ten-year period.

Figure IV-4

Warmwater shrimp: Apparent consumption in subject countries and selected Asian markets, 2006–15

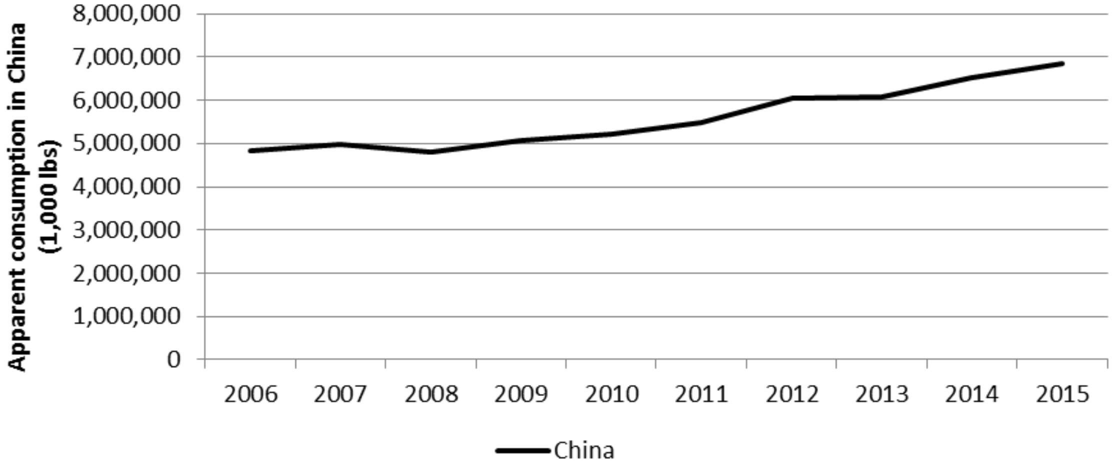


Note.--Total apparent consumption in China was more than six times higher in 2015 than the next largest market, so data for China are shown in a separate panel with its own axis.

Note.--Apparent consumption is calculated as production plus imports, minus exports.

Source: FAO Fisheries Statistics for production and 2006–13 trade; GTA for 2014-15 trade.

Figure IV-5
Warmwater shrimp: Apparent consumption in China, 2006–15

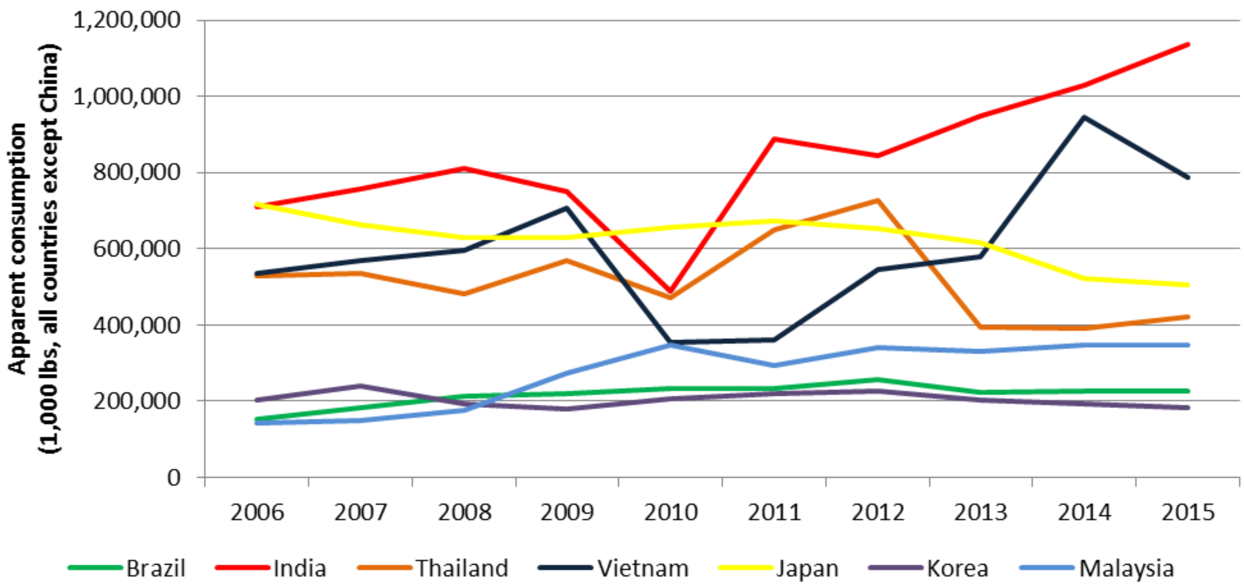


Note.--Apparent consumption is calculated as production plus imports, minus exports.

Source: FAO Fisheries Statistics for production and 2006–13 trade; GTA for 2014-15 trade.

Figure IV-6

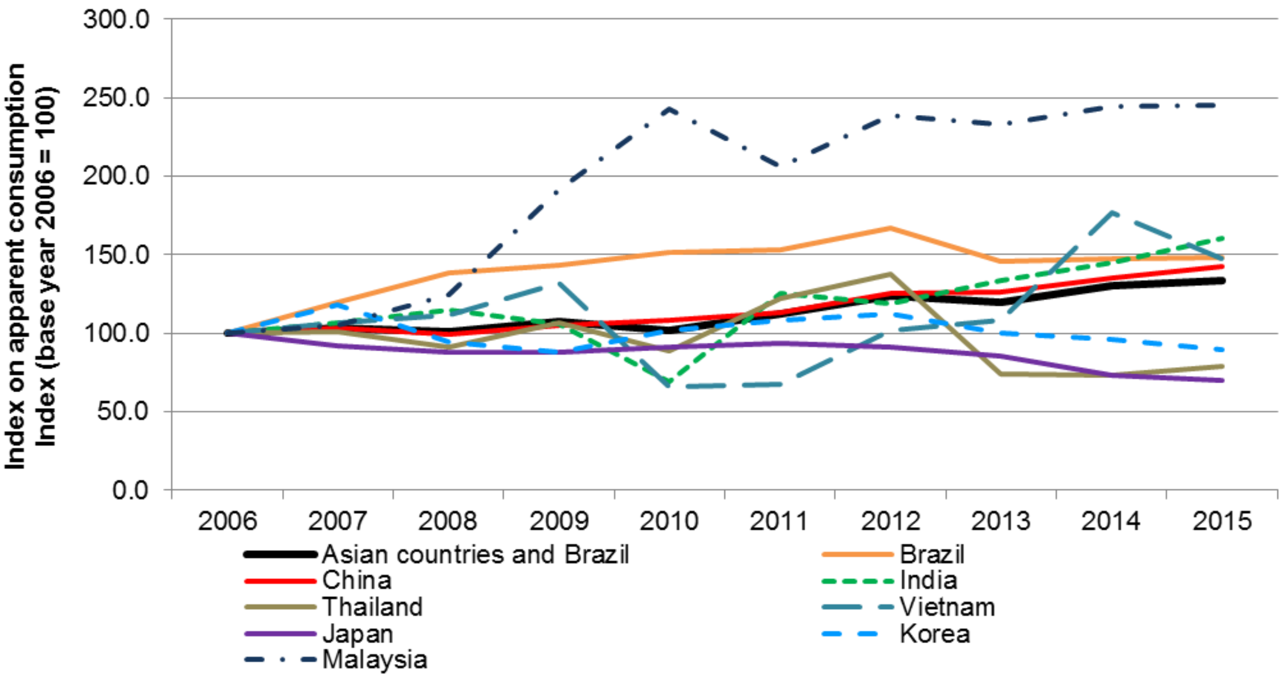
Warmwater shrimp: Apparent consumption in subject countries and selected Asian markets, not including China, 2006–15



Note.--Apparent consumption is calculated as production plus imports, minus exports.

Source: FAO Fisheries Statistics for production and 2006–13 trade; GTA for 2014-15 trade.

Figure IV-7
Warmwater shrimp: Indexed apparent consumption in subject countries and selected Asian markets, 2006–15



Note.--Apparent consumption is calculated as production plus imports, minus exports.

Source: FAO Fisheries Statistics for production and 2006–13 trade; GTA for 2014-15 trade.

Differences between the U.S. market and other markets

Domestic interested parties claim that foreign producers have an incentive to sell to the U.S. market because the U.S. market has "lax imports standards compared to other countries" as well as high prices.[27] Domestic parties report that while U.S. oversight includes only HACCP requirements, the EU also has legislation and government structures requiring examination to ensure food safety, the U.S. inspects for fewer drugs than Japan and the EU and are inspected less frequently. Thus they claim that "product that may risk rejection in the EU or Japan can be shipped to the U.S. with lower risk."[28] Respondents, in contrast, claim that other countries provide significantly higher prices[29] and that U.S. does not tolerate banned antibiotics and stops these products at the border.[30] Respondents also reply that there is no evidence of exporting shrimp to the U.S. rather than the EU or Japan due to food safety standards.[31]

[27] Hearing transcript, p. 27 (Drake). "EU and Japan tend to test for a lot more banned additives than the U.S. test for and to test much more frequently for those than the U.S. does." Hearing transcript, pp. 143-144 (Drake).

[28] ASPA posthearing brief response to the Commission question 2, pp. 1-7

[29] Hearing transcript, p. 30 (Connelly).

[30] Hearing transcript, p. 198 (Connelly).

[31] Joint respondents' posthearing brief, appendix pp. 143-144.

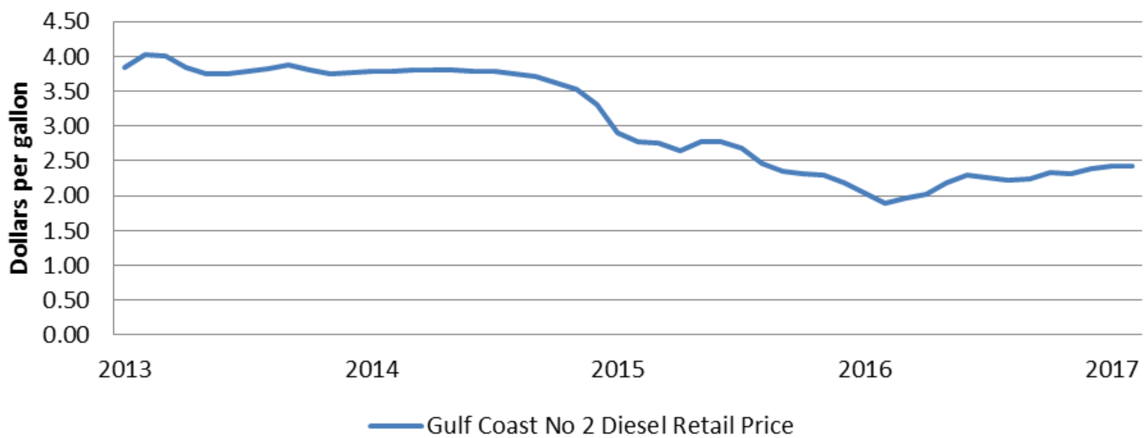
PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

Fuel is the most important cost for shrimp fishermen.[1] Diesel prices in the Gulf Coast region decreased irregularly from about $3.83 per gallon to $1.88 per gallon from January 2013 to February 2016 and have remained under $2.50 since August 2015 (Figure V-1).

Figure V-1
Cost: Gulf coast diesel price by month, January 2013-February 2017



Source: U.S. Energy Information Administration, http://www.eia.gov/petroleum/gasdiesel/

Transportation costs to the U.S. market

Transportation costs for warmwater shrimp shipped from subject countries to the United States in 2015 averaged 3.1 percent for China, 3.8 percent for India, 3.7 percent for Thailand, and 2.7 percent for Vietnam.[2] These estimates were derived from official import data and represent the transportation and other charges on imports.[3]

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[1] *Frozen Warmwater Shrimp from China, Ecuador, India, Malaysia, and Vietnam*, Inv 701-491-493, 495, and 497 (Final) Pub. 4429, October 2013, p. V-1.

[2] No imports from Brazil were reported in 2015, and therefore its transportation cost to the United States is not estimated.

[3] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2015 and then dividing by the customs value based on the HTS subheading 0306.13.0003, 0306.13.0006, 0306.13.0009, 0306.13.0012, 0306.13.0015, 0306.13.0018, 0306.13.0021, 0306.13.0024, 0306.13.0027, 0306.13.0040, 1605.20.1010, and 1605.20.1030.

U.S. inland transportation costs

Twenty-three of 31 responding U.S. processors and 18 of 23 responding importers reported that they typically arrange transportation to their customers.

Ten U.S. processors provided usable U.S. transportation cost data, with costs ranging from 2 percent to 10 percent of the total delivered cost of their U.S. shipments (eight of these reported transportation costs of 5 percent or less).[4] Eighteen importers reported usable U.S. transportation costs, ranging from less than 1 percent to 10 percent. Twelve importers reported transportation costs were 2 percent or less of total delivered costs.

PRICING PRACTICES

Pricing methods

Twenty U.S. processors reported that they set prices for warmwater shrimp on a transaction-by-transaction basis, 17 reported using set price lists, and 7 reported using contracts (table V-1).[5] Twenty importers reported setting prices on a transaction-by-transaction basis, 16 reported using contracts, and 15 reported using price lists.[6] Price lists may be issued as frequently as once per week and may contain different prices by different sizes, species, freezing method (block or IQF), and the extent of processing.

Table V-1
Warmwater shrimp: U.S. producers' and U.S. importers' reported price setting methods by responding firms, 2015

Method	U.S. producers	U.S. importers
Transaction-by-transaction	20	20
Contract	7	16
Set price list	17	15
Other	3	3

Source: Compiled from data submitted in response to Commission questionnaires.

Firms were asked what share of their sales were spot sales, short-term contracts, annual contracts and long-term contracts. U.S. processors reported selling 68.9 percent using spot sales, 10.4 percent under short-term contracts, 8.0 percent under annual contracts, and 12.8 percent under long-term contracts (table V-2). Importers reported selling 56.8 percent under short term contracts, 30.7 percent using spot sales, 10.7 percent under annual contracts, and

[4] A number of U.S. producers reported that transportation costs reported were 50 percent or more of the cost of their warmwater shrimp. These responses were not used.

[5] Three processors reported other price setting methods, two reported market prices and one reported that ***.

[6] Three importers reported other pricing methods. One reported using published price indexes to set price, one reported that ***, and one reported ***.

1.9 percent under long-term contracts. Foreign producers/exporters also reported their types of sales to U.S. customers in 2015. Most Indian producer/exporters sales were spot sales. *** the Vietnamese producer/exporters sales were spot sales. The most common type of sales for Thai producer/exporters were spot sales, although over half of imported Thai shrimp sales were made via annual or short-term contracts.

Table V-2
Warmwater shrimp: U.S. producers', U.S. importers', and foreign producers' reported selling methods, by percent

Country	Long-term contract	Annual contract	Short-term contract	Spot sales
United States	12.8	8.0	10.4	68.9
Subject imports (reported by importers)	1.9	10.7	56.8	30.7
Reported by foreign producers (by country)				
India	0.0	2.4	15.1	82.5
Thailand	1.1	26.7	25.8	46.4
Vietnam	***	***	***	***

Note: Countries for which there is no response are not included in the table.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. processors' short-term contracts spanned between one week to four months while importers' short-term contracts were 2 to 12 months long (most were 3 to 6 months long). Both U.S. processors and importers typically reported both price and quantity were fixed during the contract period, but about half allowed price renegotiation during the contract, and most did not contain meet-or-release provisions. Four U.S. processors and seven importers reported the share they sold using annual contracts.[7] Two U.S. processors *** and three importers *** reported using long-term contracts of two or three years.[8] Foreign producers were also asked to report the duration of their contracts; short-term contracts averaged 72 days, and the ***.

Ten purchasers reported that they purchase product daily, 16 purchase weekly, 5 purchase monthly, 4 purchase quarterly, 2 purchased annually, and 3 reported seasonal

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[7] Two U.S. processors reported price negotiations were allowed during annual contracts, one reported that they were not, one firm reported annual contracts that fixed both price and quantity, one U.S. processor reported their contacts had meet-or-release, and one reported their contracts had no meet-or-release provision. Five importers provided details on their annual contracts, three of these reported contracts fixed both price and quantity, one that it fixed price, and one that it fixed quantity, all five reported the price was not renegotiated during the contract, and no importer reported any meet or release provisions in these annual contracts.

[8] These importers reported contracts fixed both price and quantity, there were no price renegotiations, and neither reported a meet or release provisions in its long term contract. Neither of the U.S. processors that reported sales under long term contracts provided information on contract provisions.

purchases.[9] Most (34 of 37) responding purchasers reported that they did not expect their purchasing patterns to change in the next two years.[10] Most (20 of 35) responding purchasers contact 1 to 5 suppliers before making a purchase.[11]

Sales terms and discounts

Domestic warmwater shrimp is most commonly sold on a delivered basis. Nineteen of 28 responding U.S. processors sell on a delivered basis and nine sell on a free on board (f.o.b.) basis. Among 24 responding importers, 12 reported selling on a delivered basis, 15 reported selling on a f.o.b. basis, three of these importers reported selling on both a delivered and f.o.b. basis. Twenty-one of 28 responding U.S. processors and 20 of 23 responding importers reported sales terms of 30 days.

Most (14 of 28) responding U.S. processors reported either no discount policy or reported quantity discounts (11). Most (19 of 25) responding importers reported no discount policy while only four importers reported quantity discounts.

Price leadership

There is no clear price leader in the warmwater shrimp market. Only 10 purchasers listed firms that they perceived as price leaders. One firm (Penguin Frozen Foods) was listed as a price leader twice, but no other firm was listed more than once.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following warmwater shrimp products shipped to unrelated U.S. customers during January 2013 through September 2016.

Product 1.-- Frozen, raw warmwater shrimp or prawns, all species, 71 to 90 count, headless, peeled, deveined, tail-off, block frozen (cut or not cut).

Product 2.-- Frozen, raw warmwater shrimp or prawns, all species, 71 to 90 count, headless, peeled, not deveined, tail-off, block frozen (cut or not cut).

Product 3.-- Frozen, raw warmwater shrimp or prawns, all species, 41 to 50 count, P&D (peeled and deveined), tail-off, block frozen (cut or not cut).

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[9] One purchaser reported that it was currently not purchasing warmwater shrimp.

[10] Reasons purchasers expected to change their purchase frequency included: firm expects to sell more and therefore purchase more frequently; firm expects the availability of U.S. product will decline if the price does not increase; and firm's purchases fluctuate based on the availability of local fresh shrimp.

[11] One purchaser (***) reported contacting as many as 90 suppliers. ***.

Product 4.-- Frozen, raw warmwater shrimp or prawns, all species, 31 to 40 count, headless, shell-on, block frozen.

Product 5.-- Frozen, raw warmwater shrimp or prawns, all species, 26 to 30 count, headless, shell-on, block frozen.

Product 6.-- Frozen, cooked warmwater shrimp or prawns, all species, 26 to 30 count, P&D (peeled and deveined), headless, tail-on or-tail off, individually quick frozen (IQF).

Twenty-one U.S. producers and 17 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[12] Pricing data reported by these firms accounted for approximately 14.3 percent of U.S. producers' shipments of warmwater shrimp in 2015.[13] Pricing data reported by importers accounted for *** percent for India, *** for Thailand, and *** percent of apparent U.S. consumption of imports from Vietnam during 2015.[14] Price data for products 1-6 are presented in tables V-3 to V-8 and figures V-2 to V-7.[15]

[12] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[13] Total U.S. producers' shipments based on questionnaire data.

[14] No price data were reported for Brazil or China.

[15] Firms that reported unusual pricing patterns were asked to explain these. One importer (***) reported selling the same amount *** in 2014 through the third quarter of 2016. In some quarters the price of product from the different countries differed. *** reported that it attempts to sell equal amounts of product from *** to spread risk in areas such as shipping scheduling, disease, weather, and raw material availability. It reported prices sometimes differed because some of its customers prefer one country of origin over the other. One importer (***) reported that its price was abnormally low in one quarter because it received a particularly low price from its source and it sold this product to another importer. Importer *** reported that, in the same quarter, its selling price for *** was close to a dollar a pound higher than ***. It reported that purchasers were willing to pay a premium for product from *** because 1) the importer maintained inventory of private label packaging of *** product for just in time delivery, 2) *** product did not have additives other than salt, 3) most *** product is Best Aquaculture Practices certified, and 4) some *** product was cooked in shell and then peeled, which increased its price. U.S. producer *** reported that the price of its *** were relatively high because it *** that commands a higher price. U.S. producer *** reported that its prices were higher for *** in some quarters because of higher quality packaging and because some sales were of premium priced ***. In addition, a number of firms did not verify or explain their price data.

Table V-3
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 1,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		India			Thailand		
	Price (dollars per pound)	Quantity (pounds)	Price (dollars per pound)	Quantity (pounds)	Margin (percent)	Price (dollars per pound)	Quantity (pounds)	Margin (percent)
2013:								
Jan.-Mar.	3.94	225,911	***	***	***	***	***	***
Apr.-June	3.42	606,806	***	***	***	***	***	***
July-Sept.	4.01	885,519	***	***	***	***	***	***
Oct.-Dec.	5.63	569,271	***	***	***	***	***	***
2014:								
Jan.-Mar.	6.37	219,016	***	***	***	--	0	--
Apr.-June	6.18	366,383	***	***	***	***	***	***
July-Sept.	4.86	804,787	***	***	***	***	***	***
Oct.-Dec.	4.52	727,470	***	***	***	***	***	***
2015:								
Jan.-Mar.	4.56	385,922	***	***	***	--	0	--
Apr.-June	2.97	816,903	***	***	***	***	***	***
July-Sept.	3.33	784,981	***	***	***	--	0	--
Oct.-Dec.	3.67	562,833	--	0	--	--	0	--
2016:								
Jan.-Mar.	3.44	330,576	--	0	--	--	0	--
Apr.-June	3.04	472,584	--	0	--	--	0	--
July-Sept.	3.70	584,760	***	***	***	--	0	--

[1] Product 1: Frozen, raw warmwater shrimp or prawns, all species, 71 to 90 count, headless, peeled, deveined, tail-off, block frozen (cut or not cut).

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-3--Continued
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 1,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		Vietnam		
	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013:					
Jan.-Mar.	3.94	225,911	***	***	***
Apr.-June	3.42	606,806	***	***	***
July-Sept.	4.01	885,519	***	***	***
Oct.-Dec.	5.63	569,271	***	***	***
2014:					
Jan.-Mar.	6.37	219,016	***	***	***
Apr.-June	6.18	366,383	***	***	***
July-Sept.	4.86	804,787	***	***	***
Oct.-Dec.	4.52	727,470	***	***	***
2015:					
Jan.-Mar.	4.56	385,922	***	***	***
Apr.-June	2.97	816,903	***	***	***
July-Sept.	3.33	784,981	***	***	***
Oct.-Dec.	3.67	562,833	--	0	--
2016:					
Jan.-Mar.	3.44	330,576	--	0	--
Apr.-June	3.04	472,584	--	0	--
July-Sept.	3.70	584,760	--	0	--

[1] Product 1: Frozen, raw warmwater shrimp or prawns, all species, 71 to 90 count, headless, peeled, deveined, tail-off, block frozen (cut or not cut).

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-4
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 2,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States	
	Price *(dollars per pound)*	Quantity *(pounds)*
2013: Jan.-Mar.	3.18	1,309,541
Apr.-June	3.11	2,609,959
July-Sept.	3.46	2,960,567
Oct.-Dec.	4.80	1,680,447
2014: Jan.-Mar.	5.79	1,007,729
Apr.-June	4.98	2,167,650
July-Sept.	4.16	3,767,233
Oct.-Dec.	3.64	1,912,139
2015: Jan.-Mar.	3.60	1,169,990
Apr.-June	2.64	2,438,801
July-Sept.	2.54	2,594,058
Oct.-Dec.	2.77	1,932,127
2016: Jan.-Mar.	3.26	1,374,580
Apr.-June	2.73	1,851,381
July-Sept.	3.25	2,237,175

[1] Product 2: Frozen, raw warmwater shrimp or prawns, all species, 71 to 90 count, headless, peeled, not deveined, tail-off, block frozen (cut or not cut).

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-5
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 3,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		India			Vietnam		
	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013: Jan.-Mar.	4.04	858,540	--	0	--	--	0	--
Apr.-June	3.92	1,461,673	--	0	--	--	0	--
July-Sept.	4.63	2,687,695	--	0	--	--	0	--
Oct.-Dec.	5.51	1,179,586	--	0	--	--	0	--
2014: Jan.-Mar.	6.04	1,035,744	--	0	--	***	***	***
Apr.-June	6.66	603,884	--	0	--	--	0	--
July-Sept.	5.22	2,341,784	--	0	--	--	0	--
Oct.-Dec.	5.00	1,529,418	--	0	--	--	0	--
2015: Jan.-Mar.	4.90	870,939	--	0	--	--	0	--
Apr.-June	3.87	1,005,914	--	0	--	--	0	--
July-Sept.	3.46	2,100,189	--	0	--	--	0	--
Oct.-Dec.	3.45	1,682,124	--	0	--	--	0	--
2016: Jan.-Mar.	3.88	906,114	--	0	--	--	0	--
Apr.-June	3.52	1,296,920	***	***	***	--	0	--
July-Sept.	4.15	2,122,481	***	***	***	--	0	--

[1] Product 3: Frozen, raw warmwater shrimp or prawns, all species, 41 to 50 count, P&D (peeled and deveined), tail-off, block frozen (cut or not cut).

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-6
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 4,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		India			Thailand		
	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013: Jan.-Mar.	4.82	270,558	***	***	***	***	***	***
Apr.-June	5.03	347,213	***	***	***	***	***	***
July-Sept.	5.56	838,852	***	***	***	***	***	***
Oct.-Dec.	6.05	623,039	***	***	***	***	***	***
2014: Jan.-Mar.	6.62	285,989	***	***	***	***	***	***
Apr.-June	7.06	210,996	***	***	***	***	***	***
July-Sept.	6.46	594,281	***	***	***	--	0	--
Oct.-Dec.	5.89	483,514	***	***	***	***	***	***
2015: Jan.-Mar.	6.23	175,657	***	***	***	***	***	***
Apr.-June	5.37	171,920	***	***	***	***	***	***
July-Sept.	3.22	759,954	***	***	***	***	***	***
Oct.-Dec.	3.41	372,419	***	***	***	***	***	***
2016: Jan.-Mar.	3.93	216,349	***	***	***	***	***	***
Apr.-June	3.73	312,473	***	***	***	***	***	***
July-Sept.	4.09	574,196	***	***	***	***	***	***

[1] Product 4: Frozen, raw warmwater shrimp or prawns, all species, 31 to 40 count, headless, shell-on, block frozen.

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-6--Continued
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 4,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		Vietnam		
	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013:					
Jan.-Mar.	4.82	270,558	***	***	***
Apr.-June	5.03	347,213	***	***	***
July-Sept.	5.56	838,852	***	***	***
Oct.-Dec.	6.05	623,039	***	***	***
2014:					
Jan.-Mar.	6.62	285,989	***	***	***
Apr.-June	7.06	210,996	***	***	***
July-Sept.	6.46	594,281	***	***	***
Oct.-Dec.	5.89	483,514	***	***	***
2015:					
Jan.-Mar.	6.23	175,657	***	***	***
Apr.-June	5.37	171,920	***	***	***
July-Sept.	3.22	759,954	***	***	***
Oct.-Dec.	3.41	372,419	***	***	***
2016:					
Jan.-Mar.	3.93	216,349	***	***	***
Apr.-June	3.73	312,473	***	***	***
July-Sept.	4.09	574,196	***	***	***

[1] Product 4: Frozen, raw warmwater shrimp or prawns, all species, 31 to 40 count, headless, shell-on, block frozen.

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-7
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 5,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		India			Thailand		
	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013:								
Jan.-Mar.	5.12	466,566	***	***	***	***	***	***
Apr.-June	5.60	713,432	***	***	***	***	***	***
July-Sept.	6.33	1,204,385	***	***	***	***	***	***
Oct.-Dec.	6.85	635,022	***	***	***	***	***	***
2014:								
Jan.-Mar.	7.38	424,583	***	***	***	***	***	***
Apr.-June	8.02	352,301	***	***	***	***	***	***
July-Sept.	7.77	695,997	***	***	***	***	***	***
Oct.-Dec.	6.57	1,044,437	***	***	***	***	***	***
2015:								
Jan.-Mar.	7.04	296,119	***	***	***	***	***	***
Apr.-June	6.15	351,262	***	***	***	***	***	***
July-Sept.	4.45	897,575	***	***	***	--	0	--
Oct.-Dec.	3.97	749,541	***	***	***	--	0	--
2016:								
Jan.-Mar.	4.43	445,429	***	***	***	***	***	***
Apr.-June	4.10	609,921	***	***	***	***	***	***
July-Sept.	4.62	920,062	***	***	***	***	***	***

[1] Product 5: Frozen, raw warmwater shrimp or prawns, all species, 26 to 30 count, headless, shell-on, block frozen.

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-7--Continued
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 5,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		Vietnam		
	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013:					
Jan.-Mar.	5.12	466,566	***	***	***
Apr.-June	5.60	713,432	***	***	***
July-Sept.	6.33	1,204,385	***	***	***
Oct.-Dec.	6.85	635,022	***	***	***
2014:					
Jan.-Mar.	7.38	424,583	***	***	***
Apr.-June	8.02	352,301	***	***	***
July-Sept.	7.77	695,997	***	***	***
Oct.-Dec.	6.57	1,044,437	***	***	***
2015:					
Jan.-Mar.	7.04	296,119	***	***	***
Apr.-June	6.15	351,262	***	***	***
July-Sept.	4.45	897,575	***	***	***
Oct.-Dec.	3.97	749,541	***	***	***
2016:					
Jan.-Mar.	4.43	445,429	***	***	***
Apr.-June	4.10	609,921	***	***	***
July-Sept.	4.62	920,062	***	***	***

[1] Product 5: Frozen, raw warmwater shrimp or prawns, all species, 26 to 30 count, headless, shell-on, block frozen.

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-8
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 6,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

	United States		India			Thailand		
Period	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013: Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept.	***	***	***	***	***	***	***	***
Oct.-Dec.	6.97	28,030	***	***	***	***	***	***
2014: Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-June	7.57	64,849	***	***	***	***	***	***
July-Sept.	7.37	88,752	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2015: Jan.-Mar.	7.25	72,198	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept.	***	***	***	***	***	***	***	***
Oct.-Dec.	4.22	80,720	***	***	***	***	***	***
2016: Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept.	***	***	***	***	***	***	***	***

[1] Product 6: Frozen, cooked warmwater shrimp or prawns, all species, 26 to 30 count, P&D (peeled and deveined), headless, tail-on or-tail off, individually quick frozen (IQF).

Source**:** Compiled from data submitted in response to Commission questionnaires.

Table V-8--Continued
Warmwater shrimp: Weighted-average f.o.b. prices and quantities of domestic and imported product 6,[1] and margins of underselling/(overselling), by quarters, January 2013-September 2016

Period	United States		Vietnam		
	Price *(dollars per pound)*	Quantity *(pounds)*	Price *(dollars per pound)*	Quantity *(pounds)*	Margin *(percent)*
2013: Jan.-Mar.	***	***	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	6.97	28,030	***	***	***
2014: Jan.-Mar.	***	***	***	***	***
Apr.-June	7.57	64,849	***	***	***
July-Sept.	7.37	88,752	***	***	***
Oct.-Dec.	***	***	***	***	***
2015: Jan.-Mar.	7.25	72,198	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	4.22	80,720	***	***	***
2016: Jan.-Mar.	***	***	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	***	***	***	***	***

[1] Product 6: Frozen, cooked warmwater shrimp or prawns, all species, 26 to 30 count, P&D (peeled and deveined), headless, tail-on or-tail off, individually quick frozen (IQF).

Source**:** Compiled from data submitted in response to Commission questionnaires.

Figure V-2
Warmwater shrimp: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2013-September 2016

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Figure V-3
Warmwater shrimp: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2013-September 2016

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Figure V-4
Warmwater shrimp: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2013-September 2016

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Figure V-5
Warmwater shrimp: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2013-September 2016

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Figure V-6
Warmwater shrimp: Weighted-average prices and quantities of domestic and imported product 5, by quarters, January 2013-September 2016

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Figure V-7
Warmwater shrimp: Weighted-average prices and quantities of domestic and imported product 6, by quarters, January 2013-September 2016

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Price trends

In general, prices increased and then decreased during January 2013-September 2016, peaking in 2014. Table V-9 summarizes the price trends, by country and by product. As shown in the table, overall domestic price increases ranged from 2.5 to *** percent during January 2013 to September 2016, while decreases ranged from 6.0 to 15.0 percent. Import price increases ranged from *** to *** percent and decreases ranged from 2.8 to *** percent. Most prices peaked in 2014 which respondents attribute to supply shortages and fears of additional shortages resulting from the EMS outbreak in a number of Asian countries.[16]

Respondents claim that the price adjustments (in response to market conditions) for imported shrimp from India indicated that the orders are not "truly having a disciplining effect."[17] However respondents state that "antidumping is a tremendously burdensome responsibility from a paper keeping and other compliance standpoint."[18]

[16] Joint respondents' prehearing brief, p. 5.
[17] Hearing transcript, p. 184 (Dougan).
[18] Hearing transcript, p. 213 (Zhou).

Table V-9
Warmwater shrimp: Summary of weighted-average f.o.b. prices for products 1-6 from the United States and India, Thailand, and Vietnam

Item	Number of quarters	Low price (per unit)	High price (per unit)	Change in price[1] (percent)
Product 1				
United States	15	2.97	6.37	(6.0)
India – subject	12	***	***	***
Thailand – subject	8	***	***	([1])
Vietnam – subject	11	***	***	([1])
Product 2				
United States	15	2.54	5.79	2.5
Product 3				
United States	15	3.45	6.66	2.8
India – subject	2	***	***	([1])
Vietnam – subject	1	***	***	Not applicable
Product 4				
United States	15	3.22	7.06	(15.0)
India – subject	15	***	***	***
Thailand – subject	14	***	***	***
Vietnam – subject	15	***	***	***
Product 5				
United States	15	3.97	8.02	(9.8)
India – subject	15	***	***	***
Thailand – subject	13	***	***	***
Vietnam – subject	15	***	***	***
Product 6				
United States	15	***	***	***
India – subject	15	***	***	***
Thailand – subject	15	***	***	***
Vietnam – subject	15	***	***	***

[1] Percentage change is reported from the first quarter to the last quarter. In cases where price data was not available for all quarters, no change was reported in the table because the prices change so much from quarter to quarter thus the changes would not be comparable. Product 1, Thai prices increased by *** percent between the first quarter of 2013 and the second quarter of 2015, while Vietnamese product 1 prices increased by *** percent from the first quarter of 2013 to the third quarter of 2015. Product 3 prices from India *** between the second and third quarter of 2016.

Note.--Country/product pairs for which there were no reported price data have been omitted.

Source: Compiled from data submitted in response to Commission questionnaires.

Price comparisons

As shown in table V-10, prices for warmwater shrimp imported from India, Thailand, and Vietnam were below those for U.S.-produced product in 64 of 166 instances; margins of underselling ranged from 1.1 to 34.7 percent. In the remaining 102 instances, prices for warmwater shrimp from India, Thailand, and Vietnam were between 0.5 and 106.8 percent above prices for the domestic product. Table V-11 shows underselling and overselling by product.

Table V-10
Warmwater shrimp: Instances of underselling/overselling and the range and average of margins, by country, January 2013-September 2016

Source	Underselling				
	Number of quarters	Quantity[1] (pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
India – subject	29	***	***	1.8	34.7
Thailand – subject	22	***	***	1.9	17.1
Vietnam – subject	13	***	***	1.1	20.1
Total	64	***	11.6	1.1	34.7
Source	(Overselling)				
	Number of quarters	Quantity[1] (pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
India – subject	30	***	***	(1.9)	(106.8)
Thailand – subject	28	***	***	(0.5)	(104.1)
Vietnam – subject	44	***	***	(2.0)	(102.8)
Total	102	***	(25.7)	(0.5)	(106.8)

[1] In the original investigations, subject imports from Brazil were priced lower than domestic product in 33 of 74 comparisons, with underselling margins ranging from 29.2 to 0.1 percent; subject imports from China were priced lower than domestic product in 68 of 100 comparisons, with underselling margins ranging from 55.9 to 0.9 percent; India were priced lower than domestic product in 55 of 90 comparisons, with underselling margins ranging from 36.4 to 0.0 percent; subject imports from Thailand were priced lower than domestic product in 78 of 113 comparisons, with underselling margins ranging from 83.8 to 0.6 percent; and subject imports from Vietnam were priced lower than domestic product in 65 of 104 comparisons, with underselling margins ranging from 28.8 to 0.2 percent. *Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam Inv. Nos. 731-1063-1068 (Final)*, Staff report, INV BB 156, December 2004, tables V-2 and G-1 through G-10.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-11
Warmwater shrimp: Instances of underselling/overselling and the range and average of margins, by product, January 2013-September 2016

Source	Underselling				
	Number of quarters	Quantity (pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	5	3,098,491	10.5	4.2	17.1
Product 3	1	***	3.6	3.6	3.6
Product 4	27	3,755,353	11.9	1.3	28.7
Product 5	30	12,329,997	12.0	1.1	34.7
Product 6	1	283,021	3.7	3.7	3.7
Source	(Overselling)				
	Number of quarters	Quantity (pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	26	12,622,567	(32.7)	(7.0)	(69.0)
Product 3	2	***	(9.5)	(5.5)	(13.5)
Product 4	17	1,228,401	(18.5)	(1.9)	(61.2)
Product 5	13	1,461,068	(10.4)	(2.7)	(22.2)
Product 6	44	44,778,109	(29.7)	(0.5)	(106.8)

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers' perceptions of relative price trends

Purchasers were asked how the prices of warmwater shrimp from the United States had changed relative to the prices of product from Brazil, China, India, Thailand, and Vietnam since 2013. Fifteen purchasers reported no changes in relative price. Purchaser responses are provided in table V-12.[19] Most of the responding purchasers reported that U.S. prices increased relative to import prices for all five subject countries.[20]

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[19] A number of firms that did not report relative changes reported differences in U.S. and imported prices

[20] Price data collected in these investigations show prices of U.S. warmwater shrimp were lower than the price of warmwater shrimp from India, Thailand, and Vietnam in most price comparisons. Nonetheless, most purchasers responded that U.S. prices are higher than prices of imports. Similarly in table II-12 purchasers typically report that prices of warmwater shrimp from India, Thailand, and Vietnam are lower than the price of U.S. product. U.S. producers reported imports tend to be lower-priced than domestic warmwater shrimp; shrimp labeled "Wild American Shrimp" is sold at a premium at the retail level and where they are displayed but wholesale sales tend to be of imported product which can be a dollar or more cheaper than U.S. product. Hearing transcript, p. 87 (Gibson). Respondents also stated in their hearing testimony that they sold domestic shrimp at higher prices than imports. Mr. Weitzer of Arista Industries stated "we're selling domestic shrimp at a 20 to 30 percent

(*continued*...)

Table V-12
Warmwater shrimp: Number of purchasers reporting changes in prices of U.S. frozen warmwater shrimp relative to prices of frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam

	Firms that reported relative price changes[1]			All firms responding	
Country	Relative change	U.S. prices increased relative to import prices	U.S. prices decreased relative to import prices	U.S. price higher	U.S. prices lower
Brazil	6	5	1	14	1
China	11	8	1	19	1
India	17	13	2	25	2
Thailand	15	11	2	23	2
Vietnam	14	11	2	22	2

[1] Two purchasers reported relative changes in price for some country pairs but also that the prices of U.S. and imported product moved independently. One of the firms reporting that prices for U.S. product changed relative to prices of Indian, Thai, and Vietnamese product, but reported both that they increased and that they decreased relative to each other. One firm reported that prices of U.S. product moved relative to product from China, India, Thailand, and Vietnam but did not report how the prices changed.

Source: Compiled from data submitted in response to Commission questionnaires.

Parties were asked to explain why the price data and price perceptions differed. Joint respondents first explained that the purchaser's opinions on price data were just opinions, did not specify a time period, and were confusing. Thus respondents advocated the price data collected should be given more weight than purchasers' opinions.[21] Respondents also suggest that price data in the cases on warmwater shrimp indicate that U.S. prices are not typically correlated with the price of imports.[22] Respondents further analyze the under- and overselling by product. For product one, they report importers could oversell and yet were able to sell more than U.S. producers, and so imports are unlikely to reduce prices to increase sales. For product 3, although there was underselling, this represents a very small share of imports. For products 4 and 5 these products are block frozen, most imports tend to be IQF thus though there is underselling it does not show that the orders are effective. For product 6, the importers' dominance of this sector allows them to oversell in this market.[23]

AHSTAC and ASPA also examined prices by products. They noted that overselling was concentrated in products 1 and 6 with the vast majority of overselling by weight concentrated

(…*continued*)
premium over the same item and that product for us, since we're selling both sometimes to the same customer at the same time is going on the same truck." Hearing transcript, p. 232 (Weitzer). Mr. Stafford of Costco reported "I looked at the pink that I referenced that we sell in Florida and it's a 40/50 pink that we sell for 15.79 for two pounds. I think we all understand that the larger you go with shrimp the more expensive it gets, but the smaller imported item that we sell in that same location is a 31/40 raw for two pounds that is actually less, so we're willing to pay that premium that we pay in Florida." Hearing transcript, p. 233 (Stafford).

[21] Joint respondents brief, Appendix, pp. 1-2.

[22] Joint respondents brief, Appendix, pp. 60-63.

[23] Joint respondents' posthearing brief, Appendix, pp. 32-35.

in product 6. Product 6 is a cooked shrimp product and cooked shrimp is a small share of all the shrimp purchased. [24] Most of the product 6 price data *** and may be biased by the response of one firm.[25] The overselling is a change from the original investigation and the first review, and the overall preponderance of overselling is the result of product 6. According to AHSTAC, this majority overselling is an idiosyncratic result.[26] ASPA noted that the pricing coverage was much greater in the original investigation and the first review than it is in this second review where import coverage had declined more than domestic coverage. As a result pricing data in this review tends to be less representative than that in earlier investigations. With the lower coverage, price data is susceptible to be skewed by a small number of importers[27] particularly since the amount of this product is such a large share of all cooked shrimp that is estimated to be imported.[28]

[24] ASPA posthearing brief, question from the Commission 1, p. 3.
[25] ASPA posthearing brief, question from the Commission 1, pp. 3-4.
[26] AHSTAC posthearing brief, appendix F pp. 1-4.
[27] ASPA posthearing brief, question from the Commission 1, pp. 2-3.
[28] ASPA posthearing brief, question from the Commission 1, p. 3.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
81 FR 10659 March 1, 2016	*Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam Institution of five-year reviews*	https://www.gpo.gov/fdsys/pkg/FR-2016-03-01/pdf/2016-04163.pdf
81 FR 10578 March 1, 2016	*Initiation of Five-Year ("Sunset") Review*	https://www.gpo.gov/fdsys/pkg/FR-2016-03-01/pdf/2016-04464.pdf
81 FR 39711 June 17, 2016	*Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam; Notice of Commission Determination to Conduct Full Five-Year Reviews*	https://www.gpo.gov/fdsys/pkg/FR-2016-06-17/pdf/2016-14291.pdf
81 FR 44275 July 7, 2016	*Certain Frozen Warmwater Shrimp From Brazil, India, the People's Republic of China and Thailand: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*	https://www.gpo.gov/fdsys/pkg/FR-2016-07-07/pdf/2016-16053.pdf
81 FR 78632 November 8, 2016	*Frozen Warmwater Shrimp From Brazil, China, India, Thailand, and Vietnam; Scheduling of Full Five-Year Reviews*	https://www.gpo.gov/fdsys/pkg/FR-2016-11-08/pdf/2016-26899.pdf
82 FR 8724 January 30, 2017	*Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the Second Five-Year Sunset Review of the Antidumping Duty Order*	https://www.gpo.gov/fdsys/pkg/FR-2017-01-30/pdf/2017-01952.pdf

APPENDIX B

LIST OF HEARING WITNESSES

In Support of the Continuation of
<u>the Antidumping Duty Orders:</u>

Stewart and Stewart
Leake & Anderson LLP
Washington, DC
<u>on behalf of</u>

American Shrimp Processors Association ("ASPA")

Alan Gibson, President *and* Owner, Tidelands Seafood Co., Inc.

Chalin Delaune, Vice President, Tommy's Seafood Inc.

E. Richard Gollott, Sr., Vice President, Golden Gulf Coast Pkg. Co. Inc.

Dr. David Veal, Executive Director, ASPA

Elizabeth J. Drake	)
Sahar J. Hafeez	)
	) – OF COUNSEL
Leah N. Scarpelli	)
Edward T. Hayes	)

Picard Kentz & Rowe LLP
Washington, DC
<u>on behalf of</u>

Ad Hoc Shrimp Trade Committee ("AHSTAC")
Ad Hoc Shrimp Industry Committee ("AHSIC")

O. Steven Bosarge, Chief Executive Officer, Bosarge Boats, Inc., and B&B Boats, Inc.; *and* President, Southern Shrimp Alliance

Ken Garcia, Boat Owner *and* Vessel Manager, Daniel Phillip III, Inc., et al.

Michael Hooper, Business Manager, Bowers Shrimp Farm and Bowers Seafood LLC

Nathaniel M. Rickard	)
Whitney M. Rolig	) – OF COUNSEL
Roop B. Bhatti	)

In Opposition to the Continuation of
<u>the Antidumping Duty Orders:</u>

Trade Pacific PLLC
Hughes Hubbard & Reed LLP
Washington, DC
<u>on behalf of</u>

Brazilian, Indian, Thai and Vietnamese Respondents

Guy Pizzuti, Category Manager for Seafood, Publix Super Markets, Inc.

Mike Seidel, Director of Category Management, Performance Food Group

Alan Weitzer, President, Arista Industries

Jeff Stern, Vice President of Purchasing, Central Seaway Company, Inc.

Jim Stafford, Vice President, Food & Sundries, Northeast Region, Costco Wholesale Corp.

Joe Zhou, Director of Protein Procurement, Red Lobster Seafood Co.

James P. Dougan, Vice President, Economic Consulting Services, LLC

Emma Peterson, Economist, Economic Consulting Services, LLC

Robert G. Gosselink)
Warren E. Connelly)
Jarrod M. Goldfeder) – OF COUNSEL
Matthew R. Nicely)
Julia K. Eppard)

<u>REBUTTAL/CLOSING REMARKS:</u>

In Support of Continuation of Orders (**Nathaniel M. Rickard**, Picard Kentz & Rowe LLP; and **Elizabeth J. Drake**, Stewart and Stewart)
In Opposition to Continuation to the Orders (**Matthew R. Nicely**, Hughes Hubbard & Reed LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
Warmwater shrimp: Summary data concerning the U.S. market, 2013-15, January to September 2015, and January to September 2016

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sept
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. consumption quantity:									
Amount	1,119,374	1,260,469	1,293,595	895,677	922,251	15.6	12.6	2.6	3.0
Producers' share (fn1)	11.0	9.2	9.7	7.8	6.6	(1.4)	(1.9)	0.5	(1.2)
Importers' share (fn1):									
Brazil	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0
China subject	***	***	***	***	***	***	***	***	***
India subject	***	***	***	***	***	***	***	***	***
Thailand subject	***	***	***	***	***	***	***	***	***
Vietnam subject	***	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***	***
China nonsubject	***	***	***	***	***	***	***	***	***
India nonsubject	***	***	***	***	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***	***	***	***	***
All others sources	43.6	48.7	46.4	49.4	45.6	2.9	5.1	(2.3)	(3.9)
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	89.0	90.8	90.3	92.2	93.4	1.4	1.9	(0.5)	1.2
U.S. consumption value:									
Amount	5,738,710	7,309,989	5,902,995	4,138,516	4,089,242	2.9	27.4	(19.2)	(1.2)
Producers' share (fn1)	13.3	12.1	12.3	10.6	7.2	(1.0)	(1.1)	0.2	(3.4)
Importers' share (fn1):									
Brazil	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0
China subject	***	***	***	***	***	***	***	***	***
India subject	***	***	***	***	***	***	***	***	***
Thailand subject	***	***	***	***	***	***	***	***	***
Vietnam subject	***	***	***	***	***	***	***	***	***
Subject sources	***	***	***	***	***	***	***	***	***
China nonsubject	***	***	***	***	***	***	***	***	***
India nonsubject	***	***	***	***	***	***	***	***	***
Thailand nonsubject	***	***	***	***	***	***	***	***	***
Vietnam nonsubject	***	***	***	***	***	***	***	***	***
All others sources	39.9	43.7	42.5	45.0	42.7	2.6	3.8	(1.1)	(2.3)
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	86.7	87.9	87.7	89.4	92.8	1.0	1.1	(0.2)	3.4
U.S. imports from:									
Brazil:									
Quantity	20	1	0	0	0	(100.0)	(96.3)	(100.0)	fn2
Value	125	3	0	0	0	(100.0)	(97.8)	(100.0)	fn2
Unit value	$6.28	$3.75	$0.00	$0.00	$0.00	(100.0)	(40.3)	(100.0)	fn2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
China subject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
India subject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Thailand subject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Vietnam subject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	50,254	59,241	57,371	52,823	57,844	14.2	17.9	(3.2)	9.5
China nonsubject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
India nonsubject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Thailand nonsubject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Warmwater shrimp: Summary data concerning the U.S. market, 2013-15, January to September 2015, and January to September 2016

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sept
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. imports from:--Continued									
Vietnam nonsubject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	487,546	613,446	600,388	442,576	420,181	23.1	25.8	(2.1)	(5.1)
Value	2,289,796	3,191,685	2,510,377	1,863,109	1,747,642	9.6	39.4	(21.3)	(6.2)
Unit value	$4.70	$5.20	$4.18	$4.21	$4.16	(11.0)	10.8	(19.6)	(1.2)
Nonsubject sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	66,588	101,580	103,821	101,420	103,441	55.9	52.6	2.2	2.0
All import sources:									
Quantity	995,724	1,144,958	1,168,585	825,631	861,130	17.4	15.0	2.1	4.3
Value	4,977,865	6,424,588	5,178,162	3,699,846	3,792,978	4.0	29.1	(19.4)	2.5
Unit value	$5.00	$5.61	$4.43	$4.48	$4.40	(11.4)	12.2	(21.0)	(1.7)
Ending inventory quantity	116,842	160,821	161,192	154,243	161,285	38.0	37.6	0.2	4.6
NMF derived U.S. shipments:									
Estimated U.S. shipments:									
Quantity	123,651	115,512	125,011	70,046	61,120	1.1	(6.6)	8.2	(12.7)
Value	760,845	885,401	724,833	438,670	296,264	(4.7)	16.4	(18.1)	(32.5)
Unit value	$6.15	$7.67	$5.80	$6.26	$4.85	(5.8)	24.6	(24.4)	(22.6)
U.S. processors':									
Average capacity quantity	390,352	396,707	404,655	295,859	296,422	3.7	1.6	2.0	0.2
Production quantity	138,448	144,410	144,547	101,009	109,137	4.4	4.3	0.1	8.0
Capacity utilization (fn1)	35.5	36.4	35.7	34.1	36.8	0.3	0.9	(0.7)	2.7
U.S. shipments:									
Quantity	146,529	136,603	146,159	102,581	113,226	(0.3)	(6.8)	7.0	10.4
Value	684,354	752,391	587,497	417,893	460,286	(14.2)	9.9	(21.9)	10.1
Unit value	$4.67	$5.51	$4.02	$4.07	$4.07	(13.9)	17.9	(27.0)	(0.2)
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	22,938	29,871	27,886	25,285	22,035	21.6	30.2	(6.6)	(12.9)
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	1,272	1,344	1,308	1,240	1,248	2.8	5.7	(2.7)	0.6
Hours worked (1,000s)	2,243	2,324	2,315	1,690	1,857	3.2	3.6	(0.4)	9.9
Wages paid ($1,000)	31,127	32,570	32,210	23,393	24,806	3.5	4.6	(1.1)	6.0
Hourly wages (dollars)	$13.88	$14.01	$13.91	$13.84	$13.36	0.3	1.0	(0.7)	(3.5)
Productivity (pounds per 1,000 hour)	61,724	62,139	62,439	59,769	58,771	1.2	0.7	0.5	(1.7)
Unit labor costs	$0.22	$0.23	$0.22	$0.23	$0.23	(0.9)	0.3	(1.2)	(1.9)
Net sales:									
Quantity	146,513	136,353	145,786	103,358	115,785	(0.5)	(6.9)	6.9	12.0
Value	689,204	757,908	591,210	428,770	476,886	(14.2)	10.0	(22.0)	11.2
Unit value	$4.70	$5.56	$4.06	$4.15	$4.12	(13.8)	18.2	(27.0)	(0.7)
Cost of goods sold (COGS)	629,388	697,806	529,920	390,534	424,373	(15.8)	10.9	(24.1)	8.7
Gross profit or (loss)	59,816	60,102	61,290	38,236	52,513	2.5	0.5	2.0	37.3
SG&A expenses	54,617	54,958	57,227	40,053	42,050	4.8	0.6	4.1	5.0
Operating income	5,199	5,144	4,063	(1,817)	10,463	(21.9)	(1.1)	(21.0)	fn2
Net income	4,344	6,280	231	(3,120)	13,162	(94.7)	44.6	(96.3)	fn2
Capital expenditures	6,187	7,790	5,263	4,231	6,417	(14.9)	25.9	(32.4)	51.7
Unit COGS	$4.30	$5.12	$3.63	$3.78	$3.67	(15.4)	19.1	(29.0)	(3.0)
Unit SG&A expenses	$0.37	$0.40	$0.39	$0.39	$0.36	5.3	8.1	(2.6)	(6.3)
Unit operating income	$0.04	$0.04	$0.03	$(0.02)	$0.09	(21.5)	6.3	(26.1)	fn2
Unit net income	$0.03	$0.05	$0.00	$(0.03)	$0.11	(94.7)	55.3	(96.6)	fn2
COGS/sales (fn1)	91.3	92.1	89.6	91.1	89.0	(1.7)	0.7	(2.4)	(2.1)
Operating income/sales (fn1)	0.8	0.7	0.7	(0.4)	2.2	(0.1)	(0.1)	0.0	2.6
Net income/sales (fn1)	0.6	0.8	0.0	(0.7)	2.8	(0.6)	0.2	(0.8)	3.5

Notes:
fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires, NMF landings, and official U.S. import and export statistics with modifications based on proprietary Customs records (see parts I and IV for details).

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1 (First Reviews)
Frozen WW shrimp: Summary data concerning the U.S. market, 2005-09, January-September 2009, and January-September 2010

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

Item	Reported data							Period changes					
						January-September							Jan.-Sept.
	2005	2006	2007	2008	2009	2009	2010	2005-09	2005-06	2006-07	2007-08	2008-09	2009-10
U.S. consumption quantity:													
Amount	1,169,260	1,334,762	1,261,164	1,254,032	1,259,986	891,707	832,301	7.8	14.2	-5.5	-0.6	0.5	-6.7
Producers' share (1)	11.0	12.7	10.9	9.2	11.9	12.7	7.1	0.9	1.7	-1.8	-1.8	2.7	-5.6
Importers' share (1):													
Brazil	0.6	0.1	0.0	0.0	0.0	0.0	0.0	-0.6	-0.5	-0.1	0.0	-0.0	0.0
China (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Ecuador (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
India (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Vietnam	7.9	5.9	6.6	8.2	7.0	7.0	7.5	-0.9	-2.0	0.7	1.6	-1.2	0.6
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
China (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Ecuador (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
India (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	33.8	31.9	33.4	35.7	31.8	32.0	29.8	-2.0	-1.9	1.5	2.4	-3.9	-2.3
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	89.0	87.3	89.1	90.8	88.1	87.3	92.9	-0.9	-1.7	1.8	1.8	-2.7	5.6
U.S. consumption value:													
Amount	4,034,123	4,631,645	4,367,136	4,564,116	4,239,648	3,000,643	2,961,350	5.1	14.8	-5.7	4.5	-7.1	-1.3
Producers' share (1)	13.9	14.9	13.1	12.6	14.0	15.0	9.0	0.1	1.0	-1.8	-0.5	1.4	-5.9
Importers' share (1):													
Brazil	0.3	0.1	0.0	0.0	0.0	0.0	0.0	-0.3	-0.2	-0.1	0.0	-0.0	0.0
China (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Ecuador (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
India (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Vietnam	11.1	9.4	10.6	10.6	9.0	8.9	10.2	-2.2	-1.7	1.2	0.1	-1.7	1.3
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***
China (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Ecuador (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
India (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	34.0	31.7	33.2	34.6	30.6	30.9	28.6	-3.4	-2.2	1.5	1.4	-4.0	-2.2
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	86.1	85.1	86.9	87.4	86.0	85.0	91.0	-0.1	-1.0	1.8	0.5	-1.4	5.9
U.S. imports from:													
Brazil:													
Quantity	6,591	1,298	0	37	37	37	43	-99.4	-80.3	-100.0	(2)	-0.4	14.7
Value	13,042	3,894	0	310	86	86	120	-99.3	-70.1	-100.0	(2)	-72.3	39.1
Unit value	$1.98	$3.00	(2)	$8.34	$2.32	$2.32	$2.82	17.4	51.6	(2)	(2)	-72.2	21.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
China (subject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Ecuador (subject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
India (subject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (subject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Vietnam:													
Quantity	92,890	79,149	83,689	102,944	88,489	62,002	62,607	-4.7	-14.8	5.7	23.0	-14.0	1.0
Value	448,803	434,290	462,043	485,410	379,595	266,137	301,412	-15.4	-3.2	6.4	5.1	-21.8	13.3
Unit value	$4.83	$5.49	$5.52	$4.72	$4.29	$4.29	$4.81	-11.2	13.6	0.6	-14.6	-9.0	12.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1 (First Reviews)--Continued
Warmwater shrimp and prawns: Summary data concerning the U.S. market, 2005-09, January-September 2009, and January-September 2010

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data							Period changes					
						January-September							Jan.-Sept.
Item	2005	2006	2007	2008	2009	2009	2010	2005-09	2005-06	2006-07	2007-08	2008-09	2009-10
U.S. imports from:													
China (nonsubject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Ecuador (nonsubject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
India (nonsubject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (nonsubject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:													
Quantity	395,592	425,948	420,789	448,302	401,163	285,675	247,760	1.4	7.7	-1.2	6.5	-10.5	-13.3
Value	1,370,781	1,469,994	1,449,913	1,577,511	1,295,902	925,911	847,564	-5.5	7.2	-1.4	8.8	-17.9	-8.5
Unit value	$3.47	$3.45	$3.45	$3.52	$3.23	$3.24	$3.42	-6.8	-0.4	-0.2	2.1	-8.2	5.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject):													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
All sources:													
Quantity	1,041,157	1,165,462	1,123,447	1,139,216	1,110,013	778,213	773,300	6.6	11.9	-3.6	1.4	-2.6	-0.6
Value	3,473,446	3,943,425	3,794,958	3,989,238	3,646,368	2,551,667	2,694,296	5.0	13.5	-3.8	5.1	-8.6	5.6
Unit value	$3.34	$3.38	$3.38	$3.50	$3.28	$3.28	$3.48	-1.5	1.4	-0.2	3.7	-6.2	6.3
Ending inventory quantity	78,719	88,803	77,856	82,095	82,383	84,907	87,319	4.7	12.8	-12.3	5.4	0.4	2.8
U.S. processors':													
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***
Calculated U.S. shipments:													
Quantity	128,103	169,300	137,717	114,817	149,973	113,495	59,001	17.1	32.2	-18.7	-16.6	30.6	-48.0
Value	560,677	688,219	572,179	574,878	593,281	448,976	267,054	5.8	22.7	-16.9	0.5	3.2	-40.5
Unit value	$4.38	$4.07	$4.15	$5.01	$3.96	$3.96	$4.53	-9.6	-7.1	2.2	20.5	-21.0	14.4

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not available/not applicable.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires, National Marine Fisheries Services statistics, and official Commerce statistics.

Table C-2 (First Reviews)
Frozen WW shrimp: Summary data concerning the U.S. market (excluding *), 2005-09, January-September 2009, and January-September 2010**

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

Item	Reported data							Period changes					
						January-September							Jan.-Sept.
	2005	2006	2007	2008	2009	2009	2010	2005-09	2005-06	2006-07	2007-08	2008-09	2009-10
U.S. processors':													
Average capacity quantity	315,473	364,360	380,512	394,964	399,753	286,796	278,103	26.7	15.5	4.4	3.8	1.2	-3.0
Production quantity	126,682	163,863	145,266	126,257	146,197	105,576	68,350	15.4	29.3	-11.3	-13.1	15.8	-35.3
Capacity utilization (1)	40.2	44.6	38.2	32.0	36.6	36.8	24.6	-3.6	4.4	-6.4	-6.2	4.6	-12.2
U.S. shipments:													
Quantity	125,012	152,018	142,848	123,616	144,752	106,340	84,773	15.8	21.6	-6.0	-13.5	17.1	-20.3
Value	393,284	446,846	472,791	428,464	397,242	304,405	292,236	1.0	13.6	5.8	-9.4	-7.3	-4.0
Unit value	$3.15	$2.99	$3.36	$3.53	$2.93	$3.05	$3.67	-7.0	-5.0	12.4	5.0	-17.1	20.3
Export shipments:													
Quantity	2,348	1,928	1,714	1,419	1,454	1,130	294	-38.1	-17.9	-11.1	-17.2	2.5	-74.0
Value	6,806	4,924	4,447	3,839	3,511	2,775	864	-48.4	-27.7	-9.7	-13.7	-8.5	-68.9
Unit value	$2.90	$2.55	$2.59	$2.71	$2.41	$2.46	$2.94	-16.7	-11.9	1.6	4.3	-10.7	19.7
Ending inventory quantity	21,386	28,226	28,991	31,606	34,776	30,035	20,882	62.6	32.0	2.7	9.0	10.0	-30.5
Inventories/total shipments (1)	16.8	18.3	20.1	25.3	23.8	21.0	18.4	7.0	1.5	1.7	5.2	-1.5	-2.5
Production workers	1,498	1,430	1,473	1,356	1,489	1,476	1,291	-0.6	-4.5	3.0	-7.9	9.8	-12.5
Hours worked (1,000s)	2,698	2,857	2,937	2,570	3,043	2,220	1,845	12.8	5.9	2.8	-12.5	18.4	-16.9
Wages paid ($1,000s)	26,834	30,531	31,680	30,907	34,248	24,423	20,440	27.6	13.8	3.8	-2.4	10.8	-16.3
Hourly wages	$9.95	$10.69	$10.79	$12.03	$11.26	$11.00	$11.08	13.2	7.4	0.9	11.5	-6.4	0.7
Productivity (pounds per hour)	45.5	54.4	48.0	48.0	47.0	47.0	38.4	3.4	19.8	-11.8	-0.1	-2.1	-18.3
Unit labor costs	$0.22	$0.20	$0.22	$0.25	$0.24	$0.23	$0.30	9.4	-10.3	14.4	11.6	-4.4	27.8
Net sales:													
Quantity	125,932	151,001	141,919	123,115	137,160	101,669	81,588	8.9	19.9	-6.0	-13.2	11.4	-19.8
Value	400,964	451,538	480,852	434,868	406,169	310,197	294,675	1.3	12.6	6.5	-9.6	-6.6	-5.0
Unit value	$3.18	$2.99	$3.39	$3.53	$2.96	$3.05	$3.61	-7.0	-6.1	13.3	4.2	-16.2	18.4
Cost of goods sold (COGS)	371,689	415,676	443,562	405,606	366,910	284,174	269,457	-1.3	11.8	6.7	-8.6	-9.5	-5.2
Gross profit or (loss)	29,275	35,862	37,290	29,262	39,259	26,023	25,218	34.1	22.5	4.0	-21.5	34.2	-3.1
SG&A expenses	29,857	33,232	36,454	35,094	35,655	26,412	23,784	19.4	11.3	9.7	-3.7	1.6	-10.0
Operating income or (loss)	(582)	2,630	836	(5,832)	3,604	(389)	1,434	(3)	(3)	-68.2	(3)	(3)	(3)
Capital expenditures	3,669	7,269	8,496	5,214	4,920	4,054	6,598	34.1	98.1	16.9	-38.6	-5.6	62.8
Unit COGS	$2.95	$2.75	$3.13	$3.29	$2.68	$2.80	$3.30	-9.4	-6.7	13.5	5.4	-18.8	18.2
Unit SG&A expenses	$0.24	$0.22	$0.26	$0.29	$0.26	$0.26	$0.29	9.6	-7.2	16.7	11.0	-8.8	12.2
Unit operating income or (loss)	($0.00)	$0.02	$0.01	($0.05)	$0.03	($0.00)	$0.02	(3)	(3)	-66.2	(3)	(3)	(3)
COGS/sales (1)	92.7	92.1	92.2	93.3	90.3	91.6	91.4	-2.4	-0.6	0.2	1.0	-2.9	-0.2
Operating income or (loss)/ sales (1)	(0.1)	0.6	0.2	(1.3)	0.9	(0.1)	0.5	1.0	0.7	-0.4	-1.5	2.2	0.6

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not available/not applicable.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-2 (Original Investigations)
Warmwater shrimp and prawns (excluding canned): Summary data concerning the U.S. market, 2001-03, January-June 2003, and January-June 2004

* * * * * * *

Table C-2--Continued (Original Investigations)
Warmwater shrimp and prawns (excluding canned): Summary data concerning the U.S. market, 2001-03, January-June 2003, and January-June 2004

*   *   *   *   *   *   *

Table C-3 (Original Investigations)
Warmwater shrimp and prawns: Summary data concerning selected U.S. processors (1), 2001-03, January-June 2003, and January-June 2004

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data					Period changes			
				January-June					Jan.-June
Item	2001	2002	2003	2003	2004	2001-03	2001-02	2002-03	2003-04
U.S. processors':									
Average capacity quantity	304,995	304,820	305,195	152,883	152,883	0.1	-0.1	0.1	0.0
Production quantity	142,883	132,646	138,062	52,004	49,748	-3.4	-7.2	4.1	-4.3
Capacity utilization (2)	46.8	43.5	45.2	34.0	32.5	-1.6	-3.3	1.7	-1.5
U.S. shipments:									
Quantity	118,271	112,412	117,350	54,691	51,452	-0.8	-5.0	4.4	-5.9
Value	482,481	418,809	383,562	176,550	156,217	-20.5	-13.2	-8.4	-11.5
Unit value	$4.08	$3.73	$3.27	$3.23	$3.04	-19.9	-8.7	-12.3	-5.9
Export shipments:									
Quantity	2,772	2,547	3,266	1,434	1,268	17.8	-8.1	28.2	-11.6
Value	9,141	7,763	8,499	3,708	3,308	-7.0	-15.1	9.5	-10.8
Unit value	$3.30	$3.05	$2.60	$2.59	$2.61	-21.1	-7.6	-14.6	0.9
Ending inventory quantity	23,696	23,886	28,935	19,499	24,414	22.1	0.8	21.1	25.2
Inventories/total shipments (2)	19.6	20.8	24.0	34.7	46.3	4.4	1.2	3.2	11.6
Production workers	2,180	1,802	1,616	1,431	1,319	-25.9	-17.3	-10.3	-7.8
Hours worked (1,000s)	3,390	3,235	2,973	1,212	1,131	-12.3	-4.6	-8.1	-6.7
Wages paid ($1,000s)	31,671	30,508	29,425	12,778	11,762	-7.1	-3.7	-3.5	-8.0
Hourly wages	$9.30	$9.39	$9.86	$10.50	$10.36	6.0	0.9	5.0	-1.3
Productivity (pounds per hour)	40.1	39.3	44.6	40.9	42.3	11.0	-2.0	13.3	3.7
Unit labor costs	$0.23	$0.24	$0.22	$0.26	$0.24	-4.7	3.0	-7.4	-4.8
Net sales (3):									
Quantity	139,732	130,434	136,862	54,806	50,098	-2.1	-6.7	4.9	-8.6
Value	499,628	433,306	406,055	181,668	156,598	-18.7	-13.3	-6.3	-13.8
Unit value	$3.50	$3.27	$2.95	$3.30	$3.11	-15.6	-6.5	-9.8	-5.7
Cost of goods sold (COGS)	459,608	399,457	370,652	163,752	138,140	-19.4	-13.1	-7.2	-15.6
Gross profit or (loss)	40,020	33,849	35,403	17,916	18,458	-11.5	-15.4	4.6	3.0
SG&A expenses	35,659	33,980	34,179	15,886	14,170	-4.2	-4.7	0.6	-10.8
Operating income or (loss)	4,361	(131)	1,224	2,030	4,288	-71.9	(4)	(4)	111.2
Capital expenditures	5,942	5,557	2,651	1,895	989	-55.4	-6.5	-52.3	-47.8
Unit COGS	$3.22	$3.01	$2.70	$2.97	$2.74	-16.3	-6.6	-10.4	-7.7
Unit SG&A expenses	$0.24	$0.25	$0.25	$0.28	$0.28	4.0	4.0	-0.1	-1.3
Unit operating income or (loss)	$0.04	$0.02	$0.01	$0.04	$0.09	-73.9	-61.2	-32.7	107.9
COGS/sales (2)	92.0	92.2	91.3	90.1	88.2	-0.7	0.2	-0.9	-1.9
Operating income or (loss)/ sales (2)	0.9	(0.0)	0.3	1.1	2.7	-0.6	-0.9	0.3	1.6

(1) Excluding data for previously excluded, targeted related parties, and ***.
(2) "Reported data" are in percent and "period changes" are in percentage points.
(3) Unit income-and-loss calculations exclude ***, which reported values but not quantities.
(4) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX D

COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS

Describe the significance of the existing antidumping duty orders covering imports of frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam in terms of its effect on your firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values.

Note.–Throughout this appendix, responses have been presented as received.

Table D-1
Warmwater shrimp: Effect of orders for processors

* * * * * * *

U.S. PRODUCERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS

Would your firm anticipate any changes in its production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of frozen warmwater shrimp in the future if the orders on frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam were to be revoked?

Note.–Throughout this appendix, responses have been presented as received.

Table D-2
Warmwater shrimp: Likely effect of revocation of orders for processors

* * * * * * *

U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS

Describe the significance of the existing countervailing duty and antidumping duty orders covering imports of frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam in terms of its effect on your firm's imports, U.S. shipments of imports, and inventories.

Note.–Throughout this appendix, responses have been presented as received.

Table D-3
Warmwater shrimp: Effect of orders for importers

* * * * * * *

U.S. IMPORTERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS

Would your firm anticipate any changes in its imports, U.S. shipments of imports, or inventories of frozen warmwater shrimp in the future if the antidumping duty orders on frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam were to be revoked?

Note.–Throughout this appendix, responses have been presented as received.

Table D-4
Warmwater shrimp: Likely effect of revocation of orders for importers

* * * * * * *

U.S. PURCHASERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS

What do you think will be the likely effects of any revocation of the antidumping duty orders for imports of frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam? As appropriate, please discuss any potential effects of revocation of the antidumping duty orders on (1) the future activities of your firm and (2) the U.S. market as a whole. Please note the future time period to which you are referring.

Table D-5
Warmwater shrimp: Likely effect of revocation on future activities of firms for purchasers

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Table D-6
Warmwater shrimp: Likely effect of revocation on the U.S. market as a whole for purchasers

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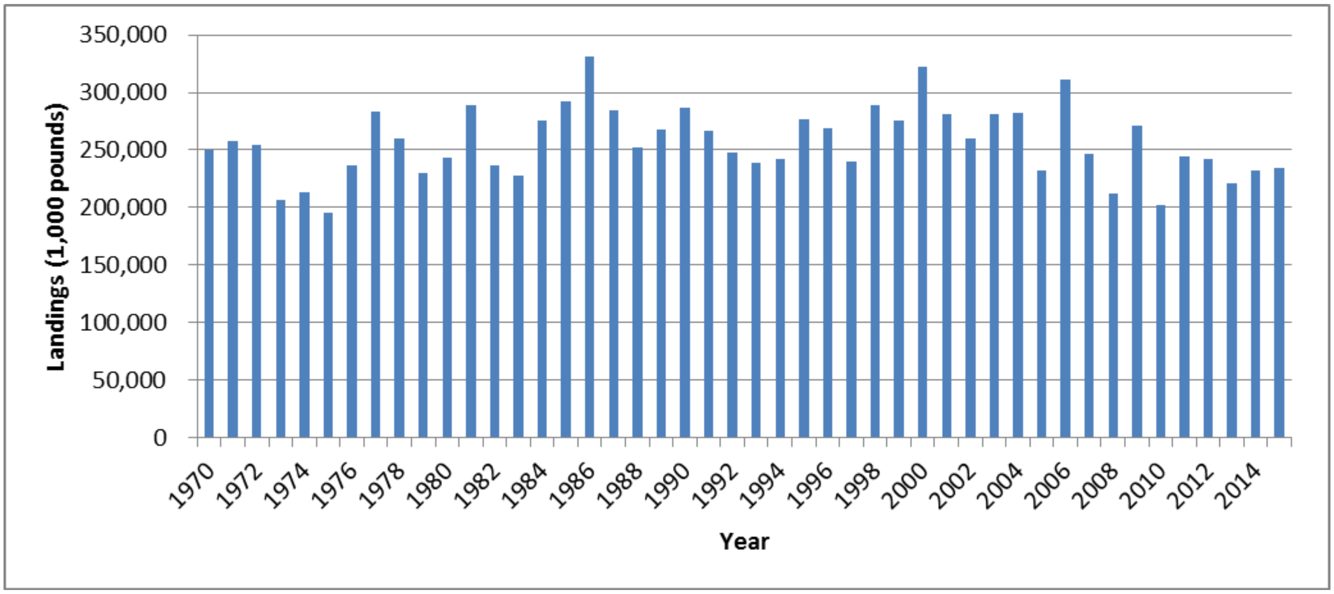
APPENDIX E

U.S. FARMERS/FISHERMEN DATA

TRADE AND RELATED INFORMATION

Figure E-1 presents U.S. wild catch landings in the Gulf and South Atlantic regions since 1970.

Figure E-1
Warmwater shrimp: U.S. wild catch landings, Gulf and South Atlantic regions: 1970-2015



Source: NOAA Commercial Fisheries Statistics, 1970-2015, https://www.st.nmfs.noaa.gov/commercial-fisheries/commercial-landings/annual-landings/index

Table E-1

Frozen warmwater shrimp: U.S. farmers/fishermen, their position on the orders, production location(s), and share of reported production, 2015

Firm	Position on orders	Production location(s)	Share of production (percent)
++Boat Josey Wales L.L.C.	***	Chauvin, LA	***
A&C Boat Rental LLC	***	Chauvin, LA	***
A&P Trawlers	***	San Benito, TX	***
Alex Ngo	***	Dickinson, TX	***
A.J.'s Seafood Inc. (Antoine Naquin)	***	Montegut, LA	***
Aldon Byas	***	Saint Helena, SC	***
Amanda Marie LLC	***	Chauvin, LA	***
Amber Waves Inc	***	Townsend, GA	***
ANDY HAI HUYNH	***	Galveston, TX	***
Angela Marie Inc.	***	Chauvin, LA	***
Anna Marie Seafood, LLC	***	Montegut, LA	***
Aparicio Trawlers Inc.	***	Palacios, TX	***
Arroya Cruz, LLC.	***	Brownsville, TX	***
Au Luu	***	League City, TX	***
B & B Boats, Inc.	***	Pascagoula, MS	***
B.K. Trawlers, Inc.	***	Port Isabel, TX	***
Bay Islander Inc	***	Los Fresnos, TX	***
BJF Inc	***	Chauvin, LA	***
Bosarge Boats, Inc.	***	Pascagoula, MS	***
Bowers Shrimp farm	***	Palacios, TX	***
Bradley's Commercial Fishing	***	St. Helena Island, SC	***
Brande Ray Inc.	***	Hortense, GA	***
Brava Cruz, LLC.	***	Brownsville, TX	***
Brazos River Trawling Company, LLC - F/V Helen Kay	***	Lake Jackson, TX	***
Bubba Blue Seafood LLC	***	Washington, DC	***
Burnell Marine & Supply	***	Brownsville, TX	***
Calvin J Wade Jr.	***	Lafitte, LA	***
Capt Carlos Trawlers Inc	***	Port Isabel, TX	***
Capt Christopher Inc	***	Port Lavaca, TX	***
Capt Edward Inc	***	Port Lavaca, TX	***
Capt GC	***	Palacios, TX	***
Capt GC II	***	Palacios, TX	***
Capt Marcus Inc	***	Port Lavaca, TX	***
Capt. Bubba Inc.	***	Port Lavaca, TX	***
Capt. Eddie Inc	***	Port Lavaca, TX	***
Capt. Lucas Inc.	***	Port Lavaca, TX	***
Capt. Nicholas Inc.	***	Port Lavaca, TX	***
Captain JDL	***	Brownsville, TX	***
Captain Justin	***	Savannah, GA	***
Captain Walley Inc	***	Brownsville, TX	***
Carey Chauvin (Lady Melissa)	***	Chauvin, LA	***
Carmelita, LLC.	***	Brownsville, TX	***

Table continued on next page.

Table E-1--Continued

Frozen warmwater shrimp: U.S. farmers/fishermen, their position on the petition, location of production, and share of reported production, 2015

Firm	Position on orders	Production location(s)	Share of productio n (percent)
Cathy Huynh	***	Galveston, TX	***
Chaddy Boy LLC	***	Chauvin, LA	***
Chau T Dinh	***	Pensacola, FL	***
Chris Dejean Jr	***	Dulac, LA	***
Citadel Seafood, LLC	***	Meridian, GA	***
Craig Theriot	***	Chauvin, LA	***
DANIEL PHILLIP III INC	***	Port Lavaca, TX	***
Delbert E. Bull, Jr.	***	Winnie, TX	***
DFS, Inc	***	Beaufort, SC	***
Dive In Dude Inc dba F/V Dying Breed	***	Jacksonville, FL	***
Donald F. Boone II M/V Dorothy E.	***	Darien, GA	***
Donald F. Boone III M/V Saylor Aubrey	***	Darien, GA	***
DORADA CRUZ, LL.	***	Brownsville, TX	***
Dragnet Seafood LLC	***	Chauvin, LA	***
Durand Enterprises Inc	***	Jacksonville, FL	***
Emery Seafood Market	***	Seabrook, TX	***
Eric Kyle Kimball	***	Nederland, TX	***
Essie Lambert Murray & James Murray	***	Savannah, GA	***
Ethan G Inc	***	Port Lavaca, TX	***
F/V Sapelo Lady	***	Townsend, GA	***
f/v tommy boy LLC	***	Jeanerette, LA	***
Father Dan	***	Palacios, TX	***
Father Mike Inc	***	Port Lavaca, TX	***
Fiesta Cruz, LLC.	***	Brownsville, TX	***
Four Girls	***	St. Helena Island, SC	***
Fulcher Trawling LLC	***	New Bern, NC	***
Gale Force Inc	***	Meridian, GA	***
Gemita Inc	***	Los Fresnos, TX	***
Golden Phase Inc.	***	Townsend, GA	***
Grandma Inc	***	Port Lavaca, TX	***
Gregory T. Boone	***	Townsend, Ga	***
Grey Ghost Seafood	***	Richmond Hill, GA	***
Gulf I, Inc	***	Brownsville, TX	***
Hang Tite LLC	***	Biloxi, MS	***
Hermosa Cruz, LLC.	***	Brownsville, TX	***
Hondumex Enterprises Inc	***	Los Fresnos, TX	***
Ike & Zack Inc	***	Port Lavaca, TX	***
Integrity Fisheries, Inc.	***	Irvington, AL	***
Iris-Marie Inc.	***	Jacksonville, FL	***
James F. Dubberly DBA Daddy's Boy	***	Savannah, GA	***
James F. Dubberly DBA Jenna Renee (formerly Julie Shea)	***	Savannah, GA	***
James J Matherne, Sr	***	Barataria, LA	***

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Table E-1--Continued

Frozen warmwater shrimp: U.S. farmers/fishermen, their position on the petition, location of production, and share of reported production, 2015

Firm	Position on orders	Production location(s)	Share of production (percent)
Jenson Joseph LLC	***	Chauvin, LA	***
John W Brown	***	Barataria, LA	***
Johnny Ray Bennett	***	Waynesville, GA	***
Josh & Jake Inc	***	Port Lavaca, TX	***
Joya Cruz, LLC.	***	Brownsville, TX	***
K.C. Trawlers, Inc.	***	Port Isabel, TX	***
Kate Elth, LLC	***	Chauvin, LA	***
Kelly Marie Inc	***	Port Lavaca, TX	***
Kerry D Rojas Jr.	***	Barataria, La	***
Kevinmon	***	Orange, TX	***
Kimmi Alayna	***	Dulac, LA	***
L&O Corp	***	Brownsville, TX	***
LaBauve Incorpation	***	Chauvin, LA	***
Lady Margaret IV	***	Houston, TX	***
Lady Toni Inc	***	Port Lavaca, TX	***
Lancero, Inc	***	Brownsville, TX	***
Lang Van Huynh	***	Galveston, TX	***
LD Huynh Inc.	***	Galveston, TX	***
Leblanc, Gareth R JR	***	Lafitte, LA	***
Lee & Jake Shrimping, LLC	***	Houma, LA	***
Legacy Trawling Inc	***	New Bern, NC	***
Libertad Fisheries, Inc	***	Brownsville, TX	***
Little David Gulf Trawler Inc.	***	Palacios, TX	***
Little Ernie Gulf Trawler Inc	***	Palacios, TX	***
Little Ken Inc	***	Port Lavaca, TX	***
Louis Parria, III	***	Barataria, LA	***
Louis Parria, Jr.	***	Barataria, LA	***
Madera Cruz, LLC.	***	Brownsville, TX	***
Mariachi Trawlers, Inc	***	Brownsville, TX	***
Mariah Lynn Inc.	***	Port Lavaca, TX	***
Mark Kopszywa	***	Ocean Springs, MS	***
Mary Bea, Inc.	***	Palacios, TX	***
Master Jimbo, Inc	***	Alvin, TX	***
Master Ken Inc	***	Port Lavaca, TX	***
Master Mike, Inc.	***	Bayou La Batre, AL	***
Maurice Jacob, LLC	***	Chauvin, L	***
Maycie Brooke LLC	***	Chauvin, LA	***
Michael A. Parria	***	Houma, LA	***
Michael Adams	***	Yulee, FL	***
Michael David Adams Sr	***	Yulee, FL	***
Miss Adrianna Inc	***	Port Lavaca, TX	***
Miss Bernadette A Inc.	***	Palacios, TX	***

Table continued on next page.

Table E-1--Continued

Frozen warmwater shrimp: U.S. farmers/fishermen, their position on the petition, location of production, and share of reported production, 2015

Firm	Position on orders	Production location(s)	Share of production (percent)
Miss Emily Inc.	***	Port Lavaca, TX	***
Miss Hilary Inc	***	Port Lavaca, TX	***
Miss Kinslee LLC	***	Chauvin, LA	***
Miss Lisa II	***	Port Arthur, TX	***
Miss Madeline INC	***	Palacios, TX	***
Miss Marie Inc.	***	Charleston, SC	***
Miss My Pheung	***	Pensacola, FL	***
Miss Opal, Inc	***	San Benito, TX	***
Miss Verna Inc	***	Los Fresnos, TX	***
Miss Winnie Inc	***	Port Lavaca, TX	***
Mother T INC	***	Palacios, TX	***
Mr. K LLC	***	Port Arthur, TX	***
My Three Sons Inc	***	Crescent, GA	***
Nancy Joy, Inc.	***	Sneads Ferry, NC	***
Nelson Trawlers, Inc.	***	Townsend, GA	***
Nga Ho Owner of F/V Lady Kristie and F/V Lady Kristie II	***	Pensacola, FL	***
Nuoi Van Bui DBA Miss Thu Thao	***	Lafayette, LA	***
Nuoi Van Bui DBA Miss Thu Thao II	***	Lafayette, LA	***
Oceanica Cruz, LLC.	***	Brownsville, TX	***
Old Timer	***	Palacios, TX	***
Palacios Fisheries Inc Dba Capt Arnulfo	***	Port Lavaca, TX	***
Papa Rod, Inc.	***	Bayou La Batre, AL	***
Perseverance of Mayport, INC	***	Jacksonville, FL	***
Plata Cruz, LLC.	***	BROWNSVILLE, TX	***
Purata Trawlers, Inc.	***	Los Fresnos, TX	***
Queen Mary, LLC.	***	BROWNSVILLE, TX	***
R & J, Inc.	***	Hilton Head Island, SC	***
R & K Fisheries, LLC	***	Barataria, LA	***
Ranchero Trawlers, Inc	***	Brownsville, TX	***
Randall J Pinell Inc	***	Chauvin, LA	***
Randy Thomas	***	Jacksonville, FL	***
Raul L. Castellanos	***	Port Isabel, TX	***
Reyes Trawlers Inc	***	Los Fresnos, TX	***
Rhonda Lynn, Inc.	***	Palacios, TX	***
Ricky D. Miles DBA/ Amanda Lynn	***	Savannah, GA	***
Ricky G, Inc.	***	Grand Bay, AL	***
Ricky Trahan	***	Chauvin, LA	***
RKB Fishing, Inc.	***	Palacios, TX	***
Roatex Enterprises Inc	***	Los Fresnos, TX	***
Robert Long, Predator Inc.	***	Brunswick, GA	***
Rodney Olander F/V Big Rod	***	Franklin, LA	***
Ronald Parria	***	Lafitte, LA	***

Table continued on next page.

Table E-1--Continued

Frozen warmwater shrimp: U.S. farmers/fishermen, their position on the petition, location of production, and share of reported production, 2015

Firm	Position on orders	Production location(s)	Share of production (percent)
Ruttley Boys Inc	***	Barataria, LA	***
Sabrina Marie Inc	***	Port Lavaca, TX	***
Sandra G Inc.	***	Port Lavaca, TX	***
Santa Fe Cruz, LLC.	***	Brownsville, TX	***
Santa Monica, LLC.	***	Brownsville, TX	***
Sea Challenger Corporation	***	Galveston, TX	***
Sea Eagle Fisheries, Inc.	***	Irvington, AL	***
Sea Fever, Inc.	***	Port Isabel, TX	***
Shrimp Shack	***	Townsend, Ga	***
Snodgrass Inc	***	Brownsville, TX	***
St. June, LLC	***	Chauvin, LA	***
Start Young Inc	***	Port Isabel, TX	***
Stewart & Kelly Sadler DBA Lady Kelly LLC	***	Waynesville, GA	***
Ted W. Smithwick	***	Townsend, GA	***
Texas Fisheries dba Miss Danielle	***	Port Lavaca, TX	***
The Jacob A Inc	***	Palacios, TX	***
The Mayporter Inc	***	Jacksonville, FL	***
Thomas Faulkner	***	Twin City, GA	***
Thomas G Inc.	***	Port Lavaca, TX	***
Tien Van Nguyen	***	Port Arthur, TX	***
Tiffani Claire Inc	***	Chauvin, LA	***
TLG Trawlers, Inc	***	Darien, GA	***
Todd Shrimping, Inc.	***	Darien, GA	***
Trawler Becky-Joe	***	Jacksonville, FL	***
Trawler Capt Fud LLC	***	New Bern, NC	***
Trawler Capt Ryan Co Inc	***	New Bern, NC	***
Trawler Catherine Lane Inc	***	New Bern, NC	***
Trawler Christian G Inc	***	Port Lavaca, TX	***
Trawler Emmanuel Inc	***	Port Lavaca, TX	***
Trawler Santa Maria Inc.	***	Port Lavaca, TX	***
Trawler Shrimp TX 1 dba Texas 1	***	Port Lavaca, TX	***
Troy & Penny Zar LLC	***	Lafitte, LA	***
Troy LeCompte dba R&T Atocha LLC	***	Chauvin, LA	***
Troy M. Parria	***	Cut Off, LA	***
Tuan Van Le	***	Houston, TX	***
Ultima Cruz, LLC.	***	Brownsville, TX	***
Varon, Inc	***	Brownsville, TX	***
Vera Cruz, LLC.	***	Brownsville, TX	***
Versaggi Shrimp Corp.	***	Tampa, FL	***
Victoria Rose Inc	***	Port Lavaca, TX	***
Vigilante, Inc	***	Brownsville, TX	***

Table continued on next page.

Table E-1--Continued

Frozen warmwater shrimp: U.S. farmers/fishermen, their position on the petition, location of production, and share of reported production, 2015

Firm	Position on orders	Production location(s)	Share of production (percent)
Walter's Caviar and Seafood	***	Darien, Ga	***
Waterfront Seafood	***	Seabrook, TX	***
William C Collins	***	Darien, GA	***
William Patrick, Inc	***	Darien, GA	***
WL&O, Inc	***	Brownsville, TX	***
Wylie Milam, Inc.	***	Palacios, TX	***
Total			100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. FARMERS'/FISHERMEN'S COMMENTS REGARDING FISHING LIMITATIONS

Describe any state and federal limitations on shrimp fishing activities, e.g., limitations on areas where it is permissible to fish, limitations on length of season, use of specified gear (TED's and by-catch reduction devices, etc.). Describe expected enforcement time of such limitations.

Note.—Responses have been presented as received.

Table E-2
Frozen warmwater shrimp: U.S. farmers'/fishermen's limitations on fishing

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U.S. FARMERS'/FISHERMEN'S COMMENTS REGARDING THE IMPACT OF THE GULF OIL SPILL, NATURAL DISASTERS, AND DISEASES ON SUPPLY AND DEMAND

Since January 1, 2013, has the Gulf Oil Spill affected the supply and/or demand for warmwater shrimp?

Table E-3
Frozen warmwater shrimp: Impact of Gulf oil spill on U.S. farmers/fishermen, since January 1, 2013

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Since January 1, 2013, have any other natural disasters or diseases affected the supply and/or demand of warmwater shrimp?

Table E-4
Frozen warmwater shrimp: Impact of natural and other disasters on U.S. farmers/fishermen, since January 1, 2013

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FINANCIAL EXPERIENCE OF THE U.S. FARMERS/FISHERMEN

Operations on warmwater shrimp

182 U.S. farmers/fishermen provided usable financial data on their operations on warmwater shrimp. These data were requested on a calendar-year basis. Income-and-loss data for U.S. farmers/fishermen of warmwater shrimp are presented in table E-5.[1] The operating profitability of the U.S. farmers/fishermen improved from 2013 to 2014, then declined from 2014 to 2015. The reported aggregate net sales quantity increased by 13.7 percent from 2013 to 2015, while the aggregate net sales value and operating expenses declined by just over 17.0 percent during this time. Net income was higher than operating income in all three years; however it continually declined from 2013 to 2015 as other revenues (including CDSOA receipts, Gulf oil compensation from BP, and payments for cleanup services) irregularly declined and other expenses consistently increased.[2]

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[1] Interim period data and break-outs within operating expenses are not shown due to the large number of questionnaires with deficiencies.

[2] CDSOA receipts, Gulf compensation from BP, and payments for cleanup services were higher in January-September 2016 compared to January-September 2015. CDSOA receipts were $33.1 thousand in January-September 2015 and $118.5 thousand in January-September 2016. Gulf oil compensation from BP was $3.4 million in January-September 2015 and $5.2 million in January-September 2016. Lastly, payments for cleanup services were not reported for January-September 2015, but were $173,000 in January-September 2016.

Table E-5
Warmwater shrimp: Results of operations of U.S. farmers/fishermen, 2013-15, January-September 2015, and January-September 2016

Item	Calendar year		
	2013	2014	2015
	Quantity (1,000 pounds)		
Total net sales	23,618	23,578	26,862
	Value (1,000 dollars)		
Total net sales	86,303	92,358	71,527
Operating costs	81,975	81,970	67,906
Operating income or (loss)	4,328	10,388	3,621
Other revenues.-- CDSOA receipts	1,737	1,169	1,608
Gulf oil compensation from BP	14,301	782	6,192
Other payments from cleanup services	161	146	263
All other revenues	5,649	7,189	8,746
Subtotal, other revenues	21,848	9,285	16,809
All other expenses	6,761	8,219	9,179
Net income or (loss)	19,415	11,454	11,251
	Unit value (dollars per pound)		
Total net sales	3.65	3.92	2.66
Operating costs	3.47	3.48	2.53
Operating income or (loss)	0.18	0.44	0.13
Other revenues.-- CDSOA receipts	0.07	0.05	0.06
Gulf oil compensation from BP	0.61	0.03	0.23
Other payments from cleanup services	0.01	0.01	0.01
All other revenues	0.24	0.30	0.33
Subtotal, other revenues	0.93	0.39	0.63
All other expenses	0.29	0.35	0.34
Net income or (loss)	0.82	0.49	0.42

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Table E-5—Continued.
Warmwater shrimp: Results of operations of U.S. farmers/fishermen, 2013-15, January-September 2015, and January-September 2016

Item	Comparison years		
	2013-15	2013-14	2014-15
	Changes in AUVs (dollars per pound)		
Total net sales	(0.99)	0.26	(1.25)
Operating costs	(0.94)	0.01	(0.95)
Operating income or (loss)	(0.05)	0.26	(0.31)
Other revenues.-- CDSOA receipts	(0.01)	(0.02)	0.01
Gulf oil compensation from BP	(0.38)	(0.57)	0.20
Other payments from cleanup services	0.00	(0.00)	0.00
All other revenues	0.09	0.07	0.02
Subtotal, other revenues	(0.30)	(0.53)	0.23
All other expenses	0.06	0.06	(0.01)
Net income or (loss)	(0.40)	(0.34)	(0.07)
Item	**Calendar year**		
	2013	**2014**	**2015**
	Ratio to net sales (percent)		
Operating costs	95.0	88.8	94.9
Operating income or (loss)	5.0	11.2	5.1
Other revenues.-- CDSOA receipts	2.0	1.3	2.2
Gulf oil compensation from BP	16.6	0.8	8.7
Other payments from cleanup services	0.2	0.2	0.4
All other revenues	6.5	7.8	12.2
Subtotal, other revenues	25.3	10.1	23.5
All other expenses	7.8	8.9	12.8
Net income or (loss)	22.5	12.4	15.7
	Number of firms reporting		
Operating losses	66	42	72
Net losses	42	44	45
Data	181	182	180

Source: Compiled from data submitted in response to Commission questionnaires.