

The Impact of Shrimp Imports

SHRIMP IN THE U.S., AND PARTICULARLY LOUISIANA, is an integral part of the country's food supply, economy, and trade. On average, Americans consume about pounds 6 of shrimp every year, and that shrimp comes from more than just Louisiana waters.



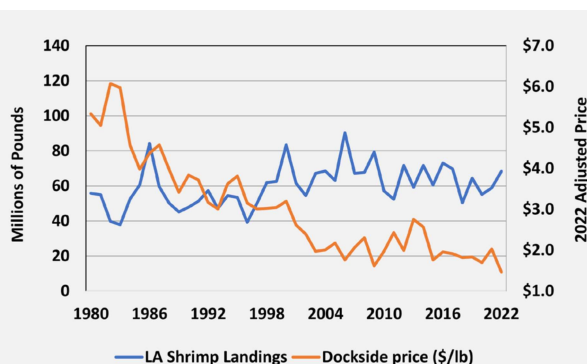
Louisiana has led the U.S. in shrimp landings most years since 2000 and has averaged about 40% of Gulf of Mexico landings for over fifty years. In 2022, just over 280 million pounds of shrimp were landed in the U.S. valued at \$436 million. In the same year, Louisiana landed 80 million lbs. of shrimp with a dockside value more than \$115 million, which was 28% of all shrimp caught in the U.S. In 2021, the U.S. imported 1.9 billion lbs. of shrimp, mostly farmed. The U.S. is now the third largest importer of farmed shrimp in the world, and about 90% of shrimp consumed in the U.S. is imported.

IMPORTS OVERSIGHTS

All seafood imports fall under the jurisdiction of the Food and Drug Administration (FDA) for inspection. Imported shrimp contain a number of issues, including antibiotic residue and bacteria contamination. The use of antibiotics for shrimp is banned in the U.S., and foreign suppliers and domestic importers must abide by U.S. regulations. However, the sheer amount of imported seafood products cannot be sufficiently inspected. The Government Accountability Office (GAO) reports only 2.2 percent of 2015's incoming seafood was examined by FDA, only 0.4 percent was sampled; and only 0.1 percent was sampled for veterinary drug residue like antibiotics.

SQUEEZE ON SHRIMP

Due to low labor costs, lax regulations, and large financial subsidies paid by foreign governments to shrimp farms, imported shrimp can be priced significantly less than domestic wild caught shrimp, and when this imported shrimp represents the vast majority of the U.S. supply, the lower price



typically wins. Some buyers still choose domestic. This drives down the price for everyone in the domestic shrimp industry. When adjusting for inflation to 2022 dollars, shrimp dockside value has dropped from around \$4.50/lb., in the early 1980's, to approximately \$1.54/lb. in 2022.



Though many things have an adverse effect on Louisiana shrimp landings, such as increased operating costs of docks and processors, it is estimated that 76% of dockside price change is due to import prices. Trip costs often exceed returns, and increased operating costs followed by declines in market price have caused many fishermen to abandon ship, quite literally.

The shrimp industry in Louisiana contributed an economic value of over \$1.28 billion to the state in 2006 and provided over 14,000 jobs. Shrimp alone accounts for over a third of the dockside value of all fisheries landed in Louisiana. However, the economic landscape of the state's commercial shrimp industry has drastically changed in the past several decades due in part to a seven-fold increase in US shrimp imports from 1980-2022. By far, the greatest challenge that commercial shrimpers face today is competition with foreign imports.

The shrimp value chain is complex and far-reaching—consisting of shrimpers, dock owners, processors, distributors and consumers. In addition to the value of commercial shrimp landings, the industry impacts other areas of the region's economy, including maintenance, fuel, supplies, restaurants, and retail distribution. When the shrimp industry suffers, Louisiana's coastal communities suffer as a whole.



Source: <https://www.seafoodsource.com/news/foodservice-retail/americans-consumed-a-record-amount-of-seafood-in-2021#:~:text=Shrimp%20held%20the%20top%20spot,0.90%20pound%20increase%20over%202020>