

Season 3- Episode 7

Derrick Kyle: Welcome to the Torres Talks Trade Podcast. My name is Derrick Kyle and I'm a Senior Associate at Torres Trade Law and today, Torres Talks Shrimp. That's right, if you enjoy seafood, you're going to like this episode and if you enjoy shellfish, particularly of the crustacean variety, you're going to love this episode. Shrimp is the most popular seafood in the United States. My guest today is Blake Price, the Deputy Director of the Southern Shrimp Alliance, a trade association representing shrimp fishermen, shrimp processors, and other members of the shrimp industry in warm water shrimp producing U.S. states. Blake, thank you for joining me today on Torres Talks Trade.

Blake Price: Absolutely, thank you, Derrick. Glad to be here.

Derrick Kyle: All right, just jumping right in it, I understand that you are a fisheries biologist by training. Can you please describe your background in more detail and what led you to your current position?

Blake Price: Yeah, absolutely. I was a former federal fishery biologist, commercial gear development fishery biologist for the National Marine Fisheries Service for the previous 15 years. Prior to that, I worked at the state of North Carolina, the North Carolina Division of Marine Fisheries, again, as a commercial gear development fishery biologist. All of my work centered around providing direct support to commercial fishing industries, ensuring they were compliant and required bycatch reduction gears or total excluded devices or any assistance needed. In addition, conducting research with those industries to help find the better mousetrap, if you will, to make their operations more efficient, implement bycatch mitigation measures, and ultimately sustain these very important economic fisheries. In February of this year, I couldn't dodge the DOGE. I'm very thankful for that. An opportunity with the Southern Shrimp Alliance came available. And I lobbied as hard as I could to obtain the position and did. Always felt in my previous tenures that trying to again help the commercial industry and provide direct support, I was very happy to make a little difference. Now I'm extremely happy and really see the potential to try and do my part to make some change.

Derrick Kyle: Okay, so if I heard correctly, you are in North Carolina?

Blake Price: That's correct. I reside in Swansboro, North Carolina. Our office is based out of New Port Richey, Florida. I spend time back and forth there and in addition to other travels throughout the southeast, basically North Carolina to Texas. And we'll be spending a good amount of time in and out of Washington, D.C.

Derrick Kyle: Okay, yeah, that's what I was thinking. You're in North Carolina. I'm in Texas, based out of Dallas. Between the two of us right now, we're covering really the whole breadth of the Southern Shrimp Alliance's coverage. My understanding is it spans all the Gulf states? Texas, Louisiana, Mississippi, Alabama, Florida. And then it also includes Southern Atlantic states of Georgia, South Carolina, and North Carolina.

Blake Price: That's correct. We're basically a nonprofit advocacy group and representing commercial shrimp trawling and shrimp fishery interests from North Carolina to Texas.

Derrick Kyle: Could you tell me a bit more for listeners that may not be as familiar, what is the Southern Shrimp Alliance and what's its purpose in more detail?

Blake Price: Yeah, absolutely. Again, we're a nonprofit organization. We're a commercial fishing advocacy group. We have a team of attorneys in Washington, D.C., government lobbyists, communication specialists, and executive staff. Then throughout each Southeast Atlantic and Gulf State, we have two voluntary board members in each state, so two in North Carolina, two in South Carolina, etc. Our whole mission is to implement actions and increase awareness to sustain commercial shrimp fishing operations. What we found here in the last, especially the last five or ten years, is that many impacts in relation to trade or fishery management that are happening to the commercial shrimp fisheries from North Carolina to Texas are also impacting other nationwide fisheries. We combat trade issues, anti-dumping, countervailing duties. We work with members of Congress to try and implement and support acts that will provide relief and support to our commercial industry. We work closely with NMFS to ensure regulations are not overkill for our industries, among many other things.

Derrick Kyle: Quite a large operation. You're describing a lot that's going on, not only on the trade side, which we'll get into more detail on, but also more of the fishery management and other commercial aspects of the industry.

Blake Price: Yes, we're trying to gather as many ad hoc coalitions and other fisheries in other seafood-producing industries throughout the nation as possible currently. We're really just in the infancy of that process, but the more I learn and the more I delve into many of the impacts to commercial seafood production in the United States, it's clearly apparent that we all need to band together.

Derrick Kyle: Yeah, sounds exactly right. We will be getting into some heavier trade topics here in a bit, but we're talking about seafood, we're talking about shrimp, I do have to ask you, what is your favorite or your number one shrimp dish?

Blake Price: Well, that's a tough question. I mean, if you've seen Forrest Gump, I've hardly met a shrimp I don't like. I would say I like them grilled and maybe in ceviche probably the best.

Derrick Kyle: Okay. I thought ,myself about my answer to that question. I love shrimp. I'm in Texas, we'll throw everything in a tortilla. It'd probably be some really nice shrimp tacos. But then I probably thought about it too much because I also really like coconut shrimp. Then I had an idea of something that I've never had before, I don't believe, a coconut shrimp taco, maybe with some kind of pineapple or mango salsa, with a pina colada also flavors going on there. I think I may have to try that with some great Texas Gulf shrimp.

Blake Price: That sounds excellent. Yes. I'm going to have to put that on my list as well. It's hard to beat.

Derrick Kyle: I did see on the Southern Shrimp Alliance website, it will go off to, I believe individual states, maybe their coalitions, I at least know the one from Texas, had a bunch of shrimp recipes on their website. And I thought that was great.

Blake Price: I've actually used a couple of them in the past. There do seem to be an infinite number of ways to prepare shrimp and probably why it's rated the number one seafood. So absolutely.

Derrick Kyle: It's definitely the most popular in the U.S., and I did fact check that from a couple of sources before. I'm sure that's something that y'all's organization puts out there, too. It's absolutely true. Most popular seafood in the U.S. I mentioned that I'm here in Texas, and my family's been in Texas for quite some time. I do know, I was talking to my mom the other day there were some, we had some extended family that lived in Port O'Connor on the Texas coast, and they were shrimpers. Now, this would have been decades ago, think 60s, 70s, and 80s. But that leads nicely into my next question, which is a bit of a two-parter, but they're both related. How has the U.S. shrimp industry evolved over the last few decades? Along with that, what has been the impact of foreign competition on the domestic shrimp industry?

Blake Price: Absolutely. Well, the two certainly go hand in hand and specifically, in the last two decades, we've seen a mass influx of farm-raised agriculture, shrimp products flood our markets, flood our shores. By doing so, they often way over-inflate supply, thereby decreasing demands, thereby undercutting prices of our locally U.S. domestic far superior product. They are often found with contaminants when FDA is conducting testing. It continues to happen. That has created really a sizable decrease and really just an attrition overall in our commercial shrimp industry from North Carolina to Texas, as well as many other fisheries, as I mentioned. I would estimate right now probably a 60% reduction in the fleet, certainly in the last five to ten years along the Southeast Atlantic coastline and throughout the Gulf of Mexico, or I'm sorry, America. When that happens, you're not only talking about the loss of potential product to the U.S., but the loss of infrastructure, working waterfronts, the loss of money to the economy, because many of

these coastal communities were settled by commercial fishermen. For a commercial fishermen to operate, they must invest in and maintain their gear, their boats, et cetera, at all times. That money constantly gets recycled locally and regionally. When we start losing that infrastructure, it's not just the commercial fishing industry that faces harm. I guess overall, the two are quite related. It's very much related to mass influx of farm-raised imports that often go unchecked, that often are found with contaminants when they are tested by the FDA, and pose a serious health, long-term health problems to the United States citizens. We have . . . our shrimp are caught locally, domestic; they're a very high superior protein product. Most importantly, I think they are managed, these fisheries are managed at a sustainable level. They've been deemed sustainable fisheries by the federal government. There are a lot of bycatch mitigation and habitat management considerations in both the federal and state level that go into the management of these fisheries, unlike our foreign competitors.

It's created ultimately market-wise an unfair playing field, an uneven playing field and unfair conditions for our U.S. industries. I think trade, in many levels, will always have a place in the commercial seafood industry, agriculture too. But it is mind-blowing to think that 90% of the seafood that we eat in this country is imported. By stark contrast, agricultural products that we consume, only 15% of those are imported. That disparity doesn't need to be that great for shrimp production and seafood production overall in the United States.

Derrick Kyle: I think you really raised an interesting point that, to be candid, I haven't thought about much, and I'm sure a lot of listeners haven't. These communities along the coast, many times, especially in the smaller communities, the lifeblood of those communities is commercial fishing or shrimping. I believe you said 60% reduction in the fleet over the past five to ten years. That has an incredible economic impact.

Blake Price: It is. And that is my estimate. It could be a little less, it could be a little more. It's certainly, in my former capacity, that information was tabulated from 2020 to 2024 in the Gulf, and it was a 60% reduction. Yes, you're exactly right. I've had family members and fishermen described to me in the wintertime when operations are not happening, the amount of money that they're going to have to invest in the boat, the engine, the nets, the gear prior to getting started. And that can be up to \$40,000 or greater. It blows me away. I mean, can you imagine having to invest that much money before you went to work tomorrow? Every single one of those dollars goes again back into the local and regional economies.

Derrick Kyle: Yeah, that's a massive impact. Then one other thing I wanted to follow up on just for those that aren't as familiar with the industry, you've mentioned bycatch a couple of times. Could you quickly explain to our listeners what you mean by bycatch?

Blake Price: Sure, bycatch can be defined as anything unwanted, unmarketable, or prohibited. Basically, a non-target species that the operation does not want to keep, cannot sell, or is not allowed to keep. There's a lot of attack on commercial shrimp industry and commercial fishing industry bycatch in general. But bycatch is not wasted in the ecosystem. Bycatch gets eaten by birds. It gets eaten by crabs in the system. It's not like trash floating around. Additionally, due to our rigorous federal and state management measures from North Carolina to Texas, and really nationwide for all seafood producing industries, there is a lot of required gear that mitigates that bycatch, specifically bycatch reduction, finfish bycatch reduction devices, turtle excluder devices, etc.

Derrick Kyle: Okay, thank you. When I hear some industry terms, I may ask you to clarify. Thank you for that.

Blake Price: Sure, absolutely.

Derrick Kyle: The Southern Shrimp Alliance is very involved in advocacy on behalf of its membership related to several international trade issues, thus your appearance on this trade podcast. I'll mention, if you wouldn't mind, I'll mention a particular trade area and would you care to expand a bit on its impacts on the shrimp industry?

Blake Price: Sure.

Derrick Kyle: We'll start off with the Food and Drug Administration, FDA import screening.

Blake Price: Sure. That is an area we try to lean heavily on to increase testing at our border. We found, I think, I can't remember the exact numbers, but I believe in 2024, 2023, there were less than 1% of product inspected and over 30% of that product was found with contaminants. What is the extrapolation to that that comes in? Clearly, we need more testing for food safety and health concern for our U.S. citizens at our borders.

Derrick Kyle: Yeah, absolutely. For listeners that are familiar, the US Food and Drug Administration, the FDA, is what we call in import terminology a partner government agency. Everything runs through U.S. Customs and Border Protection, but then CBP will partner with other agencies that have particular expertise. In this case, because shrimp is food and seafood is food, it's the FDA that is in charge of the screening. Moving to another issue, if you could discuss the impacts of forced labor.

Blake Price: Yeah, there are countries where we import product or countries that export products, specifically farm-raised shrimp, where we know there are forced child labor abuse issues. It's been proven. This equates to young adults or young kids working grueling hours and essentially getting the equivalent of 10 cents on the dollar. Thereby sets the precedent for cheap labor and other countries to export product to the U.S. much

cheaper than we can produce it ourselves. But that's the thing, it's not just cheaper product it is often contaminated, as I mentioned prior. Ethically, why would you want to support industries where these issues exist?

Derrick Kyle: Yeah. And to add the international trade spin and some context for this, forced labor as far as . . .there's an import ban in the United States. You cannot import goods that are made from forced labor. That's been the case for a long time. But there is a loophole that wasn't dealt with until, I believe, 2016, that that time frame. It's really come to the forefront lately in the past few years, due to the Uyghur Forced Labor Prevention Act, the UFLPA. Very quickly, what that does is it creates a presumption that goods from a certain region in China, the Xinjiang Uyghur Autonomous Region, or goods from certain entities that are on what's called the UFLPA Entity List, goods or any product from that region or those entities is presumed to have come from forced labor. Recently, very recently, last year seafood was included as a UFLPA priority sector and within seafood includes frozen shrimp. Although, I'm sure forced labor has been an issue for a long time, really, the spotlight has begun to be shown more a lot again due to that particular legislation from a few years ago. There's just a bit more color on the forced labor aspect of it.

Blake Price: Well, absolutely. And I think one of our biggest problems is the inability to track these products. We can get into that now or later, but that along with testing and often from areas where known forced labor issues exist we're not 100% sure at all times where the product originated, where it was produced and/or where it was shipped from.

Derrick Kyle: Right. Yeah, the traceability issue.

Blake Price: Yeah, exactly.

Derrick Kyle: There's a lot there with forced labor, but because we're covering a lot in a limited amount of time. I want to bring up another major trade issue that the Southern Shrimp Alliance has a lot of advocacy around and that's anti-dumping and countervailing duties. Quickly, most people listening may understand what those are, but I'll give just a real brief . . . definitions are important for these, so “dumping” generally is when a foreign producer sells a product in the U.S. at a price that is below the producer's home market price or at a price lower than the cost of production. Generally speaking, the goal there is to push out the domestic market and then usually increase prices. Anti-dumping duties seek to counter this dumping effect. Then there's countervailing duties, and that relates to imports of items that are subsidized by foreign governments, thus artificially lowering the prices on the import. With that as background, if you could please speak to the Southern Shrimp Alliance's involvement, anti-dumping/countervailing duties advocacy, and the impacts of those on the shrimp industry.

Blake Price: Absolutely. That's been one of the Southern Shrimp Alliance's primary focuses since our inception in 2002. They work very well to at least charge for folks doing these activities. What we see is when they are implemented, we see a spike in our U.S. market. We see a stabilization of that. But then again, to our previous discussion or highlight of traceability, what happens is it gets to be a game of whack-a-mole. It's especially prevalent in the last 10 to 20 years where one company that may have a problem or be problematic from a foreign nation, that product is potentially sold to another entity and exported into the U.S. in another port or south of our border or north of our border. Then can come into our country really with, how am I trying to say, with a mask on. We don't have that traceability while the product still may have all of the above problems. But they do work well, certainly to de-incentivize the mass dumping. It's just that once that market gets stabilized and product is then shifted to another company for and it's a game of whack-a-mole. I feel like a lot of that could be thwarted if the country would implement the Destruction of Hazardous Materials Act. Because as it stands now, when a product comes here overseas and it is found with contaminants from FDA testing, it is simply refused at the border. It is not destroyed. What happens? These other companies from other countries, they port shop. They go to another port and see if it can be sold there and/or they do the above. They ship it back across the ocean and they sell it to another company and it may be exported to Mexico or Canada, then railed into the U.S., freighted into the U.S., or flown into the U.S. where manifests are not required currently. We're really leaning heavily and hopeful that again, the Manifest Modernization Act, as well as this Destruction of Hazardous Materials Act would be implemented. Combined with increased FDA testing, it could really help our U.S. industries and stabilize our U.S. markets. Again, as I said, I think trade will always have a place in this country, certainly in the seafood sector, but our U.S. industry should come first. Our U.S. industries and the stability and profitability that our U.S. industries can see should be primary, not secondary, to foreign aquaculture imports.

Derrick Kyle: And that's an interesting point you make because we hear a lot about AD/CVD, anti-dumping, countervailing duties. It's interesting to hear that they are helpful. They're helpful. But from what you're saying, there's a spike of U.S., domestic shrimp. But then after things calm down and maybe these importers or the foreign countries or companies, they figure out the system a bit, then it becomes more, they figure out evasion tactics and other things. We see even in all industries, we see duty evasion, and that can be through transshipment or misclassification, false statements on import. But here, I think that's a really interesting point you make about almost port shopping within the United States or if that fails, then taking another hit at it coming from another country, Mexico or Canada to still try and evade these anti-dumping and countervailing duties, which eliminates the purpose of those in the first place if they're not paying those higher duties.

Blake Price: Yeah, exactly. It gets to increase testing and enforcement. And then hopefully the two above mentioned acts are in committee and have been for some time stalled in committee in Congress there. But other countries, other entities don't have this problem. For example, the European Union, the amount of testing is through the roof in that country. If they want to buy product from India, for example, they require 100% of that product to be tested before it leaves the country. Then when it gets in to whatever country it is, it's still required a 50% test. If product is found bad, not only is it destroyed on site and not allowed to be shipped to another port or back to the country of origin, but it is those companies that sent that product are off the list. I don't understand why we don't implement. We need to implement that in the United States. You were talking about, you check out our website from time to time. The FDA has now found just in the months of September and October, 23 more entry lines of Indonesian shrimp with banned antibiotics present in them. Banned antibiotics in this country since the 1950s. Since, for the last over 23 years, there's only been a total of 40 entry lines from Indonesia banned due to banned antibiotics. Now here in the last two months, 23 out of those 40 are representative. There was a lot of news and awareness created by the potential for the radioactive isotopes that were potentially in shrimp ship from Indonesia for a while.

Derrick Kyle: Can you expand a bit on that real quick, Blake? Because I'm not sure that all the listeners are as familiar. I've heard about it, the radioactive shrimp. If you could just briefly, let our listeners know what was going on there, what continues to go on. I mean, this is fairly recent.

Blake Price: Yeah, a couple of months ago, the potential for, I think it's cesium-137 radioactive isotope was detected in containers. It wasn't detected in the shrimp here in the U.S., but by association, it certainly had the potential to be in our product. It was a huge recall of box stores, I believe in Walmart, Costco that were selling these products.

Derrick Kyle: In Indonesian shrimp, correct?

Blake Price: That's correct, yes Indonesian. Those companies were thwarted essentially anti-dumping or exporting more product. But again, here just with the news today you see exactly it's like a game of whack-a-mole. Now, potentially these other companies are sending shrimp and I don't believe any radioactive isotopes were detected in September and October, but it's banned antibiotics. The antibiotics are used in foreign aquaculture facilities to harden the shrimp and increase the shrimp's ability to fight off disease.

Derrick Kyle: When you say aquaculture in layman terms, that's farmed shrimp essentially.

Blake Price: Yes, farm raised shrimp.

Derrick Kyle: Okay that's aquaculture.

