

# LOUISIANA SHRIMPING INDUSTRY: SLIP-SLIDING AWAY?

By Elizabeth Coleman



PHOTO BY DEDE LUSK

*Anyone whose living depends on the harvest of a natural resource is at the mercy of circumstances, and Louisiana's historic shrimping industry is no exception. Over the last two decades, shrimpers have had to contend with growing competition from farm-raised imports, continually rising operating costs, restrictive regulations, and steady opposition from powerful recreational and environmental groups that view commercial fishing as destructive. But this year, shrimpers gulfwide were especially hard-hit by an unusual confluence of events that has spawned financial crises and destroyed confidence in the industry's future. Many shrimpers may be unable to recover.*





PHOTO BY DEDE LUSK

Low prices are the main problem. During the 2002 spring season, two unseasonable, back-to-back cold fronts retarded the normal growth of juvenile brown shrimp and drove them from their nursery areas prematurely. Thus, the inshore catch for smaller boats was sharply reduced and the shrimp caught offshore were smaller and lighter than usual. Smaller catches meant far less money at the dock. By far the greatest impact on prices, however, was the overwhelming flood of farm-raised shrimp imports that hit the U.S. last spring.

A strong U.S. dollar, the lack of U.S. import restrictions, abundant small-shrimp harvests in Latin America, and reduced

demand in economically depressed Japan made U.S. markets especially attractive to shrimp producers worldwide. Imports were further increased when some Chinese farm-raised shrimp were banned from their usual European markets because they had been treated with chloramphenicol, an antibiotic that can be hazardous to humans. With these outlets closed, seafood suppliers turned to the U.S. and the cheaper shrimp poured in. The result was a collapse in prices for domestic shrimp catches.

Although the U.S. also bans the importation and sale of foods containing chloramphenicol, the tests used in Europe can detect much lower levels of the drug

than can U.S. Food and Drug Administration tests. When more sensitive tests ordered by Louisiana's Commissioner of Agriculture revealed drug residues in some imported shrimp and crawfish, Louisiana businesses holding Chinese seafood products were forbidden to process or sell them until they were inspected and certified drug-free. Louisiana and other shrimp-producing states established new guidelines for chloramphenicol levels in seafood.

But it was too late for Louisiana's shrimpers, who had little to show for the spring season: next-to-nothing for their catches at the docks; continuing high overhead costs for fuel and labor; and, for



many, large monthly mortgage payments on their boats and homes. Boats were left tied at the docks—in many cases repossessed by lenders—and fishermen were forced to search for other employment. After Alabama declared economic disaster for its shrimping industry and appropriated \$185,000 in relief funds, Louisiana shrimpers petitioned Governor Mike Foster and the Louisiana congressional delegation to follow suit. As of this writing, \$100,000 in federal funds have been appropriated through the Louisiana Housing Finance Agency to assist Louisiana shrimpers with utility bills.

Shrimp buying docks have been hurting also, as the world shrimp glut cut dramatically into their sales to seafood dealers and processors. Venice dock manager E.J. Otero was told by an Alabama processor, normally a regular customer, not to send him any shrimp because it cost him more to process the shrimp than he could realize in sales. Hung Huynh, owner of an Empire dock, says a hundred-pound box of shrimp that formerly brought him a \$20 profit now barely brings \$10, “if I’m lucky.”

Next year, some things will probably be corrected: For example, Chinese seafood producers have banned the use of chloramphenicol and should recover their former European markets, thus reducing greatly the amount of Chinese shrimp reaching the U.S. But even with a warmer spring and stronger prices in 2003, the outlook for Louisiana’s shrimping industry remains dim. Shrimpers will still be faced with high operating costs, an overcrowded industry,

*Because of an influx of cheap imports, domestic shrimp catches landed at Louisiana docks have been difficult to sell.*



PHOTO BY ELIZABETH COLEMAN

and regulations so restrictive and demanding that, as one long-time shrimper put it, “No matter what we did to our boats and gear, we could probably never meet all the requirements.” And, most importantly, even with less market saturation next year, imports will continue to be stiff competition for Louisiana shrimp; European Union import tariffs of up to 20 percent and Japan’s stagnant economy can only encourage seafood producers to stay with U.S. markets.

Americans eat about a billion pounds of shrimp a year—according to a recent NOAA survey, the consumption of shrimp at 3.4 pounds per person has outstripped tuna, at 2.9 pounds per person. But this growth in consumption has been largely fueled by the severe decline in prices, not by pure demand. Because shrimp producers in Asia and Latin America have fewer environmental restrictions and lower production costs, they can produce and sell shrimp more cheaply

than can American shrimpers. This is unlikely to change.

Mark Schexnayder, Sea Grant extension advisor with the LSU AgCenter in Orleans and Jefferson parishes, thinks that imports are here to stay. “Shrimpers are pushing for the U.S. to restrict imports but I don’t see that happening. Too many big seafood industries and restaurants make money from imported shrimp and they will protest this. Our shrimp prices follow worldwide market trends and, even though we have a high-quality product, people may resist paying three times more because it’s Louisiana shrimp.”

The state’s Seafood Promotion and Marketing Board has recently undertaken an aggressive nationwide marketing program, stressing the high quality of wild-caught shrimp from Louisiana. Schexnayder thinks another opportunity for the Louisiana shrimping industry lies in improving quality and emphasizing value-added products. “Improving handling and storage will result in better quality, and people may not mind paying more for premium packs of really high-quality shrimp.” Schexnayder is currently working with Dr. Jon Bell, Sea Grant specialist and assistant professor of seafood technology in LSU’s Department of Food Science, and New Orleans seafood dealers to explore the use of new technology, such as treatment with ozonated water, to improve seafood shelf life.

Ever more exacting regulations, especially those related to safety, will also continue to dog shrimpers. “The Coast Guard has been



stepping up enforcement of safety laws and increasing vessel inspections, especially since the attacks of September 11,” says Schexnayder, who has coordinated a number of public meetings on gear and safety issues for fishermen. Some regulations may be a financial burden to already-strapped fishermen. For example, new vessel stability regulations affecting boats of at least 79 feet and built since 1991 not only carry severe penalties if ignored but can also cost a fisherman as much as \$7,000 for inspection and documentation by a marine surveyor. In addition, if several environmental groups have their way, shrimpers will soon be required to pull larger turtle excluder devices (TEDs) in their shrimp trawls. TEDs are cages with trap doors that allow turtles to escape drowning when they are caught in the nets along with shrimp. They have long been a point of contention for shrimpers, who complain that the trap doors also release a large part of the shrimp catch. Louisiana shrimpers have been especially unhappy about the TED law, charging that Louisiana’s soft and muddy water bottoms contain much debris that drags down the

nets and keeps the trap doors open. Although U.S. shrimpers have been hauling TEDs in their nets for a decade, several environmental groups have asked the National Marine Fisheries Service (NMFS) to mandate TEDs with larger openings to protect larger turtle species. Last year NMFS proposed such a regulation but has not yet implemented it, and environmentalists now threaten to force the issue with a lawsuit. Hundreds of Louisiana shrimpers have protested the proposed change and members of Louisiana’s congressional delegation, including Representative Billy Tauzin, have lobbied against it, saying that the larger TEDs would force Louisiana shrimpers out of business. But, like imports, the TEDs issue is not likely to die. A Sea Grant specialist and associate professor of fisheries with the LSU AgCenter, Jerald Horst has worked with the shrimping industry for many years and believes that Louisiana’s shrimpers will have far bigger problems than imports and regulations. Their biggest obstacle, according to Horst, is the industry’s lack of sensitivity to competing viewpoints, including those of

environmentalists, recreational fishermen, and the ecosystem tourism industry—groups that hold a powerful belief in the value of the ecosystem and the importance of fishery resources as common property. Says Horst, “These other interests see themselves as stakeholders with as much right to fisheries as commercial fishermen, and they believe they have the ability to reduce or eliminate the industry’s traditional claims. Many of them regard commercial fishermen as exploiters who damage marine habitat and do nothing to sustain the resource. The big factor in the future will be the industry’s ability to work with these groups to avoid being squeezed out.” Horst believes that the current emphasis on managing marine habitat with concern for biodiversity, endangered species, and protected natural areas, as expressed through the provisions of the 1996 Sustainable Fisheries Act, will eventually have a profound impact on the shrimping industry, dramatically altering the way it has done business for generations.

What can commercial shrimpers do to protect themselves? “First, they must



PHOTO BY DEDE LUSK

*Shrimp festivals, such as this one in Chauvin, are traditional in coastal Louisiana, but shrimpers have little to celebrate this year.*



acknowledge that the days of fishing wherever they want, with as many boats as the water will float, are over. They need to take the initiative in making changes that will keep shrimping environmentally sustainable.”

The recommendations made by the 1997 Louisiana Select Council on Shrimp Management represented opportunities for change that would have set the industry on such a path, says Horst, a member of the council. Suggestions included protecting the resource but insuring profitability by harvesting slightly larger shrimp and by controlling the number of people entering the fishery in order to cap fishing effort at a certain level. To give themselves an effective voice as social and biological stewards of marine resources, shrimpers were urged by the council to work with management agencies to establish protected nursery areas, territorial sea closures, and changed annual season openings.

“These would have been difficult decisions to make and live with,” says Horst, who was disappointed but not surprised when the Shrimp Industry Review Panel, composed of commercial fishermen and shrimp buyers, turned these recommendations down. “But if the industry continues to procrastinate in facing realities, these decisions will be made for them, and they will have no say in what happens.”

As an example, Horst cites Louisiana’s gill net law and the failure of finfishermen to take the initiative when it counted. “When Florida banned gill nets, Louisiana legislators and sports fishermen feared a massive influx of Florida gill netters into our state’s fishing waters. I believe that if the Louisiana finfishing industry had acted early to establish management measures such as

limiting the number of boats in the fishery, we would have a gill net industry today. But they did nothing and gill nets were banned altogether.”

Horst agrees that imports of farm-raised shrimp will not go away, but says that Louisiana’s shrimpers have more power than they think to influence the situation—not only by lobbying to ban imports but by taking measures to compete with them. “We’re in a global economy now and aquaculture is growing by leaps and bounds worldwide. It affects both shrimp and finfish,” observes Horst. “Other countries have an economic advantage because their production and labor costs are far lower. We can meet this challenge if the fishing industry makes an effort to compete with imports but at the same time to properly manage our domestic industry.”

For example, shrimpers might concen-

trate on harvesting sizes and species that are not as widely cultured and imported. Louisiana shrimp are more valuable per pound at medium and larger sizes, which are well suited to value-added packaging.


“Fishermen are independent, it’s not easy for them to unite under one leadership, and they’ll probably never all be on the same page,” says Horst. “Many of them don’t want to cooperate with other interests because they see the resource as their heritage, and they were there first. But there are too many economic and environmental problems and too few dollars to go around for everyone. To survive as an industry, they need leaders who represent a fair segment of the industry and are willing to sit at the management table with the environmental community, recreational fishermen, the ecotourism industry, and other stakeholders.” 



PHOTO BY ROBERT RAY



acknowledge that the days of fishing wherever they want, with as many boats as the water will float, are over. They need to take the initiative in making changes that will keep shrimping environmentally sustainable.”

The recommendations made by the 1997 Louisiana Select Council on Shrimp Management represented opportunities for change that would have set the industry on such a path, says Horst, a member of the council. Suggestions included protecting the resource but insuring profitability by harvesting slightly larger shrimp and by controlling the number of people entering the fishery in order to cap fishing effort at a certain level. To give themselves an effective voice as social and biological stewards of marine resources, shrimpers were urged by the council to work with management agencies to establish protected nursery areas, territorial sea closures, and changed annual season openings.

“These would have been difficult decisions to make and live with,” says Horst, who was disappointed but not surprised when the Shrimp Industry Review Panel, composed of commercial fishermen and shrimp buyers, turned these recommendations down. “But if the industry continues to procrastinate in facing realities, these decisions will be made for them, and they will have no say in what happens.”

As an example, Horst cites Louisiana’s gill net law and the failure of finfishermen to take the initiative when it counted. “When Florida banned gill nets, Louisiana legislators and sports fishermen feared a massive influx of Florida gill netters into our state’s fishing waters. I believe that if the Louisiana finfishing industry had acted early to establish management measures such as

limiting the number of boats in the fishery, we would have a gill net industry today. But they did nothing and gill nets were banned altogether.”

Horst agrees that imports of farm-raised shrimp will not go away, but says that Louisiana’s shrimpers have more power than they think to influence the situation—not only by lobbying to ban imports but by taking measures to compete with them. “We’re in a global economy now and aquaculture is growing by leaps and bounds worldwide. It affects both shrimp and finfish,” observes Horst. “Other countries have an economic advantage because their production and labor costs are far lower. We can meet this challenge if the fishing industry makes an effort to compete with imports but at the same time to properly manage our domestic industry.”

For example, shrimpers might concen-

trate on harvesting sizes and species that are not as widely cultured and imported. Louisiana shrimp are more valuable per pound at medium and larger sizes, which are well suited to value-added packaging.


“Fishermen are independent, it’s not easy for them to unite under one leadership, and they’ll probably never all be on the same page,” says Horst. “Many of them don’t want to cooperate with other interests because they see the resource as their heritage, and they were there first. But there are too many economic and environmental problems and too few dollars to go around for everyone. To survive as an industry, they need leaders who represent a fair segment of the industry and are willing to sit at the management table with the environmental community, recreational fishermen, the ecotourism industry, and other stakeholders.” 



PHOTO BY ROBERT RAY