

Southern Shrimp Alliance Report Details How International Development Funding Has Crashed the World Shrimp Market

The Southern Shrimp Alliance announces the release of *A Crisis of Our Own Making*, a research report describing the role of international financial institutions, like the World Bank, in the creation of excess shrimp aquaculture capacity throughout the world.

For the last half century, multilateral organizations have dedicated resources to the expansion and development of shrimp aquaculture in Asia and Latin America. This funding has been integral to the rise of the Indian shrimp industry and, more recently, the Ecuadorian shrimp industry as the dominant suppliers of the commodity around the planet. However, as all shrimp producers, including American shrimpers, now confront a global oversupply of shrimp and saturated world markets, multilateral groups like the World Bank's International Finance Corporation have increased their participation in the industry, supporting even greater expansion of shrimp production capacity.

Excess capacity and oversupply have resulted in significant declines in shrimp commodity prices across markets. U.S. shrimp fishermen are struggling to find customers for their catch while their foreign competitors cut prices to defend market share. Yet, with great fanfare, new projects supporting further growth of shrimp farming capacity continue to be announced by international financial institutions.

A Crisis of Our Own Making reflects the research and work of Board Members of the Southern Shrimp Alliance and other industry members to catalog the harm caused by the funding of shrimp aquaculture by multilateral organizations over the last several decades. The Southern Shrimp Alliance's report explains how U.S.-taxpayer funds have been used to support the overseas production of a commodity that is now in surplus in world markets which, when exported to the United States, have been causing substantial injury to the U.S. shrimp industry.

As detailed in *A Crisis of Our Own Making*, U.S. law requires that the representatives of the federal government appointed to represent the United States at the international financial institutions "voice and vote" in opposition to projects funding shrimp aquaculture. Moreover, the Southern Shrimp Alliance's report describes how continued funding of shrimp farming has directly led to further deforestation of mangroves around the world – environmental devastation that the U.S. government is currently addressing through the use of even more taxpayer funds to finance the "Climate Smart Shrimp Fund" through the Global Innovation Lab for Climate Finance, even while separately funding, through international financial institutions, the decimation of mangrove ecosystems to make way for more shrimp farms.

“All across our southern coast, shrimp boats are tied up and fishermen are not working,” said John Williams, the executive director of the Southern Shrimp Alliance. “This industry operates without a safety net and we are losing businesses every day. Learning that our tax dollars are being used to make the nails for our coffins is too much and requires all of us to say enough is enough.”

Read *A Crisis of Our Own Making: U.S.-Backed Development Funding of Foreign Shrimp Aquaculture Is Substantially Injuring the American Shrimp Industry* (Aug. 2023)

here: <https://shrimpalliance.com/wp-content/uploads/2023/08/A-Crisis-of-Our-Own-Making-Aug-2023.pdf>



Southern Shrimp Alliance

P.O. Box 1577 Tarpon Springs, FL 34688
955 E. MLK Dr. Suite D Tarpon Springs, FL 34689
727-934-5090 Fax 727-934-5362
www.shrimpalliance.com

August 25, 2023

The Honorable Roy A. Cooper
Governor of North Carolina

The Honorable Henry Dragan McMaster
Governor of South Carolina

The Honorable Brian P. Kemp
Governor of Georgia

The Honorable Ron DeSantis
Governor of Florida

The Honorable Kay Ivey
Governor of Alabama

The Honorable Tate Reeves
Governor of Mississippi

The Honorable John Bel Edwards
Governor of Louisiana

The Honorable Greg Abbott
Governor of Texas

Dear Governors;

The U.S. shrimp fishery throughout the Gulf of Mexico and Southeast region is suffering an unprecedented catastrophic crisis that threatens its very existence and the many small family-owned businesses that are at the core of the economies of coastal communities throughout the region.

The global supply of predominately farm-raised shrimp has reached records highs and has far outstripped global demand. U.S. imports of frozen warmwater shrimp nearly doubled from 2013 to 2021 to an unprecedented level of 1.8 billion pounds. U.S. inventories of shrimp are overwhelmed; driving prices paid to shrimp fishermen to record lows that cannot cover the costs of a shrimp fishing trip – expenses further exacerbated by historically high fuel prices and inflation. Faced with the choice of losing money on a trip – or not being able to sell their catch at all – shrimp fishermen throughout the region remain tied to the dock with no income at the height of the season.

Last year, federal legislation was enacted, the "*Fishery Resource Disasters Improvement Act*" ("Act"), that substantially revised the statutory authority for the Fishery Disaster Assistance program administered by the National Oceanic and Atmospheric Administration (NOAA).¹ This new Act provides authority for the Secretary of Commerce in certain circumstances to make a determination of a "*fishery resource disaster*", and defines that term to include a change in the fishery's circumstances "*that results in significant loss of access to the fishery resource... for a substantial period of time and results in significant revenue loss...due to an allowable cause*". An "*allowable cause*" is further defined to include a "*discrete anthropogenic cause*" including one "*that could not have been addressed or prevented by fishery management measures*" and "*that is otherwise beyond the control of fishery managers to mitigate through conservation and management measures...*".

There are many details to consider, but we believe that the circumstances now faced by the U.S. shrimp fishery meet the criteria of the Act for the Secretary of Commerce to make a determination of a fishery resource disaster for the Gulf of Mexico and South Atlantic shrimp fishery. These circumstances have caused the fishery to lose access for a substantial period of time to what is among the most valuable of this Nation's fishery resources. Such a determination would, subject to the availability of Congressional appropriations, make financial fishery disaster assistance available to our shrimp fishermen. The Act provides for the Governor of an affected State to submit a request for a fishery resource disaster determination to be made by the Secretary of Commerce.

The Southern Shrimp Alliance respectfully requests your staff carefully review the specific requirements of the Act and the circumstances faced by the shrimp fishermen in your respective states, and your consideration to collectively submit a region-wide request for a fishery resource disaster determination to the Secretary of Commerce. We would be happy to assist in any way we can.

Thank you for your consideration.

Sincerely,



John Williams,
Executive Director

¹ See 16 U.S.C. 1861a(a).