



# Market News

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## Catfish and Basa Imports Continue to Increase Despite Confirmed Antidumping

U.S. catfish growers and processors continue to be concerned about expanding imports of Vietnamese pangasius (previously marketed as catfish (now referred to as basa for this article)). In 2002, the Department of Commerce (DOC) initiated an antidumping investigation. A final determination was made in 2003, finding that Vietnamese producers/exporters had made sales to U.S. customers at less than fair value. U.S. labeling laws prevent basa imports from Vietnam from being sold as catfish. The U.S. industry is working with the DOC and the International Trade Commission (ITC) to address concerns that some imports from Vietnam are circumventing the antidumping duties. However, catfish imports from China are now increasing and since they are raising the same species of catfish as that farmed in the U.S. the product can be sold as catfish, with the provision that the product is labeled as coming from China. The U.S. industry is very concerned that catfish imports from China may continue to grow rapidly and could prove to be tough competition for the U.S. domestic industry.

### Background Information

Beginning in 1999, U.S. catfish growers and processors became increasingly concerned about sharply expanding imports of Vietnamese basa. Imports of basa from Vietnam increased from 1,659 metric tons (MT) in 1998 to 20,964 MT in 2002. In June 2002, in response to rising imports and falling prices, the Catfish Farmers of America (CFA) and a few catfish processors filed antidumping petitions with the DOC and the ITC, alleging that frozen basa fish fillets from Vietnam were being sold at less than fair value and were materially injuring the domestic catfish industry.

In July 2002, the DOC initiated an antidumping investigation of imports of Vietnamese basa. The DOC announced its final determination in June 2003, finding that Vietnamese producers/exporters had made sales to U.S. customers at less than fair value, with margins ranging from 36.84 to 63.88 percent. In August 2003, the ITC confirmed that the catfish industry in the United States was being materially injured by reason of imports of certain frozen fish fillets from Vietnam. The DOC announced its Antidumping Duty Order in August 2003, making the antidumping duties effective retroactively to January 31, 2003.

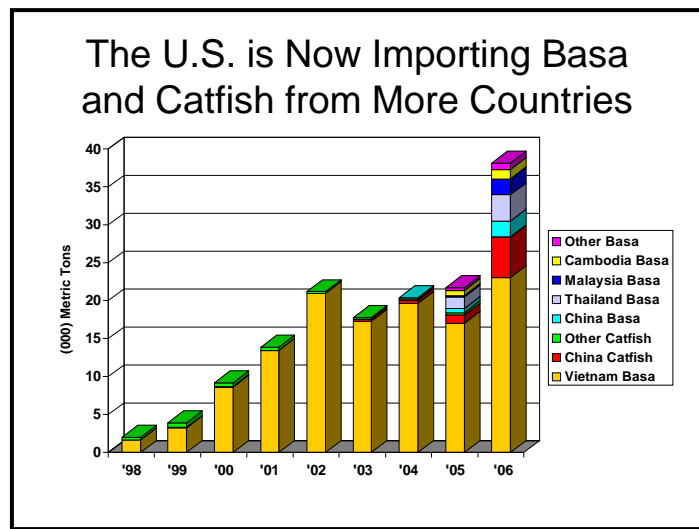
The 2002 Farm Bill included a provision that restricts the use of the name "catfish" to fish of the family *Ictaluriadae*, thereby limiting the use of the name 'catfish' to U.S. channel catfish. In July 2004, U.S. Customs established new codes for basa and tra to make it easier to track imports

of these products. However, the Antidumping Order also covers the harmonized codes for frozen catfish, sole, and other fillet categories under which basa might still be imported.

After the antidumping duties were imposed in 2003, imports from Vietnam (all appropriate import categories subject to the Antidumping Order) dropped from the peak of 20,964 MT in 2002 to 16,996 MT in 2005. However, imports in 2006 increased to 23,073 MT.

In July 2006, the DOC announced its final determinations in the scope and circumvention inquiries of the antidumping order on certain frozen fish fillets from Vietnam. In this final determination, the DOC affirmed its preliminary determination that frozen fish fillets produced by two Cambodian companies are made from Vietnamese-origin fish and are therefore circumventing the antidumping order on frozen fish fillets from Vietnam. The antidumping duties were not intended to stop all shipments of fish from Vietnam but to allow U.S. catfish to be more competitive. However, the U.S. industry is very concerned with imported product that may be circumventing the antidumping order.

It is also worth noting that the United States has begun importing farm-raised catfish from China. This product is actually derived from U.S. channel catfish stock and, as such, can be legally marketed in the U.S. as catfish with the provision that the product is labeled as coming from China. While the import volume was less than 600 MT in 2004, imports grew to 1,112 MT in 2005 and kept growing to 5,326 MT in 2006. Imports from China, are increasing rapidly and could prove to be tough competition for the U.S. domestic industry.



USDA has been working closely with The Catfish Institute (TCI) through the Market Access Program (MAP) to establish a market for farm-raised catfish in Canada. The U.S. exported 298 metric tons of catfish to Canada in 2006, valued at \$2.2 million. The U.S. has averaged around \$3 million in total exports to the world over the past three years.

U.S. catfish production has dropped steadily over the past three years since hitting a high production level of 300,000 MT in 2003. Catfish production dropped to 256,219 MT in 2006. With the continued decline in production, average 2006 prices paid to U.S. catfish producers increased to 79.5 cents per pound compared to 72.5 cents per pound in 2005 and 58.1 cents per pound in 2003. As imports of competitive products such as basa continue to increase, the industry expects catfish production to continue declining in 2007.

For more information, contact Reed A. Blauer at [Reed.Blauler@usda.gov](mailto:Reed.Blauler@usda.gov)