



## FACT SHEET

### **Commerce Initiates Countervailing Duty Investigations of Certain Frozen Warmwater Shrimp from the People's Republic of China, Ecuador, India, Indonesia, Malaysia, Thailand, and the Socialist Republic of Vietnam**

- On January 18, 2013, the Department of Commerce (Commerce) announced the initiation of countervailing duty (CVD) investigations of imports of certain frozen warmwater shrimp from the People's Republic of China (China), Ecuador, India, Indonesia, Malaysia, Thailand, and the Socialist Republic of Vietnam (Vietnam).
- The CVD law provides U.S. businesses, workers, and farmers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by subsidization of imports into the United States, and thus to have an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner for these investigations is the Coalition of Gulf Shrimp Industries (MS).

The members of the Coalition of Gulf Shrimp Industries are: Bayou Shrimp Processors, Inc. (LA); Bluewater Shrimp Company, Inc. (LA); Carson & Co., Inc. (AL); C.F. Gollott & Sons Seafood, Inc. (MS); Dean Blanchard Seafood, Inc. (LA); Dominick Seafood (AL); Fisherman's Reef Packing Plant (TX); Golden Gulf Coast Pkg. Co., Inc. (and Gollott's Oil Dock & Ice House) (MS); Graham Fisheries, Inc. (AL); Graham Shrimp, Inc. (AL); Gulf Crown Seafood Co., Inc. (LA); Gulf Fish Inc. (LA); Gulf Island Shrimp & Seafood, LLC (LA); Gulf Pride Enterprises, Inc. (MS); Hi-Seas of Dulac, Inc. (LA); Indian Ridge Shrimp Co. (LA); JBS Packing Co., Inc. (TX); Lafitte Frozen Foods Corp. (LA); M&M Shrimp (Biloxi Freezing and Processing) (MS); Ocean Springs Seafood Market, Inc. (MS); Paul Piazza & Sons, Inc. (LA); R.A. Lesso Brokerage Co., Inc. (MS); Sea Pearl Seafood Co., Inc. (AL); Smith and Sons Seafood (GA); Tideland's Seafood Co., Inc. (LA); Tommy's Seafood (LA); Vincent Piazza & Sons Seafood, Inc. (LA); Wood's Fisheries (FL); Mariah Jade Shrimp Company LLC (LA); David Chauvin's Seafood Company, LLC (LA); and Rountree Enterprises, Inc. (d/b/a Leonard & Sons Shrimp Co. and R&R Fisheries (SC).

- The products covered by the scope of these investigations are certain frozen warmwater shrimp and prawns, whether wild-caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off,<sup>1</sup> deveined or not deveined, cooked or raw, or otherwise processed in frozen form, regardless of size.
- The frozen warmwater shrimp and prawn products included in the scope, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products which are

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<sup>1</sup> "Tails" in this context means the tail fan, which includes the telson and the uropods.

processed from warmwater shrimp and prawns through freezing and which are sold in any count size.

- The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the *Penaeidae* family. Some examples of the farmed and wild-caught warmwater species include, but are not limited to, whiteleg shrimp (*Penaeus vannamei*), banana prawn (*Penaeus merguensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Macrobrachium rosenbergii*), giant tiger prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern rough shrimp (*Trachypenaeus curvirostris*), southern white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*).
- Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope. In addition, food preparations (including dusted shrimp), which are not “prepared meals,” that contain more than 20 percent by weight of shrimp or prawn are also included in the scope.
- Excluded from the scope are: (1) Breaded shrimp and prawns; (2) shrimp and prawns generally classified in the *Pandalidae* family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled; (4) shrimp and prawns in prepared meals; (5) dried shrimp and prawns; (6) canned warmwater shrimp and prawns; and (7) certain “battered shrimp” (see below).
- “Battered shrimp” is a shrimp-based product: (1) That is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a “dusting” layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the non-shrimp content of the end product constituting between four and 10 percent of the product’s total weight after being dusted, but prior to being frozen; and (5) that is subjected to individually quick frozen (IQF) freezing immediately after application of the dusting layer. When dusted in accordance with the definition of dusting above, the battered shrimp product is also coated with a wet viscous layer containing egg and/or milk, and par-fried.
- The products included in the scope of these investigations are currently classified under the following HTSUS subheadings: 0306.17.00.03, 0306.17.00.06, 0306.17.00.09, 0306.17.00.12, 0306.17.00.15, 0306.17.00.18, 0306.17.00.21, 0306.17.00.24, 0306.17.00.27, 0306.17.00.40, 1605.21.10.30 and 1605.29.10.10. These HTSUS subheadings are provided for convenience and for customs purposes only and are not dispositive, but rather the written description of the scope is dispositive.
- These investigations cover the same products as the current antidumping duty (AD) orders on certain frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam, including the revised scope language for the AD orders that was the result of litigation concerning “dusted shrimp.”

- In 2011, imports of certain frozen warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam were valued at an estimated \$153.7 million, \$523.6 million, \$511.7 million, \$667.7 million, \$206.2 million, \$1.6 billion, and \$493.2 million, respectively.

#### **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before February 11, 2013.
- If the ITC determines that there is a reasonable indication that imports from China, Ecuador, India, Indonesia, Malaysia, Thailand, and/or Vietnam materially injure, or threaten material injury to, the domestic industry, the investigations will continue, and Commerce will be scheduled to make its preliminary determinations in March 2013, unless the determinations are extended.

#### **ALLEGED SUBSIDY RATES:**

For each of these investigations, the petition alleged subsidy rates above de minimis.

#### **CASE CALENDAR:**

<b>EVENT</b>	<b>DATE</b>
<b>Petitions Filed</b>	<b>December 28, 2012</b>
<b>DOC Initiation Date</b>	<b>January 17, 2013</b>
<b>ITC Preliminary Determinations*</b>	<b>February 11, 2013</b>
<b>DOC Preliminary Determinations†</b>	<b>March 25, 2013</b>
<b>DOC Final Determinations</b>	<b>June 6, 2013</b>
<b>ITC Final Determinations**†</b>	<b>July 22, 2013</b>
<b>Issuance of Orders***†</b>	<b>July 29, 2013</b>

NOTE: Commerce preliminary and final determination deadlines are governed by the statute. For CVD investigations, the deadlines are set forth in section 703 and 705 of the Tariff Act of 1930, as amended. The deadline for the preliminary determination may be extended, while the deadline for the final determination is fixed at 75 days after the preliminary determination under the governing statute.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\*If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

\*\*This will take place only in the event of final affirmative determinations from Commerce.

\*\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

## IMPORT STATISTICS:

<b>CHINA</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Volume (in metric tons)	22,000	25,000	19,000
Value (USD)	138,969,000	167,770,000	153,657,000
<b>ECUADOR</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Volume (in metric tons)	61,000	64,000	73,000
Value (USD)	324,321,000	402,204,000	523,563,000
<b>INDIA</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Volume (in metric tons)	19,000	30,000	48,000
Value (USD)	155,080,000	298,930,000	511,739,000
<b>INDONESIA</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Volume (in metric tons)	66,000	57,000	67,000
Value (USD)	470,106,000	469,136,000	667,654,000
<b>MALAYSIA</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Volume (in metric tons)	18,000	24,000	29,000
Value (USD)	109,070,000	147,826,000	206,222,000
<b>THAILAND</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Volume (in metric tons)	179,000	188,000	170,000
Value (USD)	1,262,710,000	1,412,195,000	1,593,349,000
<b>VIETNAM</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Volume (in metric tons)	40,000	46,000	41,000
Value (USD)	369,116,000	497,458,000	493,157,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 0306.13.0003, 0306.13.0006, 0306.13.0009, 0306.13.0012, 0306.13.0015, 0306.13.0018, 0306.13.0021, 0306.13.0024, 0306.13.0027, 0306.13.0040, 0306.17.0003, 0306.17.0006, 0306.17.0009, 0306.17.0012, 0306.17.0015, 0306.17.0018, 0306.17.0021, 0306.17.0024, 0306.17.0027, 0306.17.0040, 1605.20.1010, 1605.20.1030, 1605.21.1030, and 1605.29.1010). Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.

Note: Prior to 2012, subject merchandise was classified under HTSUS 0306.13.0003, 0306.13.0006, 0306.13.0009, 0306.13.0012, 0306.13.0015, 0306.13.0018, 0306.13.0021, 0306.13.0024, 0306.13.0027, 0306.13.0040, 1605.20.1010, and 1605.20.1030. HTSUS subheadings for 2011 and previous years do not differentiate between warmwater shrimp (subject merchandise) and coldwater shrimp (non-subject merchandise). Therefore, import statistics in the above table may include significant amounts of non-subject merchandise.