

Brazil Shrimp Exports to US Tumble 54%

Contributed by Márcia Wonghon
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After rising steadily for the six consecutive years, Brazilian exports of shrimp to the United States took a nose dive this year. Between January and August they were down 54%, compared to the same period last year.

According to Itamar Rocha, president of the Shrimp Breeders Association, there were three reasons for the reduction: a lack of government financing, a decrease in investments in new technology and an anti-dumping suit brought by eight shrimp-producing states in the southern US.

As a result of the anti-dumping suit, Brazilian shrimp exporters now face a 23.6% surtax in the US and have little chance of exporting what they exported last year: 21,800 tons.

Rocha reports that Brazil will begin negotiations with the US on the issue immediately.

Meanwhile, Brazilian shrimp exporters are now aiming at the European and Asian markets with the hope of at least equaling last year's results when shrimp export revenue totalled US\$ 226 million with the sale of over 58,000 tons on international markets.

Rocha says that is a disappointment, pointing out that the original target for this year was to export 76,000 tons with revenue of US\$ 300 million.

The Brazilian Response

Reacting in July against to the US measure, Brazil's Ministry of Foreign Relations said that the Brazilian shrimp industry presents a high standard of quality and competitiveness due to favorable natural circumstances, modern production techniques, and lower relative capital costs.

The Special Secretariat of Aquiculture and Fishing released a note underscoring the government's concern over the American decision in light of the importance of shrimp production to Brazil and the importance of the United States to the Brazilian trade balance.

The Secretariat informed that it would meet with representatives of the Brazilian Shrimp Breeders' Association, in the city of Recife, to formulate strategies of access to alternative markets.

Brazilian shrimp production is basically concentrated in the Northeast, a region of Brazil in which the activity has an important social impact, in providing jobs and income to the population, and 37% of Brazilian exports were destined for the United States.

Last year Brazil exported 21.7 tons of shrimp to the US, for which it earned US\$ 96 million, according to the Special Secretariat of Aquiculture and Fishing.

Since 2003, American producers have been accusing Brazil of selling canned and frozen shrimp for less than it costs to produce, which constitutes the practice of dumping.

Besides Brazil, import surcharges have also been imposed on Ecuador, India, and Thailand.

Three weeks ago the United States also decided to place tariffs on shrimp imports from China and Vietnam. The six

countries whose sales are being taxed supply 75% of the shrimp consumed in the United States.

Agência Brasil
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