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Royal Red Shrimp Landings and Market Information, Gulf Shrimp Permits, and Economic Returns Estimates for Permitted Vessels

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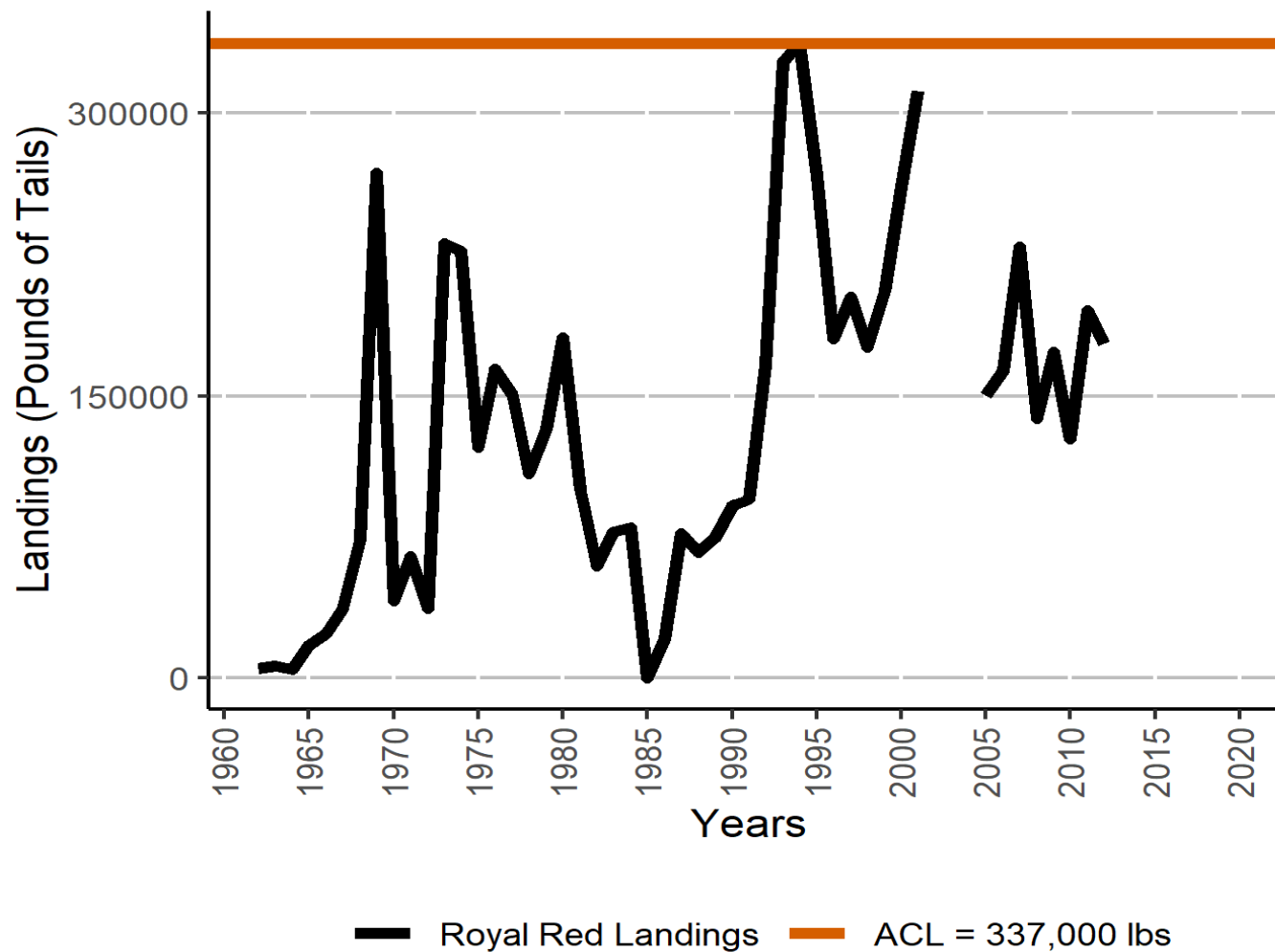
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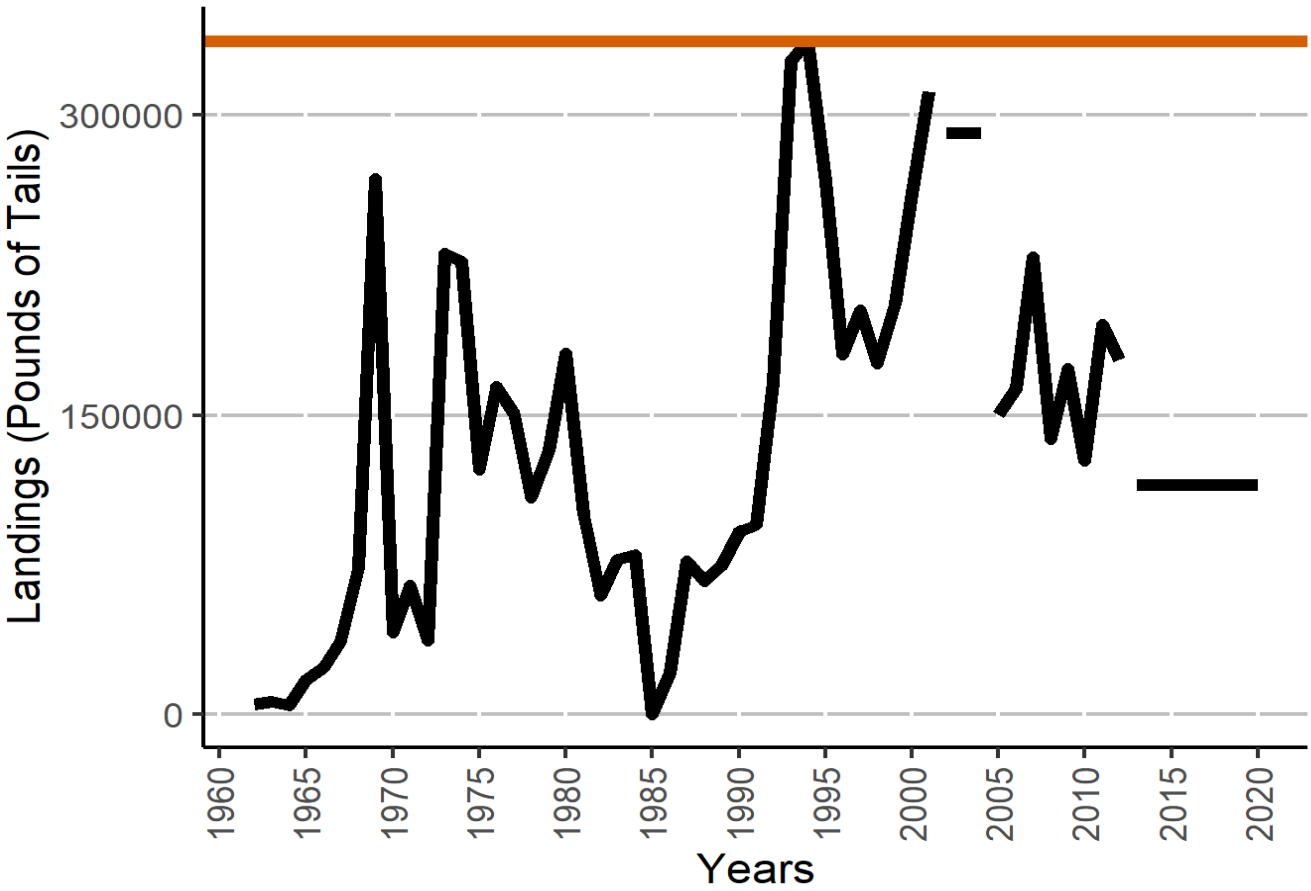
Gulf Royal Red Shrimp Landings (1962-2020)

Confidential Data Excluded



Gulf Royal Red Shrimp Landings (1962-2020)

Confidential Data as Mean



■ Royal Red Landings
 ■ Mean Landings (2013-2020)
 ■ Mean Landings (2002-2004)
 ■ ACL = 337,000 lbs

Royal Red Shrimp Fishery – Additional Data

- Gulf royal red shrimp landings at Atlantic ports were < 3,400 pounds **in total** from 2015-2017 and zero in 2018/19. So small “leakage” from Gulf shrimp landings dataset.
- 3 of 5 years of data are confidential from 2015-2019. Preliminary 2020 data suggests price down to \$3.50/\$6.30. So decline of 14.4%

<u>Year</u>	<u>Number of Vessels</u>	<u>Number of Dealers</u>	<u>Inflation-adjusted Ex-vessel Price (heads-on/ heads-off)</u>
2015	6	5	\$4.09/\$7.37
2016	4	2	confidential
2017	5	3	\$3.88/\$6.98
2018	4	3	confidential*
2019	3	2	confidential

Imports from Argentina

- Imports from Argentina almost tripled from 2015-2020, falling back some in 2021. Vast majority are warm-water shrimp, which also almost tripled
- Argentina red (*Pleoticus Muelleri*) likely directly compete with domestic Royal Red (*Pleoticus Robustus*).

<u>Year</u>	<u>Total Imports (lbs)</u>	<u>Warm-water (lbs)</u>
2015	11,180,541	10,937,543
2016	17,051,303	16,579,693
2017	27,671,511	26,472,466
2018	24,323,590	23,790,165
2019	29,002,261	28,364,967
2020	38,227,319	37,829,277
2021	33,326,665	32,025,218



Imports from Argentina

- Monterey Bay Aquarium Seafood Watch 2018 report on Argentine Red Shrimp Fishery makes incorrect statements and invalid assumptions
- NMFS' import data does NOT identify shrimp species as claimed
- Implicitly assumes Argentine reds are cold-water shrimp in import data based on statement that red shrimp were only 1.89% of shrimp imports from Argentina in 2017.
- Assumption may be based on geographic location of the freezer trawl fishery in the Gulf of San Jorge (43-47 degrees south lat)
- But, per Customs' HTS documentation, only cold-water shrimp are *Pandalus* spp. and *Crangon Crangon*. So, Argentine red shrimp must be warm-water shrimp in import data.
- However, all warm-water shrimp are likely not red shrimp based on new data

Farmed vs Wild Harvest Argentina Imports

- New HTS codes allowed NMFS to determine wild from farmed product starting July 2021.
- Much higher percentage of Argentina imports are farmed than expected. Farmed product would not be red shrimp and would not directly compete with domestic Royal Red.
- Not appropriate to back estimate imports of wild harvested reds if aquaculture has been expanding. At the least, need more data to determine if last 6 months of 2021 is indicative.

<u>Month</u>	<u>Farmed Pounds</u>	<u>Wild Pounds</u>	<u>Total Pounds</u>	<u>Percent Farmed</u>
July	476,070	1,541,314	2,017,384	23.6
August	114,325	1,778,202	1,892,527	6.0
September	326,431	2,199,895	2,526,327	12.9
October	983,730	3,457,148	4,440,879	22.2
November	1,149,826	2,924,836	4,074,662	28.2
December	1,301,167	2,385,807	3,686,973	35.3
Total	4,351,550	14,287,203	18,638,753	23.3



Valid and Active Gulf Shrimp Moratorium Permits

- Updated for 2015-2019 in table below using current, official counts of valid permits per year.
- Only uses data from the historic Gulf shrimp landings dataset (dealer reports) per Amendments – annual landings data from permit holders not considered. May underestimate “actual” count of active permits by about 4% based on 2007-2009 data comparison.

<u>Year</u>	<u>Number of Valid Permits</u>	<u>Number of Active Permits</u>
2015	1,471	1,060
2016	1,454	1,054
2017	1,442	1,073
2018	1,426	1,053
2019	1,418	1,008

Valid and Active Gulf Shrimp Permits

- 2015-2019 estimates based on SERO's current, official approach for counting valid permits in a year – where a permit is counted if valid for at least one day in a year, even if later terminated in that same year, as they could have legally fished under the permit.
- Estimates for earlier years after the moratorium was implemented used a different method.
- Moratorium permit data requested early in the following year for survey purposes, but all permits that had already terminated were eliminated from the counts because permit holders not required to respond. So underestimates counts of valid and likely active permits relative to current approach.
- Does SSC wish to comment on what data should be used to estimate active permits for Amendment and related purposes from this point forward?

Economic Performance of Gulf Shrimp Fishery from 2014-2019

- Please refer to pdf document in background materials
- Focus on difference between 2014 and average from 2015-2019, particularly the highlighted estimates.
- Given that 2020/2021 economic return estimates are not yet available, our view is 2015-2019 average is indicative of current “baseline” economic conditions, whereas 2014 is not because performance clearly declined after 2014.
- Does the SSC concur?