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The crawfish industry is a 100 million dollar industry at the farm level. The production of crawfish is unique to the State of Louisiana. Our crawfish farmers do not have the luxury of any programs that provide assistance for a reasonable return on capital invested. Louisiana crawfish farmers depend upon hard work and sound management to be profitable.

I truly wish it were the case. A chain of events have taken place that has jeopardized the very existence of this unique industry. Due to the competitive disadvantage the imported product places on Louisiana crawfish farmers, we are fortunate to harvest 65 percent of our crop. The remainder is left in the fields. Approximately 20 million pounds of marketable product was not harvested in 2007. Production data for 2008 reveals a similar situation. Furthermore, the vast majority of imported product is not being screened for food safety concerns and tariff collections. Less than 15 percent of required tariffs are being collected. U.S. Customs apparently lacks the ability or motivation to track these imports.

The Louisiana Crawfish Farmers Association (LCFA) has taken steps to find out what the problem was with the tariff collections and why with the massive growth in interest in our product the demand seemed to be falling. We decided to use the old saying "follow the money". We have three board seats on the Louisiana Crawfish Promotion & Research Board (Board). The Board uses assessments paid by the production side of the industry from bait and sacks to fund research for the betterment of the industry and to pursue new markets. LCFA decided that the production side of the industry has been carrying the complete financial load for too long. In 2006 members of the Board and LCFA were successful in getting an assessment placed on all non-participating crawfish tail meat sold in the state of Louisiana at the first point of sale. Many people were surprised at who actually paid this assessment (See attachment A). It was the very buyers and or middle men who crawfish farmers sell their product to. The biggest shock of all was that the assessments

being paid were being paid by the members of the Crawfish Processors Alliance (CPA); yes the very group who testified at congressional hearings on how they were being injured by Chinese imports and needed tariff compensation for their losses. As it turns out they were talking about themselves. Questions have risen concerning, did the members of the CPA who paid assessments on non-participating product, pay the tariff on this product. Were they the ones who originally brought in the imported product, and are they the importers? I truly wish I had access to this information; it is not from a lack of effort I can assure you.

The 1600 farmers and the 400 wild fishermen are united in their opinion that the tariff was and is necessary for the crawfish industry to survive. While we are requesting the support of the continuation of the tariff collections on imported crawfish product, several concerns need to be addressed such as, an investigation on what actually happened with the funds once they were distributed and secondly, customs inability to collect the tariffs (See Attachment B). This must happen for any recovery or rebuilding to have a chance of success. It has become quite clear, the tariff funds were obviously not used for what Congress intended.

With no administered oversight on how tariff funds were utilized recipients have done an injustice to the Louisiana crawfish industry. In the mid 90's there were approximately 110 crawfish tail meat processors in Louisiana ranging from very small operators to large operators that processed over 100,000 pounds of tail meat annually. By 2000 there were only 30 processors left, one would think with over 38 million dollars distributed to these processors that this industry would have recovered, become competitive and expanded.

Instead, there has been no replacement of the 80 processing plants that went out of business. There has not been any development of automation of processing to compensate the shortage of labor requirements. In our opinion the money was used to control the crawfish industry by a select few. The Byrd Amendment as administered has stifled any growth in the processing portion of the crawfish industry. There have been no improvements to assist the industry in becoming more competitive as was intended by Congress in establishing the tariff program. The continuation and enforcement

of collections of tariffs on imported crawfish is essential to the survival of our domestic crawfish industry. We are unable to compete against an abundant supply of cheap labor that is at the disposal of competing countries. If tariff collections are distributed with proper oversight and used as intended by Congress to level the playing field, our industry can compete and provide consumers with a wholesome desirable product. Food security is also at issue. The use of antibiotics (banned in the U.S. – See Attachment C) by competing countries as cheap preservatives, put U.S. consumers at risk.

In closing, I thank you for the opportunity to address these issues.