

Testimony Before the U.S.-China Economic and Security Review Commission  
Hearing on Chinese Seafood Imports: Safety and Trade Issues  
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Good morning Co-Chairs Bartholomew and Slane and members of the Commission. My name is Patrick Woodall and I am a Senior Policy Analyst at Food & Water Watch, a non-profit consumer organization that works on food policy and water infrastructure issues. We were founded in November 2005 and we are based in Washington, D.C.

Thank you for holding this hearing and inviting Food & Water Watch to testify on the food safety implications of imported Chinese seafood. China is a fisheries superpower and leads the world in total fish catch, fishing fleet size, aquaculture production and global seafood exports. China's fishing and aquaculture industry can have significant environmental impacts on the global health of ocean fisheries, China's environmental quality and the safety of seafood for consumers in China and here in the United States. China's vast aquaculture production poses special risks to food safety, since densely packed fish are often treated with antibiotics and veterinary medicines that are illegal to use on fish in America because of their associated human health and environmental risks.

China's seafood exports to the United States have nearly tripled in recent years, from 363 million pounds in 2000 to nearly a billion pounds in 2007. Shipping seafood 6,500 miles from China to California can increase the likelihood of microbial contamination and decomposition during storage and transit. This steep increase in the volume of imported fish has rapidly exceeded our food safety oversight at the border. The FDA physically inspects fewer than two percent of imported fish shipments and only refused entry to one out of 476 shipments in 2006. The capacity of our fish import inspection system has not grown to meet the increased demands rising imports have placed upon America's food safety infrastructure or personnel. The number of inspectors, inspections and laboratory tests needs to rise to the challenge of escalating seafood imports.

More fish facing fewer inspections has real implications for American consumers. As much as 84 percent of fish and shellfish consumed in the United States is imported and 40 percent of imports come from fish farms.<sup>1</sup> Seafood products cause about a fifth (between 18 and 20 percent) of the known outbreaks of foodborne disease in the United States each year. All cases of foodborne illness lead to about 325,000 hospitalizations and 5,000 deaths annually in the United States.<sup>2</sup>

The safety of products from China received considerable attention in 2007. Import scandals over tainted pet food ingredients, industrial solvent-laced toothpaste and lead painted toys focused needed attention on whether U.S. regulators can effectively monitor a tidal wave of imports from China and the rest of the world. Over the past several years,

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<sup>1</sup> Becker, Geoffrey S., Congressional Research Service, "Food and Agricultural Imports from China," RL-34080, July 17, 2007 at 2; NOAA estimate, available at [www.nmfs.gov/mediacenter/aquaculture/](http://www.nmfs.gov/mediacenter/aquaculture/).

<sup>2</sup> U.S. Centers for Disease Control, "Surveillance for Foodborne-Disease Outbreaks—United States, 1993-1997," *Morbidity and Mortality Weekly*, 49(SS-1), March 1997.

Japanese, European and American state regulators have acted to prohibit dangerous Chinese seafood imports from reaching grocery stores. The FDA finally imposed a country-wide ban on some Chinese seafood products in the summer of 2007, when it banned five types of aquaculture produced fish that frequently tested positive for veterinary medicines that are not approved for use on fish in the United States.

The sheer volume of fish imports from China overwhelms our current capacity to ensure the safety of the fish Americans eat. The magnitude of China's aquaculture industry and its reliance on banned chemicals as well as China's weak enforcement of food and environmental regulations could continue to pose a risk to American consumers. In October 2007, the Subcommittee on Oversight and Investigations of the U.S. House Energy and Commerce Committee investigated the safety of China's food exports and reported, "It would appear that the Chinese food supply chain does not meet international safety standards. It is, in fact, responsible for very serious domestic Chinese food poisoning outbreaks."<sup>3</sup>

**China is World's Largest Fish Producer:** China is the global fishing leader and is a production powerhouse from its fish farms to its industrial fishing fleet. In 2004, China produced 105 billion pounds of fish and seafood – 37 billion pounds from capture fisheries and 68 billion pounds from aquaculture production.<sup>4</sup> China's capture fishery production nearly doubled from fewer than 20 billion pounds in the mid-1980s to 38 billion pounds in 1998, or about one-fifth of global fish production.<sup>5</sup> In 2004, China's 37.3 billion pounds of capture fishery production made China the world's largest capture fishing industry – 75 percent higher than the second place Peru and three times larger than the United States, which ranks third globally.<sup>6</sup> China flagged more than half a million powered fishing ships in 2005, making it the largest fleet as well.<sup>7</sup>

The tens of billions of pounds of fish landed by China's fishing fleet and its disproportionate impact on the global wild-capture fisheries threaten the very survival of ocean fish species. China's vast fishing fleet contributes both to local and global overfishing.<sup>8</sup> A 2006 study in *Science* found that current fishing trends could lead to a global collapse of all species of marine food fish by the middle of this century.<sup>9</sup> The UN reports that three quarters of the most important food fish species are already fully or overexploited.<sup>10</sup>

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<sup>3</sup> U.S. House Energy and Commerce Committee, Subcommittee on Oversight and Investigations, Staff Trip Report, "Food From China: Can We Import Safely," October 4, 2007 at 1.

<sup>4</sup> United Nations Food and Agriculture Organization, *The State of World Fisheries and Aquaculture 2006*, 2007 at 4.

<sup>5</sup> Allain, Marc, Greenpeace International, "Trading Away Our Oceans," January 2007 at 14.

<sup>6</sup> *The State of World Fisheries and Aquaculture 2006* at 9.

<sup>7</sup> *Ibid.* at 26-27.

<sup>8</sup> Guilin, Dai and Zhou Jing, Ocean University, Qingdao, "The Basic Trend of Chinese Seafood Resources Development Strategy," Institute for Research in Economics and Business Administration (Norway), SNF Report No. 20/05, 2005 at 29-30.

<sup>9</sup> Worm, Boris, Edward B. Barnier, et al., "Impacts of Biodiversity Loss on Ocean Ecosystem Services," *Science*, November 3, 2006.

<sup>10</sup> *The State of World Fisheries and Aquaculture 2006*, at 29.

**China's Unrivaled Aquaculture Industry:** Aquaculture is believed to be the fastest growing food-producing sector in the world and constitutes nearly half of all consumed fish.<sup>11</sup> China is the global leader in aquaculture production as well. China's aquaculture production increased by 12.4 percent annually between 1950 and 2004.<sup>12</sup> China's aquaculture industry is the largest in the world and produced 91 billion pounds of fish in 2004, 69.6 percent of global aquaculture production.<sup>13</sup> More than three-fifths (64 percent) of China's fish production comes from aquaculture, making China the only nation where aquaculture production exceeds wild-caught fish.<sup>14</sup> China was the top aquaculture producer of tilapia (1.9 billion pounds) and sixth largest producer aquaculture producer of mullet (1.2 million pounds) in 2004.<sup>15</sup>

China's aquaculture sector includes large industrial facilities as well as millions of small-scale fish farms, making it difficult to ensure the safety and quality of the fish. The state Fishery Bureau estimates there are 4.5 million fish farmers in China – a 20 percent increase in aquaculture employment since 2000.<sup>16</sup> The majority of China's food and fish production is on small-scale family farms.<sup>17</sup> These small, rural, family-run fish farms can apply fish feed and chemicals to treat the water, but the farmers may not know what they are adding to their ponds.<sup>18</sup> They buy these often unlabeled inputs from salespeople that promise increased fish production and growth. Thousands of fish processing plants buy fish from these small farmers for the Chinese consumer and U.S. export market.<sup>19</sup> Retired Food and Drug Administration associate commissioner William Hubbard observed that food production in China “is a vast cottage industry,” and the central Beijing authorities have “very little influence” on the fragmented food industry.<sup>20</sup> The Wild West capitalism that exists in China makes it difficult to enforce even the most well intentioned food safety rules. The melamine tainted pet food incident and more recent heparin contamination revealed a complex network of small producers that evaporated when Chinese regulators attempted to get to the bottom of the contaminations.

Aquaculture production can have unique food safety implications and environmental impacts. Fish grown on farms require clean water to be healthy. Densely packed fish raised in polluted water can be contaminated with industrial toxins and susceptible to disease. China's polluted waterways threaten the safety of the country's aquaculture products. Industrial pollution and municipal sewage create serious water pollution problems for China's aquaculture.<sup>21</sup> According to the Chinese Fisheries Bureau's

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<sup>11</sup> UN Food and Agriculture Organization, *State of World Aquaculture 2006*, FAO Fisheries Technical Paper 500, 2006 at 1.

<sup>12</sup> *Ibid.* at 7, Table 1.

<sup>13</sup> *Ibid.* at 5.

<sup>14</sup> *The State of World Fisheries and Aquaculture 2006*, at 1.

<sup>15</sup> *State of World Aquaculture 2006*, at 7, Box 1.

<sup>16</sup> *The State of World Fisheries and Aquaculture 2006*, at 24.

<sup>17</sup> Ryan, Missy, “China Food Safety Seen Mired in Economic Transition,” *Reuters*, December 18, 2007.

<sup>18</sup> Schmit, Julie, Calum MacLeod, Elizabeth Weise and Barbara Hansen, “Chinese Fish Crisis Shows Seafood Safety Challenges,” *USA Today*, June 28, 2007.

<sup>19</sup> *Ibid.*

<sup>20</sup> Cha, Ariana Eunjung and Annys Shin, “U.S. Gains More Access to Data on Chinese Exports,” *Washington Post*, December 12, 2007.

<sup>21</sup> Schmit, MacLeod, Weise and Hansen, *USA Today*, June 28, 2007.

Director of Aquaculture “Water quality is the top issue for Chinese aquaculture.”<sup>22</sup> Some aquaculture facilities raise fish in water that is polluted with sewage, farm runoff containing pesticides and industrial chemical discharges.<sup>23</sup> In southern China, consumers that have eaten DDT-laced fish are facing serious health problems.<sup>24</sup> Mercury pollution from China’s coal-fired power plants also contaminates China’s waterways and potentially its aquaculture industry.<sup>25</sup> China’s weak and under-enforced environmental controls allows these water pollutants to contaminate aquaculture facilities and increases the risk of microbiological, metal and toxic contamination of aquaculture produced fish products.<sup>26</sup>

Aquaculture producers in China have tried to combat pollution-related bacterial infections, disease and parasites by applying antibiotics, fungicides and other pesticides. Some of these antibiotics (notably malachite green, nitrofurans, flouroquinolones and chloramphenical) may contribute to increased antibiotic resistant strains of bacteria that infect humans. Several other chemicals (nitrofurans, malachite green and gentian violet) have been associated with increased human cancer risks.<sup>27</sup> Some veterinary drugs are prohibited in livestock and aquaculture production because their use can facilitate antibiotic resistant foodborne pathogens. Since there are not systems in place to monitor antibiotic resistant foodborne pathogens in fish products, the FDA has prohibited their use in aquaculture production.<sup>28</sup> The application of these veterinary medicines affects not only the fish they aim to treat, but the surrounding environment and non-target species, which can cause anti-microbial resistance and impact human health.<sup>29</sup> Although China banned malachite green in 2002, it continues to allow the use of fluorquinolones in aquaculture.<sup>30</sup> The FDA has continued to find these chemicals in imported aquaculture-produced fish despite China’s official ban.

Aquaculture production also contributes to water pollution, global fish depletion and can threaten native species. In some areas in China, aquaculture ponds are packed so densely that their effluents pollute downstream fish farms.<sup>31</sup> The runoff and wastewater from aquaculture production contains uneaten food, fish waste and agrochemicals that can produce considerable effluents that can feed algae blooms and eutrophication of waterways, depriving native species of necessary oxygen in the water and creating dead zones in coastal areas.<sup>32</sup> China has already started to curtail or ban aquaculture

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<sup>22</sup> Barboza, David, “China Says Its Seafood Is Safer,” *New York Times*, January 17, 2008.

<sup>23</sup> *Ibid.*

<sup>24</sup> Barboza, David, “In China, Farming Fish in Toxic Waters,” *New York Times*, December 15, 2007.

<sup>25</sup> Ellis, Linden J. and Jennifer L. Turner, Western Kentucky University, China Environment Health Project Research Brief, “Aquaculture and Environmental Health in China,” May 7, 2007 at 1.

<sup>26</sup> Congressional Research Service at 11.

<sup>27</sup> U.S. Food and Drug Administration, Import Alert 16-131, “Detention without Examination of Aquacultured Catfish, Basa, Shrimp, Dace, and Eel Products from the People’s Republic of China Due to the Presence of New Animal Drugs and/or Unsafe Food Additives,” August 3, 2007 Revision.

<sup>28</sup> FDA, Transcripts of FDA Press Conference on Seafood Imported from China,” June 28, 2007 at 19.

<sup>29</sup> World Bank, Agriculture and Rural Development, “Aquaculture: Changing the Face of the Waters,” Report No. 36622-GLB, 2006 at 20.

<sup>30</sup> FDA, Import Alert 16-131.

<sup>31</sup> Barboza, *New York Times*, December 15, 2007.

<sup>32</sup> Linden and Turner, “Aquaculture and Environmental Health in China,” May 7, 2007 at 2.

production at some locations because of concerns about water pollution from fish farms. In 2007, a provincial government banned crab farming at the Yangcheng Lake to protect the drinking water supply from algae blooms created by excessive high-nutrient effluent from the aquaculture operations.<sup>33</sup> All aquaculture production was removed from China's largest three lakes this year to prevent future economic damage from algae blooms.<sup>34</sup>

Additionally, farm raised fish primarily eat fish feed that mostly ground fishmeal from small ocean fish that are a critical part of marine ecosystems. It can take between two to six pounds of small, ocean fish to produce one pound of farmed fish.<sup>35</sup> More than a third (37 percent) of all seafood is ground into fishmeal, and a third of that fishmeal is consumed by Chinese aquaculture.<sup>36</sup>

Finally, the introduction of non-native species for aquaculture can also threaten existing ecosystems, as the Nile perch came to dominate Lake Victoria, and can introduce disease to native species, as European brown trout introduced Whirling disease to the U.S. rainbow trout population.<sup>37</sup> Escapes are inherent to the aquaculture industry, and since most farmed fish lack significant genetic diversity, escaping fish can pass on any genetic weaknesses to the wild fish population.

These are not solely Chinese dilemmas; most of these problems plague aquaculture and industrial fishing in other parts of the world. However, since China is a market leader, its fisheries and aquaculture model is exported to other countries that adopt China's fishing practices.

**China's Fish Production Fuels Exports:** China's aquaculture facilities and fishing fleet feed Chinese consumers and provide an engine for exports. China's fish and seafood exports more than tripled over the past decade and China has been the world's largest fish exporter since 2002.<sup>38</sup> In 1994, China exported about \$2 billion in seafood products; by 2004, China exported more than \$6 billion in seafood products.<sup>39</sup> Between 1994 and 2004, China's share of the value of global fish exports nearly doubled from 4.9 percent of all exported fish to 9.3 percent in 2004.<sup>40</sup> China's fish exports represented nearly a third (29 percent) of its agricultural exports in 2004.<sup>41</sup>

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<sup>33</sup> Ellis, Linden J. and Jennifer L. Turner, Woodrow Wilson International Center for Scholars, "Surf and Turf: Environmental and Food Safety Concerns of China's Aquaculture and Animal Husbandry," *China Environment Series*, Issue 9, 2007 at 19.

<sup>34</sup> *Ibid.* at 22.

<sup>35</sup> Report of the Marine Aquaculture Task Force, "Sustainable Marine Aquaculture: Fulfilling the Promise; Managing the Risks," Takoma Park, MD, January 2007 at 93.

<sup>36</sup> Stier, Ken, "Fish Farming's Growing Dangers," *Time*, September 19, 2007.

<sup>37</sup> World Bank at 21-22.

<sup>38</sup> *The State of World Fisheries and Aquaculture 2006*, at 7.

<sup>39</sup> *State of World Aquaculture 2006*, at 18, Figure 1 inset.

<sup>40</sup> *The State of World Fisheries and Aquaculture 2006*, at 43.

<sup>41</sup> *Ibid.*

The United States is the third largest importer of fish products, bringing in 16 percent of the value of all global fish trade.<sup>42</sup> China is the third largest supplier of these fish imports and China's fish exports to America have been growing. The value and volume of China's fish and seafood exports to the United States has grown substantially over the past two decades but has sharply accelerated since 2000, when China received permanent trade access to the U.S. market.<sup>43</sup>

The value of fish and seafood products from China grew rapidly and much more quickly than fisheries exports from the rest of the world. Between 1989 and 1999, the value of U.S. fish imports grew an average of about 5 percent a year, and the import growth for Chinese imports mirrored the growth for the rest of the world (4.7 percent and 5.0 percent, respectively). During this period, China's seafood exports to the United States grew from \$297 million in 1989 to \$357 million in 1999 (see appendix Chart 1). After 2000, the value of China's fish exports to the United States grew by 20.8 percent a year – more than five times greater than the 3.6 percent annual growth for all other fish exporters. In the last seven years, Chinese fish exports nearly tripled from \$521 million in 2000 to \$1.5 trillion in 2007. This large increase in fish export sales also increased China's market share of the U.S. imported seafood market, growing from below 5 percent of sales in the mid-1990s to 14.5 percent of all fish imports in 2007 (see Chart 2).

The dollar value of exports demonstrates the muscle of China's fishing industry but does little to describe the magnitude of the problem for U.S. import inspectors. It is easier to examine \$1 million worth of lobster than \$1 million worth of anchovies. The tonnage of Chinese imports has grown steadily over the past two decades, rising rapidly since 2000. U.S. inspectors faced nearly a billion pounds of Chinese seafood imports in 2007. Between 1989 and 1999, the volume of China's fish exports to the United States grew at an annual average rate of 10.9 percent, from 118 million pounds in 1989 to 288 million pounds in 1999 (see Chart 3). Since 2000, the volume of fisheries exports grew by 16.8 percent annually from 363 million pounds in 2000 to 945 million pounds in 2007. China's share of U.S. fish and seafood imports has quintupled in the past two decades. In the early 1990s, China's fish exports represented about 5 percent of the total tonnage of fish the United States imported; by 2007, nearly one-quarter (24.7 percent) of imported fish came from China (see Chart 4).

**U.S. Import Inspection System Unlikely to Spot Problems in Fish Imports:** The FDA is responsible for ensuring the safety of U.S. fish imports, but the increasing volume of imports is overseen by an inspection regime that has not grown to meet the challenge and leaves American consumers poorly protected. Less than one out of fifty shipments of fish received a physical inspection at the U.S. border between 2003 and 2006.<sup>44</sup> Physical inspection can include document reviews, sensory evaluations, label examinations or laboratory testing. In 2006, about one in a hundred (1.3 percent) of imported fish shipments received a sensory examination and one in two hundred (0.59

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<sup>42</sup> Allain, Greenpeace International at 21.

<sup>43</sup> USDA, Foreign Agriculture Statistics, Trade Database, HS-03 fish and seafood, accessed April 2008, available at [www.fas.usda.gov/ustrade/](http://www.fas.usda.gov/ustrade/).

<sup>44</sup> See Food & Water Watch, "Import Alert," July 2007.

percent) received a laboratory inspection. Laboratory testing of seafood has declined from 0.88 percent of shipments in 2003 to 0.59 percent in 2006 – a 33 percent decline.

The level of import inspections by the FDA is significantly below other industrialized countries that import large volumes of seafood products. The European Union inspection rate is ten times higher and Japan's inspection rate is more than five times higher than the U.S. inspection rate for seafood. The European Union inspects 20 percent of fish that is fresh, frozen, dried, salted or packed in airtight containers and 50 percent of bivalves like oysters and scallops.<sup>45</sup> Japan tested 12 percent of all seafood products and 21 percent of processed seafood in 2005.<sup>46</sup>

**FDA's Refusals of Fish Imports from China Rising:** The overall number and proportion of U.S. seafood imports that are rejected by border inspectors is very small. The U.S. rejected 1,786 shipments of fish in 2006, more than a third less than the 2,693 that were rejected in 2003. The percentage of shipments of seafood that were refused has been declining for the past few years. In 2003, the FDA refused 0.36 percent of seafood shipments but in 2006 the FDA refused 0.21 percent – a 42 percent decline.

While the number and percentage of refused seafood shipments has been declining, Chinese seafood refusals are a growing share of all rejected seafood and the number of refusals from China has been growing. The share of refused seafood shipments from China has nearly tripled from 6.8 percent of all seafood refusals in 2003 to 17.3 percent of all refusals in 2006. Between 1997 and 2006, the FDA refused 1,364 shipments of fish and seafood products from China for failing to meet U.S. standards for import (see Chart 5).<sup>47</sup> In more recent years, FDA refusals of Chinese fish imports have increased. Between 1997 and 2001, the FDA refused an average of 76 shipments each year, but between 2002 and 2006 the FDA refused an average 196 shipments per year. Between 2005 and 2006 alone, the number of FDA refusals increased by more than 50 percent from 198 in 2005 to 309 in 2006.

These border refusals were predominantly related to significant safety concerns. Nearly a sixth of the refusals were for foodborne pathogens on Chinese fish – 13 percent of refusals were for *Salmonella* and three percent were for *Listeria*. Nearly one-fifth (17 percent) of the refusals were to stop fish with illegal veterinary drug residues. Nearly a third (32.5 percent) of the refusals were for fish that the FDA deemed too filthy for human consumption. Nearly one in twenty refusals were for unsanitary fish shipments (2.5 percent of refusals) or for findings of pesticides, histamines, dangerous color additives, or contamination with heavy metals like mercury (2.1 percent combined).<sup>48</sup> (See Chart 6.)

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<sup>45</sup> European Commission, Health and Consumer Protection Directorate General, "EU Import Conditions for Seafood and Other Fishery Products."

<sup>46</sup> Japan Department of Food Safety, Pharmaceutical and Food Safety Bureau, Ministry of Health, Labor and Welfare, "Statistics of Imported Foods Monitoring for 2005," June 2006.

<sup>47</sup> Food & Water Watch analysis of FDA refusal data received via FOIA.

<sup>48</sup> Another 29.5 percent of the refusals were for other labeling and packaging issues, which can include food safety issues such as unlabeled ingredients that may pose a risk of allergic reaction or packages that are damaged or leaking.

Some common aquaculture produced fish from China had high levels of refusals for illegal veterinary drugs and antibiotics. Almost all (88.1 percent) of Chinese eel refusals were for veterinary drug residues between 2005 and 2006. Three out of five (63.8 percent) of Chinese catfish refusals in 2006 were rejected for veterinary drugs. More than half (51.9 percent) of Chinese refused crab imports between 2003 and 2006 were for illegal veterinary drug residues. More than two-fifths of refused shrimp (42.4 percent) from China between 2002 and 2006 and tilapia (45.5 percent) rejected between 2005 and 2006 were rejected for veterinary drug residues. (Testing for veterinary medicine did not become common until after 2001, and for many types of fish products veterinary drugs were not tested for until 2005.)

Critical shortages of inspectors at FDA, where the overall food inspection rate is below one percent of shipments, indicate more resources for inspection are needed. Replacing or supplementing inspectors with third party certification is no solution to the weak oversight by the FDA. Food inspection is a basic government function. Relying on third party certifiers would essentially privatize food inspection. It is simply not adequate for the government to “verify” third party inspectors through paperwork checks. That is not government inspection; that is government auditing of paperwork.

A July 2007 Energy and Commerce Committee Subcommittee on Oversight and Investigations staff report found that the third party laboratories that currently certify import safety force the FDA to rely on unverified laboratory findings to allow imports to proceed to U.S. grocery stores and the quality of third party testing operations varies widely.<sup>49</sup> One FDA laboratory deputy director deemed some of the third party lab work as “scary,” “not good,” and “spooky.” Another viewed the third party laboratory work as “shoddy” because the private companies had a financial interest in clearing the imports.

**Growing International Concern Over China’s Aquaculture Safety Culminates in 2007 FDA Import Ban on Certain Aquaculture Produced Fish:** China’s fish exports, especially aquaculture-produced fish, have faced increased regulatory oversight as more authorities have found banned chemical residues on imported fish. The FDA has had some import restrictions on certain fish from certain Chinese companies since 2001 because of the presence of veterinary drugs, antibiotics and other additives that are prohibited for use on fish in the United States.<sup>50</sup> In 2003 the EU banned Chinese shrimp and in 2005 Japan stopped Chinese eel imports.<sup>51</sup> Taiwan banned the import of certain crab types in 2006 after finding cancer-causing veterinary drug residues that were 16 times higher than Taiwan’s permitted residue levels; Taiwan estimated that consumers ate more than 6,600 pounds of contaminated crabs before the ban went into effect.<sup>52</sup> Even China pulled aquaculture-raised fish off the market in recent years. In November

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<sup>49</sup> U.S. House Energy and Commerce Committee, Subcommittee on Oversight and Investigations, Staff Statement, “Diminished Capacity: Can the FDA Assure the Safety and Security of the Nation’s Food Supply – Part 2,” July 17, 2007 at 2-3.

<sup>50</sup> FDA, “Transcript of FDA Press Conference on Seafood Imported from China,” at 15.

<sup>51</sup> Linden and Turner, “Aquaculture and Environmental Health in China,” at 1.

<sup>52</sup> Huang, Annie, “Chinese Hairly Crab Imports Banned After Tests Find Excess Carcinogens,” *Taiwan Journal*, October 27, 2006.



2006, China banned the sale of turbot after finding that 100 percent of turbot sampled in Shanghai tested positive for carcinogenic veterinary drugs.<sup>53</sup>

Although the United States banned the imports of fish from some Chinese fish processors with a history of problems, companies could apply to have their ban lifted by appealing the ruling and successfully submitting five shipments to laboratory testing. Despite increased international attention to the issue of contaminants in Chinese fish, the FDA did not extend its oversight to all Chinese fish until 2006. FDA Assistant Commissioner David Acheson noted at a press conference after the FDA imposed a ban on some Chinese imports in 2007 that there was “evidence of problems [with illegal veterinary drug residues] over a period of years” including “extensive communications” between U.S. and Chinese regulators, but veterinary drug residues persisted in Chinese imports.<sup>54</sup> The FDA finally started increased sampling of imports in 2006.<sup>55</sup>

In the United States, increased scrutiny of Chinese fish products followed the 2007 fallout over the surge of dangerous products from China ranging from tainted pet food ingredients to lead-tainted toys. In April 2007, Wal-Mart removed all frozen catfish fillets from China when Alabama banned Chinese catfish sales after finding banned antibiotics on Chinese imports.<sup>56</sup> In May 2007, the Mississippi Commissioner of Agriculture ordered some stores to stop selling Chinese catfish imports after finding residues of antibiotics banned in the United States.<sup>57</sup> Congressional investigations and consumer group attention to this issue, including the Food & Water Watch *Import Alert* study in 2007, focused national attention on the risks posed by fish imports, especially from China’s aquaculture industry.

In June 2007, the FDA banned the import of all Chinese shrimp, catfish, dace, basa and eel because of long-term problems with illegal veterinary drug residues. The FDA’s import alert required firms to affirmatively demonstrate the safety of their product before their imports would no longer be detained without examination, but the first firm that was exempted from the alert has already been red-flagged by Canadian authorities for veterinary drug residues. The first Chinese seafood company was exempted from the FDA Import Alert in September 2007, three months after the country-wide ban went into effect, after the FDA inspected the company’s processing plant and five consecutive export shipments were cleared by third-party analysis.<sup>58</sup> Once the Import Alert exemption was in place, the exporter’s fish were inspected only as frequently as other fish imports, but a month after the FDA lifted the alert on the Chinese company, Canada

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<sup>53</sup> Linden and Turner, “Surf and Turf: Environmental and Food Safety Concerns of China’s Aquaculture and Animal Husbandry,” at 24.

<sup>54</sup> FDA, “Transcript of FDA Press Conference on Seafood Imported from China,” at 4-5.

<sup>55</sup> *Ibid.* at 4.

<sup>56</sup> Nohlgren, Stephen, “Wal-Mart Removes Chinese Catfish Nationwide After Alabama Bans Sales,” *St. Petersburg Times*, April 26, 2007.

<sup>57</sup> Becker, Geoffrey S., Congressional Research Service, “Food and Agricultural Imports from China,” RL-34080, July 17, 2007 at 10.

<sup>58</sup> “FDA Exempts First Chinese Farmed Seafood Producer from Import Restrictions,” *Associated Press*, September 19, 2007.

issued its own Import Alert after finding a cancer causing antibiotic in a shipment of frozen shrimp from the company.<sup>59</sup>

Even with the FDA Import Alert in place, Chinese exports could evade the system by transshipping their fish through third countries. Under U.S. law, exporting countries can legally re-route their goods and products through intermediary countries, if that transshipment is not used to circumvent either customs duties, such as import protection, anti-dumping or countervailing duty orders, or trade restrictions such as FDA Import Alerts on dangerous fisheries products.<sup>60</sup> Illegal fishing in excess of permits, treaties or quotas often relies on industrial trawlers with false flags and national registrations which offload their catches at sea and re-route their catch through ports with few resources or inspectors, which effectively launders their illegal catch.<sup>61</sup> Food & Water Watch is concerned that some fishery and seafood exporters could similarly circumvent import safety restrictions (like the ones currently in place on some Chinese aquaculture products) by transshipping fish through third party ports.

There are indications that Chinese fish exporters may already be transshipping fish products to evade current antidumping orders. In 2006, the Indonesian Minister of Marine Resources and Fisheries banned seven Indonesian fishery products exporters from shipping shrimp to the United States after finding that Chinese shrimp labeled as Indonesian products were being shipped to the United States.<sup>62</sup> China's exports to Hong Kong – of fish, seafood and other products – may not be going to the Hong Kong consumer market. Many of these goods are re-routed in Hong Kong port facilities to a second, re-exported destination. A white paper from the U.S. International Trade Commission last month reports that Chinese exporters and Hong Kong re-exporters do not know the final destination of goods exported from China until they clear Hong Kong's customs as imports.<sup>63</sup>

**Conclusion:** There are not enough resources or inspectors to sufficiently monitor Chinese seafood imports. The FDA needs to increase physical inspection of imported seafood at least to the levels used in the European Union or Japan. Laboratory inspections should be focused on aquaculture products that are more likely to be contaminated with antibiotics and veterinary drugs that are not approved in the United States. FDA also needs to conduct more inspections at foreign production and processing facilities. Finally, the FDA should more proactively address emerging health risks when hazardous trends are identified. The United States is the third largest seafood importer in the world and should be a flagship of import safety.

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<sup>59</sup> Zhang, Jane, "U.S., Canada Split Over Chinese Shrimp," *Wall Street Journal*, December 15, 2007.

<sup>60</sup> Congressional Research Service at 5.

<sup>61</sup> Rosenthal, Elisabeth, "Europe's Appetite for Seafood Propels Illegal Trade," *New York Times*, January 15, 2008.

<sup>62</sup> Guerin, Bill, "How to Beat U.S. Trade Barriers," *Asia Times Online*, Southeast Asia edition, March 22, 2006, available at [http://www.atimes.com/atimes/Southeast\\_Asia/HC22Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/HC22Ae01.html).

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