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March 12, 2010

United States International Trade Commission

Written Testimony

I Douglas Heater have been continuously employed for the past 33 years in the handling, processing, and marketing of Seafood products in Oregon. I am employed as a sale manager for Bornstein Seafoods, a family owned business with processing plants in Oregon and Washington States. I am also a Commissioner on the Oregon Trawl Commission, a commodity commission representing all the licensed Trawl (fish and Shrimp) vessels in Oregon. I am authorized to express the concerns of our industry to the Trade commission.

I have witnessed a steady decline in the Pink Shrimp industry on the west coast of North America, Alaska, British Columbia, Washington, California, and Oregon. Looking specifically at Oregon, I have attached a couple pages from the Oregon Department of Fish and Wildlife's "Annual Pink Shrimp Review" which you can find in its entirety on the departments web site. As you will notice on table Figure 4, 5, and 6 our fishery is in a steep decline. Numbers of vessels fishing is a fraction of what it once was. It is similar for processing plants. In my hometown and port area of Astoria in 1977 we had 8 shrimp processing plants, today we have 2 active plants.

Our fishery in Oregon produces less than 10% of world cold-water shrimp, but does it in the most efficient manner in relation to by catch. Our fishery has been endorsed by the Marine Stewardship Council's sustainability certification, as the first wild cold water fishery in the world to obtain such status. I have attached a page from the Marine Stewardship Council 10 year review as information.

Our fishery has a lot going for it, a great product that the world population is looking to support and buy. Unfortunately trade barriers are harming our fishery, and causing continued damage and affecting our growth into markets. I ask that the Trade Commission please help our industry in removing trade duties on our fishery and products, they are slowly strangling our industry and limiting our markets. Our fishery can and will grow with your support, thank you for your consideration and efforts.

Respectfully

A handwritten signature in blue ink, appearing to read "D. Heater", is written over the typed name.

Douglas Heater

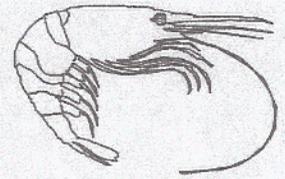


Annual Pink Shrimp Review

Oregon Department of Fish & Wildlife
ODFW Marine Resources Program, 2040 SE Marine Science Dr.
Newport, OR 97365

Phone: (541) 867-4741 FAX: (541) 867-0311

In color on the Web: <http://www.dfw.state.or.us/MRP/publications>



TO: OREGON SHRIMP INDUSTRY
FROM: Bob Hannah and Steve Jones
Subject: Opening of 2010 Commercial Fishery
Date: 1 March 2010

The 2010 pink shrimp (*Pandalus jordani*) season will begin 1 April and extend through 31 October. A summary of the 2009 season is provided for your review, including catch, effort and market sample information. Indicators for the 2010 season, eulachon smelt news, logbook compliance issues and research findings are discussed among other topics.

Notices/Reminders

- Status of Potential Eulachon ESA Listing (pg 10)
- Increased NMFS Observer Coverage in 2010 (pg 6)
- Possible Reg. Changes in 2010, see BRD update pg 7
- CA/OR Shrimp Trawl Mesh Regulations (pg 5)
- Tuna Fishing Not Allowed on Shrimp Trips (pg 5)

2009 Season Summary

Low price, a limited market, phenomenal catch rates: that about sums up the 2009 Oregon pink shrimp season. It was a season in which far more shrimp could have been caught had the shrimp market and price structure been there to support it. Unlike the low-priced years of 2001-2003 when competition with shrimp from distant fisheries kept ex-vessel prices down, the low price this year probably resulted from a depressed world shrimp market.

Just over 22 million pounds of shrimp were landed into Oregon during the 2009 season; above average but about 3.5 million pounds less than in 2008 (Figure 1). The decline wasn't the result of lower shrimp abundance however; it appears to have been general market malaise. Processors appeared reluctant to pay more than a low price and to put large amounts of shrimp into freezer storage. Most processors used a combination of trip limits, vessel rotations or landing schedules to slow the amount of shrimp actually landed.

Shrimping didn't begin in earnest until the second week of May, as shrimpers and processors slowly negotiated prices. Only about 200,000 pounds of shrimp were landed into Oregon during April, which barely supplied the fresh shrimp market. Monthly landings jumped up sharply from May through October with above average landings for each month (Figure 2).

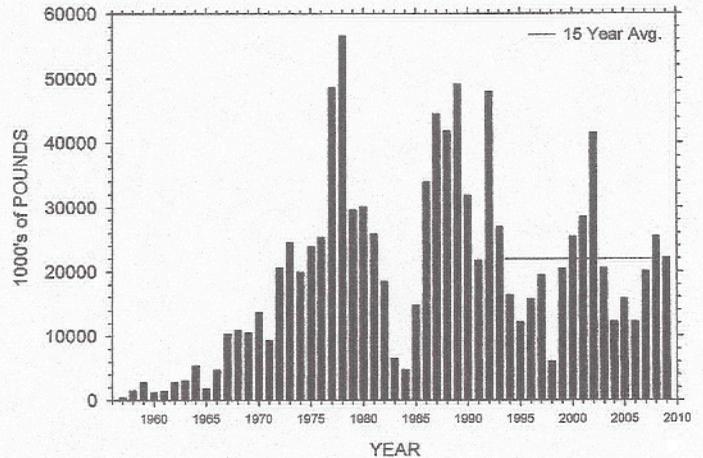


Figure 1. Oregon pink shrimp commercial landings (millions of pounds) 1957-2009. Includes all pink shrimp landed into Oregon ports.

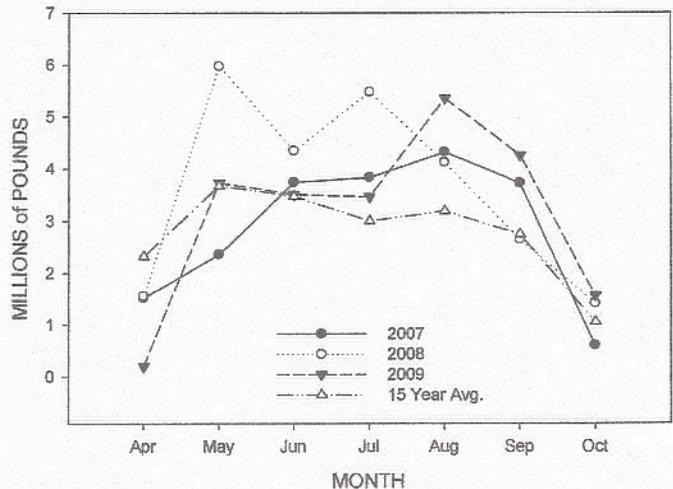


Figure 2. Oregon pink shrimp landings by month during 2007, 2008, 2009 and the 15 year average (1994-2009).

As expected, shrimp production in 2009 was highest on the south coast (Figure 3). Areas below Cape Perpetua produced almost 75% of the total shrimp catch landed in Oregon. The Mudhole Bed, Bandon Bed and Port Orford Beds each produced over 3.4 million pounds, with the Bandon Bed topping out at nearly 5.7 million pounds. The Northern California Bed produced nearly 2.4 million pounds. North of Cape Perpetua, the Tillamook Head Bed was the highest producing area by far at 3.1 million pounds and there was very little harvest off Washington.

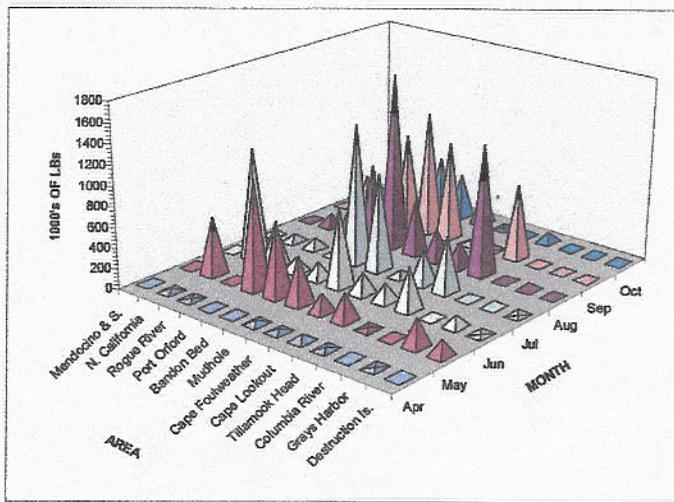


Figure 3. Total 2009 Oregon pink shrimp landings (1000's of pounds) by month and area.

Shrimping effort in terms of hours fished was only about 18,000 SRE hours in 2009. It was the lowest level of "gear-on-the-bottom" time recorded since 1971 (Figure 4). Here again, the total would have been larger under more normal market conditions. Many shrimpers maximized their fishing efficiency by traveling long distances to take advantage of extremely high catch rates in several southern areas. Other measures of fishing effort were down from the level in 2008, but were within the range we've seen since the vessel buy-back in 2003. Forty-nine Oregon shrimp vessels made 585 trips during 2009 (Figures 5 and 6).

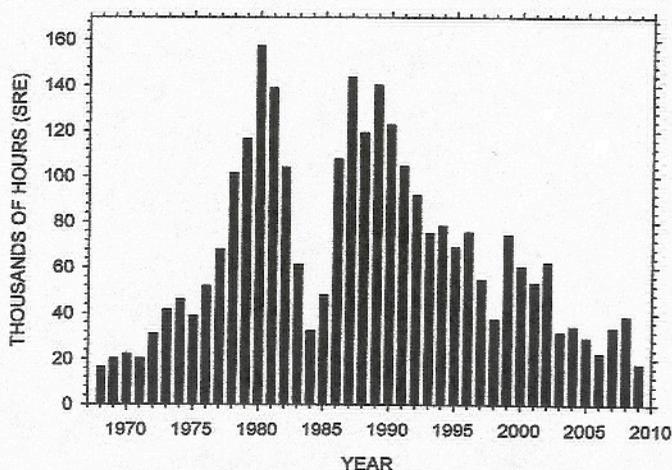


Figure 4. Fishing effort for pink shrimp landed in Oregon, 1968-2009. Note: 1000's of single-rig equivalent hours: 1 SRE = (1 single-rig hour) = (1 double-rig hour X 1.6).

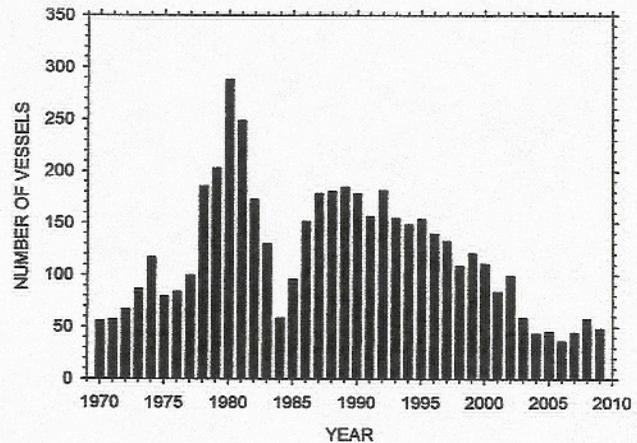


Figure 5. Annual number of vessels landing pink shrimp into Oregon ports: 1970-2009.

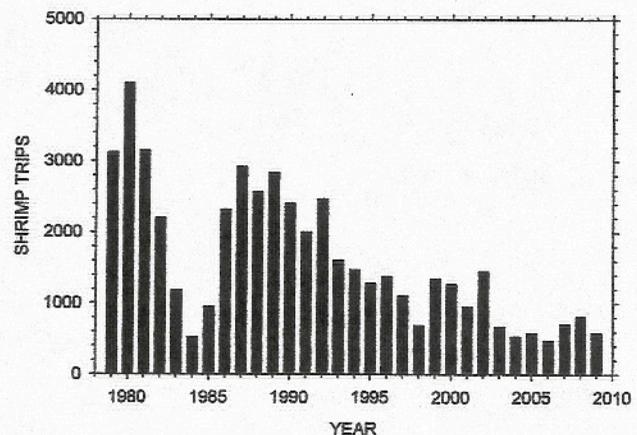


Figure 6. Annual number of trips landing pink shrimp into Oregon ports: 1979-2009.

The above-average landing total and very low hours fished shows dramatically in the 2009 overall catch-per-unit-effort (CPUE) level (Figure 7). The CPUE level was a whopping 1,229 pounds-per-hour, nearly twice the relatively high rate seen in 2008 and an all-time record high for the fishery by far. Monthly CPUE was extremely high throughout the season except during April before the fleet really got going (Figure 8). Monthly CPUE generally increased from May through September when it peaked at about 1,500 lb/hour, then decreased slightly in October.

Catch rates by month and area were sharply higher in south coast areas than in areas north of Cape Perpetua (Figure 9). Monthly CPUE by area from the Cape Foulweather Bed and north were fairly typical of what we've seen over the last decade. It was a different story from the Mudhole Bed and south into California, with area-month CPUE's generally over 1,100 lb/hour, with a high of 4,270 lb/hour (May in the Port Orford Bed). We attribute the large disparity between northern versus southern CPUE's to a strong recruitment of age-1 shrimp to the south in 2009.

Oregon Pink Shrimp



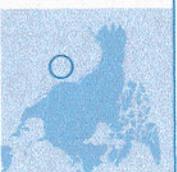
Brad Pettinger, Director of the Oregon Trawl Commission, receiving a certificate from the Oregon Department of Agriculture.

"I'M Tired of being attacked by groups that wouldn't know sustainability if it bit them in the butt," says Brad Pettinger, Director of the Oregon Trawl Commission – a state agency representing fishermen, processors and distributors that operates under the umbrella of the Oregon Department of Agriculture.

Demonstrating sustainable management

Like most fisheries that trawl for shrimp, this one had been dogged in the past by criticism relating to bycatch of fish and damage to the seabed by bottom trawling gear. Pettinger knew the reality in Oregon was otherwise, due to the progressive nature of the Oregon Department of Fish and Wildlife (ODFW) that manages the shrimp fishery to a high environmental standard.

The Pacific Ocean off the states of Oregon, Washington and California, on the west coast of the US



DATE CERTIFIED	6 December 2007
SPECIES	Oregon pink shrimp (<i>Pandalus jordani</i>)
FISHING METHOD	Otter trawl
COUNTRY	United States
LOCATION	
FISHERY TONNAGE	11,570 tonnes (landed 2006)

“I like the MSC because it sets a standard – and by doing that, it gives us, the industry, something to achieve to. With some NGOs, the bar keeps moving; you can never satisfy them. With the MSC, it’s rigorous – but when you do get certified, you know you are doing something right.”

Brad Pettinger, Director of the Oregon Trawl Commission

have shown that a BRD with 32mm bar spacing reduces bycatch to less than six per cent, while one with 19mm spacing reduces it further to just two per cent. Use of the device, the MSC certifiers concluded, makes “the Oregon pink shrimp fishery... one of the cleanest shrimp fisheries in the world” in terms of bycatch.

Improving knowledge for better management

To achieve MSC certification, some adjustments were needed. “We added a few things to our logbooks,” says Pettinger, “to get more information about discards of small shrimp – which is something we didn’t have before.” Fortunately, the condition coincided with the ODFW’s plan to re-order logbooks the following year, so columns for new data were simply added.

The same serendipity occurred with a second condition, requiring the fishery to complete within two years of certification, a study that would provide better understanding of the impacts of shrimp trawling on seabed ecosystems. While these were considered to be low, the aim was to map a scenario for how the ecosystem might recover if there were found to be significant impacts. In fact, the ODFW had in the planning stages an ROV study (using unmanned submersibles) of benthic impacts inside and outside an area closed to bottom trawlers.

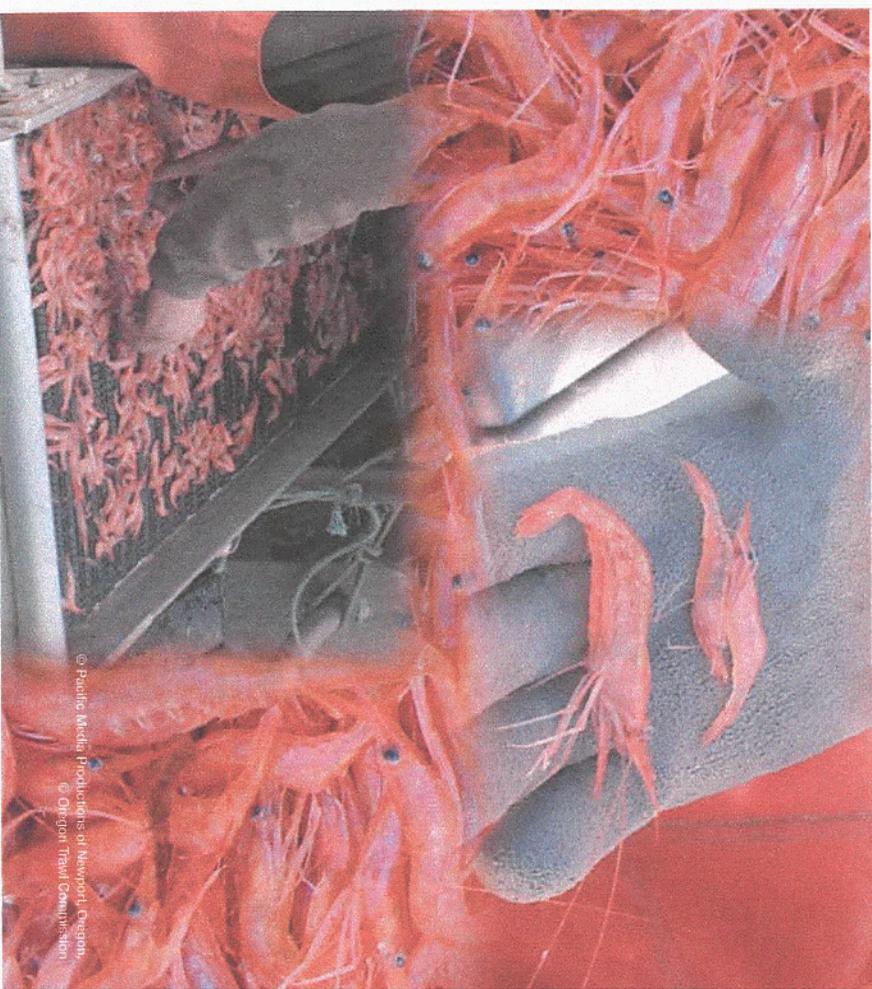
“It was moving forward,” Pettinger says, “but I think the certification helped. It gave the Department an easier buy-in, to say ‘We’d like to do this’. I think the MSC gives leverage to individuals to get things done, it brings a sense of momentum to projects that government agencies and others may be looking at already. If they’re not, you prod them and wade in where you can to get things accomplished.”

More than anything, certification has brought a sense of optimism about the future. “It gives an assurance that we will be in business next year,” Pettinger says. “Because third-party certification is a fact of life now. Shoppers don’t just want vegetables, they want organically certified vegetables. Everyone is looking for something extra, and that’s what the MSC provides. We’re all in.”



“Certification of the Oregon’s pink shrimp trawl fishery is a huge achievement. The MSC is an internationally recognized organization with very high scientific standards for approving the certification of a wild fishery. Certainly, this certification will help our pink shrimp fishermen maintain existing market access and gain access to new markets.”

Katy Coda, Director of the Oregon Department of Agriculture



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