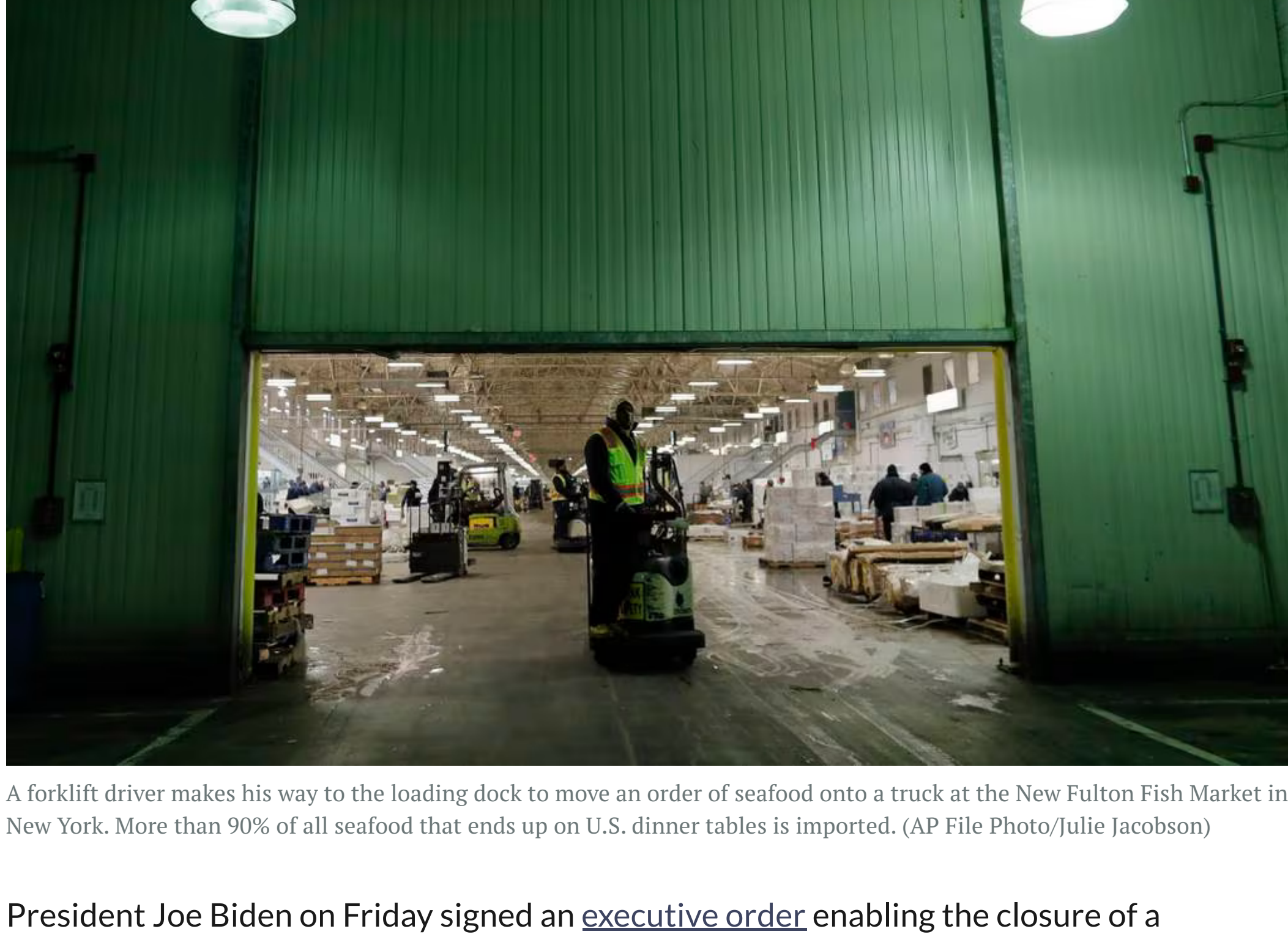


Politics

Biden expands sanctions to include clampdown on U.S. imports of key Russian seafood processed in China

By Hal Bernton for the Anchorage Daily News
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A forklift driver makes his way to the loading dock to move an order of seafood onto a truck at the New Fulton Fish Market in New York. More than 90% of all seafood that ends up on U.S. dinner tables is imported. (AP File Photo/Julie Jacobson)

President Joe Biden on Friday signed an [executive order](#) enabling the closure of a sanctions loophole that has allowed the U.S. importation of large quantities of Russian-caught pollock, cod, salmon and crab processed in China.

The action has been sought by North Pacific seafood industry officials — and their congressional allies — who say that Chinese-processed Russian seafood has contributed to soft U.S. markets and lower prices paid to Alaska fishermen.

The crackdown on the seafood imports is part of a broader effort by the Biden administration to add bite to the U.S. sanctions rolled out in a March 2022 executive order responding to the Russian invasion of Ukraine.

The initial seafood sanction banned the imports of Russian seafood exported directly to the United States, but allowed those products to move freely to American consumers if they were first processed in another country.

Biden’s Friday action expands U.S. ability to sanction financial institutions, and also includes language that will enable tougher sanctions on Russian seafood and diamonds even if “substantially transformed” in another country. And the Treasury Department, in a companion document, released a [“determination”](#) detailing that the ban on imports now extends to Russian-caught pollock, cod, salmon and crab regardless of where the product is processed. That determination takes effect immediately.

In a [statement](#), Treasury Secretary Janet Yellen said the U.S. will level “new and powerful tools” as Russia “has increasingly shifted certain trade and financial flows through third countries to evade sanctions.”

The North Pacific seafood industry is an economic powerhouse in Alaska and Washington, and in recent weeks, both states’ congressional delegations [have stepped up efforts](#) to convince the Biden administration to expand the sanctions.

Alaska Sen. Dan Sullivan has repeatedly made the case to Treasury Department officials, and also tried to make that happen through legislation that he sought — unsuccessfully — to move through the Senate in June through a unanimous consent vote.

“Our advocacy and unyielding determination have finally paid off, delivering a blow to the authoritarian regimes in Russia and China, and their fishing industries, which dramatically undermine the health of our oceans and promote human rights abuse,” Sullivan said in a statement. “Most importantly, this is a long overdue win for Alaskan and American fishermen.”

In the House of Representatives, Rep. Suzan DelBene, D-Wash., along with Rep. Mary Peltola, D-Alaska, made the case to expand the sanctions in a Dec. 14 letter to Biden also signed by 36 other members.

In a statement, DelBene called the expansion of sanctions “one more step to deprive Putin of resources to fund his disastrous war.”

Peltola said: “Today, we have achieved a major milestone in pro-fish policymaking, equipping us with the necessary tools to fiercely protect our interests and promote sustainable fishing practices.”

Market impacts

U.S. Customs has long considered seafood’s country of origin to be where it was processed, and the expanded sanctions will roil American markets.

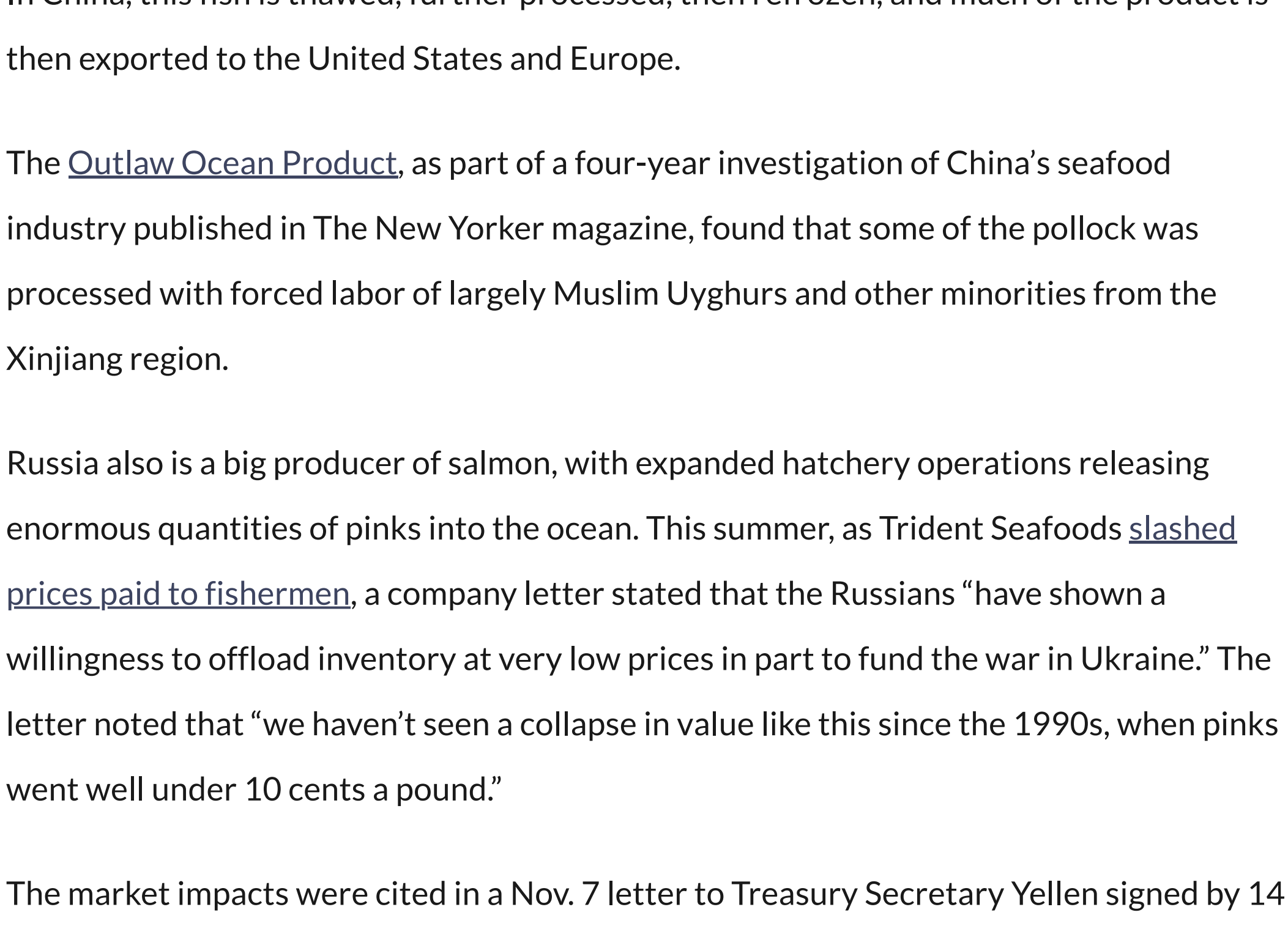
Some major U.S. seafood companies have long relied on Russian products processed in China — such as pollock blocks that can be made into fish sticks — as cost-competitive offerings to budget-conscious consumers. They balked at expanding the sanctions.

In June, when Sullivan made his [initial attempt](#) to gain Senate passage of legislation to shut off Russian seafood imports, he was blocked by Sen. Ed Markey, D-Mass. Markey said he “vigorously opposed” Russia’s invasion of Ukraine but that “push back” had to be done in the right way.

Markey, in remarks on the Senate floor, said his state has dozens of other companies with employees whose jobs might be jeopardized by expanding the sanctions to cover Chinese seafood, and that more time was needed to find a compromise.

For both the U.S. and Russia, pollock is the biggest fishery by volume.

U.S. pollock is harvested off Alaska, where more than 95% of this year’s 1.39 million-metric-ton catch was processed in below-deck factories or shoreside plants.



Factory workers line up Alaska pollock before they go to a machine that removes the head, aboard the factory trawler Northern Hawk on Aug. 6, 2023 in the Bering Sea. (Loren Holmes / ADN)

In Russia, the 2023 harvest was even larger. Russian fishery managers set the quota at more than 2 million metric tons of pollock, which has been pulled largely from the Okhotsk and Bering seas, according to Intrafish, a seafood industry publication. In Russia, much of this fish is headed, gutted and frozen, then shipped to China.

So far in 2023, more than 530,000 metric tons of the Russian fish has been sent to China. In China, this fish is thawed, further processed, then refrozen, and much of the product is then exported to the United States and Europe.

The [Outlaw Ocean Product](#), as part of a four-year investigation of China’s seafood industry published in The New Yorker magazine, found that some of the pollock was processed with forced labor of largely Muslim Uyghurs and other minorities from the Xinjiang region.

Russia also is a big producer of salmon, with expanded hatchery operations releasing enormous quantities of pinks into the ocean. This summer, as Trident Seafoods [slashed prices paid to fishermen](#), a company letter stated that the Russians “have shown a willingness to offload inventory at very low prices in part to fund the war in Ukraine.” The letter noted that “we haven’t seen a collapse in value like this since the 1990s, when pinks went well under 10 cents a pound.”

The market impacts were cited in a Nov. 7 letter to Treasury Secretary Yellen signed by 14 Alaska fishery groups.

“Large buyers were reluctant to purchase Russian-harvested products immediately after the invasion,” their letter said. “Now, however, buyers are overcoming their reticence and with sanctions having no meaningful impact the product backlog is flooding U.S. and global markets.”

The letter noted that the Russian seafood industry is dominated by people and companies with close ties to the Kremlin, and that revenue from auctioning fishing rights contributes to funding the war in Ukraine.

If the expanded sanctions are kept in place for a long time, the market impacts are uncertain.

John Sackton, founder of Seafood.com News, says the sanctions are likely to cause harm to the Alaska industry by pushing more consumers toward cheaper seafood alternatives, such as farm-raised tilapia or catfish.

“I think that is a terrible, terrible industry approach,” Sackton said in an earlier interview. “I think they (the Alaska seafood industry) are shortsighted. But I think they are under quite a lot of economic pressure.”

The Treasury Department determination that took effect Friday prohibits seafood companies from making any new contracts to import Russian-caught pollock, cod, salmon or crab processed in China or elsewhere, according to Alaska Sen. Sullivan.

Importers that have outstanding contracts will have 60 days to bring in that product. Currently that product, when imported into the United States, is listed as a product of the country where it is processed. So, the U.S. government will have to develop a new supply chain disclosure system for the four seafood types to attest the product was not caught by a Russian vessel, according to Sullivan.

“If you’re an American importer, you better know where it was coming from,” Sullivan said in a Friday interview with reporters.

Anchorage Daily News reporter Zachariah Hughes contributed to this story.

Hal Bernton is a reporter who has covered Alaska fisheries issues extensively. He was a longtime reporter for The Seattle Times and previously reported for the Anchorage Daily News and The Oregonian. Reach him at hbernton@gmail.com.