

# Sysco drops major Chinese seafood supplier; still catches heat from US lawmaker over forced labor concerns

*'While we are disappointed in the initial delay in action, we are pleased that Sysco has decided to terminate its contract and relationship with Shandong Haidu as of the morning of Dec. 14, 2023' -- letter to Sysco from representative Jared Huffman*

By [Jason Huffman](#) | Dec. 15, 2023 17:01 GMT



□ Jared Huffman, ranking member on the US House of Representative's Natural Resources Committee's oceans panel

The Sysco Corporation, the world's largest broadline distributor, confirmed Friday (Dec. 15) that it has ended its relationship with Shandong Haidu following allegations of the major Chinese seafood supplier relying on forced labor.

But that hasn't stopped the US company from continuing to catch heat from a prominent member of Congress.

The details of Sysco's ordeal are largely laid out in a letter received by president and CEO Kevin Hourican on Thursday (Dec. 14) from representative Jared Huffman, a California Democrat who serves as ranking member of the House Natural Resources Committee's fisheries panel, a copy of which was obtained by *Undercurrent News*.

The letter thanks the Houston, Texas-based giant for responding to a different draft letter Huffman's office was preparing to send to the White House that would've asked the president Joe Biden administration to sever the US government's many food service-related contracts with Sysco and Sysco-related firms due to concerns about its relationship with Shandong Haidu and other companies.

"The [US] government has inadvertently expended over \$200 million in the past five years on seafood associated with Uyghur labor for public food programs," Huffman was prepared to inform the White House.

The letter to Sysco refers heavily to a two-part investigative series published by *The New Yorker*. It notes a meeting that took place on Thursday (Dec. 14) between Huffman's staff and Sysco officials.

"As you are aware, we were extremely concerned by the recent reporting from The Outlaw Ocean Project, which exposed the horrific human rights atrocities across nearly every facet of China's seafood supply chain, including the use of forced labor of Uyghurs and other ethnic minorities from Xinjiang," Huffman said in his letter to Hourican. "It is even more alarming that this same seafood is finding its way into US markets and even the food supply of the US Capital, executive office buildings and federal agencies."

The Outlaw Ocean Project reported that the Chishan Group, its fishing fleet and associated processing plants, including Rongcheng Haibo and Shandong Haidu, hand 30% of China's squid production and contribute to 17% of the squid exported to the US, the letter recounted.

"While we are disappointed in the initial delay in action, we are pleased that Sysco has decided to terminate its contract and relationship with Shandong Haidu as of the morning of Dec. 14, 2023," Huffman continued.

The draft letter prepared for the White House was never sent, a member of Huffman's staff has confirmed. Because of Sysco's actions, a different letter is being prepared for the president Joe Biden administration instead, the staffer revealed

However, the lawmaker said he remains concerned, raising questions about the limitations of Sysco's audits in detecting the use of forced labor and human trafficking by its suppliers. He said the company "has not addressed its relationship with Rongcheng Haibo or the either other processing plants that can be linked to forced labor of workers from Xinjian and human rights abuses."

His letter to Sysco asked a series of questions, seeking documentation as evidence that it has terminated its relationship with Shandong and whether Sysco will also be severing its ties to Rongcheng. It asks Sysco to share its plans for making its audits of Chinese companies more reliable.

Sysco reportedly told Huffman's staff that it was prevented from doing unannounced audits of its Chinese suppliers because of pressure felt from the Chinese government.



□ Ian Urbina, founder and director of the Outlaw Ocean Project, testifying at a hearing of the Congressional-Executive Commission on China on Oct. 24, 2023. Image is still from video.

## Sysco: 'zero tolerance for forced labor'

Sysco responded to a request for comment from *Undercurrent* just moments after this article was first published. A spokesperson said in a statement that the decision by the company to end its relationship with Shandong came after "a months-long investigation into allegations of forced labor and other human rights abuses that violate Sysco's values and Supplier Code of Conduct."

The statement continued: "Sysco has zero tolerance for forced labor and child labor and will continue to hold all its suppliers to the highest standards of labor and human rights. We believe all people deserve to work in a safe environment with fair treatment and equal opportunities to succeed. We expect our suppliers to uphold the rights of every individual they work with, as outlined in the United Nations Declaration of Human Rights and Sysco's Supplier Code of Conduct."

Sysco said it is conducting an investigation to ensure there are no other ties to the Chishan Group throughout its global business, adding that it will "immediately take steps to end those relationships as well." It said it is also investigating whether any products that may be tied to the Chishan Group were supplied to government entities.



□ Credit: JHVEPhoto/Shutterstock.com

## Report continues to make waves

The Huffman letter to Sysco is just the latest reaction by the US Congress to the Outlaw Ocean Project report.

Ian Urbina, a former 17-year reporter for the *New York Times* and the winner of a Pulitzer Prize who founded the Outlaw Ocean Project and wrote the report, was one of four witnesses to appear before the Congressional-Executive Commission on China in late October as part of a nearly two-hour hearing, as reported by *Undercurrent*.

Following the hearing, representative Chris Smith, a New Jersey Republican, and senator Jeff Merkley, an Oregon Democrat, asked the Biden administration to [halt imports](#) from seafood-processing facilities in two Chinese provinces. Smith and Merkley later asked the big retail superstore chain Costco to [share the audits and risk assessments](#) it used to "justify" the sale of seafood caught and processed by Chinese companies.

On Dec. 6, senator Tom Cotton, an Arkansas Republican, introduced a bill that would legislatively ban the import of seafood from China, as reported by *Undercurrent* within a year of enactment.

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