US shrimpers file request with CBP to ban Indian imports made with 'forced labor'

The American Shrimp Processors Association has filed a request with the US Customs and Border Protection to ban imports of shrimp from India made with forced labor

By Tom Seaman | April 16, 2024 17:32 BST

Credit: American Shrimp Processors Association

The American Shrimp Processors Association (ASPA) has filed a request with the US Customs and Border Protection (CBP) to ban imports of shrimp from India allegedly made with "forced labor," as required under section 307 of the Tariff Act of 1930.

Section 307 of the Tariff Act of 1930 prohibits importing any product that was mined, produced, or manufactured wholly or in part by forced labor, including forced or indentured child labor. CBP enforces the prohibition, but how ASPA would prove which Indian shrimp is allegedly produced from forced labor is not stated.

ASPA, which made the filing to the CBP on Monday, April 15, has also filed an allegation with the US government arguing that the government of India's failure to enforce its most basic labor laws provides a subsidy to Indian shrimp producers, according to a press release.

The US shrimp group asked the US Department of Commerce (DoC) to include the subsidy in the ongoing countervailing duty (CVD) investigation that was launched in response to ASPA's petitions on shrimp imports filed in October of last year.

As a result of the ASPA's petition, new preliminary CVDs were announced on March 26 and went into effect from April 1, when the DOC published them in the Federal Register.

The new duties will see a CVD of 4.72% applied to Devi Sea Foods; 3.89% applied to Sandhya Aqua Exports, Neeli Sea Foods, Vijay Aqua Processors, and Neeli Aqua Farms; and 4.36% applied to all other exporters.

The tariffs will be refunded if investigators determine that the countries are not guilty of providing illegal subsidies or if subsidized imports are not injuring the US shrimp industry, but a final determination is not expected until the fall or winter of 2024, meaning importers will likely have to front the cost for most of the rest of the year.

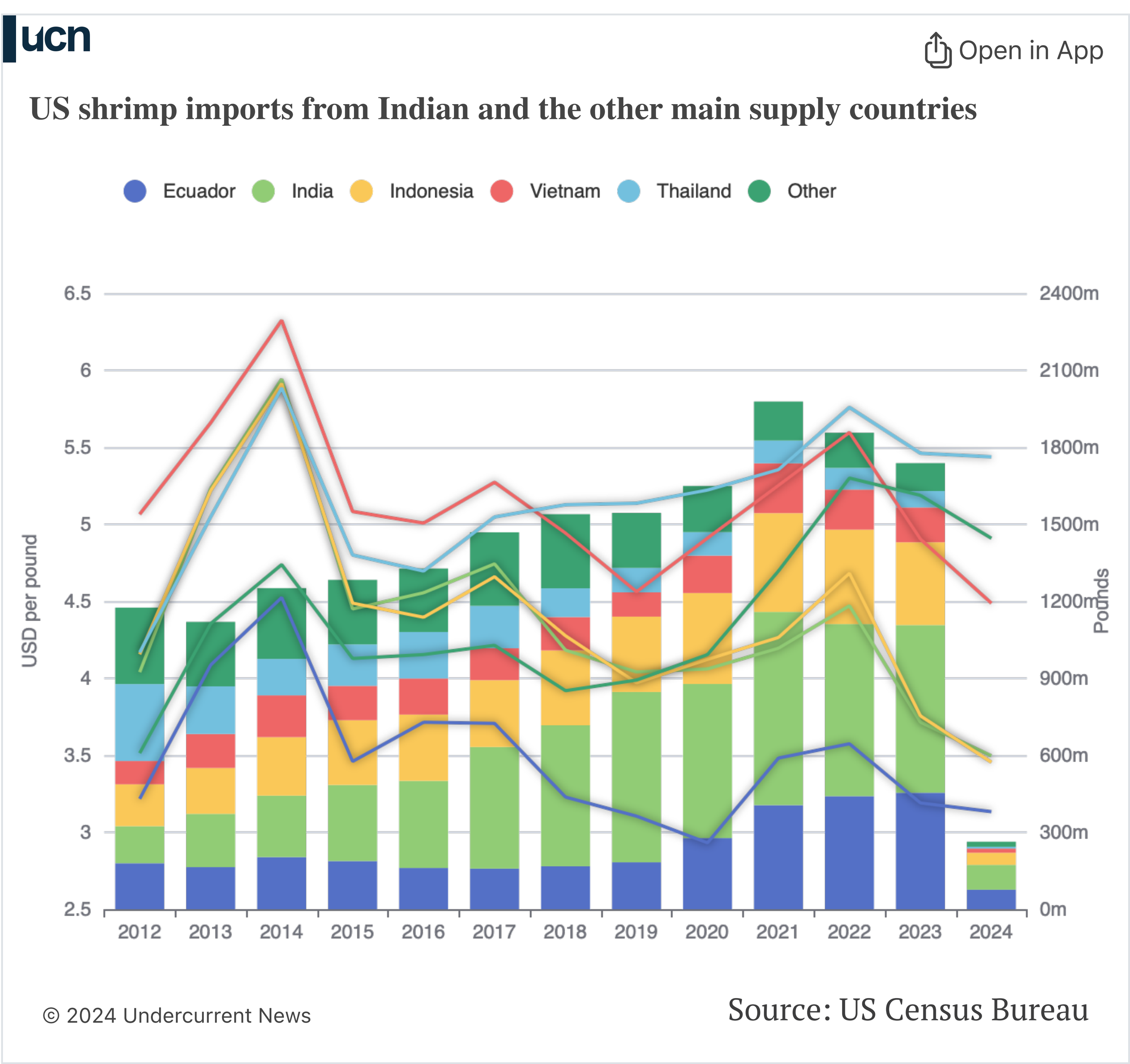
ASPA's latest pushes to the CBP and DOC over India come after allegations of forced labor in a March 20 report from the Corporate Accountability Lab (CAL) and a subsequent story in the *Associated Press* detailing labor rights and environmental abuses in the Indian shrimp sector.

The Seafood Exporters Association of India subsequently said the CAL report and AP story leave "readers with a wilfully distorted view of Indian shrimp exporters."

Separately, an article from The Outlaw Ocean Project focused on a whistleblower at Choice Canning Company, another large Indian processor, which also denies any wrongdoing.

"The brutal working conditions documented in India's shrimp industry are appalling," said Trey Pearson, president of ASPA. "These producers exploit the most vulnerable workers imaginable, and then export their artificially low-priced product to the United States, harming our own domestic shrimp harvesters and processors. ASPA will do everything we can to fight back against these abhorrent practices and defend American shrimp producers."

India accounts for 40% of US shrimp imports, and shrimp imports from India reached 650 million pounds valued at $2.3 billion in 2023.



In addition to the preliminary CVD rates for India, importers of shrimp from Ecuador will be required to deposit 13.41% for products from Industrial Pesquera Santa Priscila, 1.69% from Sociedad Nacional de Galapagos, known as SONGA, and 7.55% from all other Ecuadorian suppliers.

For shrimp from Vietnam, the deposit requirement will be 2.84% for Stapimex, 196.41% for Thong Thuan, and 2.84% for all other Vietnamese suppliers. Sources told *Undercurrent* that Thong Thuan's high rate is likely punishment for the company not cooperating fully with investigators.

DOC's Federal Register posting confirms that it has issued a negative preliminary determination for the Indonesian companies Bahari Makmur Sejati, known as BMS (0.39%) and First Marine (0.71%); however, no deposit will be required.

Furthermore, Indonesia and Ecuador also face preliminary anti-dumping rates, as part of a separate petition filed by the ASPA.

AD rates for Ecuador and Indonesia are expected on May 22. The US shrimp industry has asked for anti-dumping duties as high as 118%, which will be added on top of the CVD rates.

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