

Pursuit of a Partnership

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ABSTRACT

The Gulf and Caribbean Fisheries Institute has for many years sought to be a catalyst for development and utilization of fishery resources in their area of interest. The participants who continue to support the Institute are obviously sincere in working toward development of the resources in each of their countries for the benefits of nutrition, employment, economic growth and sources of foreign currency. Our association wishes to become more involved with international cooperation to satisfy these objectives.

During the last decade, numerous factors impacting the harvesting and marketing of living ocean resources have altered historical operating procedures. Jurisdictional extensions have isolated traditional fisheries activities, high value seafood items have been concentrated on uncontrolled but limited markets thereby reducing returns, and improvements in the culture of historically valuable wild species have brought into question the long-range viability of these major fisheries.

These international changes, in conjunction with additional domestic alterations, have created a seasonal surplus of vessels in the United States shrimp harvesting fleet operating in the Gulf of Mexico. In essence, the majority of the fleet lie idle or significantly underutilized for approximately six months of the year, from January to June. During this period, these vessels could be available for assisting in the development or full utilization of other coastal states' fisheries in the Gulf and Caribbean region.

Under this proposed concept, a country could more efficiently achieve its national objectives in fisheries without having to initially commit a substantial amount of capital resources to vessel construction. In addition, both U.S. domestic and international marketing programs could be developed in cooperation with the host country.

The Texas Shrimp Association welcomes the opportunity to develop cooperative efforts to establish programs for the mutual benefit of both our industry and the industry of our neighbors in the Gulf of Mexico and Caribbean.

INTRODUCTION

The Texas Shrimp Association was established in 1950 as an industry sponsored trade association for the shrimp industry

of Texas. The initial condition generating the need for this body was a serious problem of shrimp quality. It was apparent that the U.S. Federal Government was prepared to place harsh regulations on the shrimp harvesting industry if adequate controls were not promulgated internally. From this genesis, the Association has evolved into a substantial, effective representative of the harvesters and support elements of the Texas and U.S. shrimp industry. The primary orientation is at the harvester level with principal membership consisting of approximately 400 Gulf class shrimp vessels. These vessels range from 65 to 80 feet in length with ice or freezer product storage capability.

The Association throughout its history has been involved not only at the state and regional level, but also nationally through various affiliations with similar groups and internationally through the currently dormant Shrimp Associations of the Americas. Currently, the Texas Shrimp Association independently supports an office in Washington, D.C. and is actively pursuing development of better international relationships which could potentially lead to mutually beneficial opportunities in this area.

BACKGROUND

The United States warm water shrimp industry has historically been the most valuable fishery in the nation. From its roots as an artisanal fishery in coastal areas, the fishery has extended into the open Gulf of Mexico, South Atlantic and international waters off other coastal states. With the evolution of extended jurisdiction by coastal states, much of the fleet was required to restrict its operations to domestic areas.

The shrimp market in the United States has continued to develop along with the domestic and international shrimp harvesting industry. As world supplies of shrimp developed the U.S. domestic share of the market eroded. Numerous attempts to place controls on the market have met with only limited success leading to approximately 73% of the U.S. domestic supply of shrimp consisting of imported product. Continued erosion of the domestic market share is expected as additional shrimp mariculture operations are placed on line.

Operating costs in the U.S. domestic fleet have increased dramatically in the past decade led by higher costs of fuel resulting from international cartel activities and domestic policies of decontrolling fuel prices. More recently fixed costs such as interest rates and insurance have assisted in the escalation of the cost of production.

In conjunction, the loss of traditional fishing areas and increase of imported shrimp in the U.S. domestic market have created an overcapitalization problem within the U.S. shrimp fleet. The economically viable harvesting period for shrimp is 5 to 6 months, leaving much of the fleet idle from approximately January to June.

OPPORTUNITIES

The availability of surplus vessels in the U.S. shrimp fishery fleet provides both challenges and opportunities for the vessel owners and the fishing industry in countries of the Gulf and Caribbean. There seems to be a common national objective within most countries in the Gulf and Caribbean region to develop fisheries as a means of gaining employment, nutrition, economic stability, and foreign currency. Domestic economic considerations, however, limit the alternatives of capitalizing and maintaining a fishing fleet suitable to achieve the established national objective.

As a framework to overcoming various economic limitations, the possibility of lease with option to purchase of the seasonally surplus shrimp vessels should be considered. We are here today in order to evaluate interest on the part of Institute members and participants between members of our association and industry leaders in the Gulf and Caribbean region. There are programs within the U.S. which could assist us in developing relationships and we have begun to contact principals in these programs.

We view the shrimp vessels currently in the fleet as simply platforms for fishing operations. In attempts to diversify, many vessel owners have altered their shrimp trawlers for bottom and pelagic long lines, fish and crab traps, and hand line operations. Projects have also been proposed for diversifying the vessels into squid, purse seine and pair trawling operations.

As with all challenges there are opportunities. With the development of fisheries within national objectives, there are potential channels for market development or enhancement where products would be destined for the U.S. market. We are exploring this area also as a means of developing a closer relationship within the Gulf and Caribbean.

We feel that potential exists and realize negotiations will be required to develop them. It is our hope today that momentum can be developed to help us all reach a more prosperous situation within our common objectives.

SUMMARY

The changing economic and political climate of the last decade has left the U.S. southern shrimp fleet in a position of overcapacity. Efforts continue within the fleet to diversify into other fisheries. While in some cases this has been successful, there remain periods when a seasonal surplus of vessels exists.

The Texas Shrimp Association proposes that efforts be undertaken within the Gulf and Caribbean region which will allow for surplus vessels to be used in fulfillment of national goals within the region, while not requiring the expenditure of substantial capital for fleet development. We welcome any response and suggestions to our initiative.