

Shrimp 1981

The U.S. shrimp industry in 1981 experienced another difficult year following a poor year in 1980. There were some encouraging factors like the record shrimp catches in the Gulf of Mexico¹, although prices of most count sizes were lower. At the same time, catches of shrimp in the south Atlantic and Pacific were off substantially. Fuel prices were about 20 percent above a year earlier, but they declined slightly in the second half of 1981 reflecting the weakness in the economies of many countries that has led to the temporary world glut of oil. Cold storage holdings of shrimp remained below 1980 levels in the first half of 1981, but holdings grew when Gulf catches increased sharply. Imports were virtually the same as in 1980.

Ex-vessel and wholesale prices dropped sharply in the summer, and firmed in the last 4 months of 1981. Consumption of shrimp was virtually unchanged from a year earlier. Demand recovered in the first half but slowed in the fourth quarter.

Total U.S. landings of shrimp in 1981 were 219 million pounds (heads-off), up 5 percent from a year earlier. Landings by region showed a marked change from the previous year. Catches in New England and the Gulf of Mexico were up substantially, but fell sharply in the south Atlantic and Pacific.

Shrimp landings in the Gulf states in 1981 hit a record 168.7 million pounds, up 29 percent from a year earlier and 1.4 million pounds above the previous

high in 1977. Catches of brown and pink shrimp accounted for most of the increase, while landings of white shrimp were slightly above a year earlier. Landings in all Gulf states were up. Louisiana continued to be the leading producing state in the Gulf followed by Texas.

An important event in 1981 was the implementation of the Fishery Management Plan for the Gulf shrimp fishery. The major impact of the plan was to restrain all trawl fishing in the Fishery Conservation Zone (FCZ) from 9 miles out to 200 miles off the Texas coast for 45-60 days. The "Texas Closure" in 1981 was from 22 May to 15 July compared to the normal closure from 1 June to 15 July. Another measure prohibited trawl fishing in certain areas of the west coast of Florida between 1 January and 20 May to prevent gear conflicts between shrimp and stone crab fishermen.

Landings in the south Atlantic states fell by half to 10.4 million pounds in 1981 and were the lowest since 1963. Catches were off substantially in all states from North Carolina to the east coast of Florida.

Shrimp catches in the Pacific states totaled 38.5 million pounds in 1981, off 31 percent from 1980, and have trended downward since the record catch in 1977. The decline appears to have been caused more by resource conditions than by fishing pressure. That decline added to the problems the typically multi-species fishermen and processors of Pacific shrimp experienced in 1981. It was a difficult year, and resource conditions offer little hope of improvement in the near future, at least in the king crab, snow crab, and shrimp fisheries.

The canned shrimp pack in 1981 totaled 1,839,000 standard cases or 12.4 million pounds, 22 percent below the 1980 pack and 25 percent below the 1975-79 average pack. The Gulf canned pack was 1,070,000 standard cases, down from 1,753,000 cases packed in 1980. The Pacific shrimp pack in 1981 amounted to 769,000 standard cases, up 28 percent from a year earlier, but 24 percent below the 1975-79 average. A stronger market for canned shrimp relative to the frozen market may have prompted the increase in the Pacific pack.

Shrimp imports through August 1981 were ahead of a year before, but they slowed later. For the year, imports totaled 257 million pounds (heads-off), about the same as in 1980 and the 1975-79 average. Imports of raw headless shrimp were up 2 percent from 1980, primarily because of a one-third increase in shipments from Ecuador. Imports from the leading U.S. supplier, Mexico, fell by 14 percent. For raw peeled shrimp, imports declined 1 percent from a year earlier. Although the raw peeled total declined, shipments from India were resumed (after having been sharply curtailed in 1980 because of a Food and Drug Administration restriction on most imports from India, Taiwan and Hong Kong). Imports of canned shrimp increased 5 percent, and imports of other shrimp were down 10 percent from 1980. The most significant occurrence in imports was a quantum jump in imports of breaded shrimp from only 171,000 pounds in 1980 to 2,994,000 pounds in 1981. Most of the breaded shrimp imports originated in Mexico and represented over 95 percent of the total. The 1981 total surpassed the previous record of 1.3 million pounds imported in 1972.

Exports of domestic fresh and frozen shrimp in 1981 were 11 percent above 1980 and 38 percent below the 1975-79 average. The increase in 1981 was caused by the almost doubling of shipments to Mexico, compared with a sharp decline in 1980. Exports to Canada, the leading customer, declined 5 percent from 1980 to 7.6 million pounds.

¹For a full analysis and discussion, see the eight articles in this special issue of the *Marine Fisheries Review*.

Exports of canned shrimp in 1981 declined 22 percent from a year earlier primarily because of the lower canned shrimp pack. Canada was the leading buyer with 80 percent of the total, or 3.6 million pounds.

Cold storage holdings of shrimp in the first half of 1981 remained below 1980 levels because of the weak demand and high cost of carrying inventories. However, the sharp increase in Gulf shrimp landings prompted an increase in inventories. The rate of increase in holdings slowed in late 1981 because of more normal catches and reduced imports. Year-end holdings were down 16 percent at 52.4 million pounds.

Annual average ex-vessel and wholesale prices of shrimp in 1981 were generally lower, but prices of larger sizes were higher. Prices for shrimp in the 26-50 count range were 3-8 percent lower than a year earlier. Prices of 15 and under, and 16-20 count shrimp were 15-20 percent above a year ago, while 51 and over count shrimp were about the same as in 1980. During July and August, when landings were very heavy, prices dropped sharply to a 3-year low. Prices strengthened in the latter part of 1981 but were still below the highs for the year. Prices continued to trend upward in early 1982.

Ex-vessel prices increased in the first quarter of 1981 and then dropped sharply. Prices of 31-40 count shrimp in the western Gulf peaked at \$3.63/pound in March, slid to a low of \$2.39 in August, and closed the year at \$3.22/pound. Prices rose sharply in the first quarter of 1982 to \$4.88/pound in April 1982, up 35 percent from a year earlier.

Wholesale prices followed the same pattern as ex-vessel prices but lagged about a month, and the swings were not as severe. Wholesale prices of 31-40 count shrimp at New York City reached \$3.97/pound in May, fell to a low of \$3.09 in August, increased to \$4.00/pound in December, and hit a record \$5.82 in April 1982.

Ex-vessel and wholesale prices for Pacific shrimp declined in 1981. Ex-vessel prices in Alaska averaged 27

cents a pound (heads-on) in 1981, off 8 percent from the previous year. Prices in all four states averaged \$0.41/pound in 1981, 6 percent below a year earlier. Wholesale prices of tiny shrimp at Seattle, Wash., went from a peak in February 1981 of about \$4.50/pound to a low of \$3.20 in September and firmed slightly to \$3.48 in April 1982 (frozen, 5-pound vacuum tins).

The demand for shrimp will depend on the state of the economy, changes in consumer income, and prices of meat and poultry. The demand for shrimp, believed moderate in the first half of 1982, was expected to improve in the second half. The second phase of President Reagan's tax cuts takes effect then, and this measure will increase consumer incomes. Exactly how

much of the increase will be translated into spending as opposed to savings is in question. Also, interest rates will be high, although they will be below record 1981 levels. At the same time, the decline in beef consumption should keep beef prices stable, while poultry prices are expected to be moderate.

Shrimp prices strengthened sharply in the first 4 months of 1982, and were expected to rise more gradually in the second half of the year. They will probably decline seasonally in the summer, if landings are at near normal levels. The shrimp catch is difficult to predict at mid-year, but the Gulf shrimp catch is unlikely to exceed last year's record. The catch in the south Atlantic should improve after last year's poor catch.

Ten Appointed to Department of Commerce Marine Fisheries Advisory Committee

Commerce Secretary Malcolm Baldrige has announced ten appointments to the Department's Marine Fisheries Advisory Committee. The committee advises the Secretary on the living marine resource programs and activities conducted by the National Oceanic and Atmospheric Administration and its National Marine Fisheries Service.

Members come from every region of the country and represent commercial and recreational fishing interests, academic institutions, state marine resource agencies, consumer groups, and the environmental community.

The new appointees are: Robert D. Alverson, manager, Fishing Vessel Owners Association, Seattle, Wash.; Sen. H. Douglas Barclay, New York State Legislature, Syracuse, N.Y.; Glen Akens, Deputy Commissioner, Alaska Department of Environmental Conservation, Juneau, Alaska; Richard L. Leard, Executive Director, Bureau of Marine Resources, Long Beach, Miss.; Raymond J. Nesbit, board of directors, National Wildlife Federation, Sacramento, Calif.; Frank J. Barhanovich, owner, Latitude Gifts, Biloxi, Miss.; Gilbert C. Radonski,

Executive Vice President, Sport Fishing Institute, Washington, D.C.; and Harry T. Kami, Chief, Division of Aquatic and Wildlife Resources, Agana, Guam.

George J. Easley, Administrator, Oregon Trawl Commission, Astoria, Oreg., has been reappointed for a second term.

Other members of the committee are: Alan J. Beardsley, Mark-It Foods, Kodiak, Alaska; Maumus F. Claverie, Jr., Attorney, New Orleans, La.; Joel Dirlam, professor of economics, University of Rhode Island, Kingston, R.I.; William C. Lunsford, Zapata Haynie Corp., Towson, Md.; Charlotte Newton, Virginia Citizens Consumer Council, Springfield, Va.; John P. Nickles, manager of state government relations, Pfizer, Inc., Atlanta, Ga.; Elizabeth Stromeier, Secretary-Treasurer, Red Top Sporting Goods, Inc., Buzzards Bay, Mass.; Elizabeth L. Venrick, assistant research biologist, Scripps Institute of Oceanography, La Jolla, Calif.; Walter Walkinshaw, attorney, Seattle, Wash.; Ann McDuffie, food editor, *The Tampa Tribune*, Tampa, Fla.