

Expect to pay more at the plate for shrimp

By MICHAEL HILL, Associated Press Writer Tue Jun 15, 12:19 pm ET



The Gulf oil spill probably won't steal shrimp from your plate, but it may take a bigger chunk out of your wallet to get them there.

Though much of the Gulf of Mexico remains open to commercial fishing, Louisiana's biggest seafood item is down to just 30 percent of normal production, according to the Louisiana Seafood Promotion & [Marketing Board](#).

Combined with an already-tight global shrimp market, the spill is likely to mean much higher prices.

"For the consumer, it's going to be harder and harder for people to afford to buy it, especially in this economy," said Hal Ambos of Ambos Seafoods, an importer, exporter and wholesale distributor in Savannah, Ga.

Shrimp is the nation's No. 1 seafood — Americans typically eat about 4 pounds a year — and Louisiana is tops in U.S. shrimp production. Still, the shrimp market is global and only about 7 percent of shrimp consumed in the U.S. comes from the Gulf, according to the [National Fisheries Institute](#), a trade group.

Wild shrimp from the Gulf typically compete with farmed shrimp from Asia and South America, and seafood dealers say have been able to turn to these other sources, at least for now.

"We're always used to substitutions, we deal a lot with Mother Nature," said Frank Monte of Lockwood & Winant at New York City's Fulton Fish Market.

Seafood dealers say they are not seeing oil-contaminated product — a sensitive point among Gulf seafood producers who worry that customers will avoid eating their catch. President Barack Obama stressed the point this week, saying: "So let me be clear: Seafood from the Gulf today is safe to eat, but we need to make sure that it stays that way."

With tight supply comes higher prices. Fisheries Institute spokesman Gavin Gibbons said some wholesale price increases for Gulf shrimp have been more than 40 percent. Even imported shrimp have gone up by about 13 percent.

"Like these psychological factors affect the stock market, I think the Gulf oil spill is having a dramatic effect on shrimp prices," said Bob Rosenberry of the website Shrimp News International.

Shrimp prices had been rising even before the oil spill. The supply of larger shrimp from overseas had declined after some [Asian](#) farmers had production problems, while others switched to selling smaller sizes.

Also, the U.S. government barred the import of wild-caught shrimp from Mexico because crews were allegedly failing to take precautions to protect sea turtles from getting caught in their nets. Coincidentally, that ban went into effect April 20, the same day as the rig explosion that triggered the spill.

Higher prices in wholesale markets typically translate into higher retail prices, though some retailers say they so far have been able to hold the line on prices.

Red Lobster said their shrimp prices are stable because owner Darden Restaurants has locked in the prices they pay suppliers. Darden, which also operates [Olive Garden](#) and other restaurants, sources shrimp from all over the world, said company spokesman Rich Jeffers.

A.J. Joglekar, executive chef at the Dallas Fish Market, said he is committed to serving Gulf shrimp — which he says are as good as ever — but is reluctant to charge more because the restaurant business is so price sensitive.

"My [menu prices](#) have not gone up," Joglekar said. "The price per pound has gone up just a tad bit. I go and absorb that."

Walmart and Krogers, two of the nation's largest grocers, say they buy shrimp from so many different sources that they have not had to raise prices. Supervalu said they've controlled costs "to a large degree" by sourcing from other areas, and will adjust prices as needed.

People in the seafood business say there are too many variables to predict supply and pricing trends for the rest of the year. But many expect high prices to stick around for a while.

"We will get shrimp, and we will get enough shrimp. People will pay more money for it than they did last year. And they may have to be more flexible with which origins they source it from," said Richard [Stavis](#), president and chief executive officer of Stavis Seafoods in Boston.

The shrimp supply crunch could possibly ease up as production seasons gear up this summer in Asia, but high demand from China could keep supplies tight regardless.

Meanwhile, oil is still escaping into the Gulf and the currents are still spreading it. Hurricane season is ahead and Ambos fears a severe storm could spread the destructive slicks even farther.

The key word in the [shrimp industry](#) is uncertainty.

"I think six months down the road there's going to be a ripple effect on the entire shrimp market," said Tim Ports of Ports Seafood, a high-end supplier in San Francisco. "I think six months down the road we're going to be reeling from price increases."



Richard Stavis, CEO of Stavis Seafoods, Inc., poses with 13 - 15 count domestic gulf shrimp at their corporate headquarters in the Seaport District of Boston, Tuesday, June 8, 2010. Most of the Gulf of Mexico is still open to fishing despite the oil spill, and crews continue to deliver shrimp and other seafood to the market. (AP Photo/Lisa Poole)

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