Difficult Economic Times Continue for the Shrimp Industry

- Calendar year 2011 marked the 10th consecutive year of an industry-wide economic crisis across the Gulf and South Atlantic shrimp industry. In addition to continued low prices for shrimp, the cost of diesel fuel remains relatively high and is forecasted to increase steadily for the foreseeable future.
- The combined effect of record prices – on the high end for inputs like fuel and on the low end for shrimp – have sharply reduced the fishing effort in the Gulf and South Atlantic shrimp fishery.

Extension’s Response

- To improve the economic performance of shrimp fishing, specialists with the Texas A&M AgriLife Extension Service and the Sea Grant College Program are working to reduce production costs.
- With offshore shrimp trawlers using large amounts of fuel each year – 59,000 to 73,000 gallons – fuel has been a major operating expense, even before the escalation in prices.
- In 2005, AgriLife Extension and Sea Grant specialists began collaborating with Western Seafood in Freeport, Texas to explore the impact that smaller, curved, vented trawl doors could have on both shrimp production and fuel consumption.
- Through their groundbreaking work, the team found that the new trawl doors caught the same amount of shrimp as traditional, flat doors, but did so with significantly less fuel.
- Funding from the USDA and the Texas Energy Conservation Office allowed for a broad-scale evaluation of the new trawl gear by 15 elite shrimp producers across the Gulf and South Atlantic.
- Industry-wide evaluation of the new gear has established an average, expected reduction in fuel use of 24 percent.

Economic Benefits

- Following the lead of two cooperating fleet owners in Cameron County – historically home to the largest offshore shrimp fleet in the world – roughly 80 percent of the remaining fleet (132 vessels) converted to the new gear in early 2008.
- Considering the last four years collectively, the new trawl gear has resulted in an estimated fuel savings of 9.7 million gallons valued at $25.7 million for Rio Grande Valley shrimp fishermen.
- In the long run, investing in smaller, curved, vented trawl doors may be the simplest way to generate a profit from shrimp trawling. Investment analysis demonstrates that even with the higher purchase cost for the new gear, savings from reduced fuel use, extending the time between engine overhauls, and using gear that lasts two to four times longer than traditional trawl gear sharply reduces production costs.