

Appendix K


Briefing by the Better Seafood Bureau

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Industry Challenge: Economic Integrity of Seafood

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Better Seafood Bureau
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Outline

- Who is NFI?
- Challenges
- History of Economic Integrity at NFI
- Next Steps




Who is NFI?

- The National Fisheries Institute (NFI) is the nation's leading advocacy organization for the seafood industry.
- NFI's members represent every element of the industry from the fishing vessels at sea to the national seafood restaurant chains.
- NFI and its members support and promote sound public policy based on hard science.




Seafood Consumption

- Overall seafood consumption in America was 16.3 pounds per person in 2007.



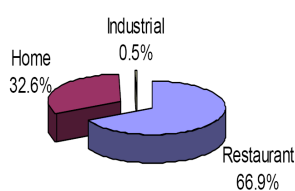
Data compiled by NOAA Fisheries



The food service seafood market size continues to grow


Seafood consumed at food service operations - \$46.6 billion

Seafood consumed at home - \$22.7 billion



Category	Percentage
Restaurant	66.9%
Home	32.6%
Industrial	0.5%

Source: Fisheries of the United States, 2006; National Oceanic and Atmospheric Administration



GAO Report - 1988


- SEAFOOD SAFETY: Seriousness of Problems and Efforts to Protect Consumers
- Seafood misrepresentation
 - Short-weighting
 - Lower value species for a higher value species
 - Improper labeling


CRS Report for Congress


**Seafood Marketing:
Combating Fraud and Deception**

RL34124, August 8, 2007

 <http://nationalaglawcenter.org/assets/crs/RL34124.pdf>


Fraud and Deception

- Mislabeling or Substituting Species
- Low Weights or Undercounting
- Trans-shipments to Avoid Duties


Substitution violations
Published June 1, 2007 in St. Petersburg Times


██████████ Clearwater, 5/17/06, substituted ponga for grouper.
██████████, St. Petersburg, 6/27/06, substituted basa, pangasius fish for grouper.
██████████ Pinellas Park, 7/12/06, substituted cod for grouper.
██████████ Pinellas Park, 7/18/06, substituted pollock and basa for grouper.
██████████ Oldsmar, 7/27/06, substituted pangasius fish for grouper.
██████████ Pinellas Park, 9/20/06, substituted ponga for grouper and trout.
██████████, Crystal River, 10/17/06, substituted swai for grouper.
Source: Florida Department of Business and Professional Regulation


Common Offers

Black Tiger HLSO
6x4 lbs, Block Frozen


100% NW/NC
90% NW/NC
80% NW/NC





Low Weights or Undercounting

Fair Packaging and Labeling Act


Labels must contain accurate information to identify the product, manufacturer, packer or distributor and the **net quantity of contents, in terms of weight or mass, measure, or numerical count.**




SEC 403. Misbranded Food

A food shall be deemed to be **misbranded**—

- ... If (1) its labeling is false or misleading in any particular, ...
- ... If it is offered for sale under the name of another food.
- ... If its container is so made, formed, or filled as to be misleading.
- ... If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and **(2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count**, except that ... reasonable variations shall be permitted, ...
- (w) Major food allergen labeling requirements. (states specific species of fish or crustacean shellfish).

 **FFDCA SEC. 402 Adulterated Food**


A food shall be deemed to be **adulterated**—

(b) Absence, substitution, or addition of constituents.

(1) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or


(2) if any substance has been substituted wholly or in part therefore; or

(4) if any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, ... or make it appear better or of greater value than it is.


 **SEC. 801. Imports and exports**

(a) Imports...


If it appears from the examination of such samples or otherwise that ... such article is **adulterated, misbranded,** ... then such article shall be refused admission

 **Handbook 130**

- **6.3. Net Quantity.** – A declaration of net quantity of the commodity in the package, exclusive of wrappers and any other material packed with such commodity ..., shall appear on the principal display panel of a consumer package ...
- **7.2. Location.** – A non-consumer package shall bear on the outside a declaration of the net quantity of contents.


 **Ensuring Economic Integrity**

- Industry and government both have a role in ensuring consumers are confident in seafood purchases.
 - The government provides and **enforces** guidelines to ensure economic integrity
 - Industry follows the guidelines.



GET YOUR CHEATER PACKS HERE!



- Frozen Tilapia Fillet, Skinless, Boneless, 10kg/carton, bulk, IQF, **Size after Glaze**, No Chemical, CO treated or not,
- 5-7oz, **10% Glaze**, CNF Miami or LA USA, USD 1.87/LB
- 5-7oz, **100% NW**, CNF Miami or LA USA, USD 2.15/LB

- Frozen Tilapia Fillet
- 90% NW ,skinless, boneless, **size after glaze** ,IVP packing ,
- 10kg/carton ,bulk
- 3-5oz CNF LA USD 1.70/LB
- 5-7oz CNF LA USD 1.80/LB

TO: SEAFOOD BUYER

FROM: Alphen Yuan
 TEL: 86-632-80990680
 FAX: 86-632-80990380
 EMAIL: joineatfoods@yahoo.com
 Website: www.joineatfoods.com

LOS ANGELES OFFICE:
 TEL: 1-626-336-3218
 FAX: 1-626-336-3230

PRODUCT OF CHINA

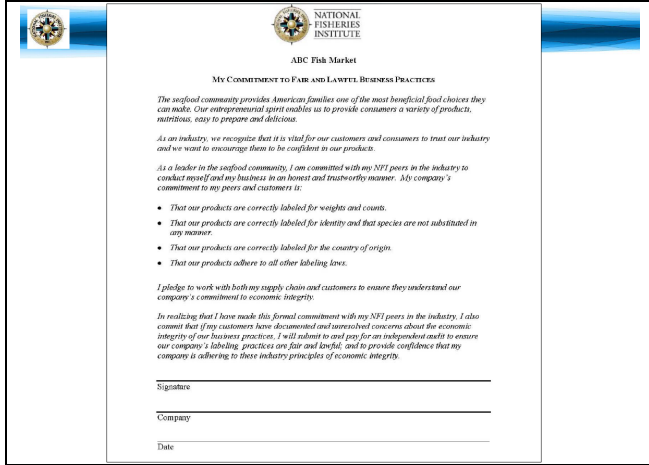
2008-09-30

CHANNEL CATFISH: JUST RELEASED BY FDA
 CHANNEL CATFISH IQF, 15LBS CARTON
 BRAND: XIHE
 90%NW 5-7/7-9OZ, FOB PFS CHICAGO \$1.80/LB
 95%NW 5-7/7-9OZ, FOB PFS HOUSTON: \$1.90/LB
 100%NW 3-5/5-7OZ, FOB PFS NEWARK: \$2.00/LB
 100%NW 3-5/5-7OZ, FOB PFS NORFOLK: \$2.00/LB

Product	Size	Weight	Unit	Price
Pinkish Fillet	2/4, 4/6, 6/8, 8/10 IQF	70%	FOB Dalian	\$0.82
	skinless, boneless, chem-in	75%	FOB Dalian	\$0.87
		80%	FOB Dalian	\$0.90
		85%	FOB Dalian	\$0.93
		90%	FOB Dalian	\$0.97
		95%	FOB Dalian	\$1.02
		100%	FOB Dalian	\$1.06



- ### Economic Integrity Initiative
- In 2006, NFI Board approved an Economic Integrity Initiative.
 - Goal to increase consumer confidence in seafood products
 - Economic disadvantage to "follow the rules"
 - Develop a process for accountability



Economic Integrity Initiative

NFI members are provided with easy access to the "rules"

Better Seafood Bureau

- System to report unresolved challenges
- Call-center established to document unresolved situations of economic fraud.

1-866-956-4BSB

What's happening now

- we were recently informed of an offer that you made to a U.S. importer offering **90 - 95% net weight on channel catfish**
- This communication appears to constitute an offer to collude to violate U.S. law. We ask that you reconsider such offers to U.S. businesses.
- .. send a copy of this letter to officials in the U.S. Food and Drug Administration,
- ..providing a copy of this letter to the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) and to the Commercial Minister of the Chinese Embassy in Washington, DC.



Member Response

- It is illegal to offer product and to sell product in the United States that is less than 100% net weight. We are a member of NFI and have signed a seafood integrity contract. This contracts us to notify NFI every time we are offered illegal labeled or weight from any country.
- Please do NOT offer us any product less than 100% net weight and properly labeled.



Member Response

- You people have to stop offering short weight product into the United States-- --We have already contacted the authorities as well as the National Fisheries Institute and have given your companies name with copies of your e-mails.
- We are putting you as well as the American authorities on alert as we have been warned you about in the past of your continuous unacceptable short weight offerings.



- XXX does not own, import or purchased this product, this was an offer we received from an importer/supplier for us to buy, the only thing I did was to pasted it and email it to our clients. **I was not aware of the violations involved in this offer.**



- can not understand what are you talking about? **We just do what customer need.**
- the direction of combating "short weight" **should focus on end sellers in USA**, it has nothing to do with producers, **we merely process goods according to buyers' orders.**



- Have your government write a law making this illegal.



Thank You!

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