

FOR THE EXCLUSIVE USE OF BOSTON@BIZJOURNALS.COM

From the Boston Business Journal:

<https://www.bizjournals.com/boston/news/2019/09/19/mass-lobster-wholesalers-request-tariff-relief.html>

Mass. lobster wholesalers request tariff relief amid China trade tensions

Sep 19, 2019, 5:37am EDT

Tariff relief is needed to help local lobster wholesalers cope with declining revenue amid an escalated trade war with China, the Bay State's second-largest export market, industry advocates say.

Massachusetts lobster sales to China have plummeted 62 percent since 2018, according to the Massachusetts Office of International Trade and Investment. China currently imposes 25 percent tariffs on US lobsters.

The lobster industry's plight was the focus of a hearing Tuesday by the Legislature's Committee of Export Development.

Mortillaro's Lobster Co. in Gloucester, one of the largest lobster wholesalers in Massachusetts, ships lobsters to various global markets including Dubai, Taipei, Hong Kong, and Malaysia. The company entered the Chinese market after losing its largest export market, the European Union, due to the free trade agreement between the EU and Canada in the summer of 2017. The agreement guaranteed free access of Canadian lobsters to EU markets.

With Chinese tariffs making American lobster costlier and dragging down the Chinese demand, Mortillaro expects a 30 percent sales loss this year.

The company is seeking federal compensation similar to the package given to soybean farmers. President Trump has authorized the U.S. Department of Agriculture to reimburse up to \$16 billion to assist farmers impacted by the trade war.

"They paid the farmers. We are the same as them," said Vincent Mortillaro, the owner of Mortillaro's.

Aside from the loss of sales, local lobster companies are also encountering a loss of key skills in the product chain because of the declining revenue.

Mortillaro testified that his company has lost six key employees because of the tariff's impact, adding the problem is not about an insufficient supply of labor, but the loss of the key experience and skills.

"We lost people that have been with us for 10, 15 years," Mortillaro said in an interview. He struggled to replace that experience, he added. "The workers that we replace them with will never be as good as the



W. MARC BERNSAU

Lobsters at the Wegmans in Westwood, MA.

one we had.”

Patti Page, Mortillaro’s industry representative, said the lobster industry does not have enough representation in the U.S. trade policy, given that the struggle is only for the coastal area from Maine to Cape Cod. Page added that it would be helpful to create a bigger voting block uniting all export sectors affected by the trade policies.

At the hearing, House Chair Lori Ehrlich (D-Marblehead) said the committee is partnering with U.S. Sen. Elizabeth Warren (D-Mass.) to try to come to the best approach.

“The congressional delegation is very engaged on this topic,” said Ehrlich, adding that while international trade policy is not in the committee’s purview, they will advocate for the economic sector affected by the policy.

Earlier this week, Warren and fellow Massachusetts Sen. Edward Markey, as well as other representatives from coastal communities, wrote to U.S. Trade Representative Robert Lighthizer urging a federal subsidy and new markets’ exploration for Massachusetts lobster industry.

“While Massachusetts state legislators are exploring solutions for economic relief at the state level, it is imperative that there be federal resolve to assist the Massachusetts lobstermen whose livelihoods heavily relied on exports to China,” Warren wrote.