AN ORAL HISTORY

with

JOSEPH GREGORY LADNIER

This is an interview for The University of Southern Mississippi Center for Oral History and Cultural Heritage. The interview is with Joseph Gregory Ladnier and is taking place on January 25, 2012. The interviewer is Louis Kyriakoudes.

Kyriakoudes: This is Louis Kyriakoudes with the Center for Oral History and Cultural Heritage, and I'm here in Bayou La Batre, Alabama, with Greg Ladnier. How do you pronounce it?

Ladnier: We pronounce it Ladnier.

Kyriakoudes: Ladnier, OK, Greg Ladnier of Sea Pearl Seafood Processing, and we're going to be talking about his career in the shrimping and seafood industry. So Mr. Ladnier, first I'd like to thank you on behalf of The University of Southern Mississippi and the Center for Oral History for taking time out from your day, and sitting for an interview and sharing, you know, your personal and business history with us. So I just want to thank you. And just for the record, if you could, just state your full name and tell us when you were born and where you grew up. (0:00:47.0)

Ladnier: My full name is Joseph Gregory Ladnier. I was born December 18, 1953, in Bayou La Batre, Alabama. I grew up here except for a few years; we actually moved to Utah when they were building a road across the Great Salt Lake, and a lot of people from this area actually moved out there. That was after they finished the original Dauphin Island Bridge. The people that had the contract for that, had the contract to build a road across the Great Salt Lake, so they needed boatsmen and all, so a lot of people moved out there and finished that project and moved back home.

Kyriakoudes: Did you work that as a boatsman, or did your parents, your family move out there?

Ladnier: No. I was very young then; that was in basically like 1955, through about 1957, [19]58.

Kyriakoudes: Interesting. Tell us a little bit about your parents. Could you tell me your parents' names, and what your father's occupation was, and where he was from?

Ladnier: My father (0:02:03.1) was Joseph Edmond Ladnier. Everybody called him Joe E., not Joey, but Joe E. Ladnier. He's from here. Our family has been on the

Coast since the early 1700s. The beginning of our family name actually started in Pass Christian, Mississippi, Christian Ladnier, but it wasn't spelled exactly like ours are. I think that most of the group of Ladniers are the same people. The L-A-D-N-E-Rs, the L-A-D-N-I-E-Rs, L-A-D-I-N-E-Rs are actually the same group of our family group of people going back through time.

Kyriakoudes: As I mentioned, I live in Bay St. Louis, and we're just on the other side of the bay. There's just Ladniers everywhere. (laughter)

Ladnier: Yeah. Well, there was two brothers; there was two lieutenants. One of them settled on the Louisiana side, and one of them settled on the Mississippi side, so it's ancient history, early 1700s, so a long time ago.

Kyriakoudes: Yeah. And you mentioned your dad had gone out to Utah to help build the road across the Salt Lake. What was his profession and his career, his occupation?

Ladnier: He was a commercial fisherman. He went out there, and my grandfather went out there, or his father went out there. Most of them ran the tugboats and all to move all the things they build a bridge with. Matter of fact, it was a road; it wasn't a bridge, and it's still there now. It's a place called Little Valley, Utah. There's absolutely nothing there now. That was it. It was basically like a camp for when they were building it, and afterwards they actually took it all back down to nothing. But so we've been involved in the seafood business for quite a while; I mean going back generations in the family. Exactly how many generations, I'm not sure. But I know my grandfather was. I know my father was. I know I am. I know my son is behind me, and I'm sure before that we were all in the seafood business in one way or other way, going back for who knows how long.

Kyriakoudes: Yeah, right, wonderful. Well, let's talk a little bit about your career. When did you actually begin your, professionally, getting involved in the seafood industry? You said it's with your family. How'd that work out?

Ladnier: Actually, I started working with my uncle on a little, small bay boat when I was approximately ten, eleven years old. (0:04:58.7) The boat was called the *I'm Alone.* It was like a little, thirty-foot boat, had a little small Case diesel in it. And at that time, actually the try net winch actually was still a manual winch, to raise and lower by hand. Of course when the boat was originally built, it didn't have any winches at all, and it was all done by hand, so it was—but I did that. And then my father started his business in [19]66, I think it was. And of course I worked in the Sea Pearl. It started off as a oyster business, (0:05:40.4) is where the name came from. And when freezing and the freezing equipment became more readily available, we started freezing shrimp in the late [19]60s some time. So I graduated from high school in 1972, worked on big boats, ran a few big shrimp boats for a while, went to college for a few years, and decided this wasn't for me. The college, the work wasn't that

hard or anything else; I just kind of got bored with it and came back and started back working in the plant with my father.

Kyriakoudes: When your dad opened Sea Pearl in the [19]60s as you mentioned, it was originally an oyster business. Tell me what you actually did. Was it fresh oysters, canned oysters? What was the product, and who were the markets that you'd sell to? (0:06:41.0)

Ladnier: Actually, we did a little bit of all of it. Piggly Wiggly was quite big then, and we did quite a bit with Piggly Wiggly. But probably one of our mainstays in the late [19]60s, early [19]70s was military contracts. We were freezing oysters in tins at the time for military. That was probably one of our largest customers at that time. But we did pints and quarts and gallons. We basically did a little bit of everything.

Kyriakoudes: And when did you move into shrimp? (0:07:20.3)

Ladnier: Probably the early [19]70s when we first started shrimp. At first we did just a small amount of headless shrimp, and we were just offloading boats. And at that time a lot of the products went to your canners of that time, like Violet(?) Canning and Marver(?) out of Biloxi, and people like that. And then later on, I guess it was in the, probably about [19]74, we moved to this facility up here and started peeling shrimp. Presently we do peeled shrimp, P-and-Ds, headless, head-on, cooked, raw, a little bit of everything, presently.

Kyriakoudes: When you said P-and-Ds, what does that mean?

Ladnier: Peeling, that means peel and devein. P-and-Ds means peeled and deveined. And you have peeled, which people call P-U-D, which is peeled and undeveined. It's just a term that we use.

Kyriakoudes: And how is the fishery? Well, first of all, let me rephrase that. As a processor, who are you getting your product from? I mean, what is the geographic scope of where you're pulling shrimp from, where the shrimpers are coming from? Are they mostly local and shrimping out here in the northern Gulf? Are they going over a wider area? And if so, how has that changed over time? (0:09:01.9)

Ladnier: Actually, we actually bring shrimp in from, starting in North Carolina; we go North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas. Different years are all a little bit different. We try to focus primarily on local production, but you got to produce shrimp pretty well year round, so you have to draw from all over.

Kyriakoudes: Right. You want to keep the facility as—

Ladnier: —operating.

Kyriakoudes: Operating. So when it comes from the East Coast, do they bring it in by ship, or do they land in the coastal ports and truck it? How does that process work? (0:09:47.7)

Ladnier: Most of the time it's just trucked in. We will buy from other people in the other states, like B.F. Mills(?) in North Carolina, and just different areas, like Knight(?) Seafood in Georgia, or you know just different people all the way around. We'll work out of the Keys area. And of course locally we buy from, of course, ourselves and probably about another dozen or so local shops that offload and bring shrimp to us in the summertime. Plus we buy, of course like I said, we buy out of Texas, Louisiana, a little bit of everywhere.

Kyriakoudes: Yeah, wherever the shrimp are coming.

Ladnier: That'd be correct.

Kyriakoudes: Yeah. So tell me then; how do you keep up with your supplier networks in the area? Constantly on the phone? I mean, what's the method by which you learn about where the shrimp are and make sure that you have enough product coming into the house to keep people busy?

Ladnier: It's kind of ironic, but as large as the seafood industry or shrimp industry is and as scattered as it is, it's really very small. Everyone talks to everyone. I mean, we know what's going on in Texas. We know what's going on, on the East Coast. We know what's being caught where, and every company has their weak points and strong points. And this guy, he'll be procuring a ton of product out of one area, and then he'll get to a size that he really doesn't want, and he'll say, "Well, I know you're very strong in this area," just to say that they're producing a lot of shrimp here, so it's changed over the years. The whole industry's changed over the years quite drastically.

Kyriakoudes: Can you talk about that? Especially considering the change from when you started in the early [19]70s to now, what are some of those changes? (0:11:53.5)

Ladnier: Well, I mean, in the early [19]70s there were not an extreme amount of boats. Gulf boats were very few. The horsepower boats were not that much. And the boats themselves were a lot smaller, the fifty-five, sixty foot. Now the boats are a hundred foot with probably ten times the horsepower, and they're pulling a lot bigger nets. And that portion of it's changed. The inshore fleet right now is probably about the same size that it was in the late [19]60s, early [19]70s; met its peak somewhere probably in about 1980s or so. And what happened in the [19]80s and actually after, you started mentioning the storms, but after—I can't remember exactly which storm it was now, but somewhere around 2001 and 2002, the offshore fleet got way too big. One thing that people don't realize, the catch of shrimp has remained constant, actually from the late [19]60s, early [19]70s right on through; the amount of shrimp that are caught every year has basically remained the same. So what happens if you

get the fleet too big, they keep slicing the pie up so much to where they really can't make it. So you have periods of where times are real good, and they're making quite a bit of money, and there are a lot of boats built. And then, it never fails. It cycles through and the next few years or so, about half the boats would be repossessed or whatever. So it's give and take. It's just typical business.

Kyriakoudes: Yeah. So from your perspective then, the shrimp catch has been steady on the production. What do you feel the trends have been from your perspective the last few years in terms of the supply of shrimp? (0:14:09.9)

Ladnier: Well, I mean this past year and this year, of course with the [BP Deepwater Horizon] oil spill (0:14:16.0) I mean, our production's been heavily off. If you go outside the oil spill areas, I mean, they had great production the past two years in Texas, which was not affected at all, so for sure that portion of it is really hurt. And when I say that the catch remains the same, you have good years and bad years. It's according to what Mother Nature brings in on you. You have two different type shrimp. (0:14:44.2) You have here on the Coast and in Florida, of course, you also have your pinks, and they're all driven by the climate. If you have dry years in the Everglades area, they have very few pinks. They need a little bit of freshwater run through the rivers. Same thing here, browns, which are your spring shrimp, can't tolerate low-salinity waters, so if you get way too much rain, you have very few shrimp. And actually, it can actually work the other way. If the salinity gets too high, you have very few shrimp. So it's all about conditions. Your white is your fall shrimp, and it's the same thing. It can stand lower-salinity waters, but it's just according to how nature treats everything.

Kyriakoudes: Yeah. Well, I'm here; it's February, and where are you getting your shrimp now?

Ladnier: Right now, we're not getting in a lot of shrimp. We were getting shrimp from here, also in Louisiana until about a week or so ago. We did run a few off of Port Canaveral in Florida, and there's still a few boats working over that way from this area that are over there. But typically in the wintertime there's very little production.

Kyriakoudes: Well, let's talk a little bit about some of the hurricanes. I imagine [Hurricane] Ivan was a problem here, and perhaps [Hurricane] Katrina. Well, Katrina was, too. But how did you, how did those affect you? (0:16:33.8)

Ladnier: Ivan had no effect here because it went to the west of us. Katrina, of all the storms, we had the most water that we've ever had, probably another four foot over Fredrick, Camille, Georges. I mean, so you go way on back, and just funny, you remember the names of more of your major storms that cause damage. As far as all-out damage, I would think that for here, this area, probably Fredrick was the most devastating because it was a tree storm. (0:17:12.7) It destroyed so much old-growth pines and all. I mean, there were trees everywhere. Fredrick was a bad storm that way. Of course, Katrina, as far as pure volume of water, was huge because it was a

big storm and probably had about almost the same exact tidal surge as Camille for your area, where you're from over there, but it was such a big storm; we actually had a lot more water in this area than we did in Camille.

Kyriakoudes: And how much water did you take here at the processing plant?

Ladnier: Probably about twelve foot of water here, somewhere in that area.

Kyriakoudes: How long did it take you to get back in business?

Ladnier: It actually took us ten weeks from the time we started. We had a bunch of the TV people and all, and they asked us how long it would take. We told them ten weeks, and on, actually, the day after ten weeks, we started back in production. And they asked, said, "Well, how do you know?" Said, "Well, this is not the first time this has happened. We know what we have to do." But as far as monetary loss, Katrina was most definitely the highest in monetary loss.

Kyriakoudes: Yeah. When you reopened after Katrina, was it difficult getting your supplier and the market networks put back together? Talk a little bit about that.

Ladnier: Well, because we were only down for about ten weeks, we actually had enough inventory to carry through, so it wasn't as bad. There was quite a bit of shrimp being caught while we were down for the ten weeks, and when we started back up—actually we were discussing Dominick's Seafood (0:19:09.3) earlier. He was further down towards the mouth of (inaudible), and he was totally destroyed. And when we started back, his crew and my crew worked in this plant. His crew did all the headless, where we did all the peel work and produced the most shrimp we'd ever produced going through this plant. And it's just a typical neighbor thing that happens all the time. If Louisiana gets hit with a storm, they'll send their shrimp that they have into Alabama and Mississippi to be processed so they won't lose it. And the same thing if we get something here, they'll just call us on the phone and say, "Look. If y'all need to get shrimp processed, bring them over here." It's just a thing that's been going on for years and years. Like I say, we're all competitors with each other, but we're all, all family at the same time.

Kyriakoudes: Yeah, interesting. About how many folks do you employ right now when you're really in full production, in terms of processing, cleaning and—(0:20:16.1)

Ladnier: Well, typically around eighty people in the summertime when we're working it. Sometimes you can get over a hundred, but typically it's around seventy-five to eighty people.

Kyriakoudes: Has that been constant since you started, or has it grown?

Ladnier: No. Throughout the years at one time we were running probably 110, 120 people, but we were actually running two shifts. We were running a day shift and a

night shift. When it's strictly a supply-and-demand type deal—and the imports kind of mess that portion of it up. (0:20:50.7) So it's harder to sell product now than what it was at that time; it was a lot easier. So we no longer run double shifts. We did it for years, but we have not over, probably, the last seven, eight years now.

Kyriakoudes: When you started in the [19]70s, where did you get most of your labor, and how's that changed? And where do you get your labor today?

Ladnier: Still we use local labor. We tried doing something H2B-Visa people, but that didn't work out well for us. We actually still use local labor; always have as the vast majority of it.

Kyriakoudes: Yeah. Well, let's talk a little bit about the market and the rise of imports. When did you first, in your business, start to really become aware of imported shrimp and its effect on the market? (0:21:48.0)

Ladnier: I'm not really sure exactly what year it was, but for years there were only, basically, two shrimp production areas. You had MitchCo(?) in the US. And the amount of shrimp was actually finite to a sense that the price would go up and down according to how much production there was. And at that time you had, like, your Bob Big Boys, which was your Shoney's and a few other ones. And there were actually meetings in Louisiana at the time. It was Louisiana shrimp processors at the time or even the breaders, at the time, and so you had your canneries that were doing shrimp and all, but basically what would happen is the (inaudible) would basically tell you about how many shrimp you were going to have. So the prices were virtually set then to where the fishermen could make money; the plants could make money, and the actual restaurants would set their price to the production because it didn't do them well to set a real low price if they couldn't get the shrimp. And if it got—so they set it to where they could match production with what they were going to sell. And then sometime in the [19]80s—I'm not sure exactly when it was—the first glimpse of what was to come was China dumped a bunch of products in here, in about this time of year, somewhere the latter part of January or February when we were in off-production and cut the price like two dollars a pound. And probably about 40 to 50 percent of the people that were in business actually went out of business then; it cost them so much money.

Kyriakoudes: Wow. How have you handled that product on the market? I mean how—

Ladnier: Well, lots of people don't realize, but we're only somewhere around, maybe 10 percent of all product in the US. And what it's actually done is if you look from the mid-[19]80s—we saw this the other day in one of our shrimp processors meeting, that if you look at the prices from the mideighties to now, they're pretty stationary. I mean, it has had some ups and downs, but they're fairly stationary. But the value corrected to inflation is a downhill curve that is terribly bad, so it's very difficult to

make money in this business. I don't care whether you're a fisherman, working on the boats, the plants, or anywhere up and down the line. It's a tough business.

Kyriakoudes: Yeah. And in terms of, like, input costs, like fuel, food, ice, how have these affected—(0:24:55.1)

Ladnier: Oh, all our expenses have gone up. That's what I was saying. Basically the product has stayed about the same, but probably expenses on any level, at the processing level, the boat level, whatever, is probably at least ten times what it was even just ten years ago.

Kyriakoudes: Yeah. I mean, I hear that from everybody, and you know that's made it—yeah, it's a very difficult thing. Every fisherman that we've talked with has mentioned that price-and-cost squeeze. Tell me a little bit about the oil spill, how that affected your business, both in terms of receiving product, markets, the perception of the product, and if that was a problem. (0:25:45.6)

Ladnier: Well, actually for 2010 our production was off somewhere around 80 percent, and so it was pretty devastating. We lost quite a few customers because we couldn't supply them, and it's not the easiest thing in the world to get a customer back after you've lost them because they feel that, "These other people helped me when you couldn't." And it's hard to get them back. Alabama season and Mississippi season, which I'm sure you heard, the oil rode in probably about a week before they were actually going to open our seasons for our spring shrimp, so none of us even got a pound. And like I say, we had changed the business to be heavily in favor of local production, and when we didn't have any, it was a terrible thing. And like I say, your customers, "Well, I don't really know." And the media kept putting it on; they just kept egging it on and egging it on. And it made it fairly difficult to sell stuff, but we didn't have anything to sell. Now, this season here, production was closer to being normal. We were still off productionwise. But I don't see that we've actually picked our customer base back up yet.

Kyriakoudes: What do you think is behind that?

Ladnier: Like I say, if you lose your customers, it's hard to get them back. And it's going to take a while. It will take years and years to actually get back to where you were previous to the [oil spill].

Kyriakoudes: Some people—

Ladnier: Prior to the [oil spill], excuse me.

Kyriakoudes: Some people have been concerned about the kind of perception that Louisiana seafood, Gulf seafood is now tainted. Have you run into any bias against the product?

Ladnier: Not that bad. I mean, it's out there. I mean, I'll give you an example. One of my big customers in Atlanta that I've sold for years, his wife will not eat Gulf seafood, period, because she still has that perception. And he sits there, and he buys and sells it every day. He says, "There's nothing wrong with it." But she will not eat it. So it is there. How *bad* it's out there, or how many people actually feel that way, I'm really not sure. But like I say, I know that for one example for sure, so I know there are some of them out there, just not sure exactly how many.

Kyriakoudes: Yeah, yeah. Well, that's interesting. Did you have a problem—well, of course you didn't have any production, as you explained, while the fisheries were closed. Did a lot of your folks go work, maybe, at cleanup? You know of any, or did you work any (phone ringing) BP work?

Ladnier: No, we didn't. We didn't. The boats did; most of the boats worked for the Vessels of Opportunity program. (0:29:09.7) Some of them still shrimped. Our employees here, we had a meeting with BP within ten days of the oil spill, in Mississippi. (0:29:28.0) That was basically all the processors and BP, one-on-one, and they told us not to lay our employees off, to keep them, pay them forty hours; they would make up their overtime, and they would repay (phone ringing) us the money that come out of pocket. And I'll say they kept their word, overall, and so none of our, as far as my company, we never laid a single person off during the entire time.

Kyriakoudes: Well, that's good.

Ladnier: Even though we were not working.

Kyriakoudes: What did folks do?

Ladnier: Nothing. I mean, we were working maybe four or five hours a week at most. Everyone got lazy. And it was just that—we all still came to work, but there was actually nothing to do.

Kyriakoudes: Well, you still got to eat, though, pay the rent, so.

Ladnier: Correct, everyone has to pay their bills.

Kyriakoudes: Yeah. Does Sea Pearl own boats that you lease out, or do you strictly buy from independent—

Ladnier: We buy strictly independent. The last boat that we owned was owned by my father in the [19]70s, so that's a tough situation to be in, owning plants and boats. It's come to where it's actually feasible to do now, but at one time it was damn near impossible to do. When times got bad, you'd either take care of your plants or your boat, and you couldn't micromanage them. (0:31:08.4) If you owned a plant, you took care of the plant, so you could micromanage it. If you owned boats, you could micromanage boats. But if you owned both of them—and basically everyone that tried did not make it. And there were a lot of people that tried it up and down the

coast, and they all went belly-up over the years. So it was very, very tough to do. Today it is a little bit more feasible, from what I'm seeing.

Kyriakoudes: You mentioned your sons coming up into the business. What, I mean what do you see as the big challenges you face right now? And then looking into the future, what are the positive opportunities? But what are the challenges you see? (0:31:47.5)

Ladnier: The challenges right now are strictly imports, I mean, and the amount of imports that are coming in here. Like I said, we had that meeting about a week and a half ago when processors—and everything we're seeing, and even with that, that meeting there, is it looks like worldwide supply of farm-raised shrimp is going to increase by 20 percent in 2012 and 2013. (0:32:17.2) And at the same time, all the reports are out that actually consumption in the US went down this past year. So if you have all this extra product laying around, and it goes supply and demand—(brief interruption not transcribed as part of this interview)

Ladnier: But what was I saying? Oh, talk about the supplying. I mean, it's strictly supply and demand, so I'm not looking for good things in the next two years. And as far as the boats or fishermen's point of view, they blame it all on the processors, and I'm looking at very low prices with very, very high costs. And I hate to be a gloom-and-doom person, but that's what I actually see over in the next couple of years, and I'm not sure how all of it's going to shake out. I would think that the fleets are going to even get smaller, and that's the only way that any of them will survive is just get the catch up, per-vessel. And the processors, like I say, we're production-driven, so who knows? But we only have a finite amount of money, so when you run out of money, then everything does really go down.

Kyriakoudes: Yeah, yeah. I've seen some efforts—Mississippi's done a little bit of this—to try to brand the "wild-caught" product because it's better. But have you seen any efforts to do that, or do you participate in any of that to try to position your product, the wild-caught product as a premium type of shrimp in the market? (0:34:25.1)

Ladnier: Well, actually it's been being done for quite a while. I was on the board of Wild American Shrimp, which we're trying to revamp that right now through American Shrimp Processors. I've been on a lot of the boards. I've been on (inaudible) wild shrimp boards, so yeah, throughout time I've seen it all come. The problem is the states, yes, they can do a little bit instate, but 85, 90 percent of our sales are outside the states or outside this area. So how do you go out and get the customers? It's real tricky. The states can only do so much.

Kyriakoudes: Are there any trade policies that you would advocate? I mean just from your perspective as a processor, if you could get the ear of someone in the Department of Commerce or what have you, is there something that you would advocate to help or not?

Ladnier: I'm not sure. I mean, we filed years ago; we filed to bring a tariff on the people that were dumping in here, and they used WTO [World Trade Organization] to basically block everything we did, and they threw all that out years ago. And what that did is it actually stymied the imports that were coming in. We actually had a small decrease of the number of imports coming in. And then they, like I say the World Trade Organization come in, and they keep saying, "Well, you can't do this, and you can't do that." And all of a sudden, all these people have zero tariffs again, and as soon as that happens, the percentage of the increase of imports has been steadily going up again. And like I say, we expect it to go back through the ceiling, and we have no way of stopping it. I understand the FDA [Food and Drug Administration] is doing more testing now than what they were doing before. And it was, like this past year was the highest level of rejects that they'd ever done, which is not a surprise. In all, a lot of the imports are good but not all of them, but there's no reason for someone just to say a market is five dollars, and it's five dollars out of Central America, five dollars out of Mexico, five dollars out of US, five dollars out of Thailand, and all the other ones. And all of a sudden you got India come in at three dollars a pound. It just kills everyone. It kills the boats. It kills the processors. It kills the importers, and that's what we classify as dumping. (0:37:35.3) And it happens all the time.

Kyriakoudes: Yeah, that's difficult. Do you fish for fun?

Ladnier: Oh, yeah. (laughter) Yeah. I don't shrimp for fun, but I fish for fun. (0:37:49.0)

Kyriakoudes: Yeah. Tell me a little bit. Where do you go? What do you like to do?

Ladnier: I catch white trout, speckled trout, ground mullet, stuff like that, when I have the time, typically in early spring before our production starts. Being a seafood processor is difficult in a way because you have to spend so much time at these places. I mean twelve-, fourteen-, fifteen-hour day, six, seven days a week is typically the norm. So you see, you don't have a lot of off time, except in the wintertime. You have a little bit of time that you can actually go out and have some fun. So actually, you know, it's kind of strange; here we are in Southern Alabama, and we go snow skiing. It's like, "What are y'all doing, snow skiing?" We say, "Well, this is the only time of year we have to get away so we have to go do something during that period of time where you can find something to do."

Kyriakoudes: No vacation in July. (laughter)

Ladnier: I don't know. Well, put it this way: no vacation in September, August, September, October, hurricane season.

Kyriakoudes: Oh, yeah, that's right.

Ladnier: Because you never, you never, ever, ever know what's going to happen from day to day.

Kyriakoudes: And I just want to ask you a few questions about this plant and how it kind of operates. When you have production coming in, at your high season, what time do people get to work? How long do they work? You made some mention of that, but—

Ladnier: Yeah, I mean—

Kyriakoudes: Do they come in before dawn? (0:39:32.9)

Ladnier: The seafood business for years have been real early hours. I'm not sure exactly where it started, but I imagine it started a hundred or so years ago. People started working real early in the morning. We have people actually get here at 2:30 in the morning and start loading everything up. The main production people as far as running all the machinery and stuff, they normally show up about 3:30, and the rest of the people get in here about six o'clock. Quite a few hours, quite a few hours. I mean in heavy production years, hundred-hour weeks are very common.

Kyriakoudes: Yeah, wow. You got to make it when you can. And just for my own information, is it mostly hand work with hand tools or is it—what degree of mechanization do you guys now employ for cleaning the shrimp, peeling it? (0:40:43.1)

Ladnier: Right now we using, it's all machinery, and over the years, it's become more and more machinery. As far as doing headless, you have Sort-right Graders(?). They're out of Texas, and they've been around for quite a while, which actually runs the headless into sizes. And then on your peeling machines, you have Laitram(?) Peelers; we have four of them. And to use a benchmark, each machine, will basically run about between five and six hundred pound of meat per hour, so you're looking at two thousand to twenty-four hundred pound of meat an hour. So that portion of the business has been pretty automated, and there's more automation that have come down the line over the years to increase production rates.

Kyriakoudes: And as we wrap up, is there anything that I haven't asked that you think I should've talked about or that you want to leave on the interview for posterity about the industry and about your experience in it?

Ladnier: Like I say, it's all a big unknown, what's going to happen in the future. I think there'll always be a seafood industry. What size it is, is the unknown portion of it. There's nowhere near the amount of processors that there once were. There's no canneries anymore. We keep shipping all our jobs overseas. And we've sat there and looked at this for years and years, which I'm sure you're well aware of. And I don't see how this country can survive as a service country. And the regulations that come down the line are all one thing; (0:42:47.0) they're all aimed at putting everyone out of

business. I mean, the regulations on the boat have gone nuts, and they just keep adding more and more and more every year. And the same thing with us, I mean, as far as inspections, we're inspected by the county; we're inspected by the state; we're by the federal government. And I mean, every time you turn around, there's another person in here that's wanting the same exact information that the guy [got] the day before, but they can't share any of it. So I mean, it takes right now, a person probably ten to fifteen hours a week, working just to fill out papers that are actually meaningless. So I don't know. Like I say, I don't know what's coming. Fishermen are independent as they can be. They've always been that way, so I don't know what's going to happen.

Kyriakoudes: Yeah. It's a difficult time. Well, thank you for your time, and thank you for explaining the history of your business and sharing your story with us.

Ladnier: Yeah. Well, one thing I probably—I mean, people don't realize how many shrimp that these plants can run. I'm one of the midrange processors. There are people larger than me. Of course, there's people smaller than me. I'm probably about, out of the peelers, I'm probably maybe tenth, or something another, out of fifty-some companies or forty-some companies, and we produce about seven million pound of product a year. And people have no idea the amount of product. There are plants in Louisiana that produce over fifty million pounds a year. It's really unbelievable how much product these plants produce. (0:44:47.1) And people don't know about it, and how many jobs are dependent on it. Not only us; I mean, you have the boats; you have all the supply houses; you have the steel companies; you have all of it. And it's all centered on if the boat has a place to sell it. And without the processors, of course, they don't. They can sell X number amount "up the road" as we call it, or retail it out or whatever, but still when there's mass production, they have to have the processors. And like I say, it's all a real iffy, iffy thing, especially, like I say, for the next two or three years; I think it's going to get very nasty.

Kyriakoudes: And yet you're prepared for that, or you're preparing as best you can, I guess.

Ladnier: Well, over a ten-year period, ironically, typically you have two good years, two very bad years, and the other six are middle-of-the-road. And that's a cycle that has repeated throughout the years. (0:45:53.2) You *know* they're coming; they're going to come, but typically it has to do with the economy more than anything else. But the imports have really changed the game dramatically, and I guess more so now, than any time prior to this. The seafood business seems to go up and down on the Asian economy. When the Asian economy's good, they consume quite a bit of seafood, and there's less seafood that comes here. The Asian economy gets bad, all of it comes into this country. So that's always been a big or very large unknown, is the Asian economy now.

Kyriakoudes: So Bayou La Batre is connected to the other side of the world in that regard.

Ladnier: Everyone is; I don't care who you are or what. The oyster people have had it fairly easy because there has not been quite a large amount of imports coming as far as oysters, but the crabmeat people have the same problem we do. (0:47:04.4) They have Venezuela and a lot of the other countries that are in the same cycles as us, and that price goes up and down because of it. The fish people, the same way. Like I say, about the only one that's really gotten away with it, so far, has been the oyster people. They haven't been devastated as bad. The crawfish people, the same thing, all the stuff coming out of Vietnam and China and all over the place; the catfish, same way. Here come the catfish people.

Kyriakoudes: Yeah, the catfish, the Mississippi catfish industry has been severely impacted by the foreign imports. I can give you an example. And this is related to crawfish. I was in my local store, and the Louisiana crawfish frozen in the vacuum pack was fifteen dollars for a package, and the stuff from China was five dollars.

Ladnier: Oh, yeah.

Kyriakoudes: It's three times the difference for the local product. And it's very hard; I would imagine, it's very hard to compete, you know.

Ladnier: Well, the problem is, at the restaurant label. I mean right now, if you go to a store, it's according to what size store they are. If they're small enough, actually you don't have to put a product origin on it. But typically the vast majority of them do have to put a product origin, "product of Ecuador or Thailand, US," or whatever it is. (0:48:40.0) But when you go to a restaurant, they don't have to do it, and that's a fight that's been going on for years against all the National Restaurant Association and all. They don't want to put it on there, and they're not going to put it on there. There've been millions and millions and millions of dollars, and we're not a large enough industry, even all combined, to have the money to put up, to fight something like that. And now, it just makes sense to me as a consumer; I would like to know where my food's coming from.

Kyriakoudes: I think people have a very high awareness about that, and not only is there a lot of concern in the marketplace about the origins of food; people want to buy local. They want to know where their products are sourced from. So I can see the value of that.

Ladnier: And it's been a very difficult battle in all the states, and we tried, and tried, and tried, and like I say, they throw tons of money against us. And it's not that difficult to do. I mean, if they're going to have shrimp out of Thailand or whatever as their mainstay, fine. But there's nothing to say they can't put a little flier, "This week's local seafood," and put it up there. And, "We have these local seafoods that are available this week," and then there's your other menu, and everything that we've

ever seen is people are willing to pay at least 30 to 40 percent more for a local product. But getting in there is almost impossible. And it has been tried. We've been trying for years, but it's very difficult to make it there.

Kyriakoudes: And I know you made mention of this earlier in the interview, but what's the principal organization that represents the processors in something like this?

Ladnier: Well, like I say, years ago there was an organization called Wild American Shrimp, and Wild American Shrimp did a national campaign as far as trying to sell shrimp products. And we had quite a good reception to it, and we were getting the sales and all, but it was funded through the government. And actually the funding was coming from SK(?) funds, which is actually collected from seafood products that are being imported, not like shrimp, [but] like you'll see like these little conchs and little bead necklaces, and stuff like that, that are all seafood products. Well, that money comes in, and it goes into the Department of Agriculture, and a portion of that money was actually supposed to be set aside for marketing programs. But it was hijacked by commerce, and we never get any of it anymore, but we should've gotten quite a bit of it over the years, and that was the intention of it, but we strictly just ran out of money. And we had it really rolling. So this past year—I'm not sure exactly when—American Shrimp Processors, which is about thirty-something processors, we make up something like 75, 80 percent of all production of warm-water shrimp. (0:52:36.7) And so we got the rights to it, and now we're trying to get the money that we need to start back, doing some promotional programs and all. We pretty well know what works and what doesn't work. You were mentioning the state programs and all. The states, they want all the money for themselves. And I don't care who you are; I mean, Louisiana got something like twenty million dollars or something another, instate. It's going to have some effect, but very little effect because that's not where all the shrimp are consumed. Lots are consumed there, but there are a lot consumed outside the state. And so we're trying to get some money to get this program for all of us, not just one area, but for all of us to get it back, going. And we feel that it will actually help us because it will put all the shrimp-people under one hat. Marketing is difficult, at best. It's kind of not what you expect. You would think that if you wanted to sell shrimp that you would go to Sysco in Jackson, Mississippi. Now, you go find a customer that buys from Jackson, Sysco, and Jackson says, "Well, bring it in, but you have to go find a customer first." So it's not that easy to do. You have to go out and find each individual customer, and then get people to bring the product in. If you want to go into the grocery store chains, I mean, you go into a grocery store, and you go in there early in the morning. Well, what do you? You see the Coca-Cola people and the bread people and stuff going to the shelves and stocking their products, not the store people but the Coke people and the bread people; they're in there, putting their own product on the shelves. It has to be that way in seafood because grocery stores are fairly good at meat, but they absolutely know nothing about seafood, so they don't know how to take care of it. So you have to have hands-on people to go from store to store to store, to set up everything every day. And we actually tried this with the Alabama organization down here a few years ago in one of the stores in Mobile, and

we increased their sales by 700 percent in six months (0:55:34.9) by us doing it ourselves. So that's the type things that money should be spent on, but that's not what'll happen. They'll do these mass publicity on TV and stuff like that. And what good is that, if you don't have, the Winn Dixie around the corner doesn't have the product? You can air it all you want to. "Well, where do we get it at? We have no place to buy it."

Kyriakoudes: Yeah. Yes, I can really see that because I think people—my sense is that the general public doesn't really have good ability to evaluate seafood at the store for freshness, so—I'm wondering if you agree with this—it has to look a certain way, so that they have confidence in the product.

Ladnier: Well, all the products actually look different, and that's one of the reasons because there is actually a seal or logo for wild American shrimp, that we could put on the packaging, and you can actually go a step further and have a certified product, like your certified Angus. And of the Angus products, certified Angus is only about 3 percent. People don't realize that. You have Angus, and you have certified Angus. Angus beef is a very small portion of even Angus.

Kyriakoudes: (inaudible)

Ladnier: And so you have that; if you're going to do a certified product, everything has to be perfect on it. But the one thing that the logo would mean, if we ever get this thing going because it will be policed inside our own industry, is the weight count and quality's there. And that's the only three things that a consumer needs to know. OK? The quality's there. It is what they say it is. And the product weight is there. (0:57:32.4) And other than that, a consumer can't ask for anything more. Now, if I want a super-duper product, I'm willing to pay more for it. It's like getting a Rolls-Royce or a Chevy. It's up to the consumer what they prefer to buy.

Kyriakoudes: Yeah. Well, that's, yeah, that's very interesting. Well, again, thank you for sharing your insights with us. I'm going to turn off the machine.

Ladnier: All right.

(end of interview)