PROCESSORS AREN'T HAPPY.

The last few weeks have not been kind to area crawfish processors. Recently, many businesses were visited by federal agents from the Internal Revenue Service as well as officials from the Food and Drug Administration. In addition to this double whammy, crawfish packaged by one processor has begun appearing in local stores for considerably less than its competitors. Additionally, these events would be troublesome. Together, they are threatening to crawfish processors, their employees and the farmers who supply them.

The IRS visits were not totally unexpected. A year ago, local processors were advised in a letter from the Treasury Department to get their records in order. The scope of the project, however, did catch some people off guard. The agents appeared intent on looking at the entire industry, said one processor who asked not to be identified.

More perplexing, though, are the FDA inspections, especially because there are no federal food standards pertaining to crawfish. New Orleans district director Robert Bartz says, "We are looking to determine the level of sanitation at plants."

The FDA is authorized to seize products, levy fines, or enjoin companies from continuing production if they are not in compliance. Inspections of crawfish plants will continue over an extended period of time, according to Bartz.

In grocery stores, meanwhile, price competition is being fueled by American Seafood of New Iberia. These crawfish are selling for anywhere from 25 to 75 cents less than other brands. The company can undercut its competitors by shipping crawfish to Mexico to be peeled and packed at wages considerably lower than any that can be paid in Louisiana.

A growing number of local processors are becoming increasingly concerned about being squeezed out of business, and they are taking action. "We're not trying to do anything to hurt the rest of the people involved with American. We just want to survive," says Linda Blanche Holmes, of Blanchard Seafood in Coteau Holmes.

"I want to fight for my living. That's my livelihood," she says. "If we give in after it and fight, for what's ours, we may survive."

But processors seem to have very little recourse when it comes to the Mexican connection. In an effort to find a legal outlet, a number of processors and producers have been meeting with area politicians to search for answers.

One idea being considered is to pay peeler wages considerably less than a pound; most make a dollar a pound now. However, there are fears that employees won't work for such reduced wages, and some question whether the reduction would bring locally processed crawfish in reach of American Seafood's price.

Another alternative being mentioned is the possibility of imposing stiffer tariffs when the crawfish come back into the United States. However, that would require federal legislation, which would be time-consuming and complicated at best.

Currently, most processors have reduced their prices in an effort to be more competitive. "We are selling our meat cheaper because of American Seafood," says Roy Robin of Bayouland Seafood in Cecilia. Just how long processors can continue to do this and stay in business is a matter of utmost concern in the industry.

Jo Durand, of Teche Valley Seafood in St. Martinville, acknowledges that the labor factor has always been a problem in the seafood business, but she doesn't think foreign labor is the solution. "I can see the picture on both sides, but does that justify going to a foreign country to do something that has been done here for years and years?"

"The answer was not to go to Mexico in the first place, but to work it out here in Louisiana first," she says. "My whole objection in going to Mexico is that we're hurting our people."

According to Durand, for every pound of crawfish that's shipped across the border, a Louisiana worker is losing a minimum of one dollar, the price peelers receive. This doesn't even take into account the impact on other workers, farmers, the processors themselves or the community, Durand adds.

"Look at all the people and businesses who depend on it [the seafood industry] for income," she says. "If her plant is a small one, it still employs about 50 people for at least six months of the year, with a weekly payroll of $5,000 to $6,000. This translates into money that's spent locally for food, clothes and other items. The economic impact of closures of plants could be disastrous, Durand says. "The whole thought is very frightening."

In the meantime, American Seafood is continuing to truck about 80,000 pounds of crawfish a day to Mexico. Company president Anders Sundquist insists the use of foreign labor is necessary if crawfish are to be marketed on a wide scale. "In the long run, it's just going to help the industry," he says.

-Marcelle Tessier