Individual Fishing Quotas in the Gulf of Mexico Red Snapper Fishery

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Overview of GOM Red Snapper Fishery

• Red snapper is the dominant species of the mid-water snapper complex.

• Landings were about 2.3 million lbs gutted wt. valued at $8.4 million dockside (2008).

• Resource Status: Overfished, undergoing overfishing.

• Main gears: Bandit and handlines.
IFQ Landing Distribution

- TX: 36.4%
- LA: 17.0%
- MS: 5.3%
- AL: 41.2%
- W FL:
1984: Reef Fish FMP: 13' TL

1990: Amend # 1: 3.1 mp TACC

1992: - Emergency rule (53 day season);
- Amend # 4: Moratorium of new permits

1993: Endorsements: 2,000 and 200 lbs

1995: Amend # 8: IFQ Attempt (Congress repeal)

2000: Reg Amend: 10 day mini-seasons

2007: IFQ

2008: 45% Cut
Reasons leading to IFQs

• Frequent quota overages (9/17 years, 1990-2006)
• Overcapitalized
• Derby fishing
  — Short fishing seasons (88 days 1992-2006)
  — Market gluts
  — Low dockside prices
• High by-catch and discard mortality
• Safety-at-sea
Program description

Implementation date: January 1st, 2007.

Objectives: Amendment No. 26 to the GOM Reef fish FMP developed the IFQ program to:

a) reduce overcapacity, and
b) eliminate, to the extent possible, the problems associated with derby fishing.
Red Snapper IFQ Design Features

Eligibility: U.S. citizens or resident aliens with Class I and Class II (200 lbs red snapper trip allowance) licenses.

Initial allocation: shares proportional to landings over qualifying period.
   Class I license holders: 10 best consecutive years from 1990-2004.
   Class I historical captains license holders: 7 years from 1998-2004.

Transferability: IFQ shares and allocations can only be transferred to individuals and/or vessels with commercial reef fish permit during first 5 years. U.S. citizens and resident aliens thereafter.

Accumulation cap: 6.0203% of total shares.

Cost recovery: 3% of reported red snapper revenue
GOM Red Snapper Landings and Prices

Landings (mp gutted wt)

Price ($/lb gutted wt)

Landings
Ex-vessel price (100=2008)
Program successes and shortcomings

- Quota underage in 2007 and 2008
- Consolidation of shareholders (15%~546->466)
- Year round fishery (88 average-365 days)
- Nominal Dockside prices (17%)
- Increased efficiency

- Discards in West Florida
- Accuracy and validation of dockside, allocation and share prices
- Social impacts- unknown
- Ownership/production breakdown (sea lords)
- Management costly

**Cost recovery (~250K) is a benefit of the program as mandated by law**
Performance measures used to monitor IFQ program and/or fishery

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<th>Performance Metric</th>
<th>IFQ Objective</th>
<th>Fishery Objective</th>
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<tr>
<td>Landings to discard ratio</td>
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<tr>
<td>Percentage quota filled</td>
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<tr>
<td>No. shareholders</td>
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<td>Season length</td>
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<tr>
<td>Dockside, allocation and share prices</td>
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## Preferred Socio-economic Performance Metrics

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Reasons for not implementing “preferred” metrics:

Data gaps:
- Cost data (fixed and variable?)
- Crew employment and income

Other shortcomings:
- Quality issues with certain IFQ variables (mainly lease and allocation prices, but also dockside prices→cost recovery)
- Quality issues with permit files (e.g., vessel characteristics)
- (Potentially) need to beef up current cost and earnings data collections that rely on sampling segments of the fleet because as fleets become rationalized (smaller) the probability of a statistically valid representation of the IFQ segment decreases.
- Too much FTE effort devoted to data collection rather than analysis

Research gaps:
- Limited information on wholesale and retail sector (e.g., product flows, margins, prices)
- Community and household impacts (vulnerability, resilience).
Parting Thoughts

• Cursory review of the performance of the IFQ revealed preliminary success in meeting the set objectives. However, the collection of some of the proposed performance metrics may need to be strengthened.

• Development and monitoring of performance measures are (and should not take the place of) in-depth formal assessments, which probably should take place in 5-10 year intervals.

• Regions have multiple research management responsibilities which go beyond catch shares. Furthermore, many regional fisheries may not be good candidates for the catch shares. Therefore, greater attention to catch shares will require more resources (particularly FTE) for data collection and monitoring and, more importantly, applied research.