



# **GTF IFQ Program 5-Year Review**

Riverhead, NY

*October 2017*

# Legal Requirements

## ■ MSA

- Requires that LAPP undergo periodic formal and detailed reviews
- Assess whether the program is meeting management goals

## ■ Tilefish regulations under 50 CFR §648.294(i)

- *Periodic review of the IFQ program*

# Review Process

- FMAT was formed to conduct this review
  - MAFMC
  - NEFSC (SSB, Pop Dyn)
  - GARFO (FSO, SF)
- This review followed
  - Draft Guidance for Conducting Reviews of Catch Share Programs (NMFS)
  - Reviews previously conducted for Red Snapper IFQ fishery and LAGC IFQ Fishery Performance Evaluation (Atl. Scallop)

# Amendment 1

- Overall Goals and Objectives of FMP not changed
  - Prevent overfishing, rebuild the resource, prevent overcapitalization, limit new entrants, collect necessary data to manage fishery
- IFQ system was implemented to:
  1. To reduce overcapacity and lessen fishing effort in the commercial fishery
  2. And to eliminate, to the extent possible, the problems associated with derby-style-fishing

# Program Performance

- Trends in fishery post-IFQ implementation (FY 2010-2015) are compared against the baseline period (FY 2007-2009)
- To assess changes in the fishery
- When other baseline period used this was noted

# Reduce Overcapitalization

- Initial FMP identified 51 vessels (2001)
  - Full-time Tier 1; Full-time Tier 2; Part-time
- 31 vessels were eligible entities
- Amendment 1 to FMP identified 13 vessels to be eligible for the IFQ system

# Fleet & Effort Consolidation

## ■ Quota Utilization

- Baseline period = 94%
- FY 2010-2014 = 97%
- FY 2015 = 80% (lower catch rates, some inactive vessels, weather)

## ■ Vessel Participation

- Baseline period = 14
- FY 2010–2015 = 9 to 11

# Fleet & Effort Consolidation

- Following the fleet consolidation pattern, there was a decline in the total # trips, # days at sea
- But trend reversed in FY 2014-2015
  - Increasing dogfish and skate interactions
  - Poor weather
  - Declining catch rates as strong year class passes through



# Mitigating the Race to Fish

- FMP Implemented a limited access program
  - TAL is divided among
  - Incidental category (5% of the TAL)
  - Full-time Tier 1 category (66% of remaining TAL)
  - Full-time Tier 2 category (15% of remaining TAL)
  - Part-time category (19% of remaining TAL)
- Early Closures

# Mitigating the Race to Fish

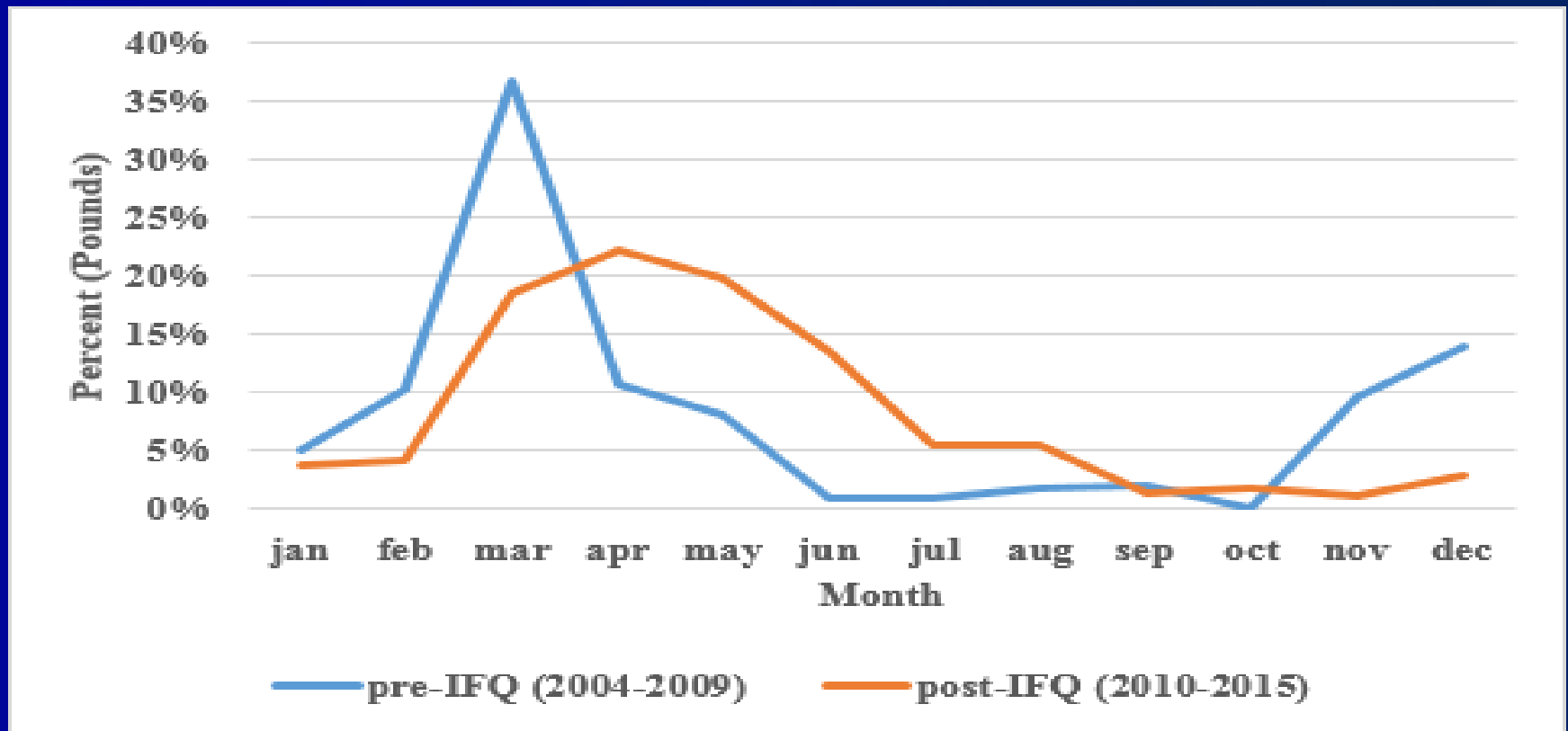
- Under Original FMP
  - Early closures resulted in a shortening of the fishing season
  - Averaged 310 days during the baseline period
- Since the IFQ system was implemented
  - The fishery has not experienced early closures
  - Year-round fishing season for all participants (365 days)

# Mitigating the Race to Fish

- Changes in landings patterns timing throughout the year
- Previous PT vessels (that qualified for IFQ and are currently active)
  - Pre-IFQ (2004-2009)
    - 75% landings during Nov – Mar period
    - 24% landings during April – October period
  - Post-IFQ (2010-2015)
    - 30% landings during Nov – Mar period
    - 70% landings during April - October period

# Mitigating the Race to Fish

Fig 5.

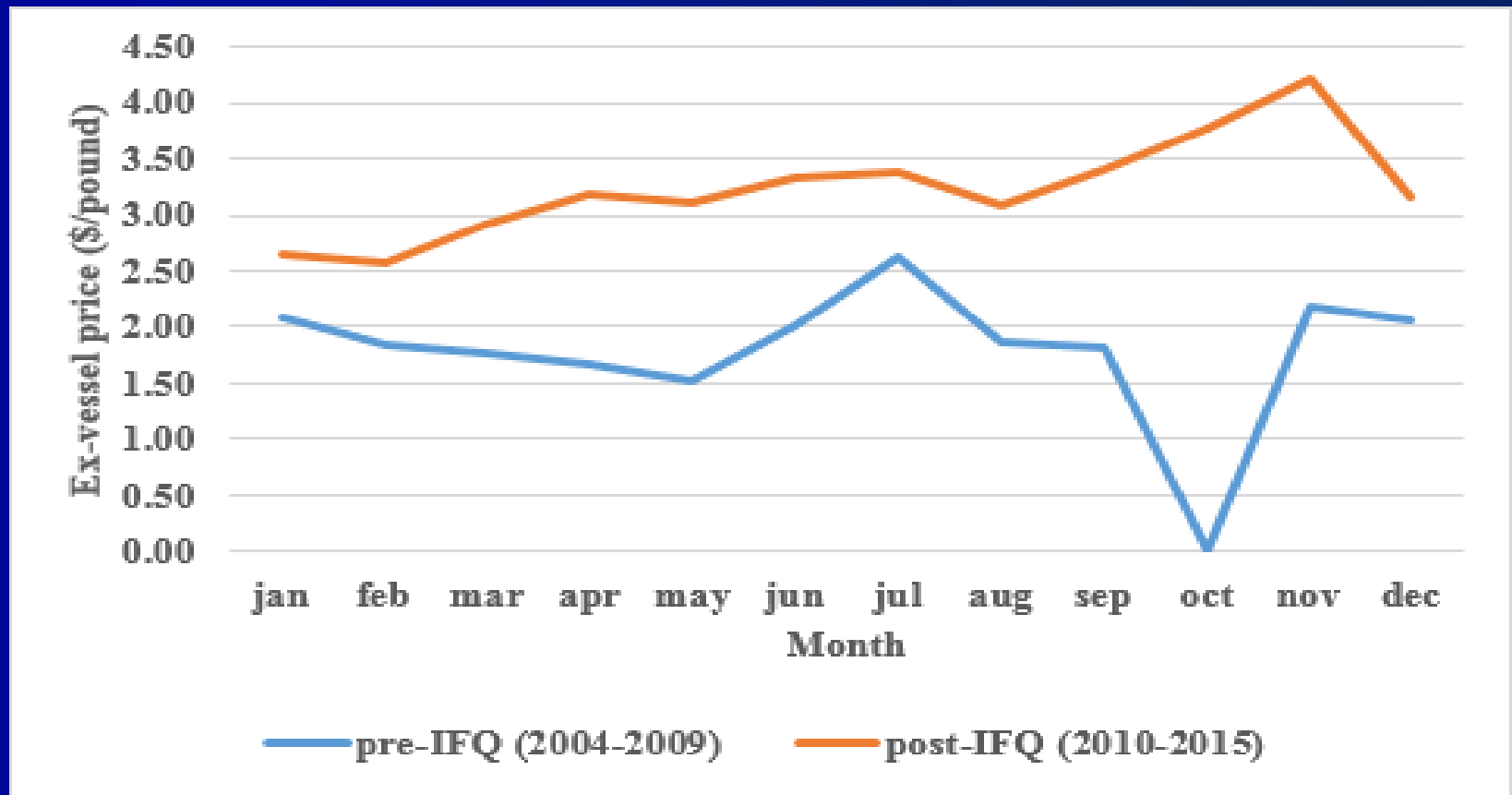


# Mitigating the Race to Fish

- Average ex-vessel prices (\$/pound) for PT vessels
  - Increased post-IFQ
  - Smaller variability from month-to-month
  - 55% increase in landings b/w pre-and post-IFQ
  - 162% increase in value b/w pre-and post-IFQ

# Mitigating the Race to Fish

Fig 5.



# Mitigating the Race to Fish

- For the entire directed fleet
  - Decrease in average # of fishing trips
    - 138 (2007-2009 pre-IFQ) to 116 (2010-2015 post-IFQ)
  - Decrease in average # of days absent
    - 1,074 (2007-2009 pre-IFQ) to 815 (2010-2015 post-IFQ)
  - Days absent per trip
    - 7.8 (2007-2009 pre-IFQ) to 6.9 (2010-2015 post-IFQ)

# Quota and Allocation Markets

- IFQ Permanent Transfers (sale)
  - Every year from FY 2010-2015, except FY 2014
  - Annual avg. 5.8% of permanent IFQ allocations transferred
  - 635,114 pounds
  - 11% to original allocation holders
  - 24% to new entrants



# Quota and Allocation Markets

- IFQ Permanent Transfers (sale, Cont'd)
  - Average price ranged between \$1.00 per pound and \$5.02 per pound
  - Average non-zero price of the quota allocation was \$2.69 per pound
  - Percentage allocation held by fishermen on a state-by-state basis have not changed
    - Allocations permanently sold were acquired by individuals in the same state

# Quota and Allocation Markets

- IFQ Allocation Leasing
  - 32 leases (FY 2010-2015)
  - Ranging from 4 to 6 per year
  - Max 6 leases in FY 2013-2015
  - Between 10% and 18% of overall total IFQ allocation leased annually (avg. 14%)
  - Averaging 254,088 pounds per year
  - Price ranging from \$0.49 to \$0.97 per pound
  - Average price \$0.73 per pound

# Research Needs

- Biological
  - Independent index of abundance lacking
  - Variability of recruitment
  - Uncertainty in projections
- Economic
  - Cost data
- Social and Community
  - A survey of crew members and vessel owners

# Recommended Program Changes

## ■ Cost Recovery

- Initial allocation holder is responsible for recoverable costs
- Allocations that are leased and landed must be traceable back to initial allocation holder
- Subleasing is prohibited – difficulty in tracking landings and leased pounds

# Recommended Program Changes

- Cost Recovery (Cont'd)
  - Also if vessel exceeds the allocation leased (and have no base allocation) the lessor is responsible for the incurred overage
  - Option
    - Recover cost from the allocation that lands
    - Increase efficiency (sub-leasing)
    - Downside - There may be less incentive to pay if there is no quota share, which could result in full costs not being recovered

# Recommended Program Changes

## ■ Fishing Year

- IFQ allocation usage
  - Nov 1 – Oct 31
- Costs are recovered
  - Jan 1 – Dec 31
- Causes administrative difficulties
  - Cost recovery year transverses two FY and vice versa

# Recommended Program Changes

- Fishing Year (Cont'd)
  - Unify allocation usage monitoring and cost recovery to a single 12-month period
    - Could decrease administrative cost
    - Implications for workload

# Summary and Conclusions

- Participant Consolidation and Overcapacity
  - *Finding #1: The GTF-IFQ program has resulted in a moderate reduction of overcapacity*
    - 25% reduction in the # vessels
    - # allocation holders has remained relatively stable
    - # dealers remained steady since IFQ implementation



# Summary and Conclusions (Cont'd)

- Mitigating the Race to Fish
  - *Finding #2: The GTF-IFQ program was successful in mitigating the race to fish. The program has allowed fishermen to land golden tilefish year-round*
    - Year-round fishery
    - No closures
    - Increase in ex-vessel price

# Summary and Conclusions (Cont'd)

- Program has largely meet initial program goals
- Fleet-wide positive economic trends
- No major modifications to the program are needed
- Minor improvements to the program are possible and recommended



# Golden Tilefish Individual Fishing Quota Program 5-Year Review

Questions?