



# **Golden Tilefish Catch Share Program Review**

*December 13, 2023*

# Today

- Background on Catch Share Program Review
- Current and next steps to complete Review
- Presentation from Northern Economic, Inc. on the Review Report

# Background

- NOAA Catch Share Policy
  - All Limited Access Privilege Programs should be reviewed
- First Review, 2017: FYs 2010-2015
- Council added a second review to 2023 Implementation Plan
- Presentation from Northern Economic, Inc. on the Review Report
  - 2023 Review: FYs 2016-2021

# Oversight Team

- Provided oversight of review report development
- Facilitate data access through GARFO/NEFSC, and other needs

GTF IFQ Program Review Oversight Team		
Team Member	Organization	Team Role/Area of Expertise
José Montañez	MAFMC	Council staff lead for GTF IFQ Program Review
Dough Potts	NMFS GARFO	GARFO lead for GTF IFQ Program Review
Samantha Werner	NMFS NEFSC	Fisheries economist
Paul Nitschke	NMFS NEFSC	Lead stock assessment scientist
Kristopher Winiarski	NMFS GARFO	Fisheries database expert
Uvi Ajavon	NMFS GARFO	Permits/allocations
Julie Mackey	NMFS GARFO	IFQ cost recovery

# The Contractor

- Northern Economic, Inc.
- Substantial expertise in catch share program reviews and fisheries issues

## Preparers

Team Member	Project Role
Melissa Errend	Project Manager, Lead Author
Donald Schug	Socioeconomic Analyst, Lead Author
Marcus Hartley	Senior Economist
Terri Mccoy	Technical Editor

# The Review

- Review Report developed consistent with NMFS Procedural Directive 01-121-01, *Guidance for Conducting Review of Catch Share Programs*
- Included Guidance Elements and Key Areas for Review
- Addressed Biological, Economic, Social, and Administrative elements and other requirements for review

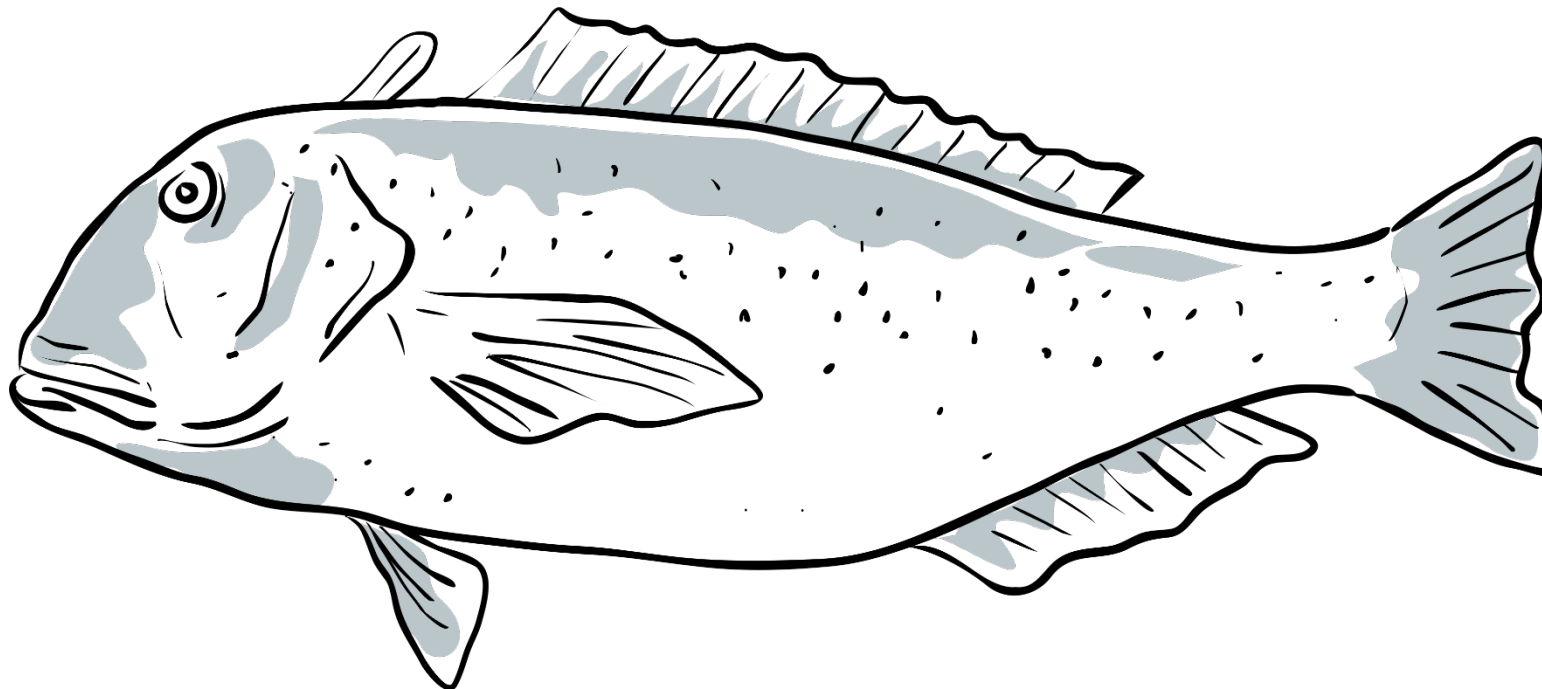
# Next Steps

December 13, 2023	Presentation from NEI Begin 30-day Public Comment Period
January 12, 2024	Online comment period closes Comments summarized
January 23, 2024	Oversight Team meets Develops recommendations for Council (actions)
April 2024 Council meeting	Present Oversight Team recommendations for next steps*
* Staff recommend they be tasked to identify how best to implement in time for 2025 Implementation Plan.	

# 12-year Review of the Golden Tilefish IFQ Program

Presentation to the Mid-Atlantic Fishery Management Council

December 13, 2023





# Overview

- First review of the program completed in 2017 covered FY2010-FY2015
- This review updates through FY2021
- Focus is to identify any changes since the last review
- Program Performance Topics:
  - Economic
  - Social and Community
  - Biological
  - Administrative



# Goals and Objectives

- Reduce overcapacity and latent fishing effort in the commercial fishery
- Eliminate, to the extent possible, the problems associated with derby-style fishing



# Today

- Review major economic and community conclusions and findings
- Answer questions



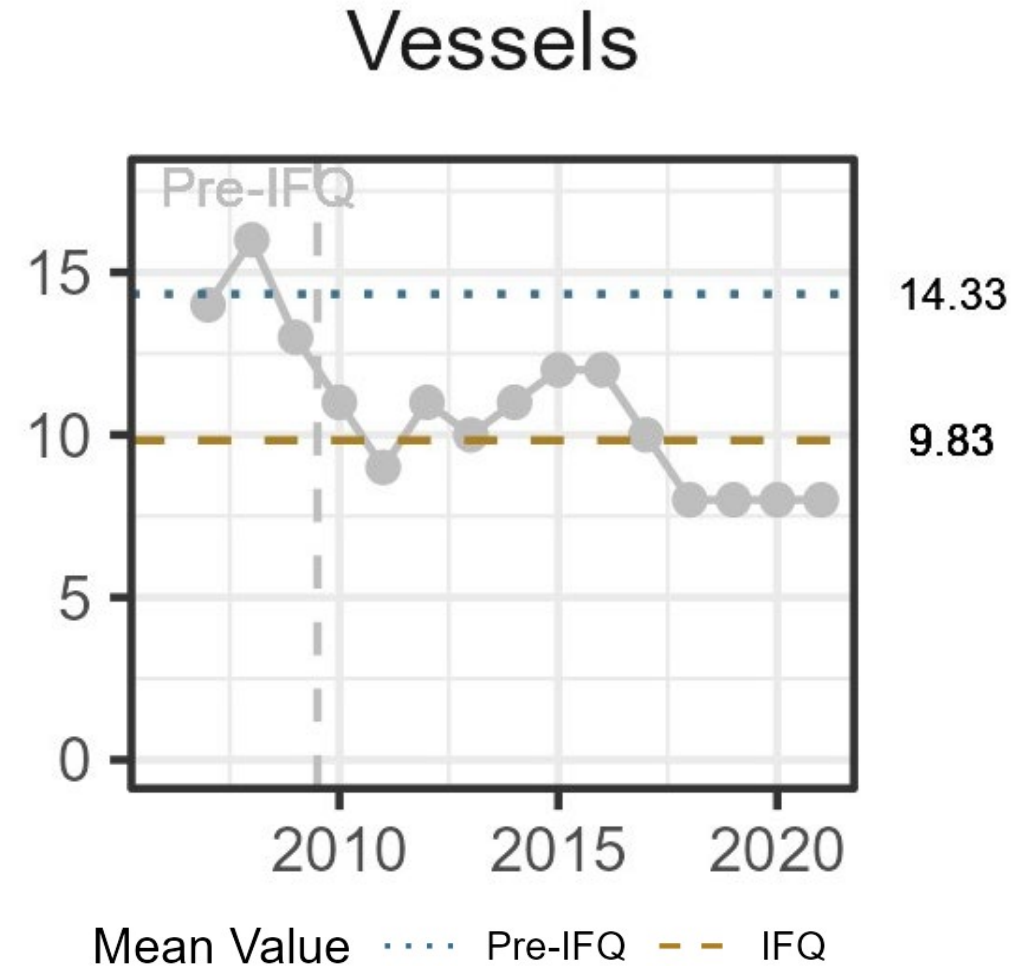


# Economic Outcomes



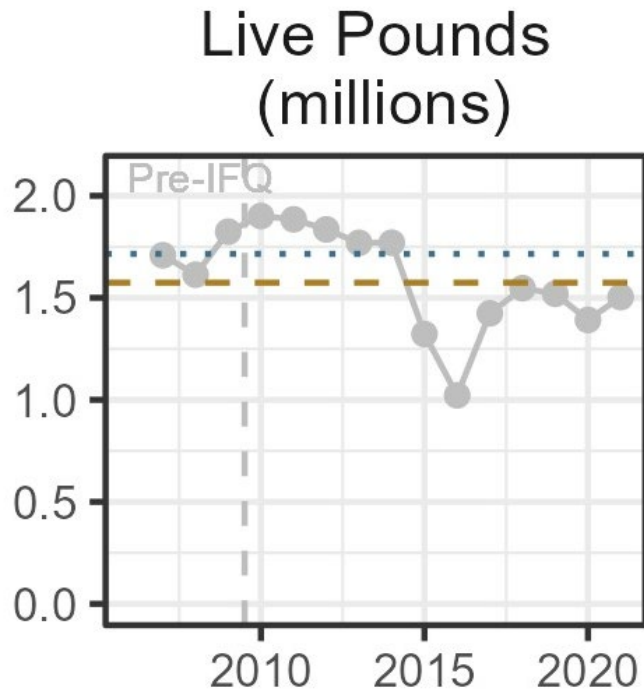
# The Fleet Has Continued to Shrink

- Number of active IFQ vessels decreased between FY2015 and FY2021 from 12 in FY2016 to 8 since FY2018
- Decline in fishing effort is consistent with meeting goal of reducing overcapitalization

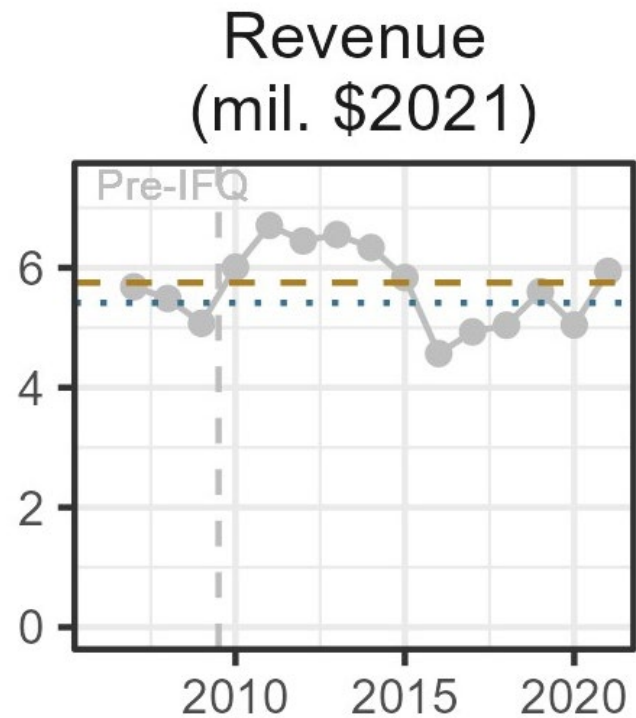


# Vessel Earnings Increased Despite Lower Landings

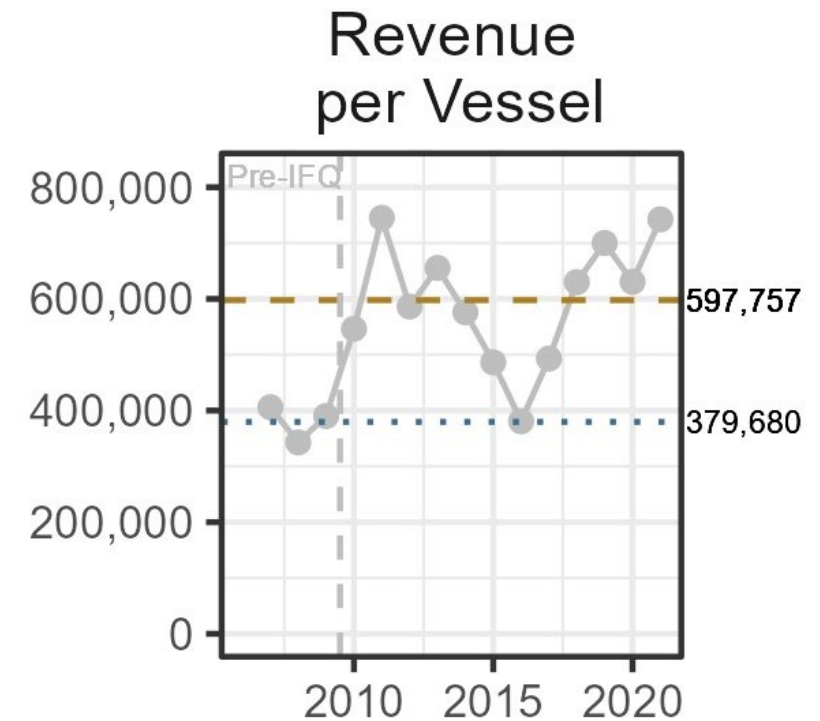
- Despite lower quotas and landings, earnings remain higher on average



1.72  
1.57



5.75  
5.47



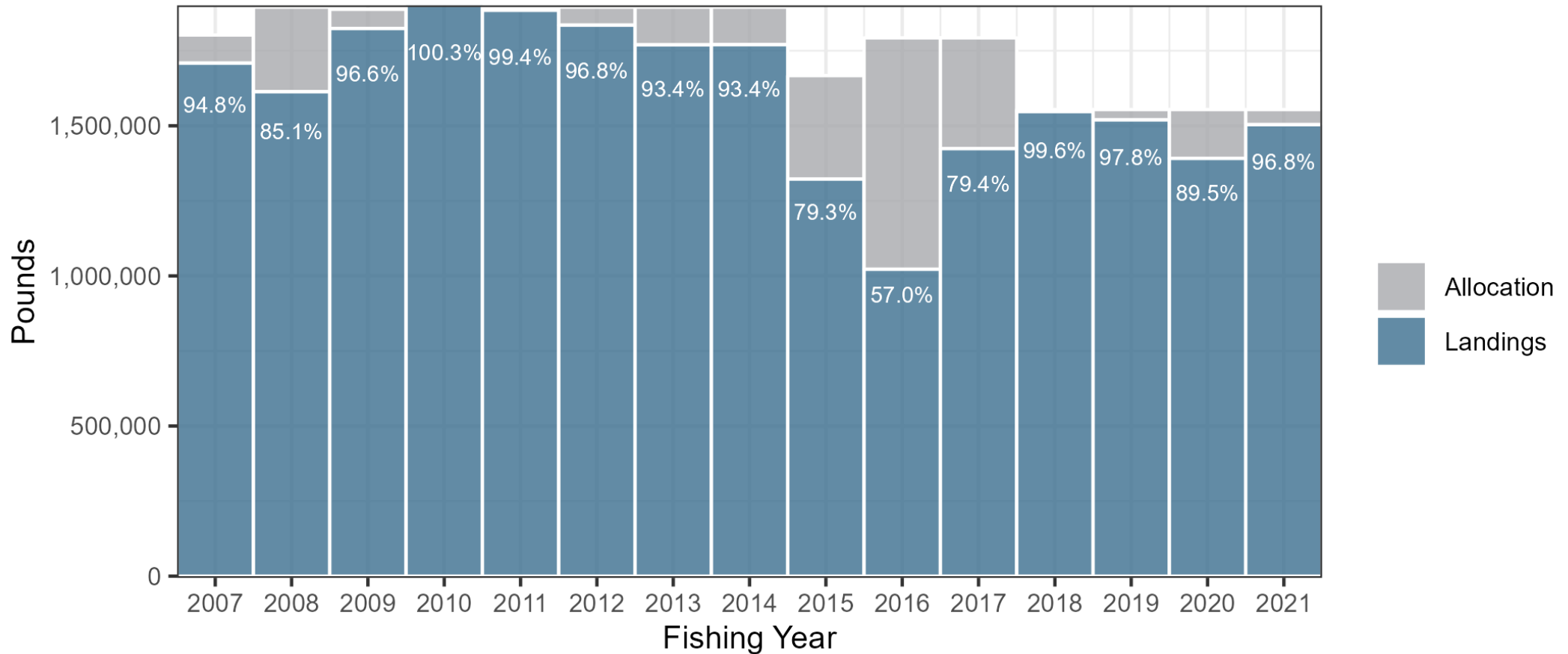
597,757

379,680

Mean Value    ···· Pre-IFQ    - - - IFQ

# Utilization is Lower on Average

- Low CPUE and vessel inactivity in some years contributed to low utilization



# Share Ownership Has Continued to Consolidate

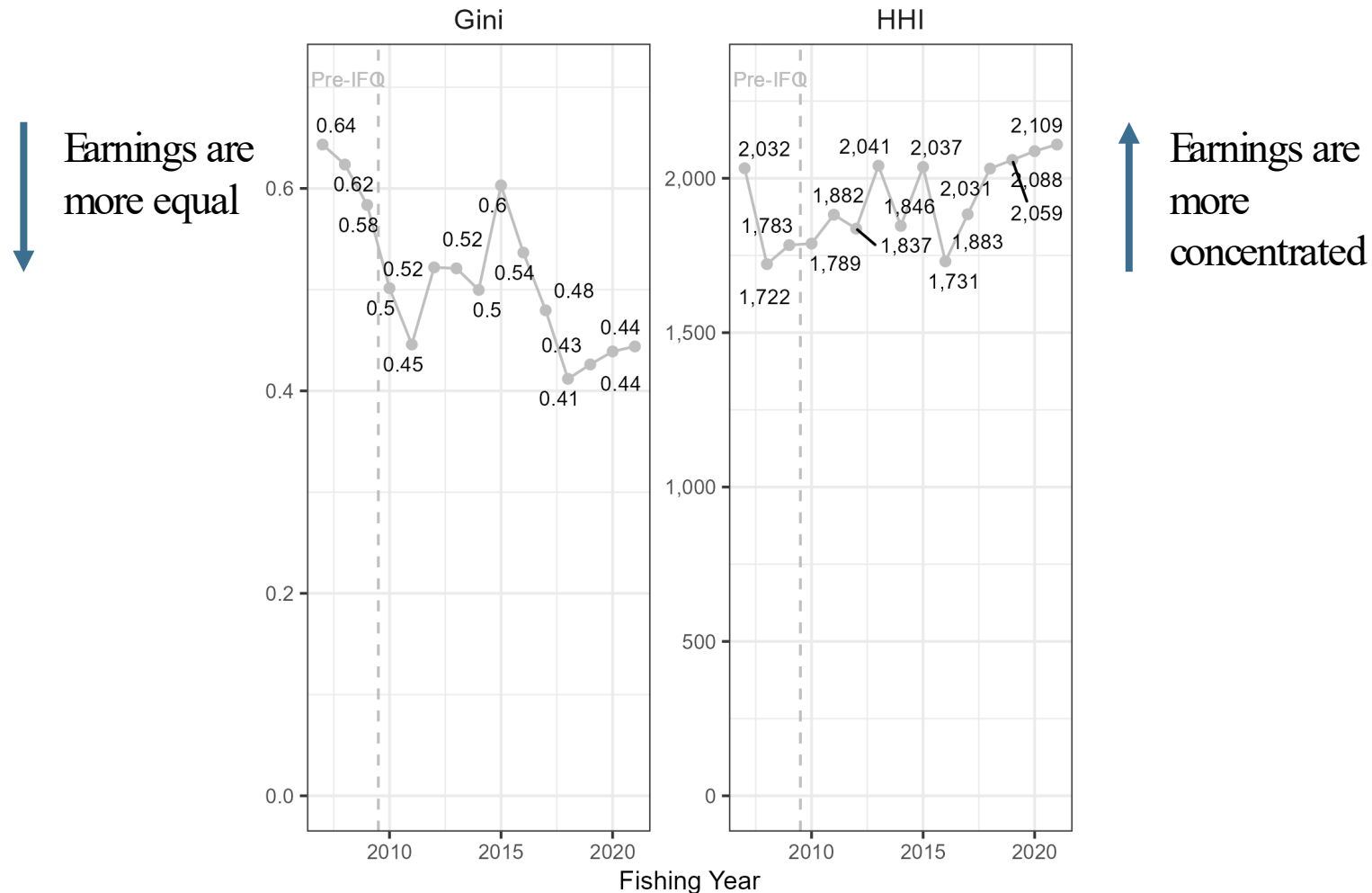
- The number of entities owning quota shares has decreased from 13 to 10
- No entity exceeds the share cap of 49%





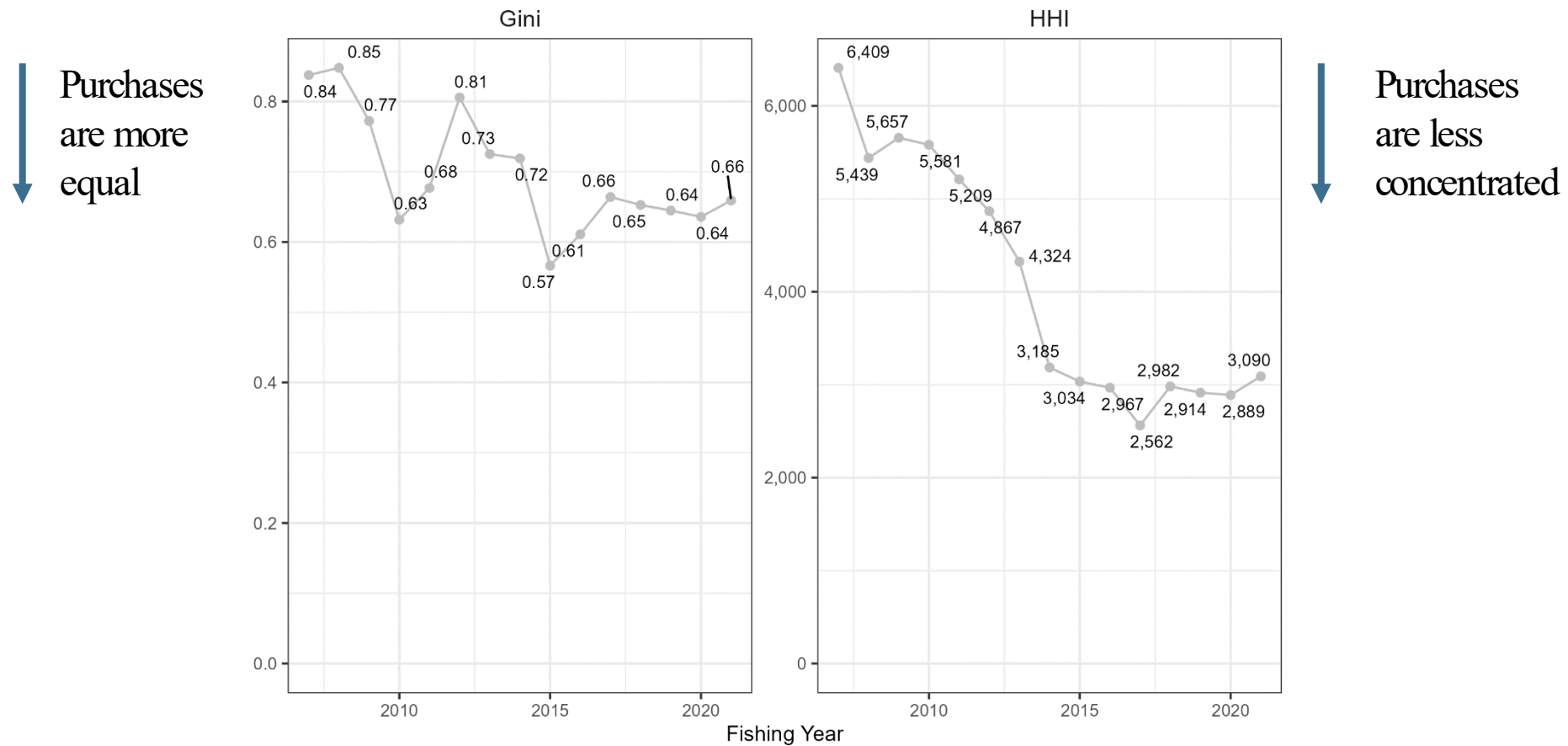
# Vessel Earnings are More Concentrated, also M

- Earnings remain 'moderately' concentrated across vessels but have become more equal



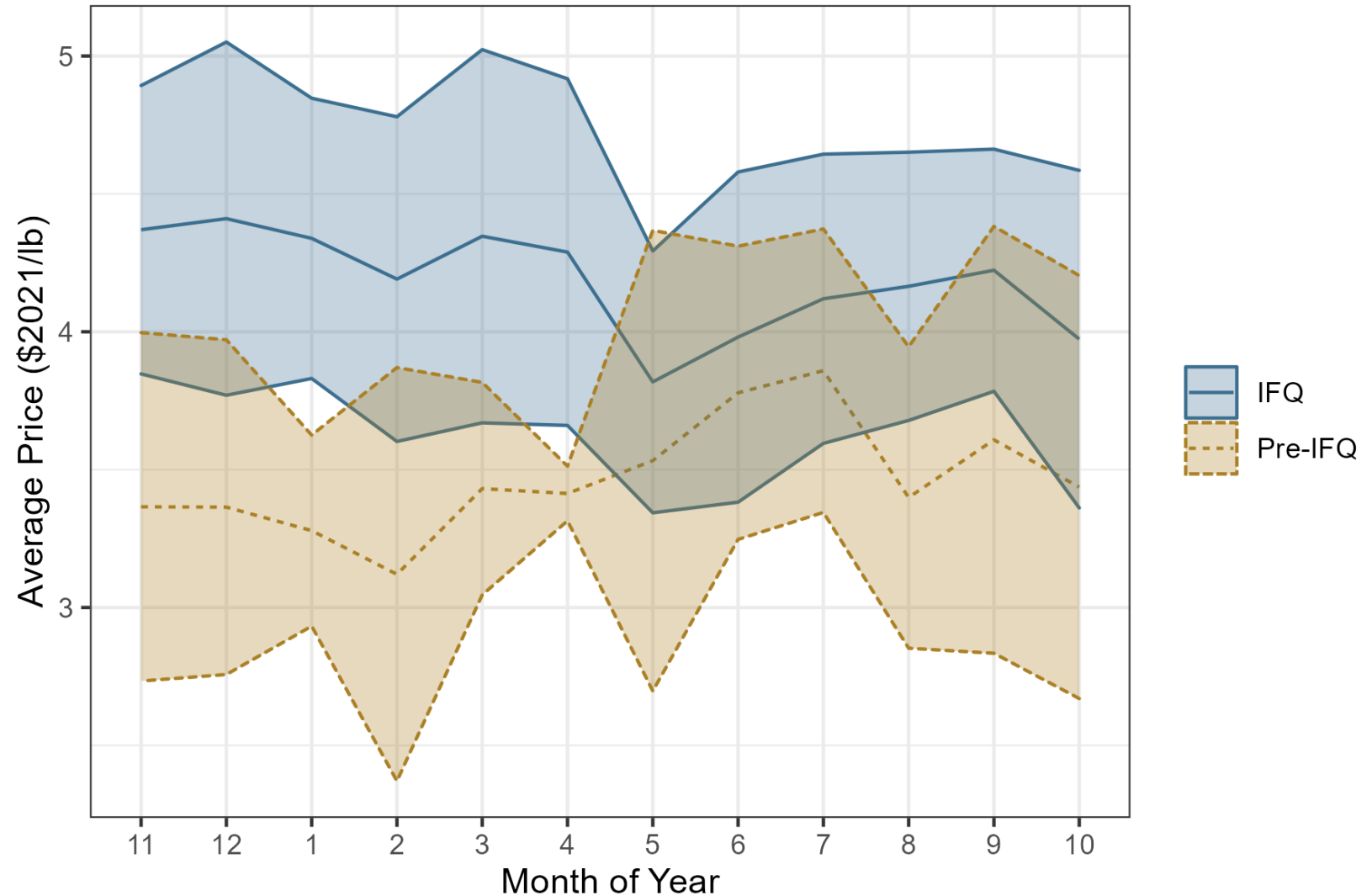
# Dealer Purchasing Less Concentrated, More Eq

- Number of dealers decreased from 12 to 8



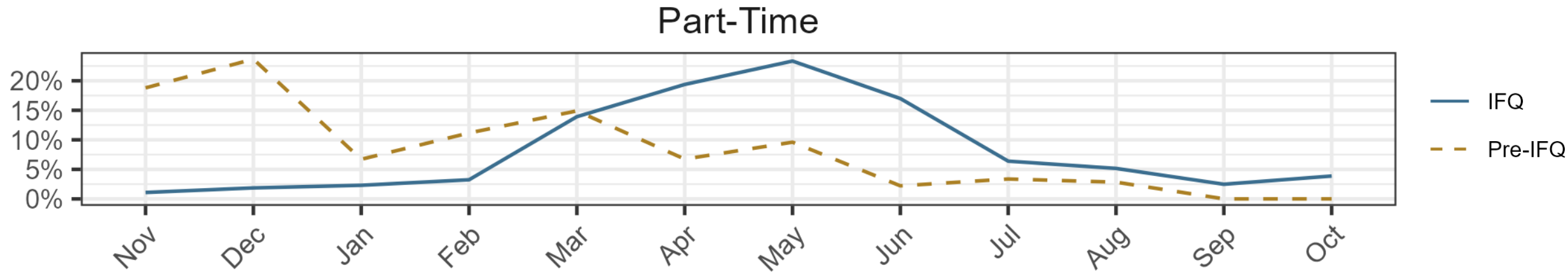
# Prices are Higher Under the IFQ Program

- Average prices increased from \$3.47 to \$4.04
- In the first 6 months of the fishing year, prices increased by \$1.00

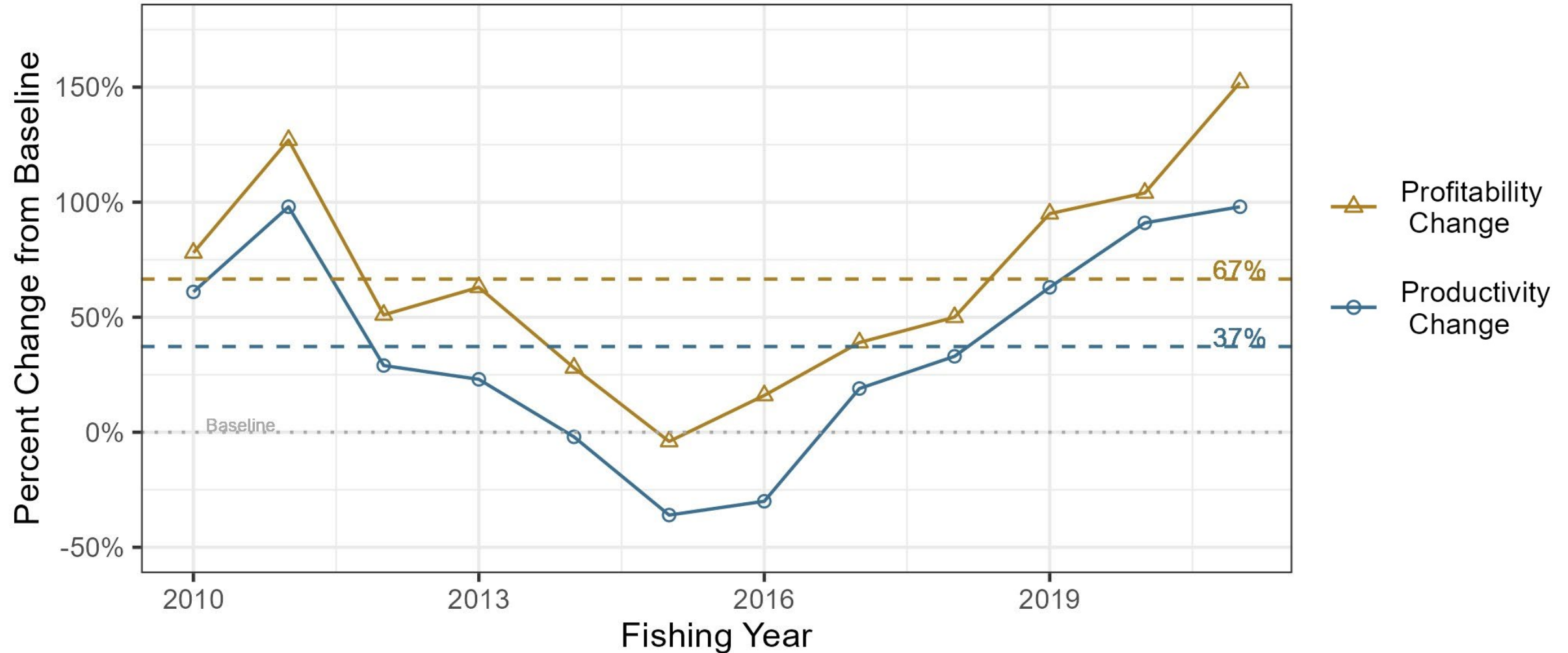


# Effort has Shifted to Later in the Fishing Year

- Shifts in effort, end of race to fish apparent for previous Tier 2 and Part Time vessels

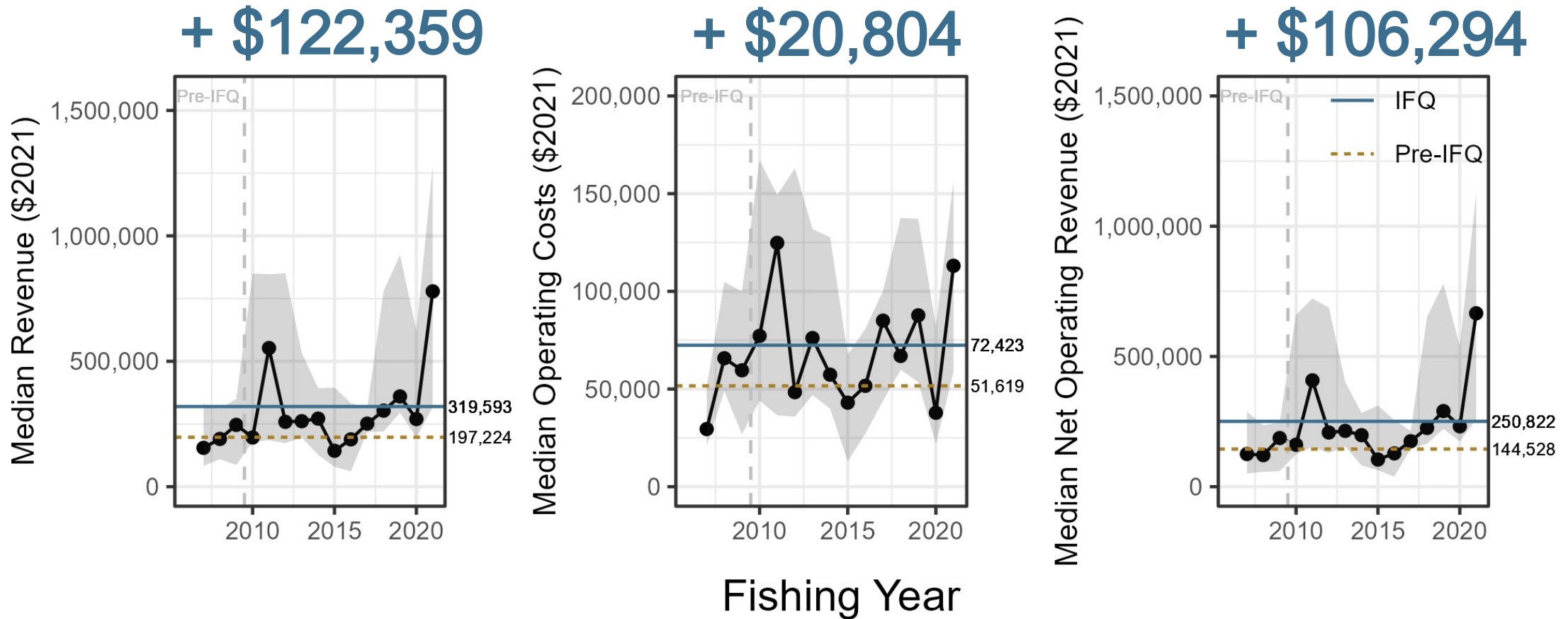


# Productivity and Profitability Have Increased, on



# Net Operating Revenue Increased, on Average

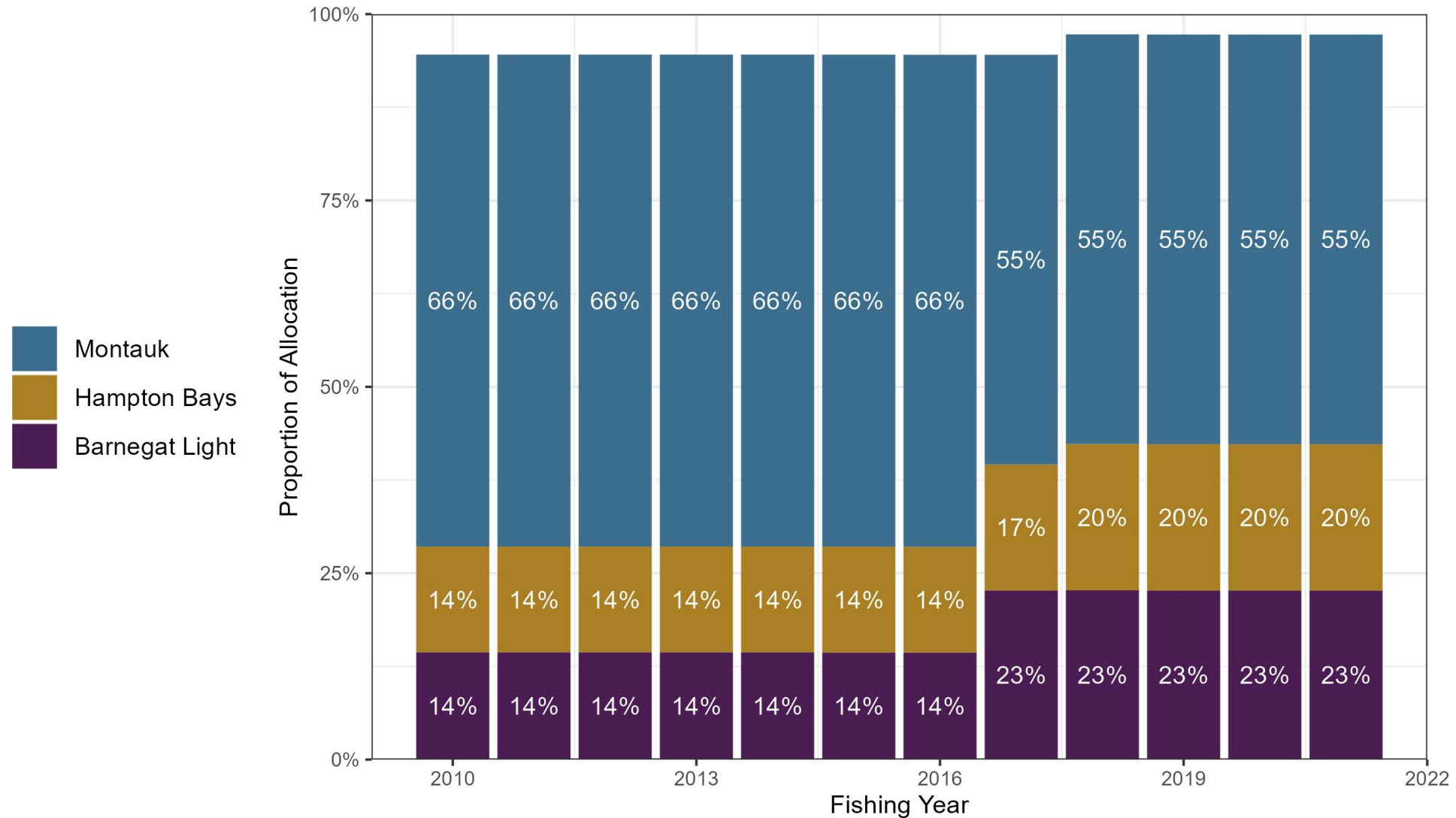
- Median vessel operating costs increased, but not as much as revenue





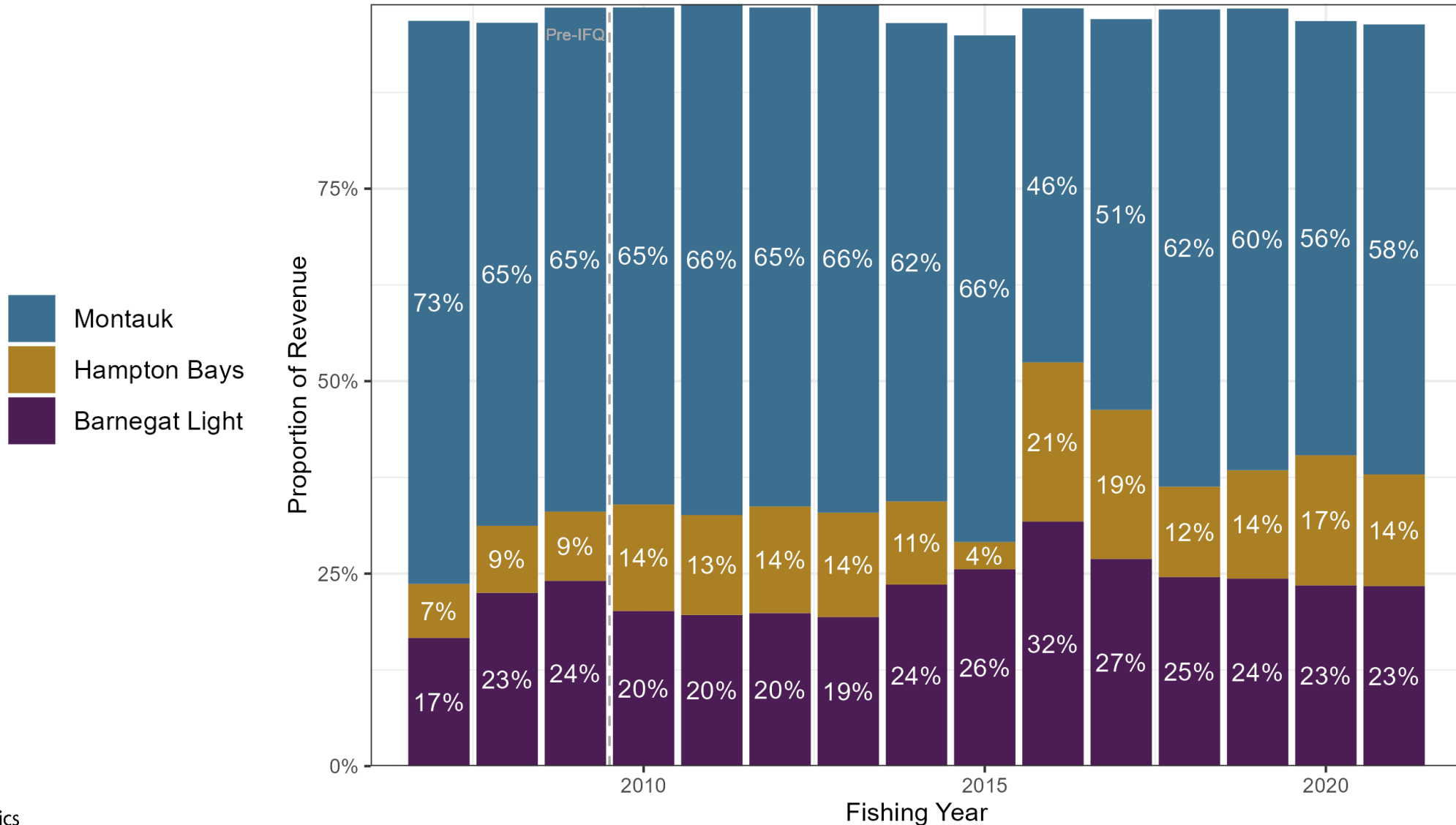
# Social and Community Impacts

# IFQ Shareholdings are Concentrated in Three P



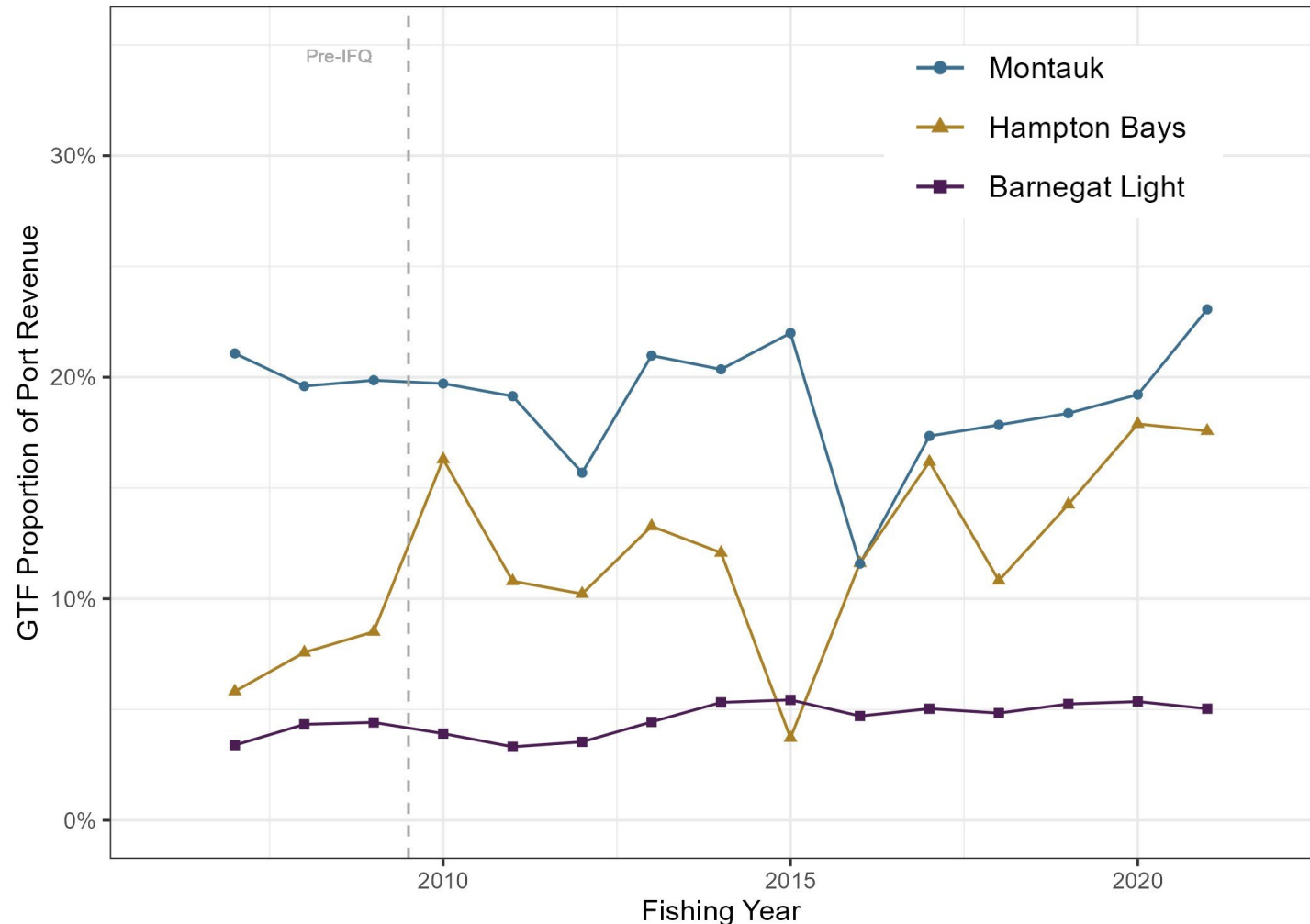


# Montauk Remains the Dominant Port of Landing



# Community Dependence

- Community dependence on golden tilefish ranged from 5% to 20% on average



# Participant Perspectives

- Many participants feel GIF IFQ Program has:
  - Stabilized landings
  - Increased flexibility
  - Increased prices
  - Improved outcomes overall
- Some feel:
  - Would like to increase participation but can't acquire enough quota
  - Were pushed out and can't re-enter, or feel it is not worthwhile



# Other Impacts



# Other Impacts

- **Safety:**

- No reported safety incidents during the FY2016-FY2021 period

- **Administrative:**

- Few reported enforcement violations with respect to vessels who fish in the fishery
- Cost recovery fees since FY2016 averaged 0.56% of ex-vessel value

- **Biological:**

- No expected impacts, discards and catch of other species continues to be low



# Other Impacts (cont.)

- **Incidental Fishery:**
  - No evidence of negative impacts to incidental fishery
  - Incidental fishery benefits from ability to land small quantities of golden tilefish or lease shares if desirable
- **Recreational Fishery:**
  - No evidence of negative impacts to recreational fishery
  - Flexibility for commercial fishery to time their operations may benefit recreational fishery by limiting spatial or temporal conflicts

# Recommendations

- Small size of fishery is increasingly constraining for non-confidential representations of data
- Recommend determining alternative metrics and indicators suitable for evaluating changes



# Overall Conclusions

- ✓ Reduce overcapacity and latent fishing effort in the commercial fishery
  - Number of active vessels and entities holding shares continued to decline
  
- ✓ Eliminate, to the extent possible, problems associated with derby-style fishing
  - Effort more spread out within the fishing year
  - Prices higher than in the baseline period
  - Participants see benefits of increased flexibility to time landings and avoid gluts





# Thank you!



This report benefitted from interviews with industry and community members. In addition, considerable effort from MAMFC and NOAA Fisheries staff went into gathering data, providing analyses, and reviewing draft materials, specifically:

- José Montañez
- Samantha Werner
- Paul Nitschke
- Kris Winiarski
- Doug Potts
- Uvi Ajavon
- John Walden