

Science, Service, Stewardship



Gulf of Mexico IFQ Programs: Red Snapper & Grouper-Tilefish

NOAA

Jessica A Stephen
Southeast Regional Office
St Petersburg, FL

**NOAA
FISHERIES
SERVICE**

April 4, 2011

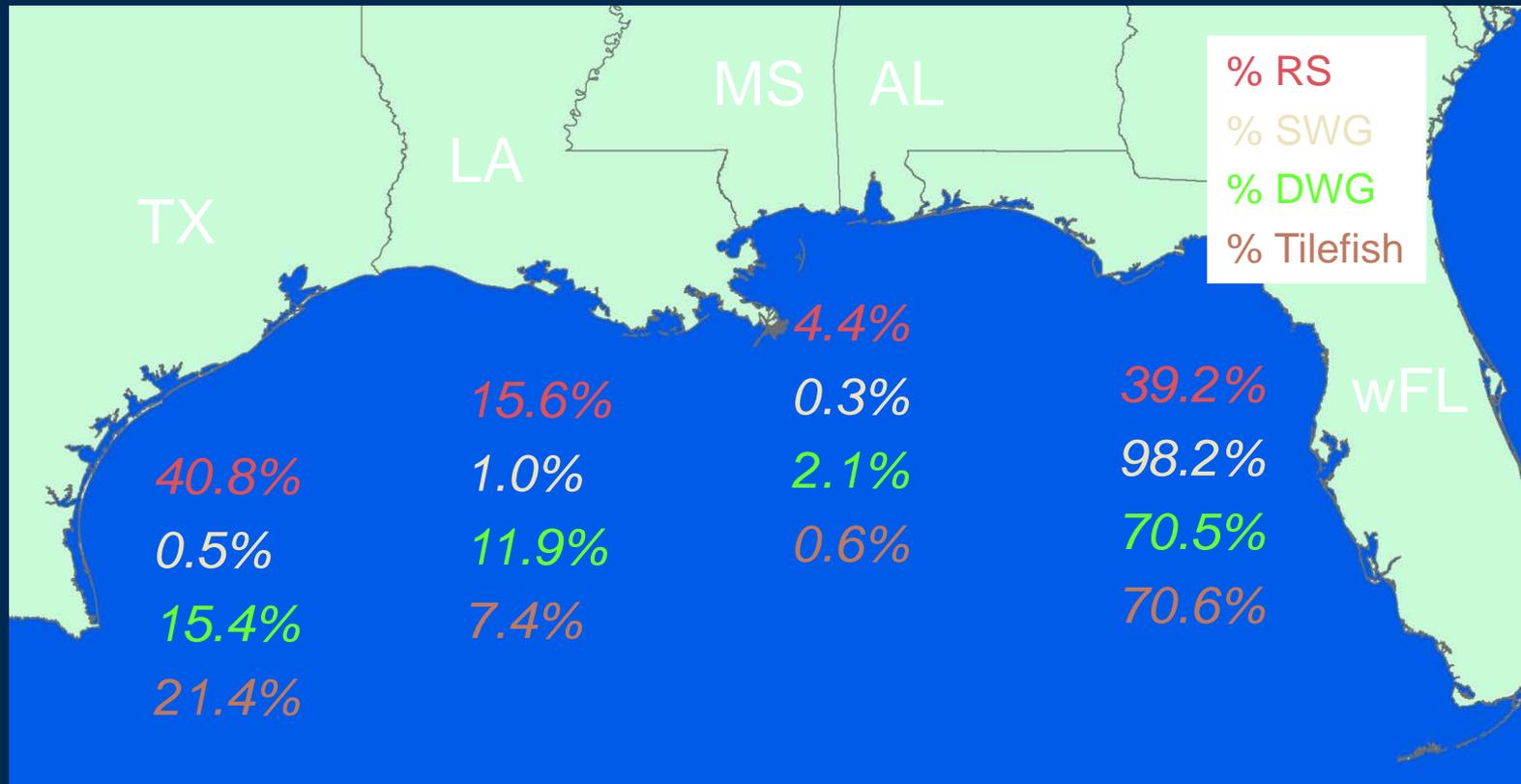


GOM IFQ Programs





Percentage of landings



Source: avg. ALS landings



GOM Fishery





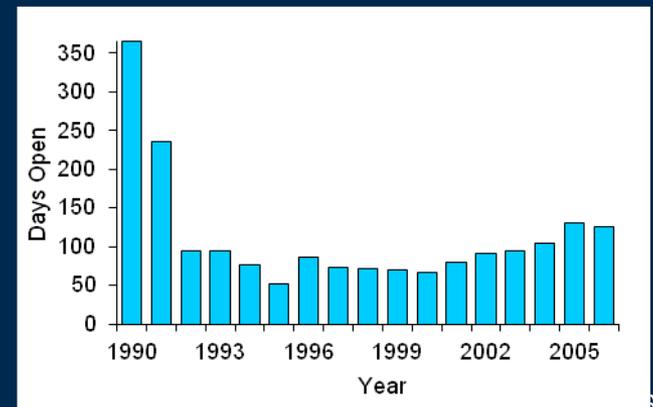
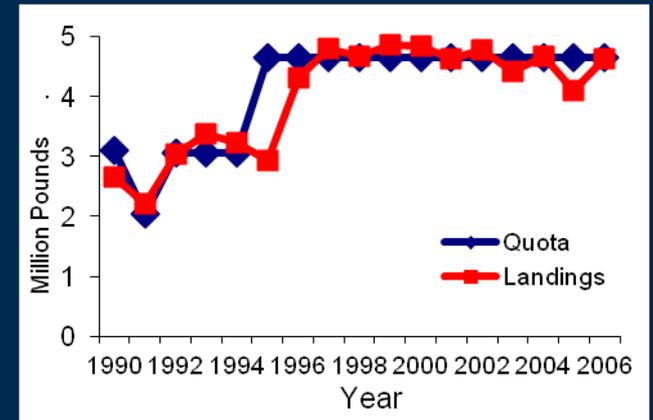
Demographics

- Primarily a small operator or small business industry
- 426 IFQ accounts are owned by a business
- 827 IFQ accounts are owned by individual(s)
- 1 - 7 vessels per account, average 1.25
- Many shareholders also get dealer permits



Need for an IFQ

- Overcapitalized, derby fishery
- Quota Overages
- Short fishing seasons
- Safety at-sea
- Market gluts
- High by-catch and discards
- High operating costs





Objectives

- Reduce overcapacity
- Mitigate derby fishing conditions
- Benefits:
 - Elimination of short fishing seasons
 - Improve at-sea safety
 - Increase market stability
 - Increased flexibility
 - Cost-effective & enforceable management





NOAA FISHERIES SERVICE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Individual Fishing Quota Online System Gulf Reef Fish

OMB Control Nos. 0648-0551 Exp. Date 11/30/2014
0648-0587 Exp. Date 07/31/2012

OPERATIONAL
v1.2.4

Home Accounts Shares Landing Locations Notifications Landings Cost Recovery Messages Update Account **Log Out**

Today is Wednesday, March 28, 2012

Welcome STEPHEN, JESSICA

Welcome to the Individual Fishing Quota Program for Gulf Reef Fish - Manager Home

Commercial Quotas/Catch Allowances for 2012 in gutted pounds

Share Category	Share Cap %	Quota/Catch Allowance	2012 Landings	% Quota Landed	Quota Remaining
DEEP WATER GROUPER	14.704321	1,127,000	128,194	11.3	998,806
GAG GROUPER	2.349938	567,000	177,330	31.2	389,670
OTHER SHALLOW WATER	7.266147	509,000	69,222	13.5	439,778
RED GROUPER	4.331882	5,370,000	1,473,752	27.4	3,896,248
RED SNAPPER	6.020300	3,300,901	951,708	28.8	2,349,193
TILEFISH	12.212356	582,000	70,800	12.1	511,200

IFQ Customer Support Toll-Free 866-425-7627

IFQ Customer Support Email SER-IFQ.Support@noaa.gov

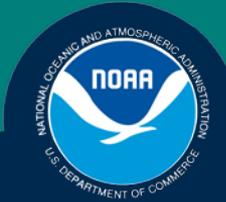
[Troubleshooting Guide \(Last Updated: June 24, 2011\)](#)

[Reminders Regarding the Individual Fishing Quota \(IFQ\) Program in the Gulf of Mexico \(11/30/2010\)](#)

[Frequently Asked Questions \(Last Updated: October 2011\)](#)

[Additional Documents](#)

WARNING: Using the browser's refresh or back button will log you out of the application. All unsaved transactions will be lost.



Program Basics

- On-line program – real-time tracking
- 3 main roles:
 - Shareholder account
 - Vessel Account
 - Dealer Account
- Accounts are unique set of individuals
 - Must match permit
- Lifetime accounts



Eligibility



Account	Action	Red Snapper	Grouper-Tilefish
Shareholder	Obtain account	Public	Valid reef fish permit*
	Maintain account	Validate US citizenship every two years	
	Buy shares or allocation	All accounts	Valid reef fish permit*
	Sell shares or allocation	Any account	
	Harvest fish	Valid reef fish permit	
Dealer	Obtain account	Valid commercial dealer permit	
	Maintain account	Permit and pay cost-recovery	



Initial distributions

- Held reef fish permit at time of IFQ implementation
- Amount of shares based on:
 - Historical catch
 - Class 1: best 10 consecutive years 1990-2004
 - Class 1 historical captains: 7 years from 1998-2004
 - Class 2: best 5 consecutive years 1998-2004
 - Grouper-Tilefish: best 5 years from 1999-2004
- Appeals process
 - Set aside quota for appeals
 - Based on permit ownership, accuracy & assignment of landings



Share and Allocation Caps

- Share caps per share category
- Share caps are on an *individual* level
- Required to submit corporate ownership information
 - Used to determine individual share cap

NOAA
FISHERIES
SERVICE



Sole owner
100% owner
Acct shares: 0.50

Ind. shares: 0.50



Joint ownership
3 owners: 33% owner
Acct shares: 1.00

Ind. shares: 0.33



Corporation
25% shareholder
Acct shares 0.25

Ind. shares: 0.0625

Total: $0.50 + 0.33 + 0.0625 = 0.8925$



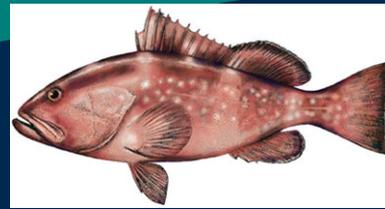
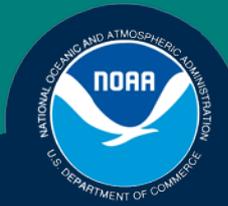
Share and Allocation Caps

- Share caps per share category
- Share caps are on an *individual* level
- Required to submit corporate ownership information
- Cap = highest % at start of the program
- Allocation caps only in Grouper-Tilefish
 - One cap for all categories
 - Based on share caps – changes as quota changes



Shares, Allocation, and Landings

- Shares are lifetime
- Allocation is annual
- Flexibility Measures
 - 10% Overage
 - Once-per-year
 - Must own shares
 - Multi-species share categories
 - Multi-use allocation
 - Reduce by-catch



1,000 lbs



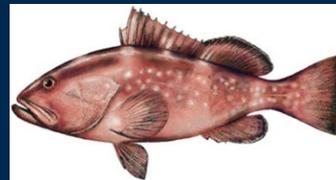
96%



4%

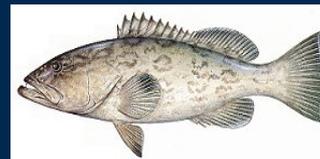


960 lbs



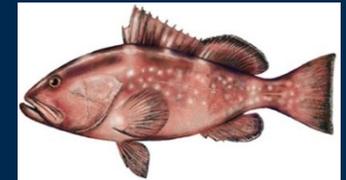
40 lbs

OR



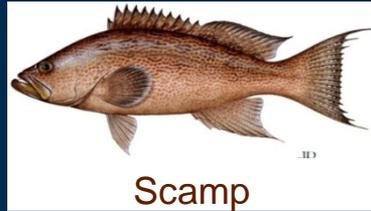
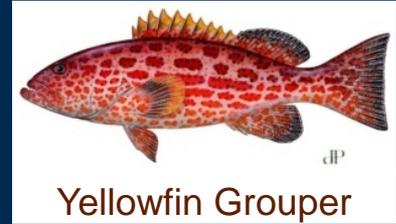
40 lbs

OR



total =
40 lbs

Shallow Water Grouper



SWG flexibility

DWG flexibility

SWG flexibility

Deep Water Grouper



Monitoring and Enforcement

- VMS required
- Advanced landing notification
 - Includes location, time, estimated pounds
- Pre-approved landing locations
- Approved dealers
- Restrict off-loading times
- On-line landing transaction



Declare fishing trip prior to leaving port via VMS/phone



3-12 hour advanced landing notification via VMS, online system or phone. Must have sufficient allocation on vessel at time of notification.



Online landing transaction

Offloading at IFQ dealer
(6 am - 6 pm)



Land at pre-approved location



Results to date (Red Snapper)

- Reduce overcapacity
 - Share consolidation (25% decrease)
 - Effort consolidation
 - Vessels, trips, days away
- Mitigate derby fishery / Increase flexibility
 - Year-round landings
 - At-sea safety
 - Buy shares/allocation in both programs
 - Increasing quota



Results to date (Red Snapper)

- Management
 - 3 hour notifications and VMS
 - Number of seizures related to IFQ species decreased over time
 - On-line system prevents landings without allocation for IFQ dealers
 - >95% quota landed each year
 - Cost-recovery



Results to date (red snapper)

- By-catch
 - Allocation bought for by-catch
 - Decreasing bycatch in some areas
 - Geographic and gear differences
- Market Stability
 - Hard to assess
 - Reporting compliance

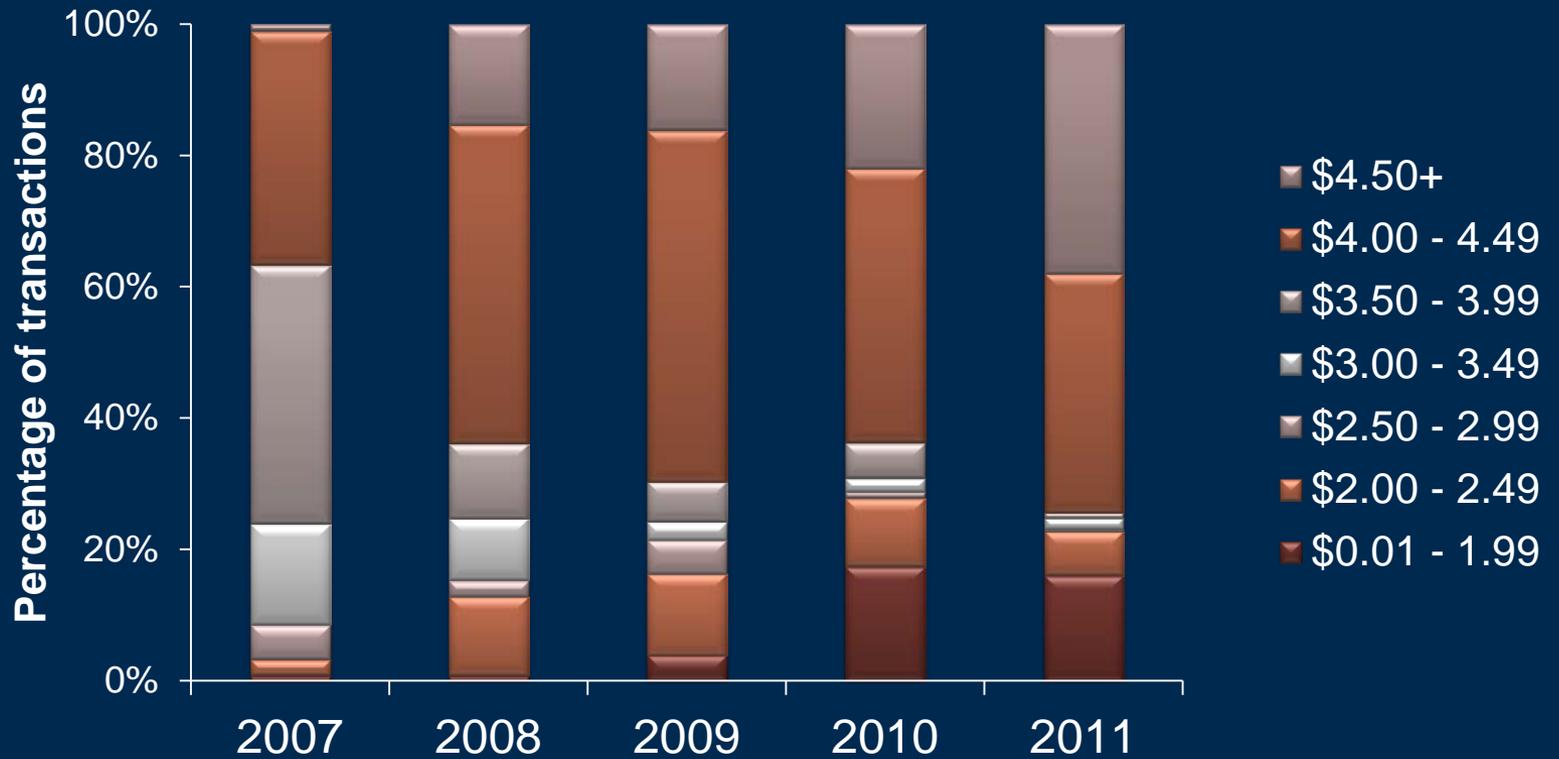


Results to date (red snapper)

	2007	2008	2009	2010	2011
Share price transactions used in analysis (%)	92%	93%	96%	61%	40%
Average price paid per 0.0001% share	\$20.12	\$23.51	\$34.85	\$44.90	\$42.27
Median price paid per 0.0001% share	\$20.06	\$27.54	\$45.87	\$45.87	\$40.32
Transactions used in price analysis (%)	27%	27%	37%	22%	25%
Average \$/pound	\$1.80	\$2.21	\$2.63	\$2.76	\$2.79
Median \$/pound	\$2.00	\$2.25	\$3.00	\$3.00	\$3.00



Results to date (red snapper)





Lessons Learned: Prior to Implementation

- Establish and involve an Advisory Panel
- Involve all groups (e.g. OLE, VMS)
- Timetable for implementation
 - Lengthy process
 - Administrative tools are in place
 - Time to gather historical catch information
- Identify and create tools for customer service
- Industry awareness
 - Workshops
 - Educational material



Lessons Learned Since

- Database Design
 - Significant change in our database design/web interface in 2010
 - Current system model for Pacific northwest IFQ
 - Species dropped from IFQ
- Tools
 - Online ledgers (allocation and shares)
 - Share-calculator spreadsheet
 - Laminated fact sheets



Lessons Learned Since

- Definitions of terms
 - Actual ex-vessel price
 - Weight of fish
- Economic Information
 - Hard to get accurate share or allocation price information
- Auditing tools
 - Linking landing notifications to landing transactions
 - Current address information



Lessons Learned Since

- Public participation
 - Methods to track public only participants
 - Current address information
- Public outreach
 - Face to face meetings
- Oil Spill
 - Fishery functioned differently



Future directions

- Integrate IFQ and trip ticket programs
- Five year review
- Integrate other programs into our system
 - SA Wreckfish ITQ program
 - SA Golden Crab IFQ program
 - Headboat pilot IFQ program
 - GOM shark IFQ program