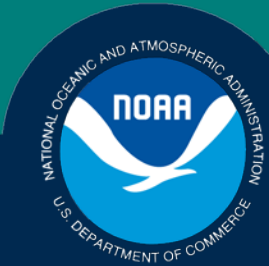


Science, Service, Stewardship



Performance of the Northeast Groundfish Fishery

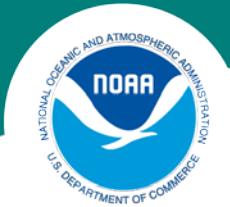
Tammy Murphy, Andrew Kitts, David Records, Chad Demarest,
Matthew McPherson, John Walden, Daniel Caless*, Evan Bing—
Sawyer, Scott Steinback and Julia Olson

Social Sciences Branch, Northeast Fisheries Science Center

*Northeast Regional Office, Analysis and Program Support Division

April 22, 2013

**NOAA
FISHERIES
SERVICE**



Outline

- Highlights from the FY2011 GF Report (May 2011-April 2012).
 - Performance compared to FY2010 and FY2009.

- Comparison of selected indicators at mid-year FY2012 (May 2012-October 2012).
 - Performance compared to mid-year FY2011 and mid-year FY2010.



Major Findings - 2011

Increases in landings & revenues for all species (up \$36.4 million)

Higher average GF price, lower average NGF price

in 2011

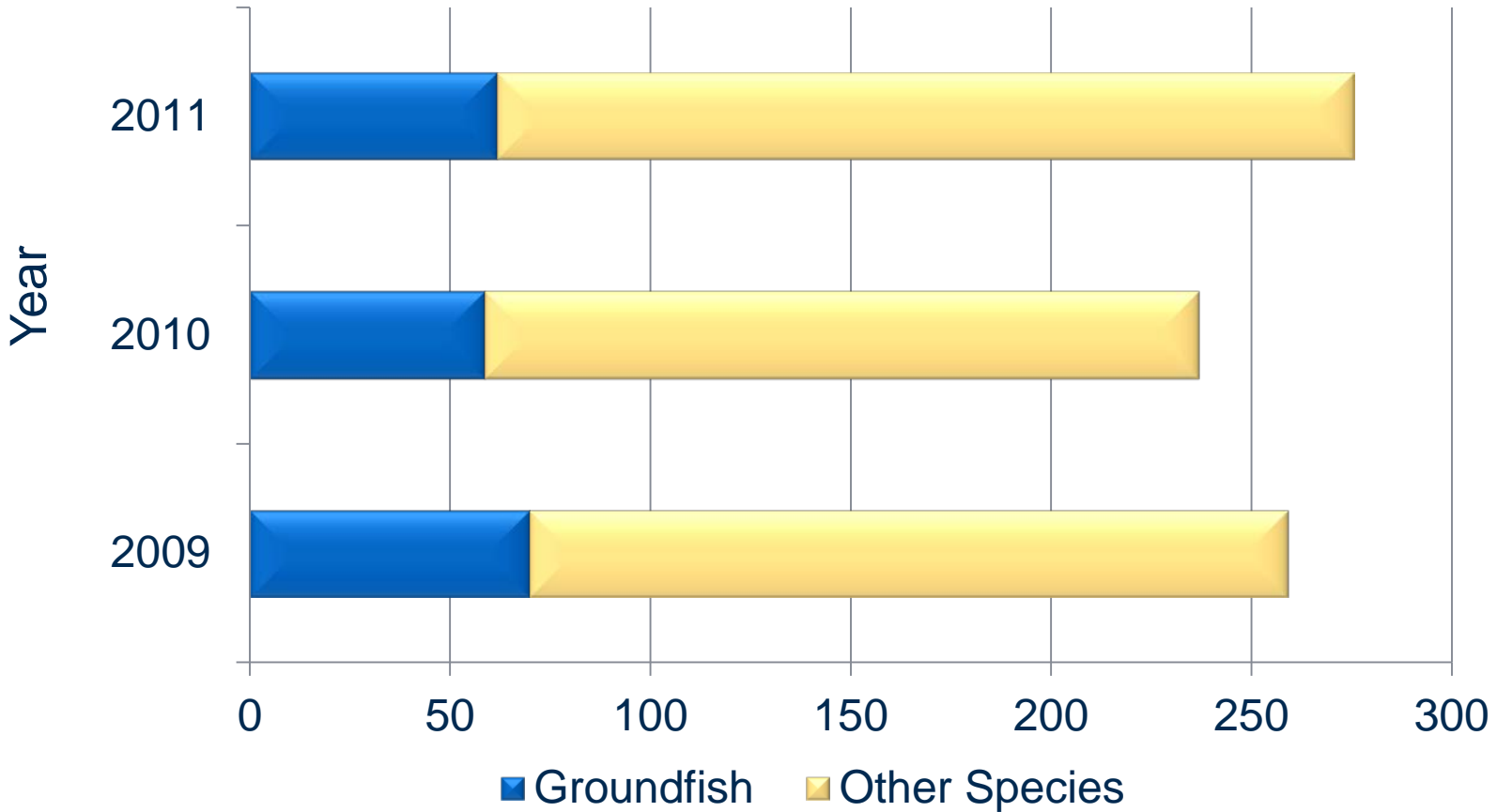
Economic performance generally improved, with the exception of average revenue per day on GF trips, average owners' and crew share of nominal revenue per day on GF trips

30.8 million pounds of Annual Catch Entitlement (ACE) leased, valued at \$15.1 million.



Higher Landings

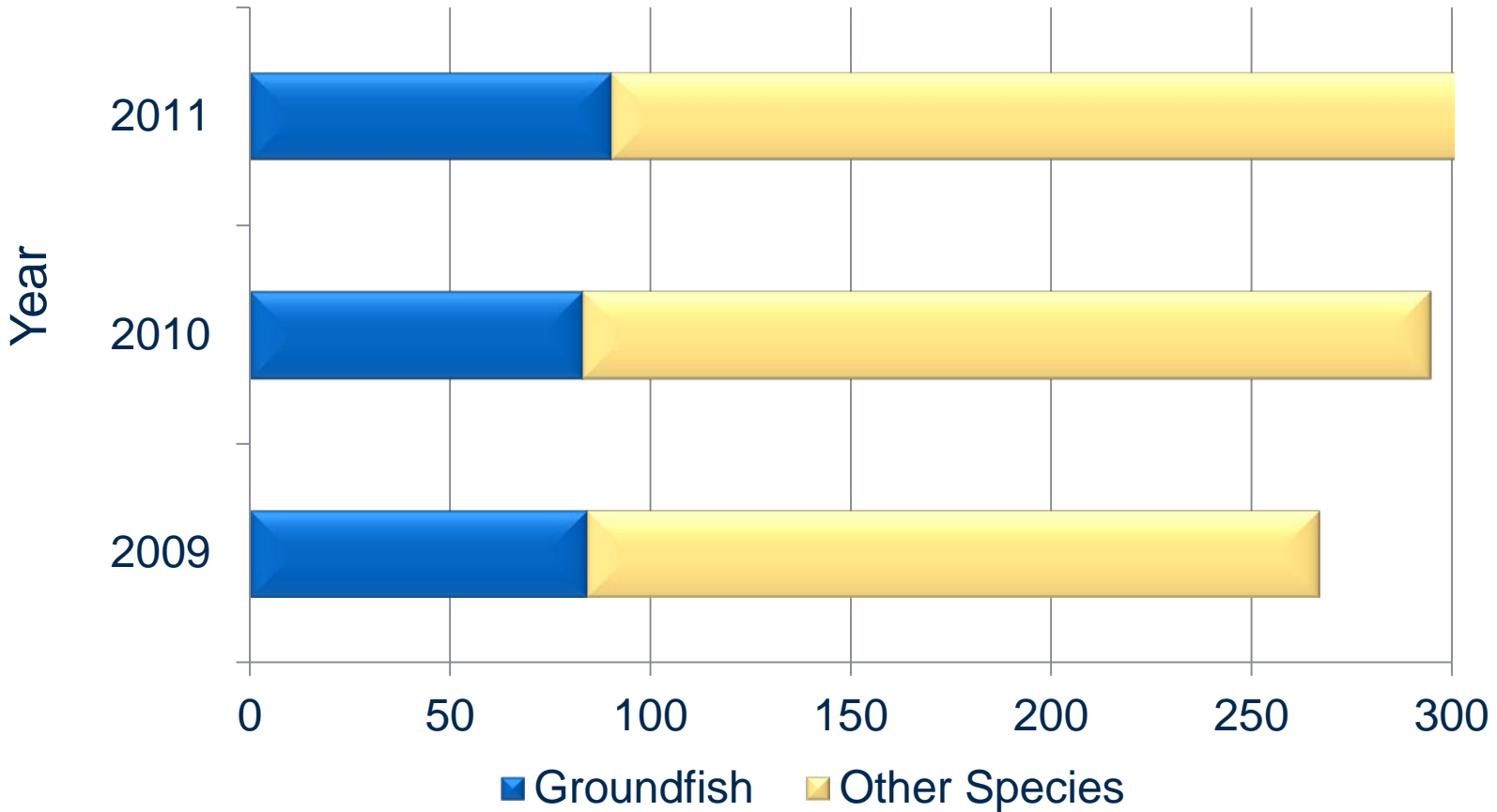
Landings for all groundfish vessels, May-April
all trips, all species, million pounds





Higher Gross Revenues

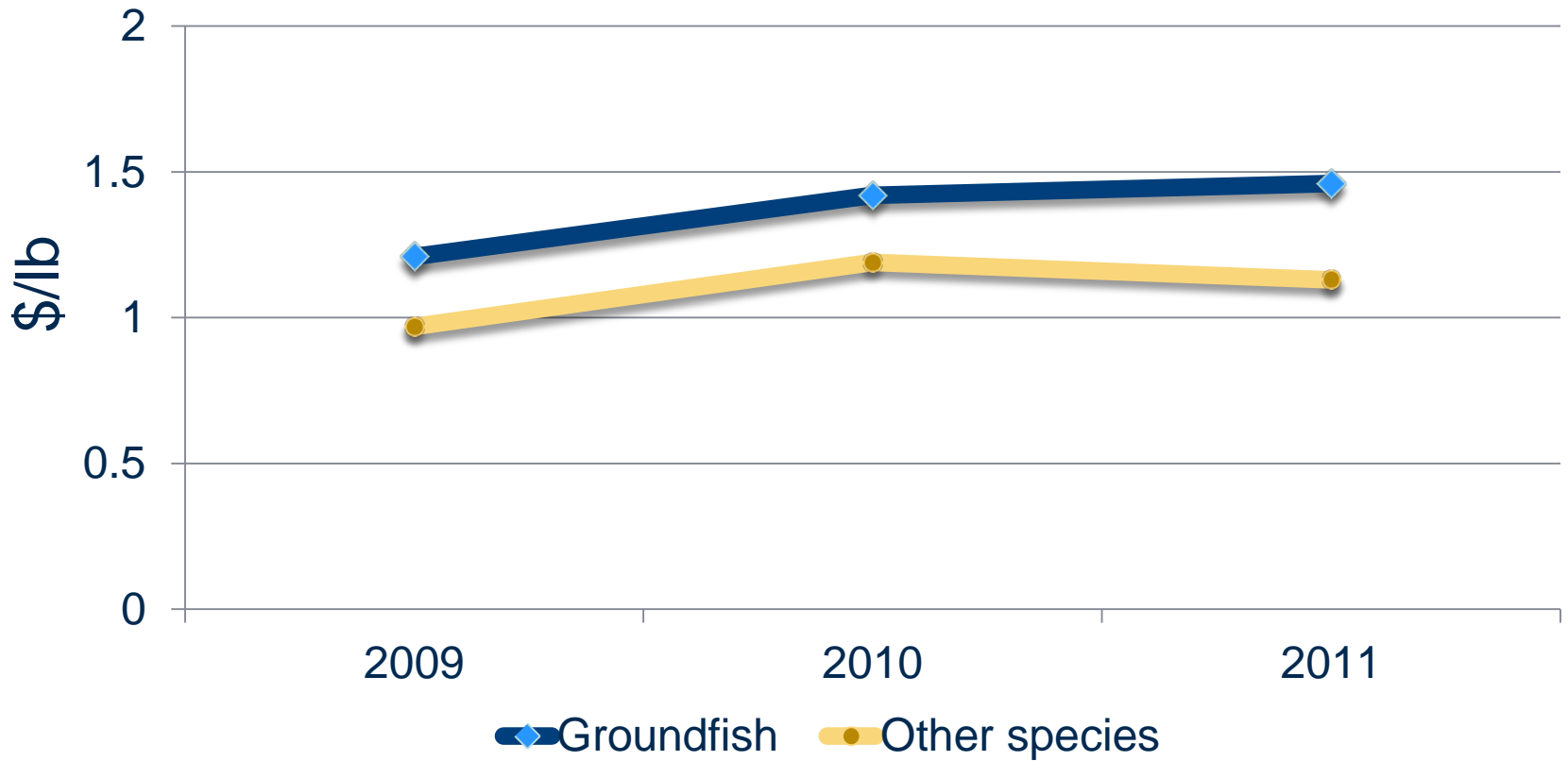
Revenues for all groundfish vessels, May-April
all trips, all species, million \$

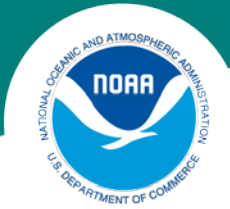




Higher Average GF Price
Lower Average NGF Price

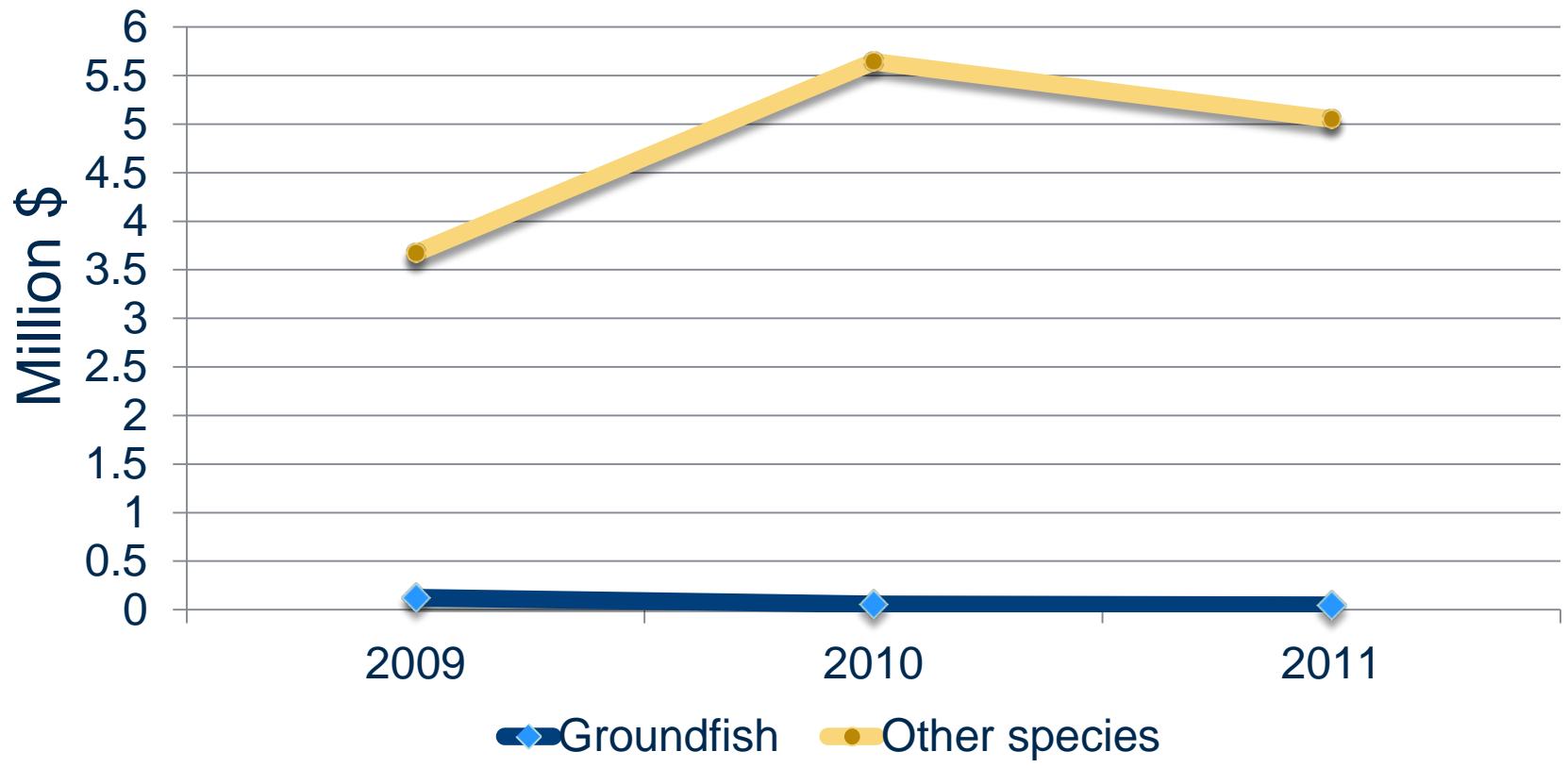
Average price per pound
all groundfish vessel landings, May-April





Connecticut
GF revenues at a low , NGF revenues down
from 2010

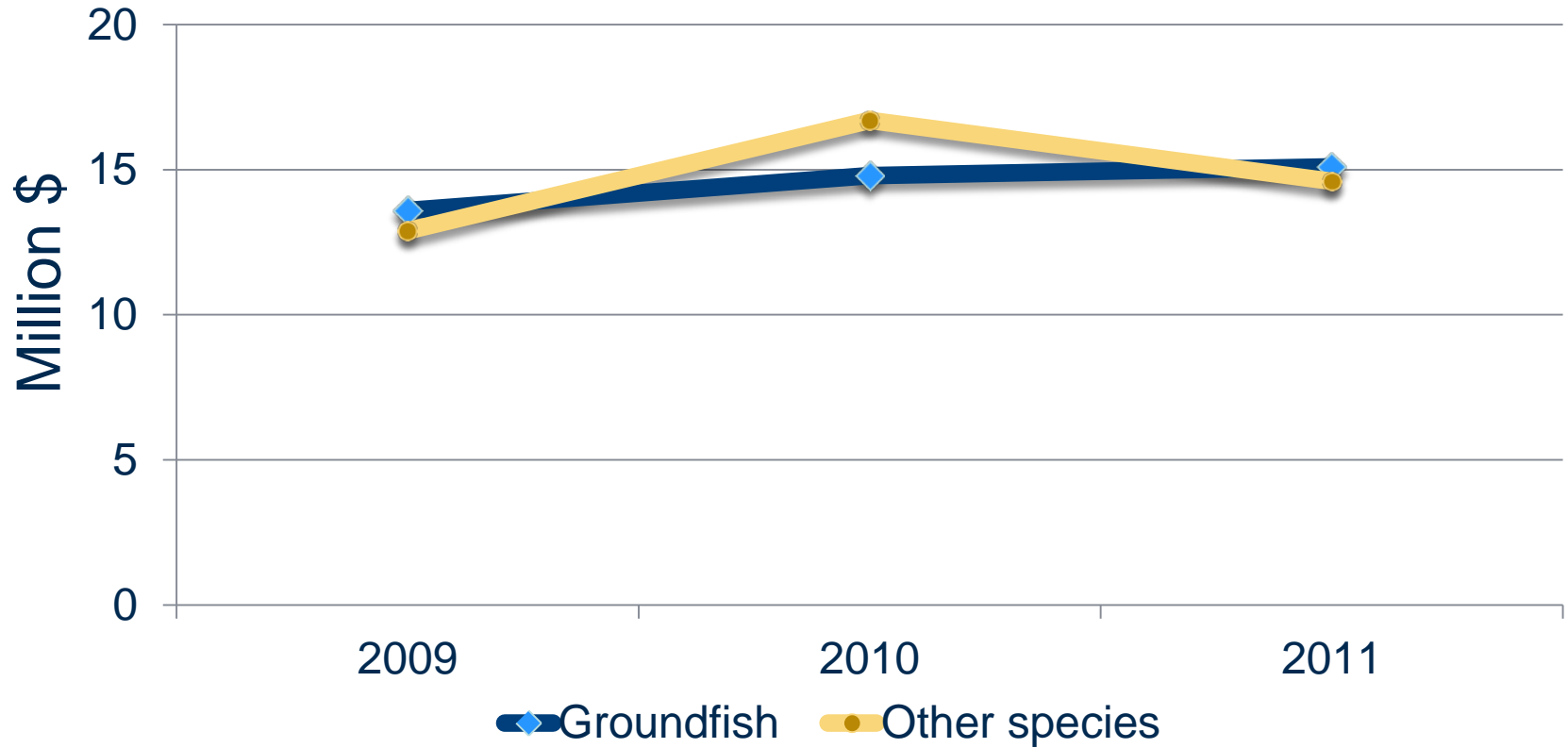
Nominal Value of Landings by Home Port State
all trips, million \$, May-April





Maine
GF revenues at a high, NGF revenues down
from 2010

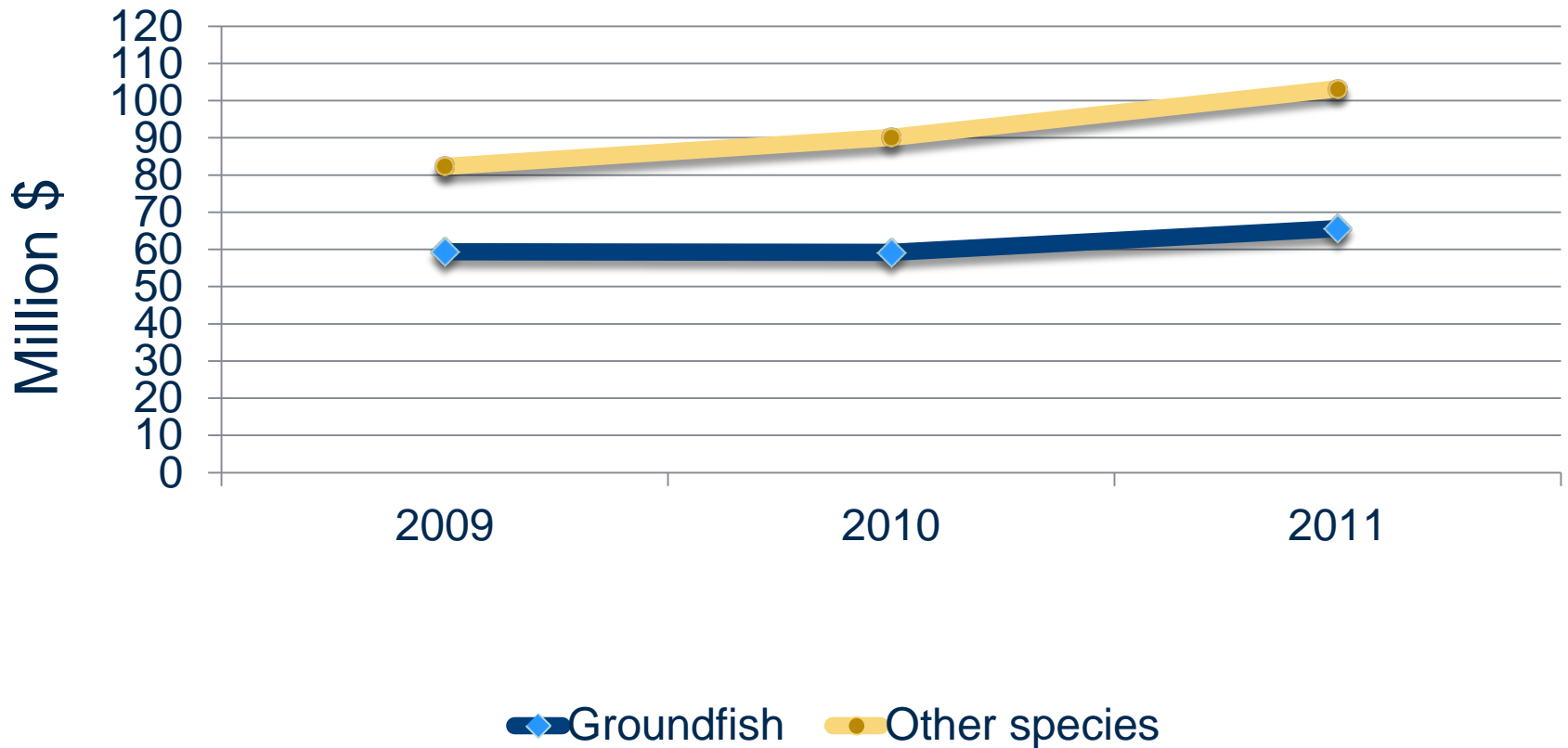
**Nominal Value of Landings by Home Port State
all trips, million \$, May-April**





Massachusetts
GF, NGF revenues at a high

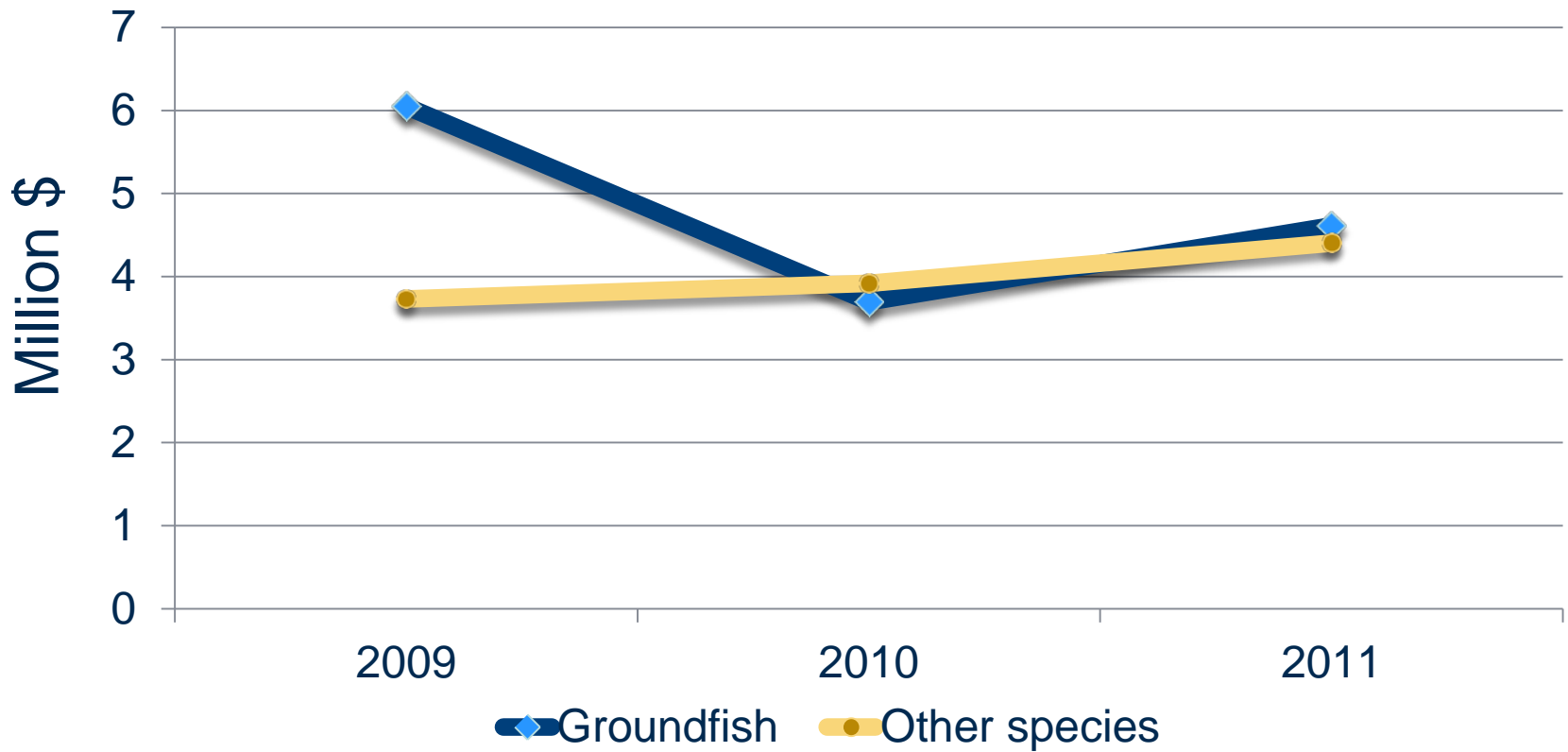
Nominal Value of Landings by Home Port State
all trips, million \$, May-April

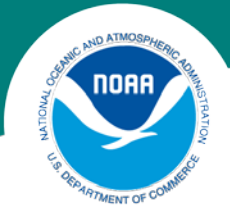




New Hampshire
GF Revenues up from 2010 but down from
2009, NGF revenues at a high

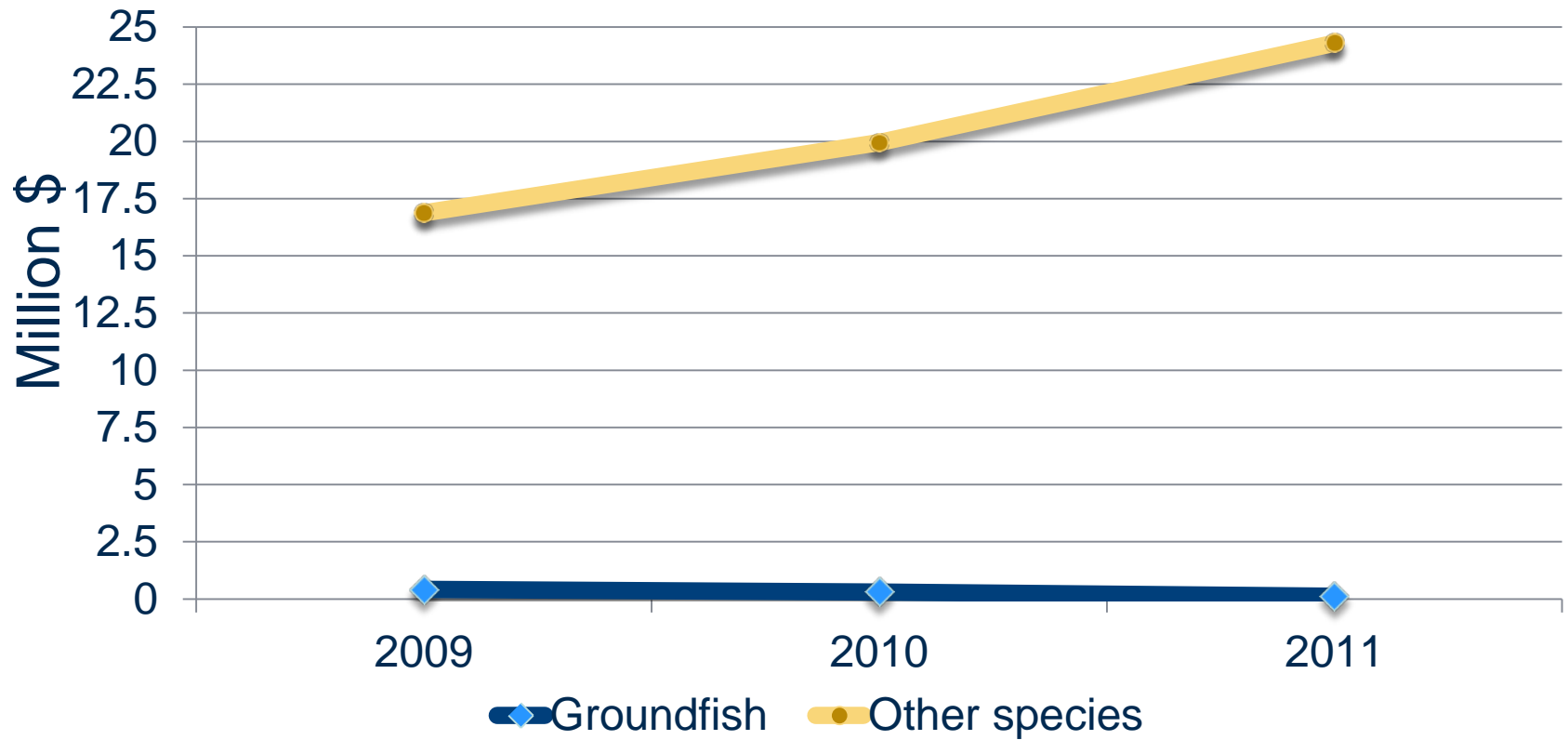
Nominal Value of Landings by Home Port State
all trips, million \$, May-April





New Jersey
GF revenues at a low, NGF revenues at a high

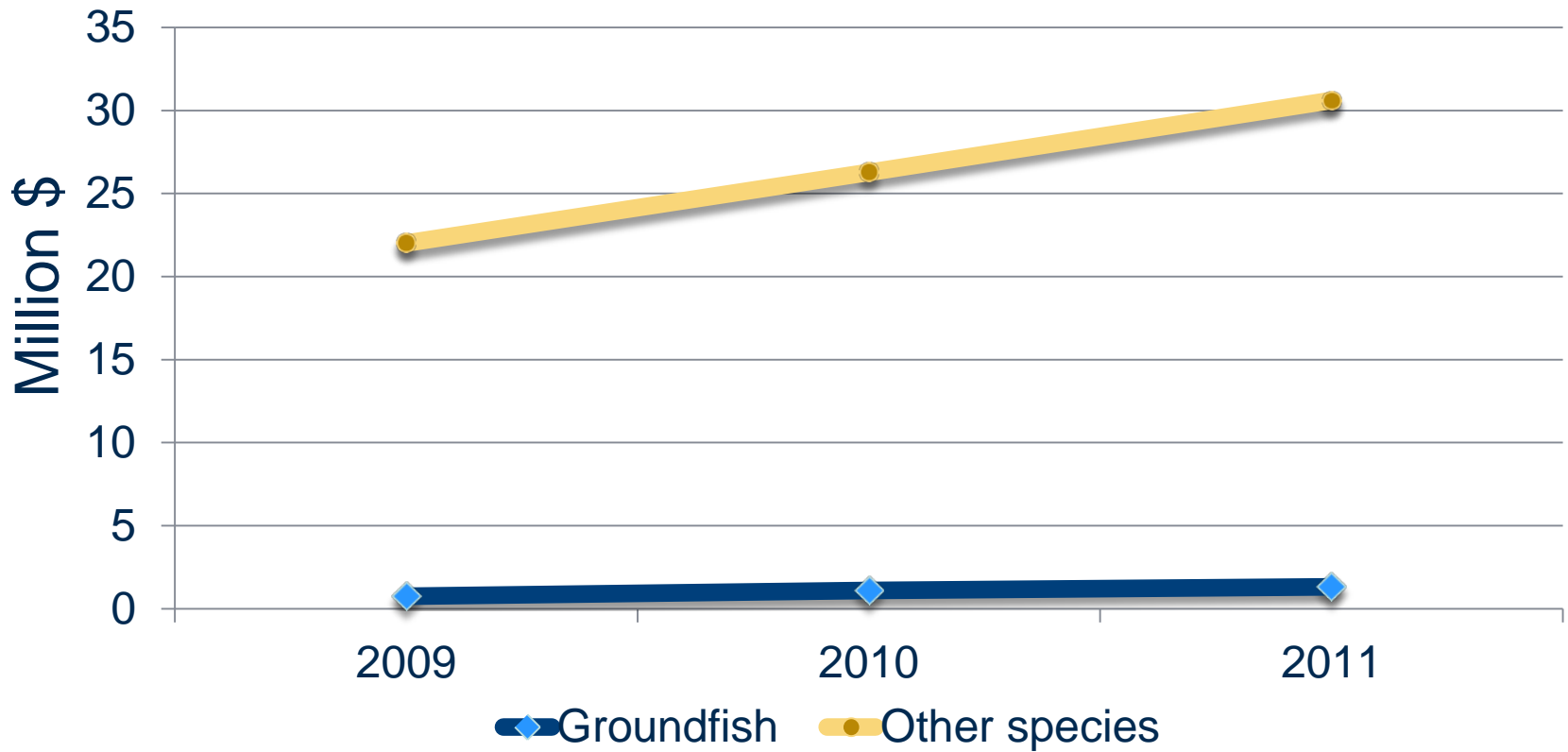
Nominal Value of Landings by Home Port State
all trips, million \$, May-April





New York
GF, NGF revenues at a high

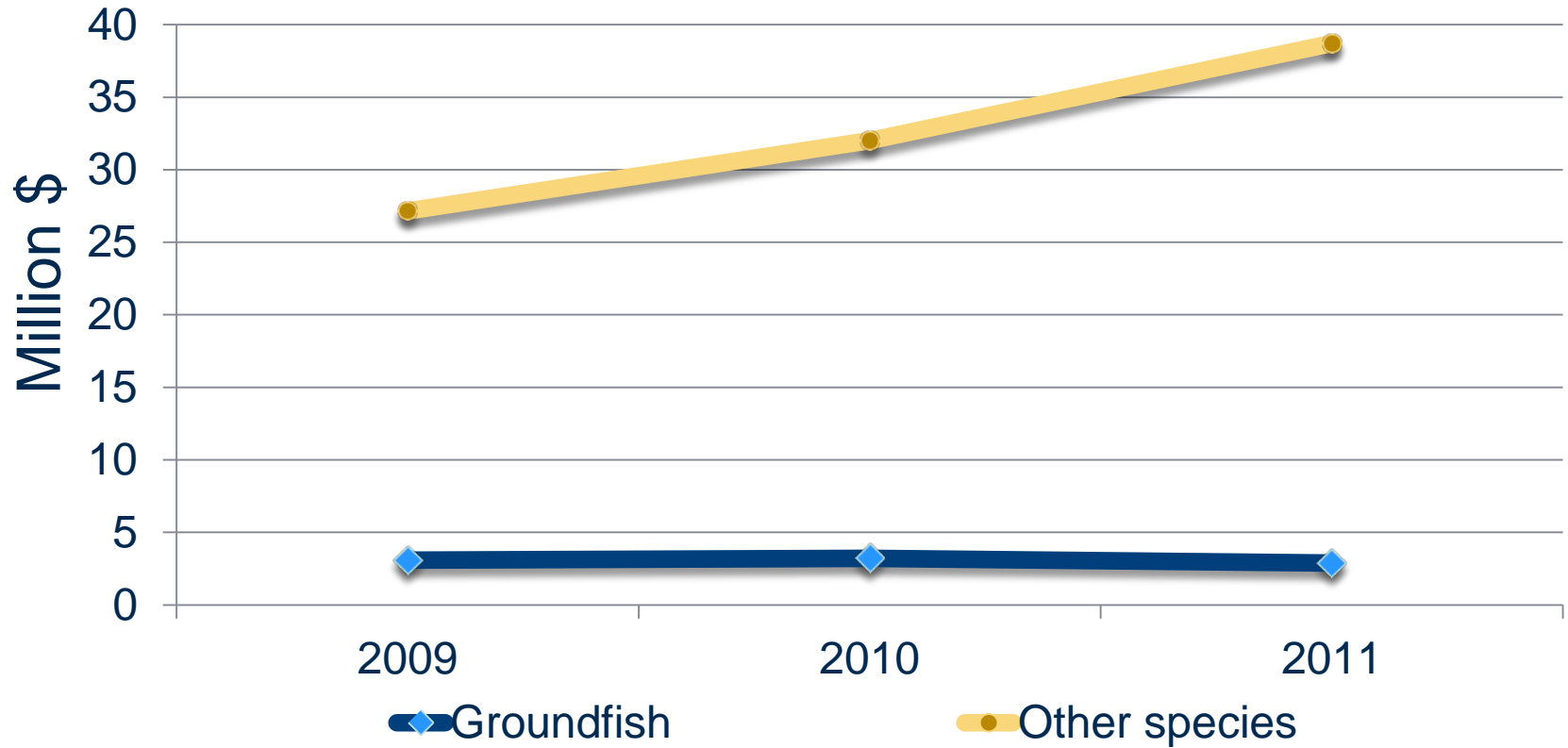
Nominal Value of Landings by Home Port State
all trips, million \$, May-April

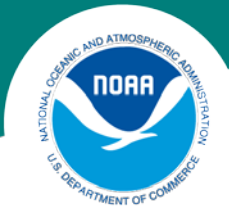




Rhode Island
GF revenues at a low, NGF revenues at a high

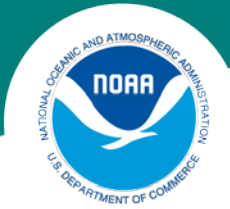
Nominal Value of Landings by Home Port State
all trips, million \$, May-April



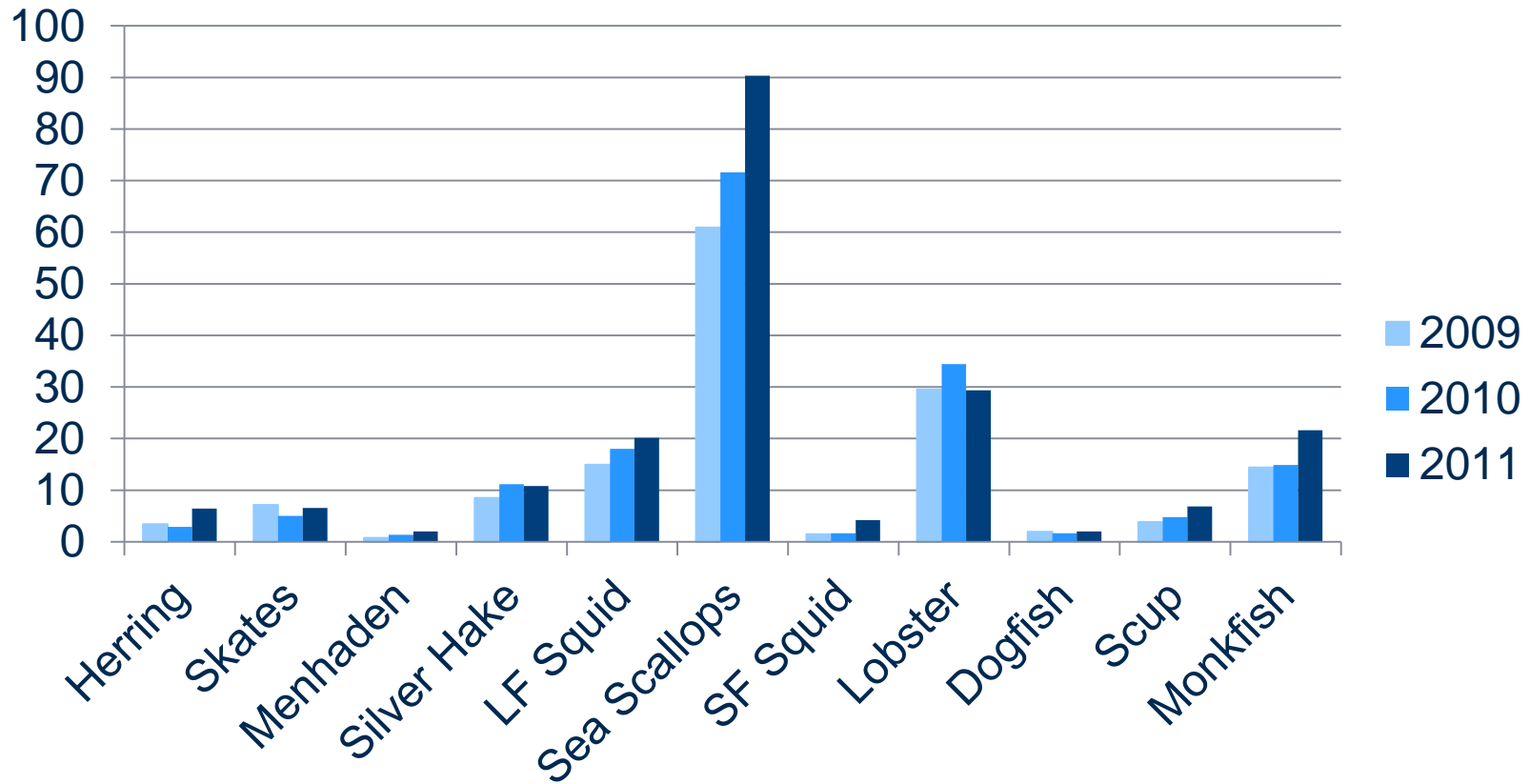


Non-groundfish Landings by the GF Fleet

- Account for 80% (\$29.3 Million) of the \$36.4 million overall nominal revenue increase from 2010 to 2011.
 - Sea Scallop revenues up 26% from 2010 (both landings and price up).
 - Monkfish revenues up 45% from 2010 (both landings and price up).
 - Herring revenues up 121% from 2010 due to landings increase alone (landing up, price constant).



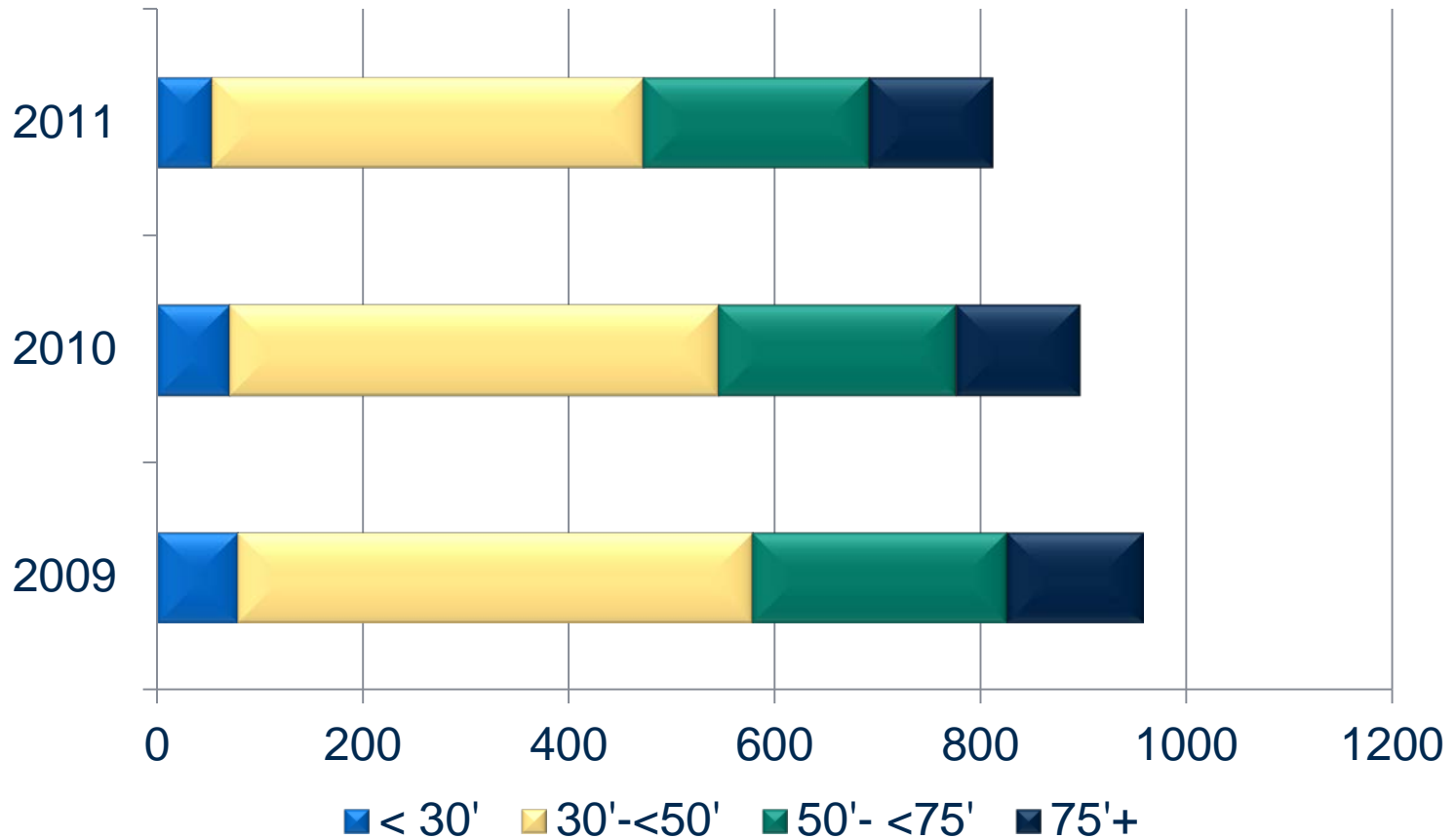
Nominal Value of Top 11 NGF Species landed by GF vessels, million \$, May-April

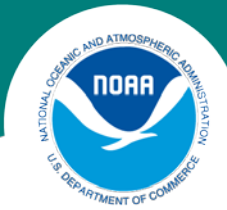




Fewer Active Vessels

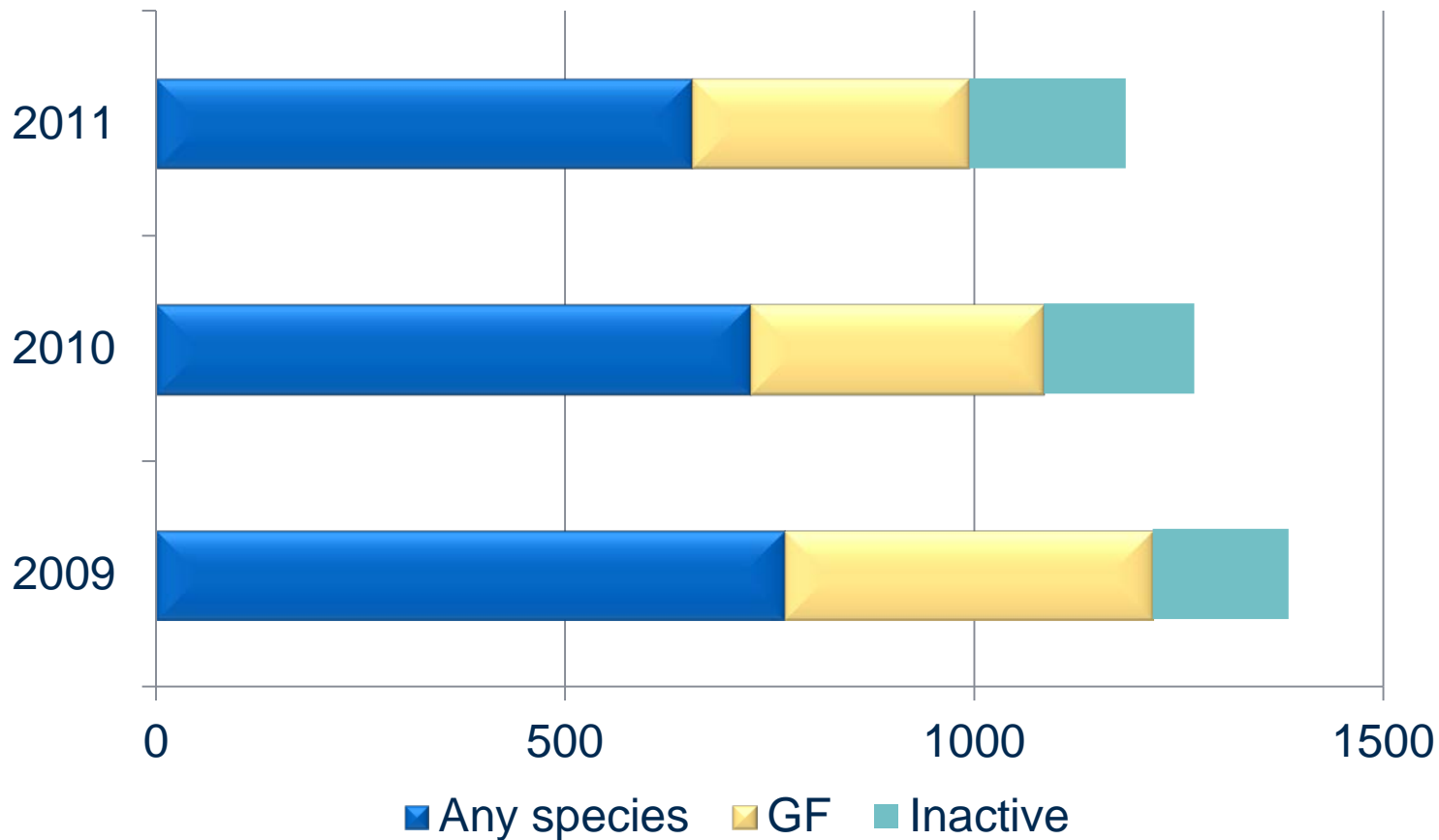
Number of groundfish vessels with revenue from any species, May-April





Fewer Active Vessel Affiliations

Number of Vessel Affiliations
(w/ revenue from any species and from GF, and inactive)

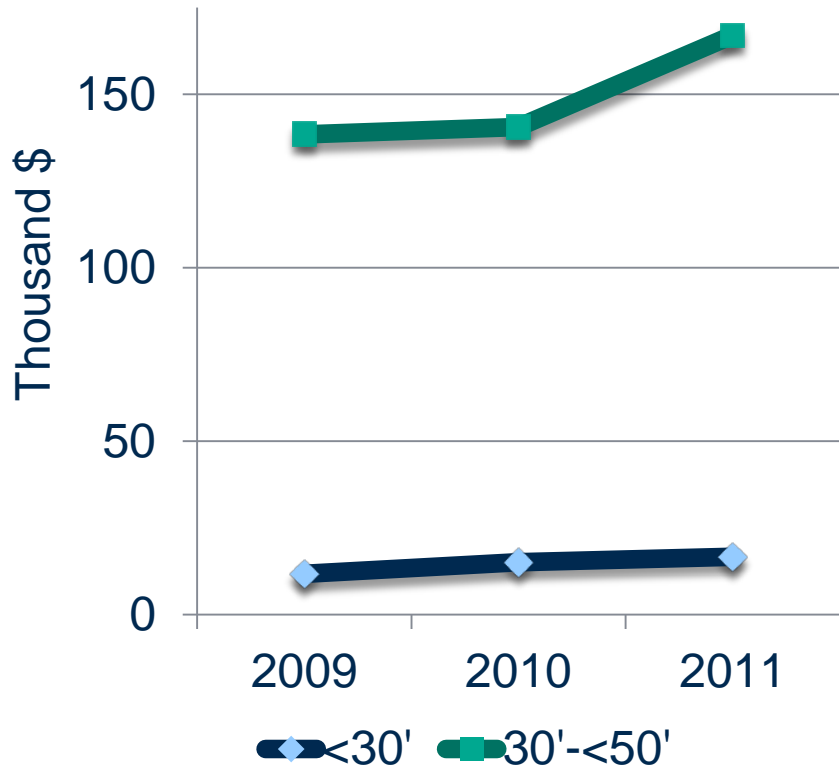




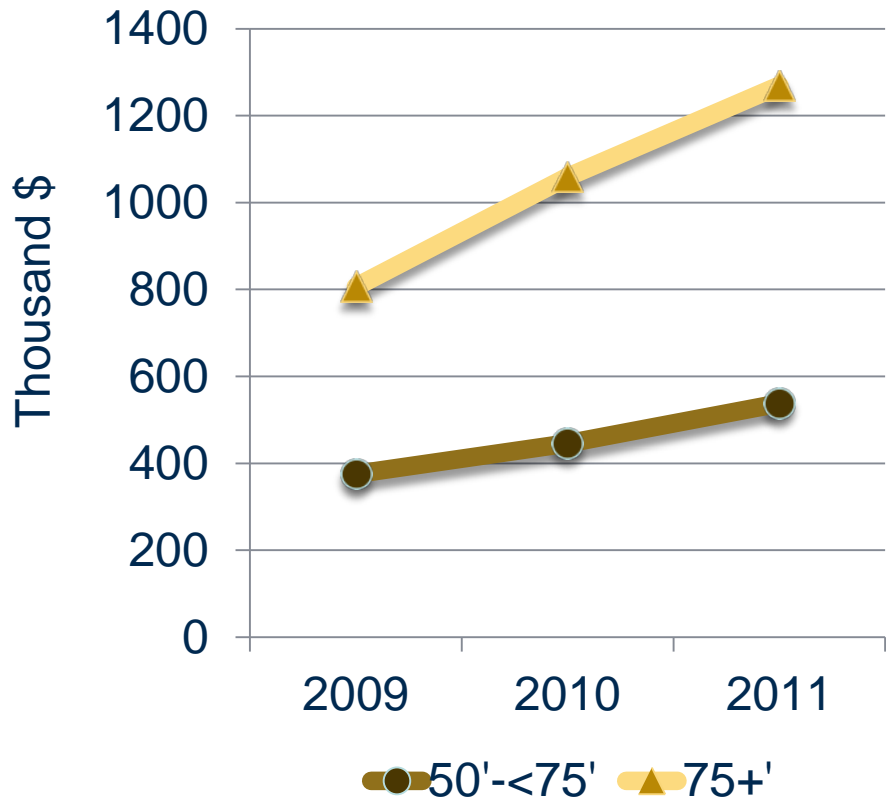
Higher Average All Species Revenue Per Vessel

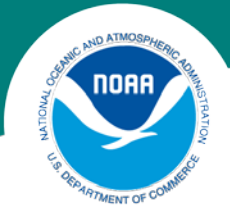
All species, all trips, thousand \$, May-April

Smaller vessels



Larger vessels

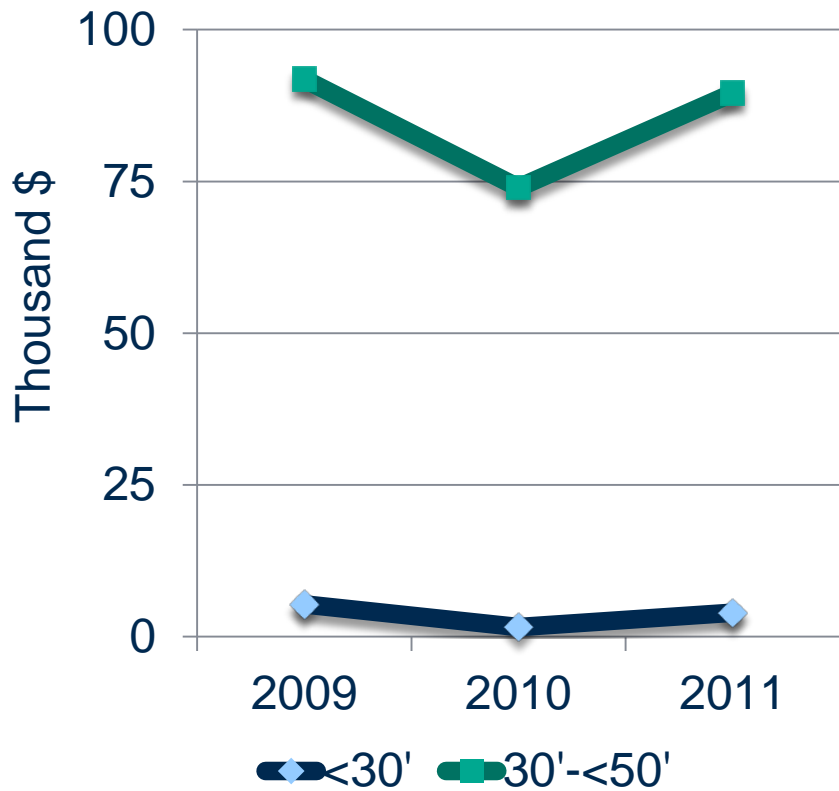




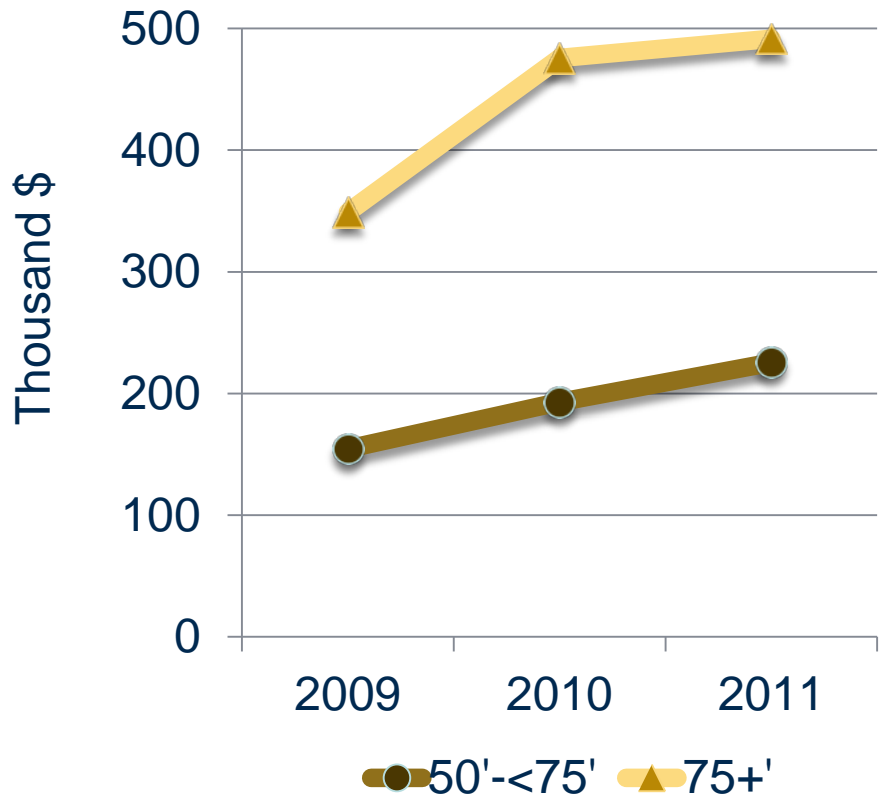
Higher Average GF Revenue Per Vessel

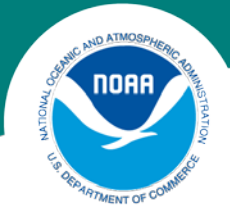
Groundfish, all trips, thousand \$, May-April

Smaller vessels



Larger vessels

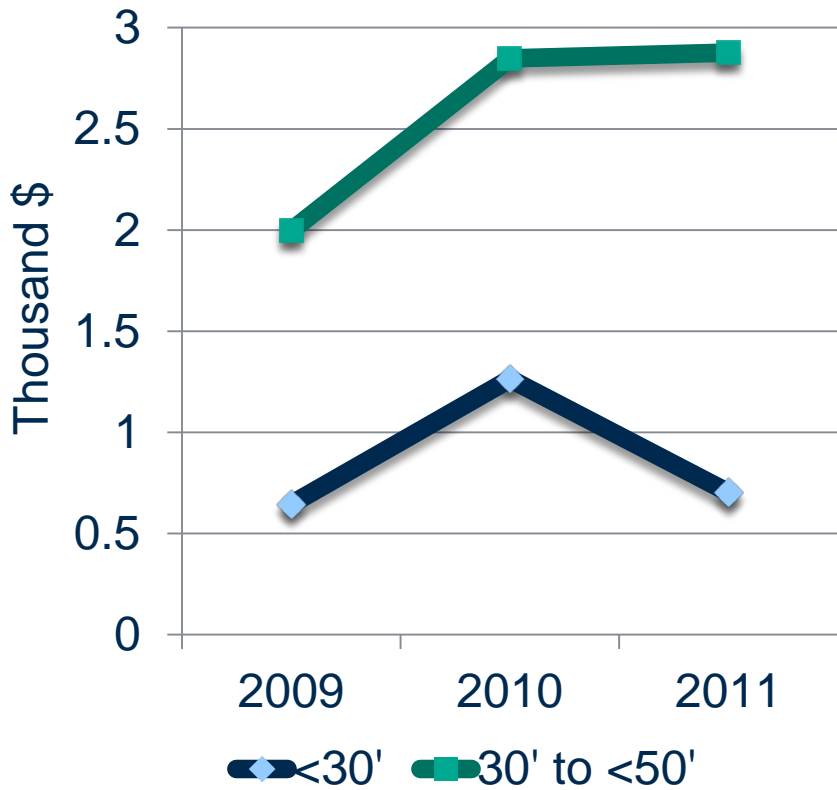




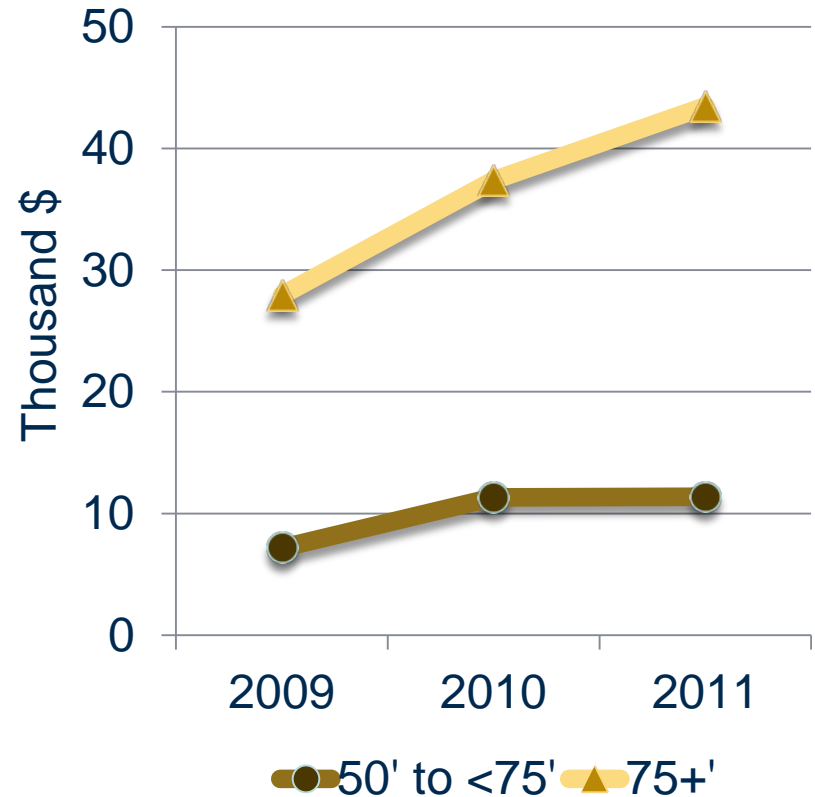
**Higher Average Per Trip All Species Revenue on GF Trips
except for the smallest vessels**

Groundfish trips, May-April

Smaller vessels



Larger vessels

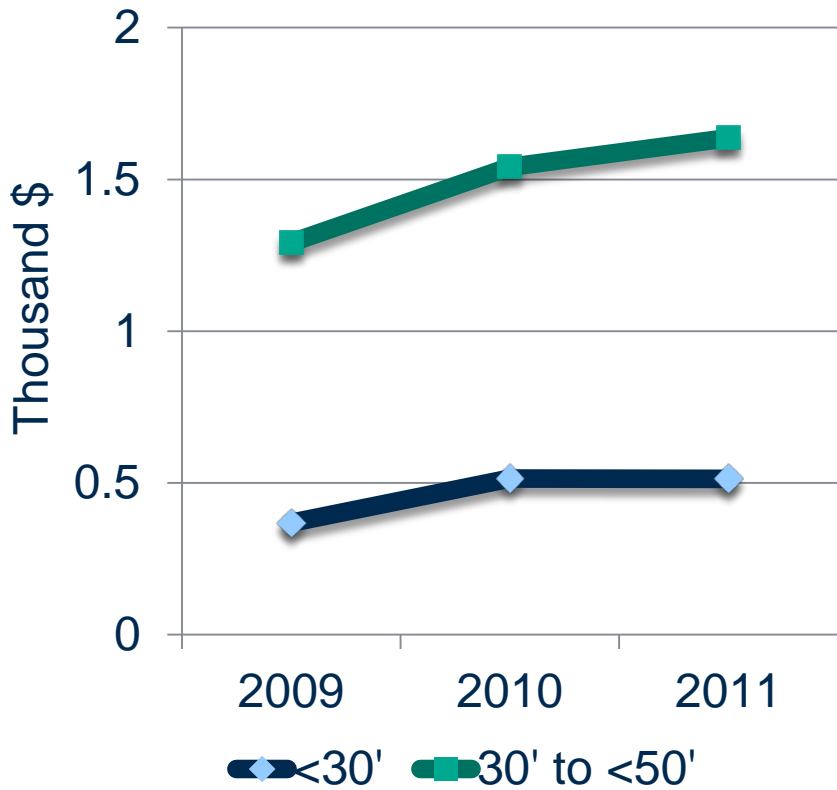




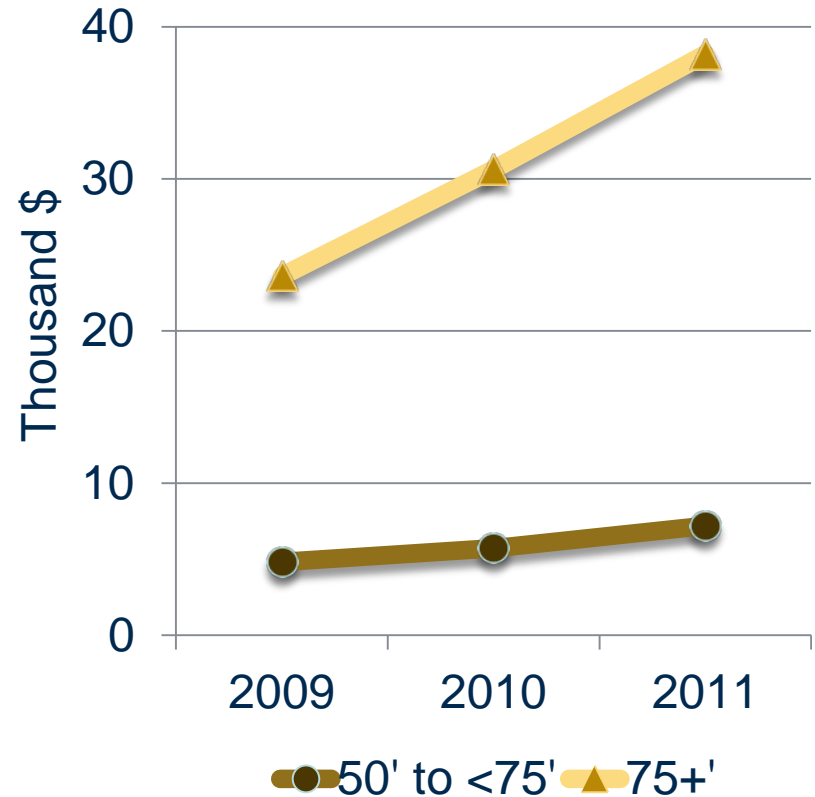
**Higher Average Per Trip Revenue on NGF Trips
except for smallest vessels**

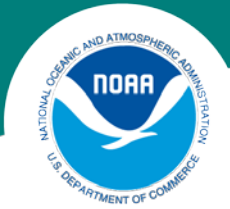
Non-Groundfish trips, May-April

Smaller vessels



Larger vessels

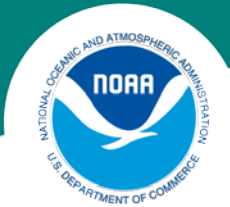




Estimation of Net Revenue

- **Net Revenue = Gross Revenue – Trip Costs**
 - Trip costs included: fuel, oil, ice, bait, food, water and damages.
 - Communication and trucking costs are not accounted for.

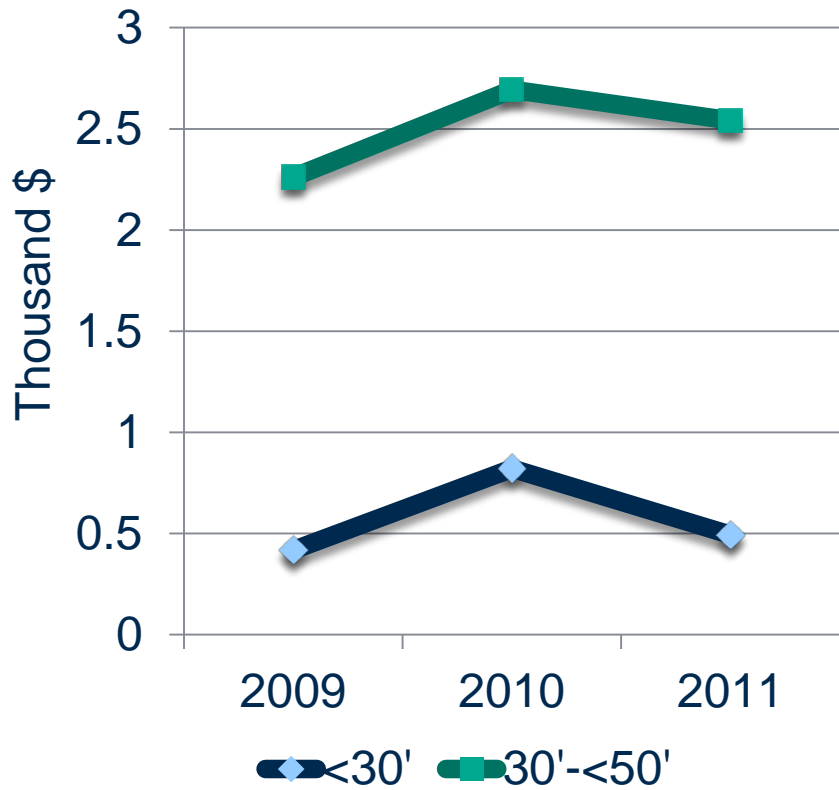
- **Limitations**
 - Does not account for quota leasing costs incurred or leasing revenues received.
 - Does not reflect fixed costs
 - Net revenue is not a measure of profitability.



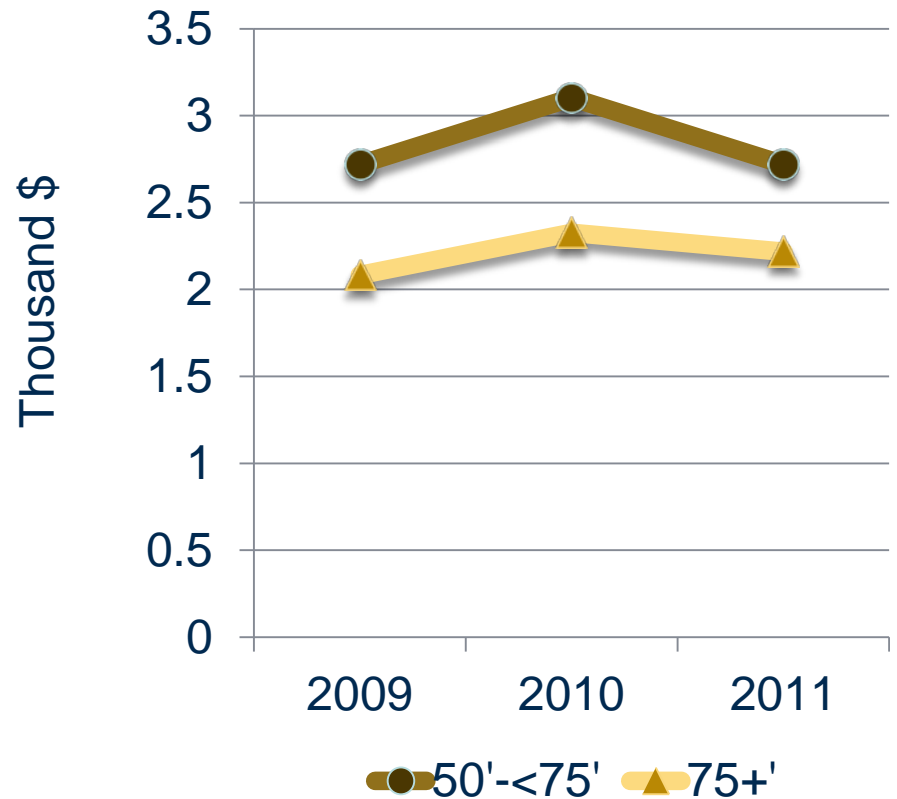
**Lower Average Owners' Net Revenue
on GF trips**

Net revenue per day on groundfish trips, May-April

Smaller vessels



Larger vessels

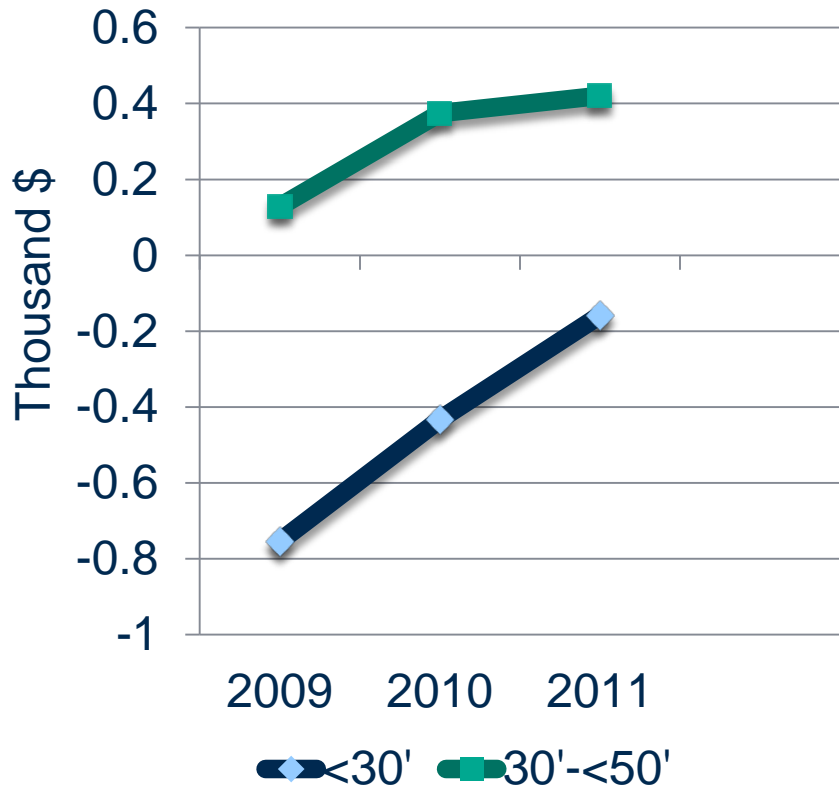




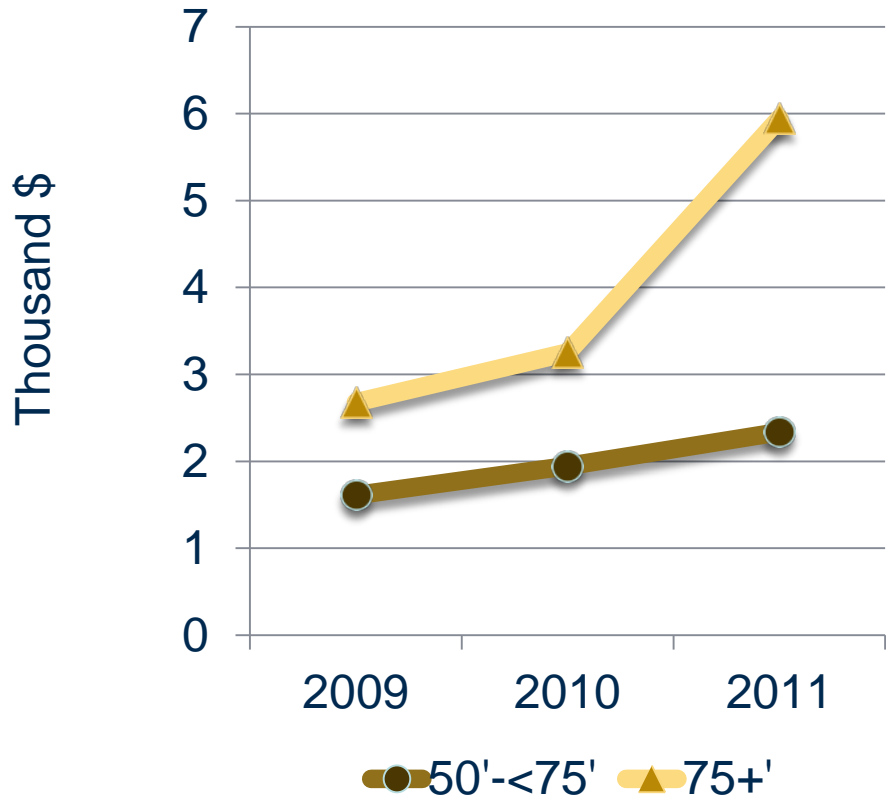
Higher Average Owners' Net Revenue on NGF trips

Net revenue per day on non-groundfish trips, May-April

Smaller vessels



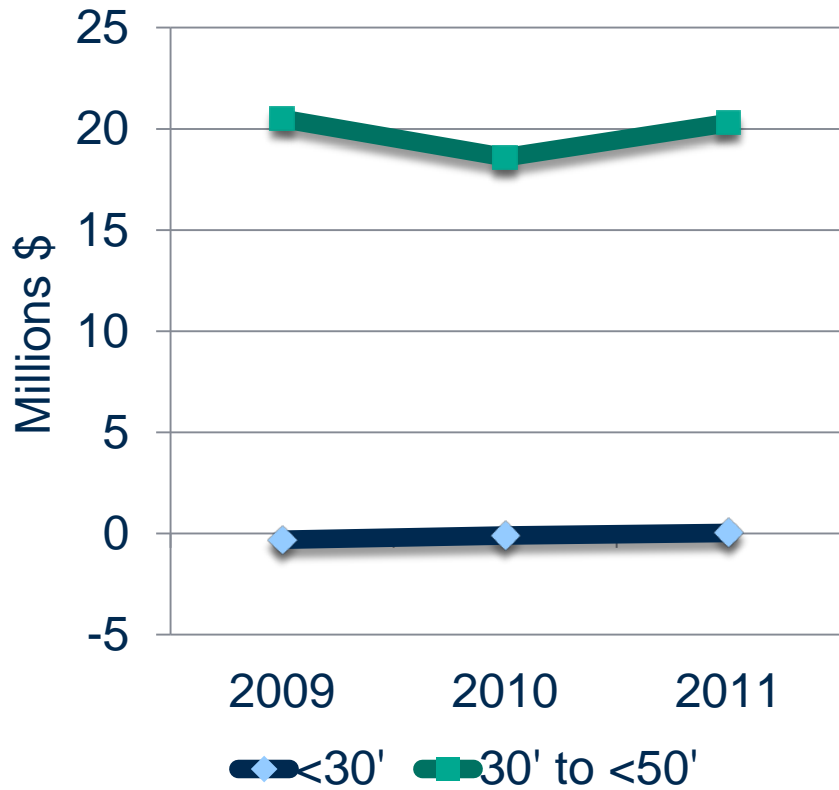
Larger vessels



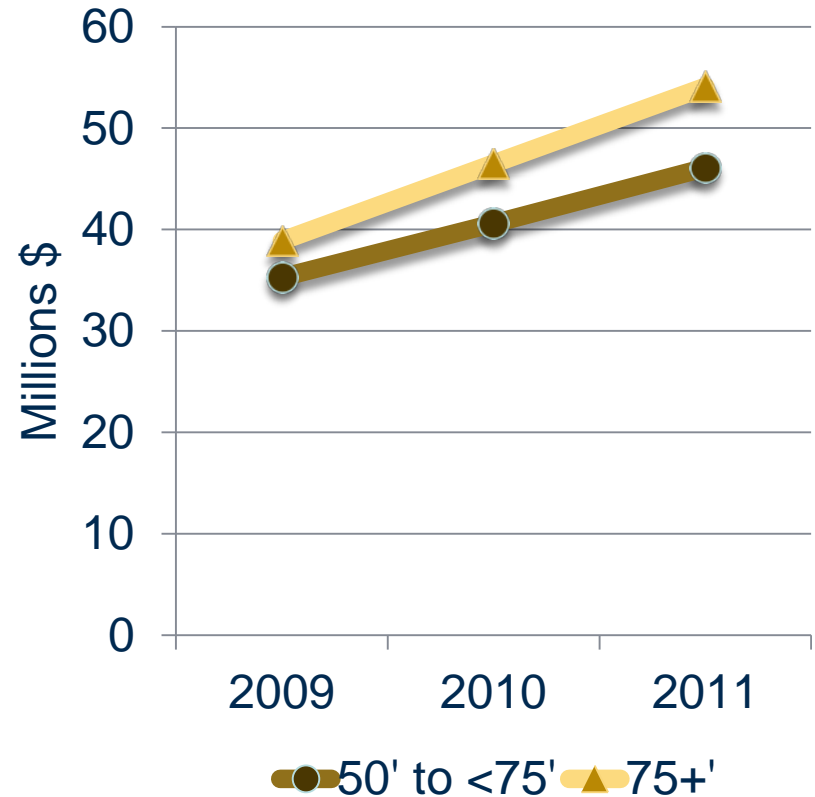


Increases in Aggregate Owners' Net Revenue

Smaller vessels



Larger vessels





Consolidation and Distribution of Revenues

- Consolidation of revenues:
 - A shift in the GF fishery towards fewer active vessels or active vessel affiliations earning GF and all species revenues.

- Distribution of revenues:
 - The distribution of GF and all species revenues among the remaining active vessels or active vessel affiliations in the fishery.

Hypothetical Example to illustrate distinction between consolidation and distribution of revenues.

2010

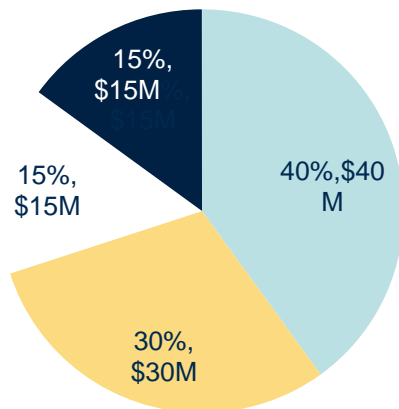
2010: Revenues of \$100M.

Owner A gets 40% : \$40M

Owner B gets 30%: \$30M

Owner C gets 15%: \$15M

Owner D gets 15%: \$15M



2011

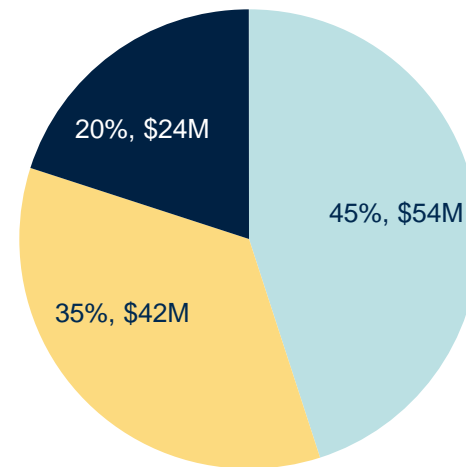
2011: Revenues of \$120M.

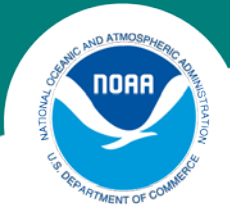
Owner C no longer active.

Owner A gets 45%: \$54M

Owner B gets 35%: \$42M

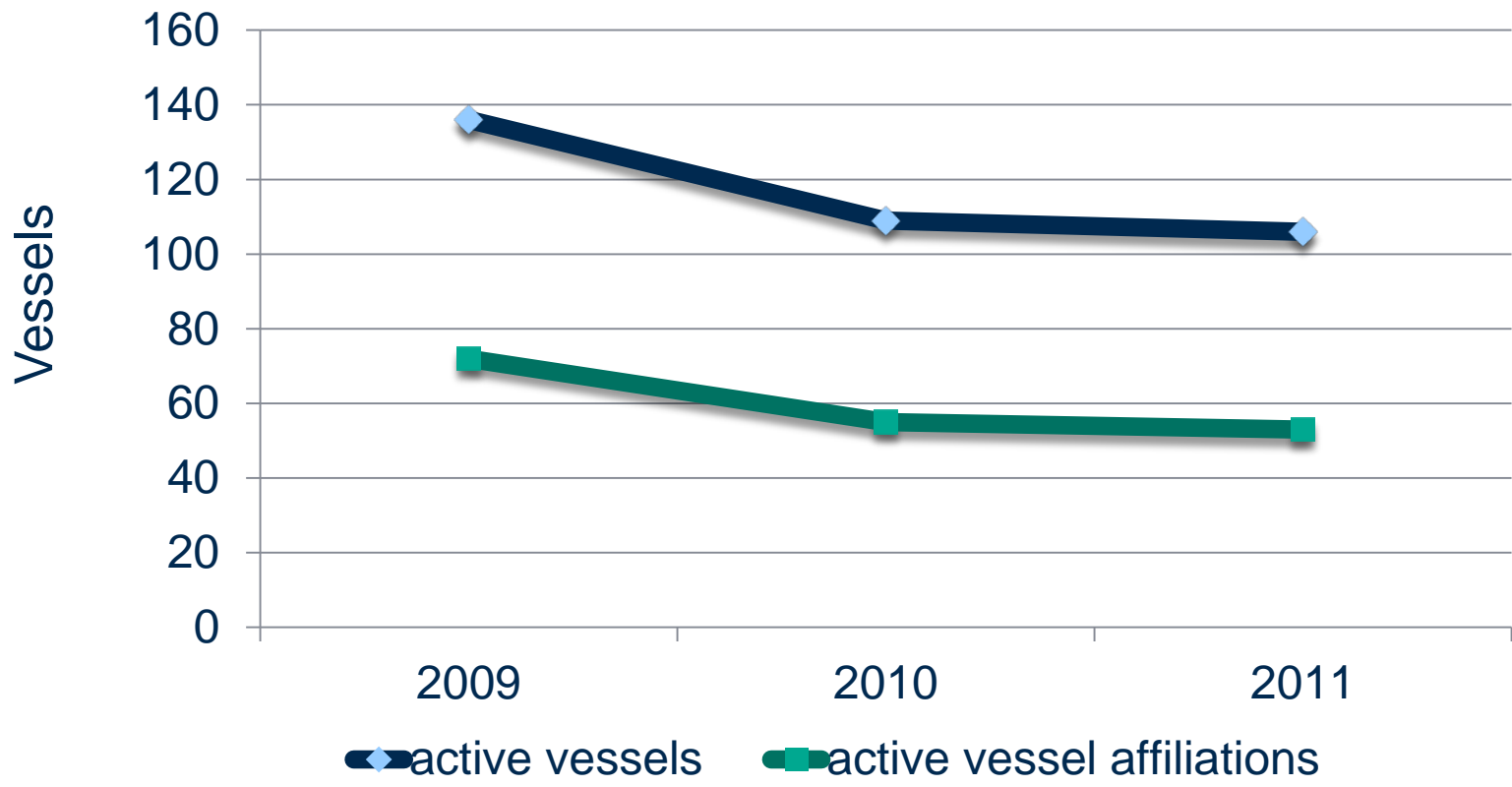
Owner D gets 20%: \$24M





Revenue Consolidation

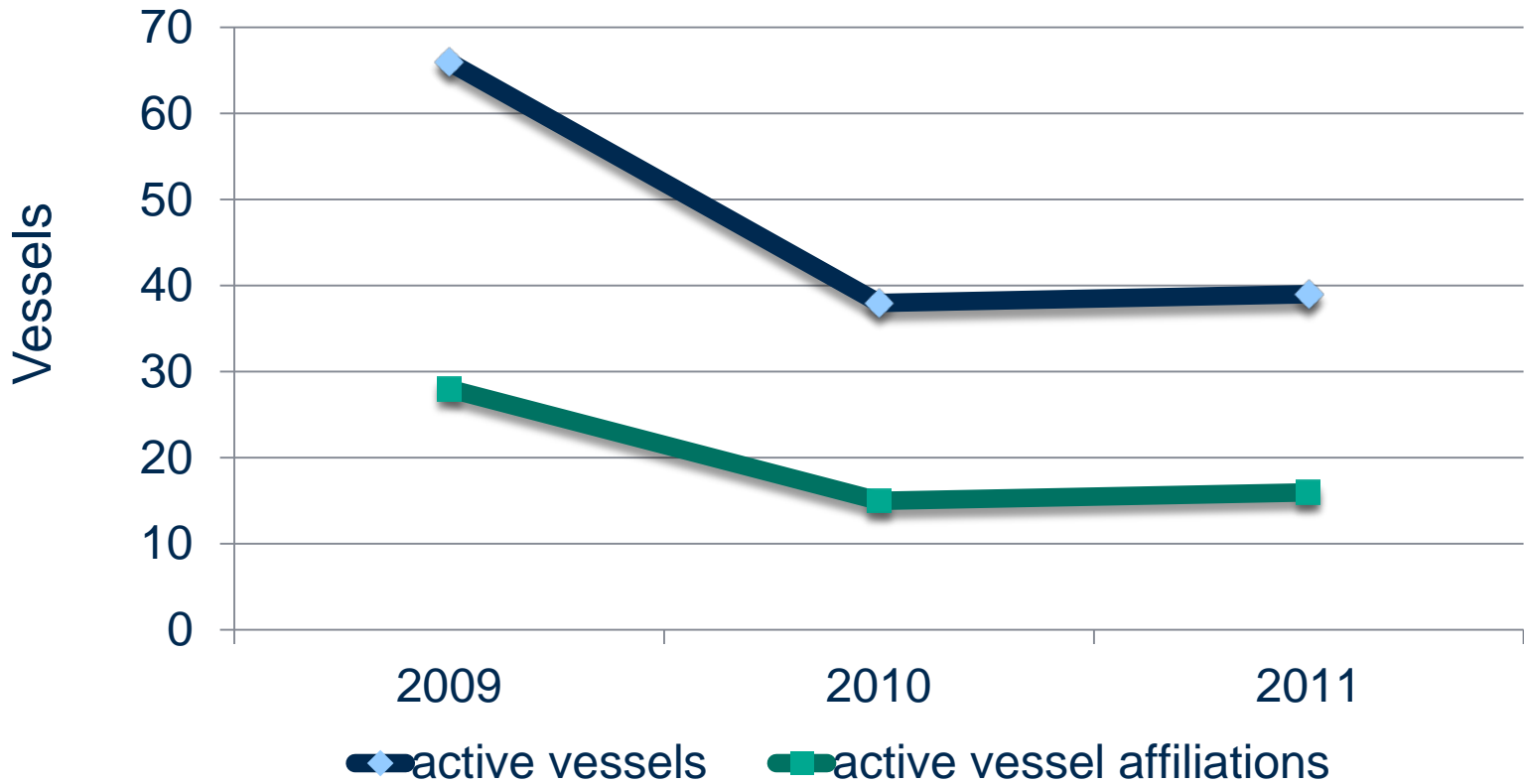
Number of vessels landing top 50% of all species revenue





Revenue Consolidation

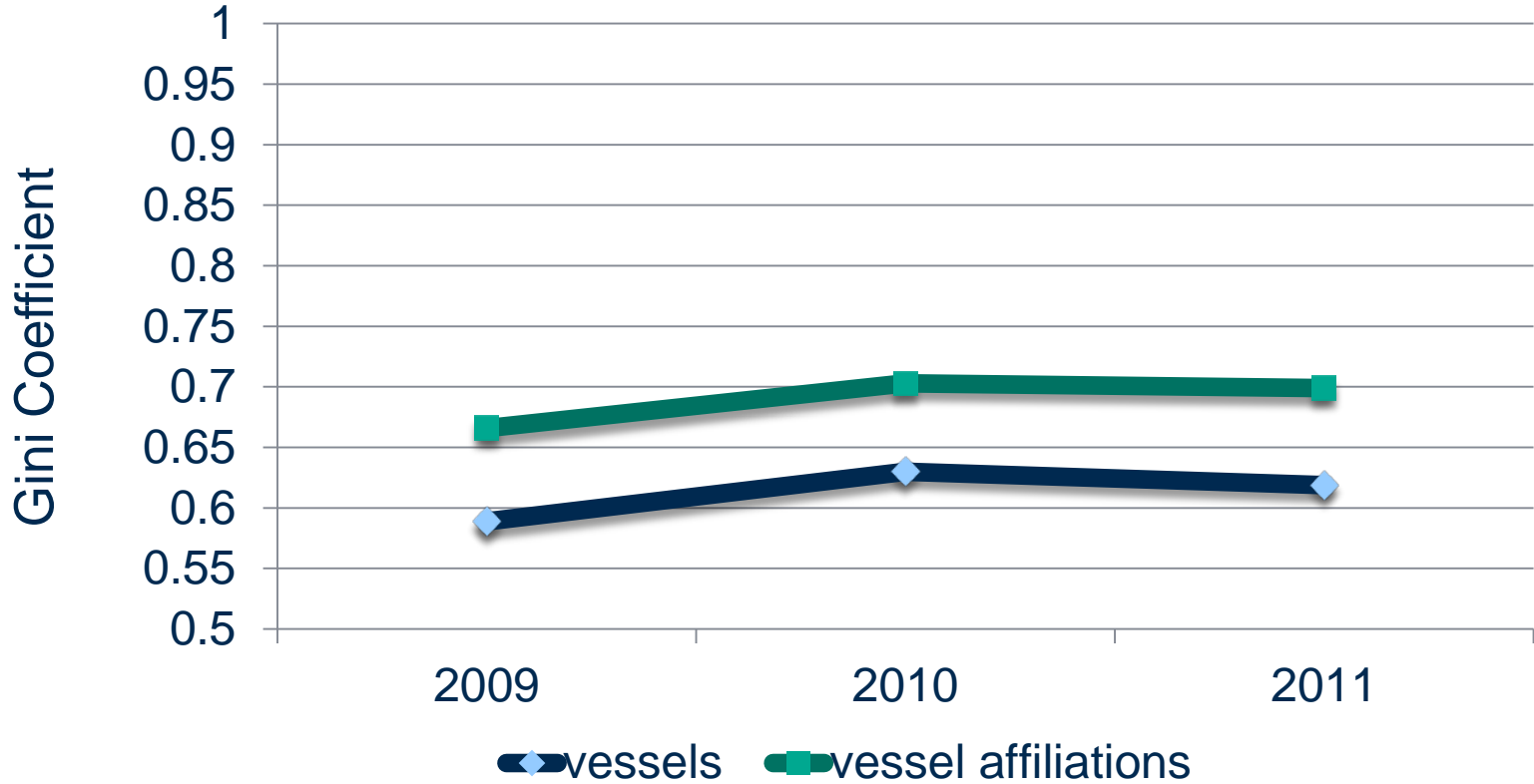
Number of vessels landing top 50% of groundfish revenue





Revenue Distribution

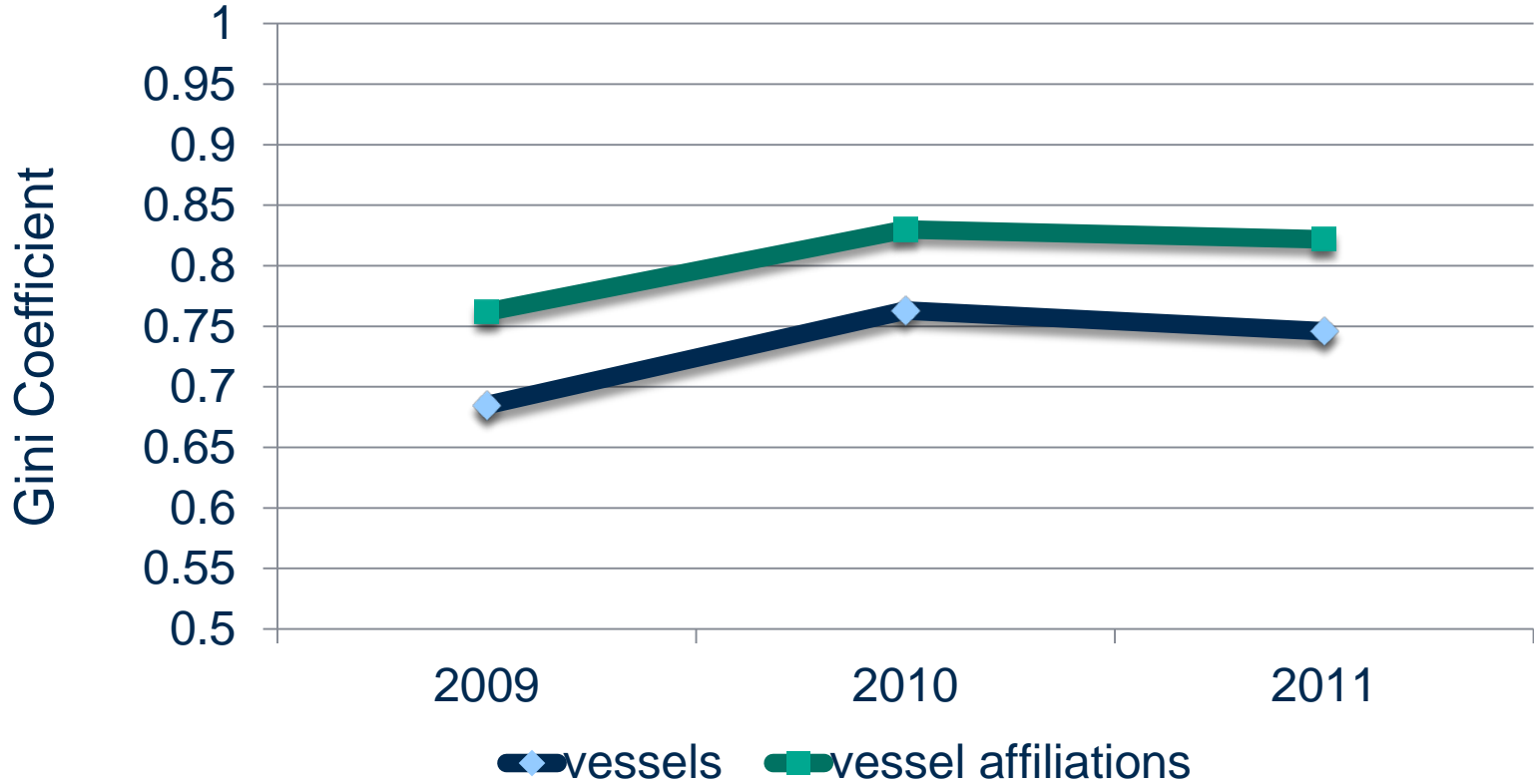
All species revenue





Revenue Distribution

Groundfish revenue





**Number of Crew Trips
All trips, May-April**

Vessel Size	2009	2010	2011
< 30'	3,412	2,846	2,783
30' to < 50'	81,122	68,495	69,860
50' to < 75'	43,460	40,097	39,934
75' plus	16,041	15,223	15,118

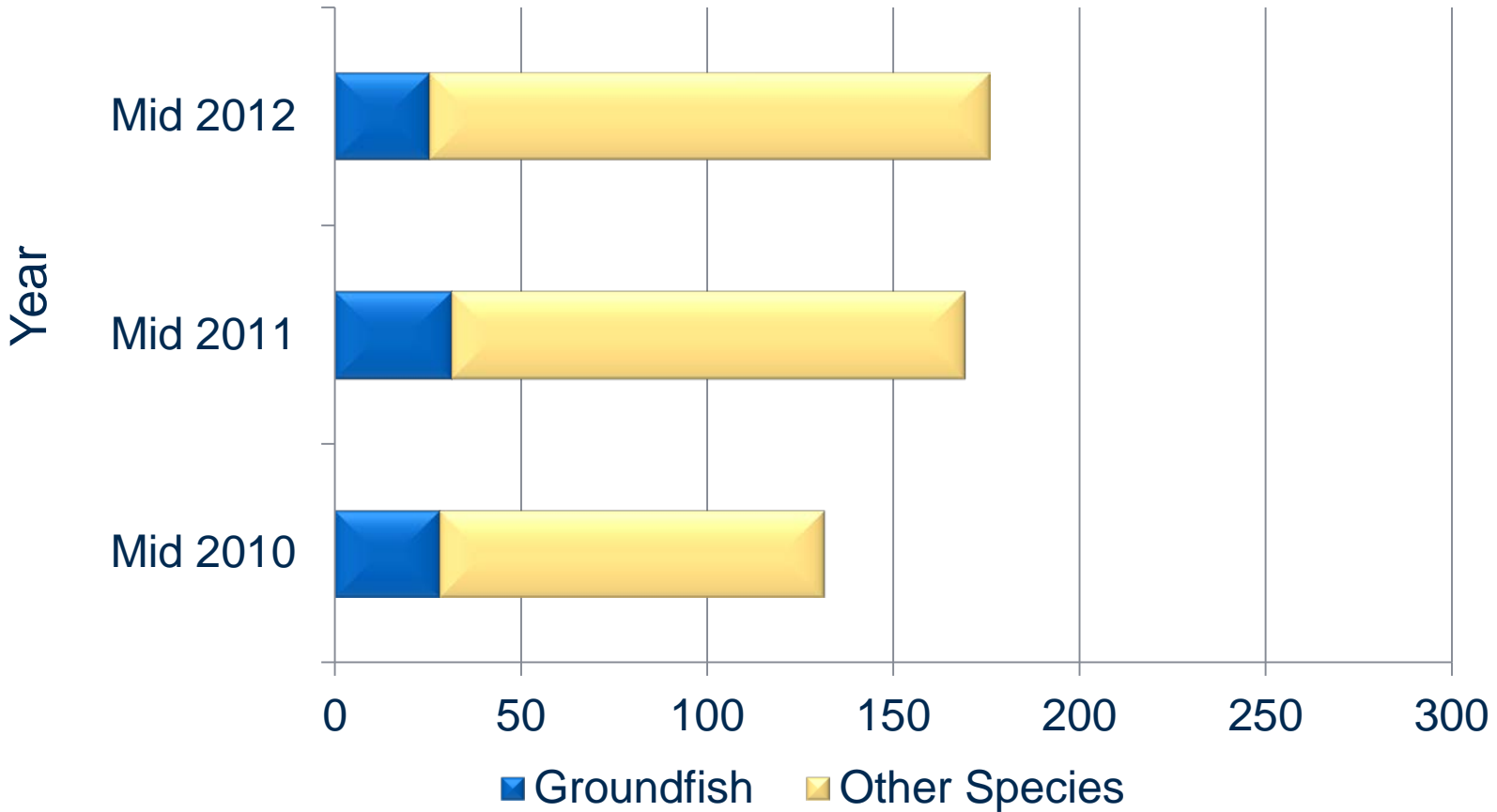


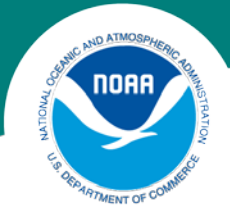
Mid FY 2012 Performance for the GF Fishery May 2012-October 2012



GF landings at a low,
NGF landings at a high.

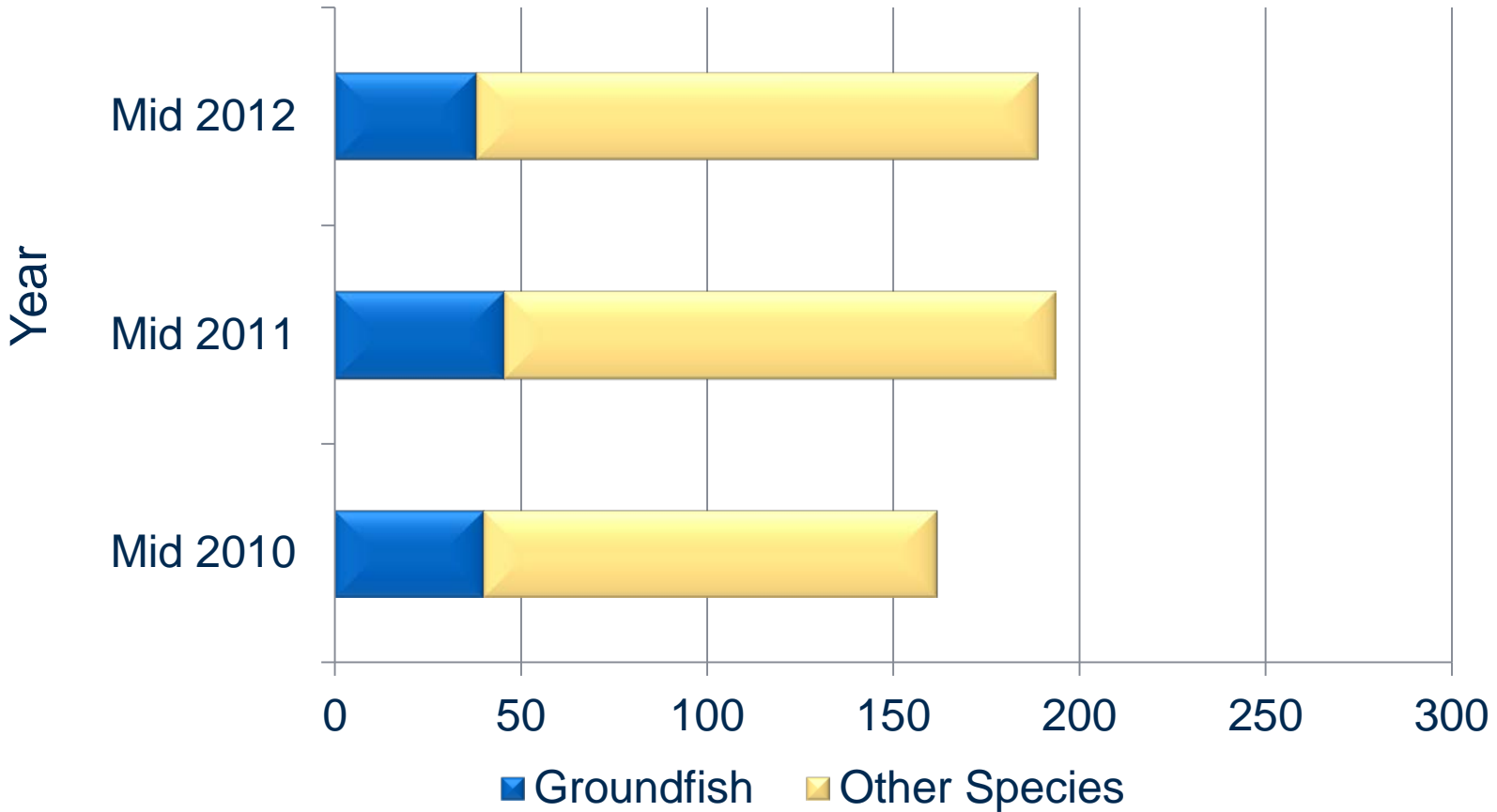
**Landings for all groundfish vessels (May to Oct)
all trips, all species, million pounds**





Gross Revenues at a low for GF,
and a high for NGF.

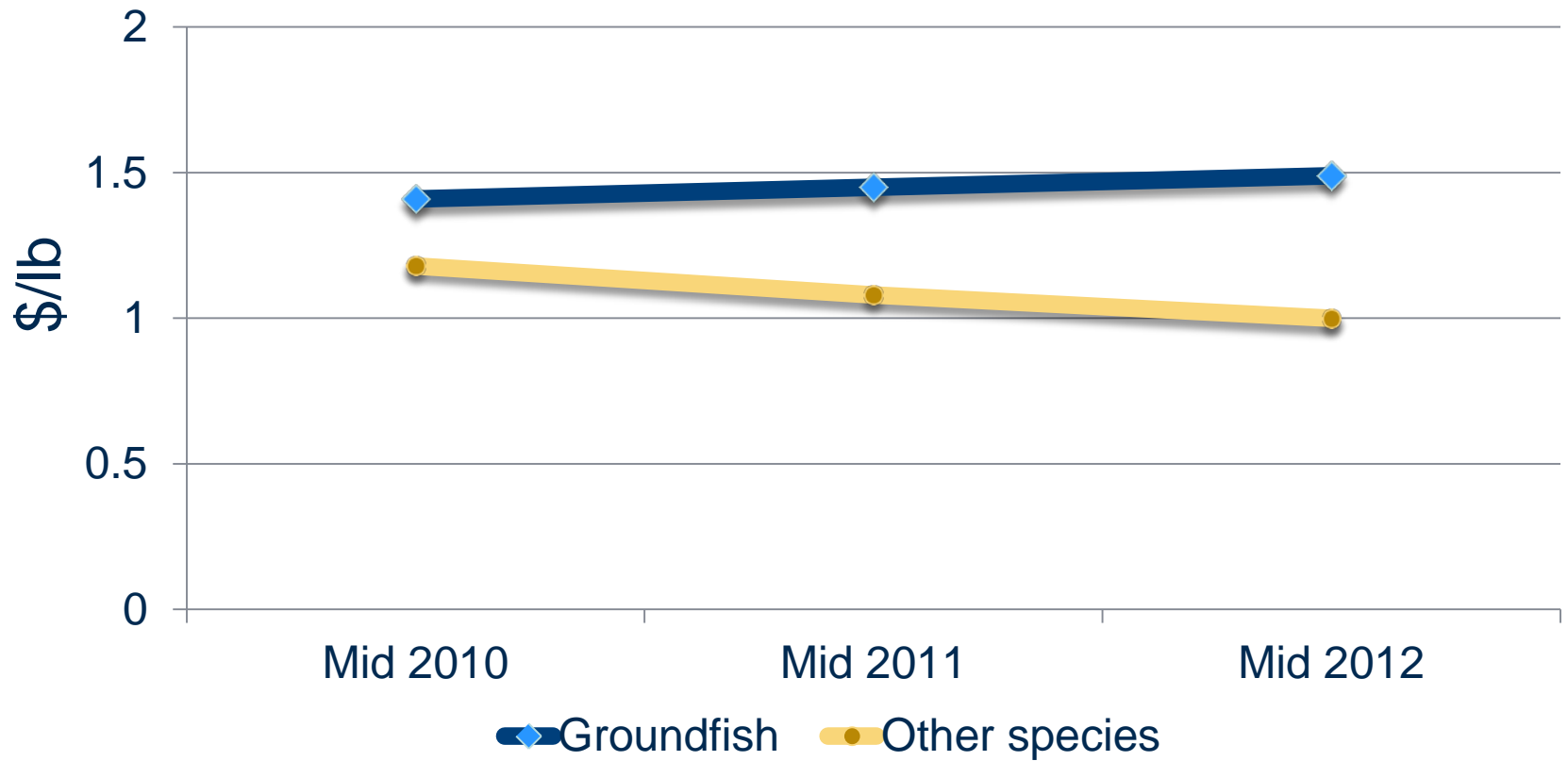
Revenues for all groundfish vessels (May to Oct)
all trips, all species, million \$





Higher Average GF Price
Lower Average NGF Price

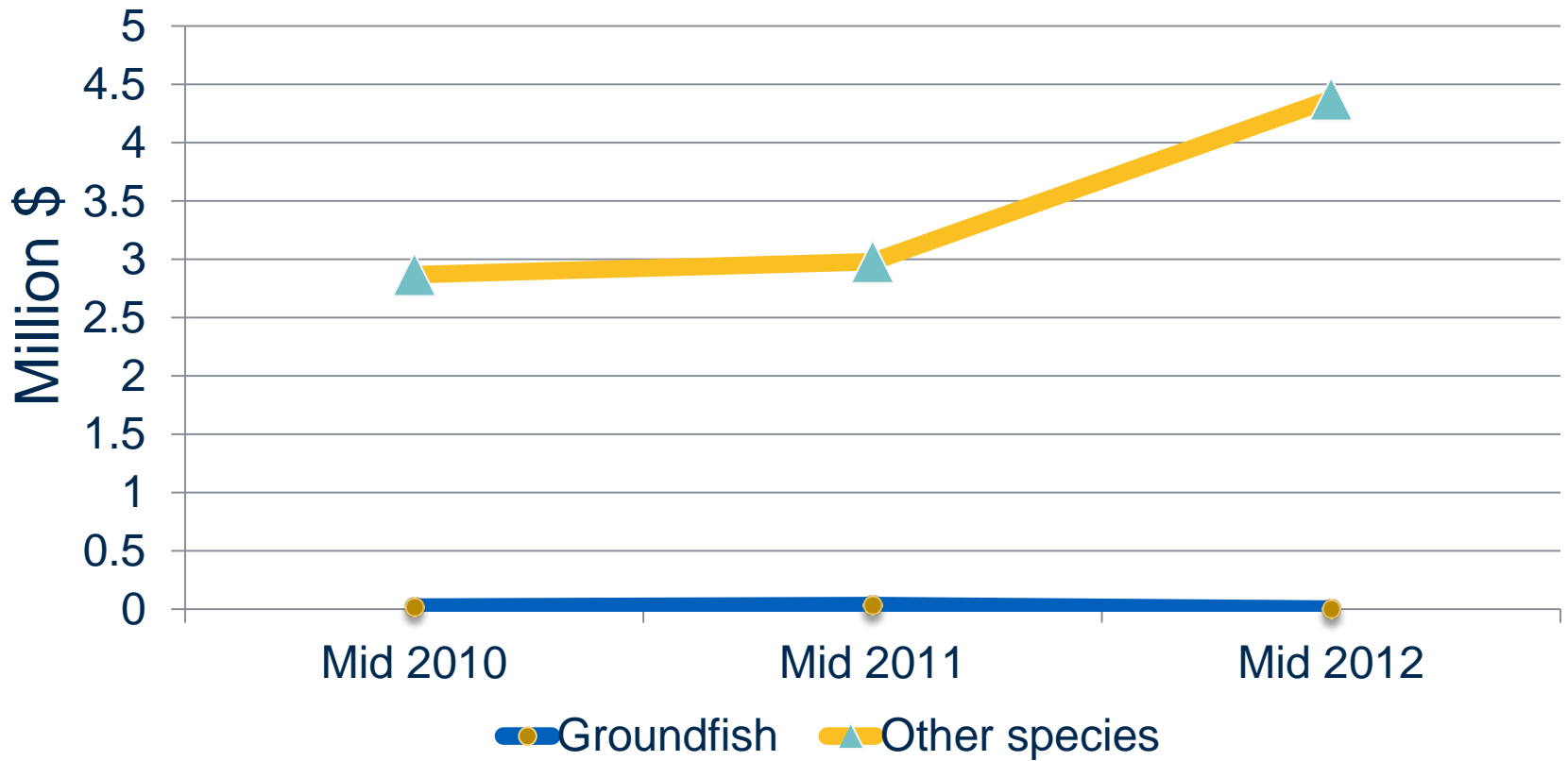
Average price per pound (May to October)
all groundfish vessel landings

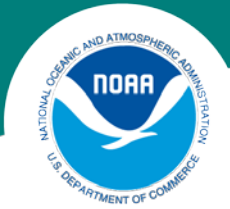




Connecticut
GF revenues at a low , NGF revenues up

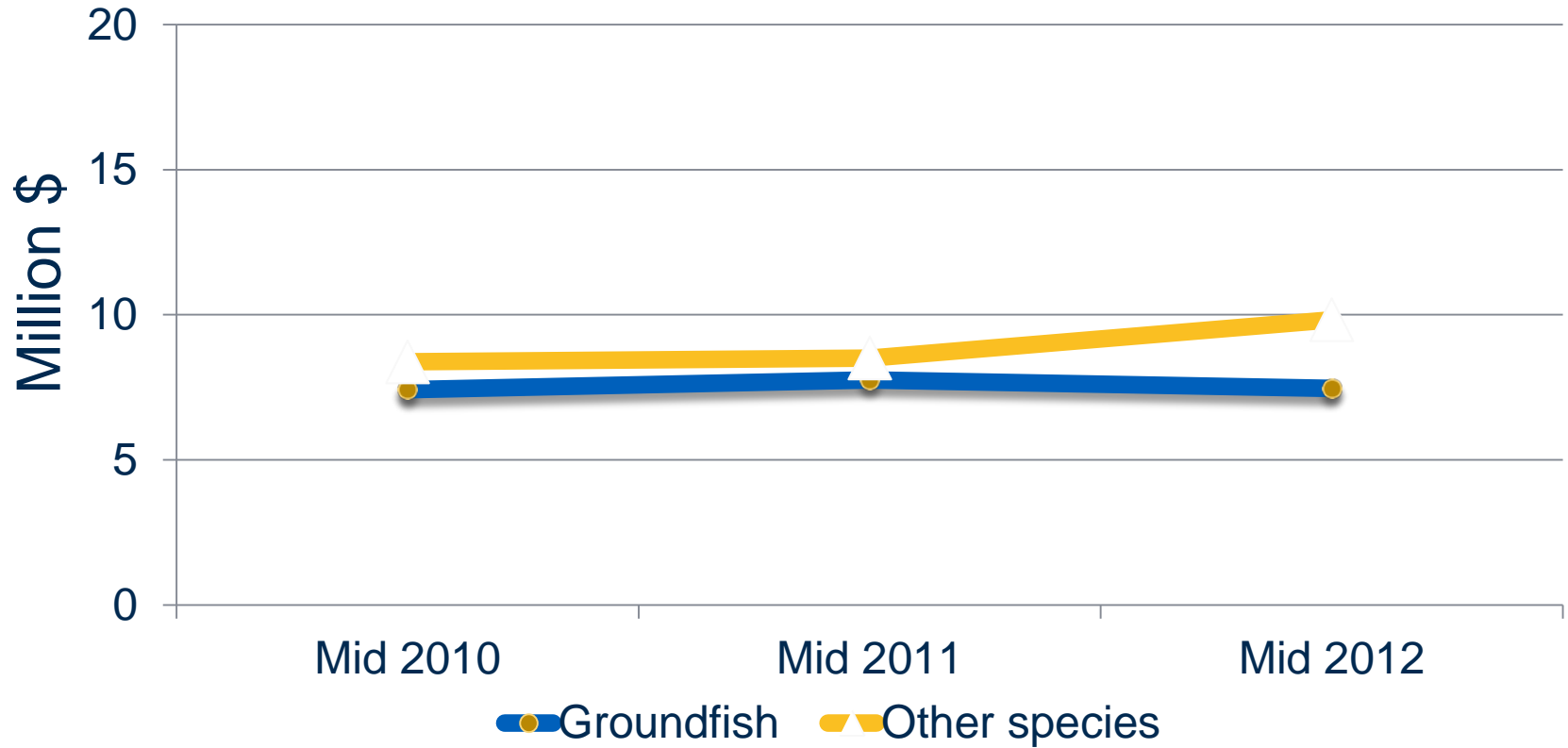
Nominal Value of Landings by Home Port State
all trips, million \$, May-October

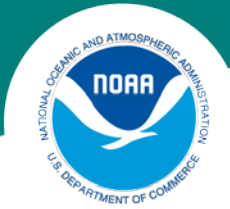




Maine
GF revenues down slightly, NGF revenues up

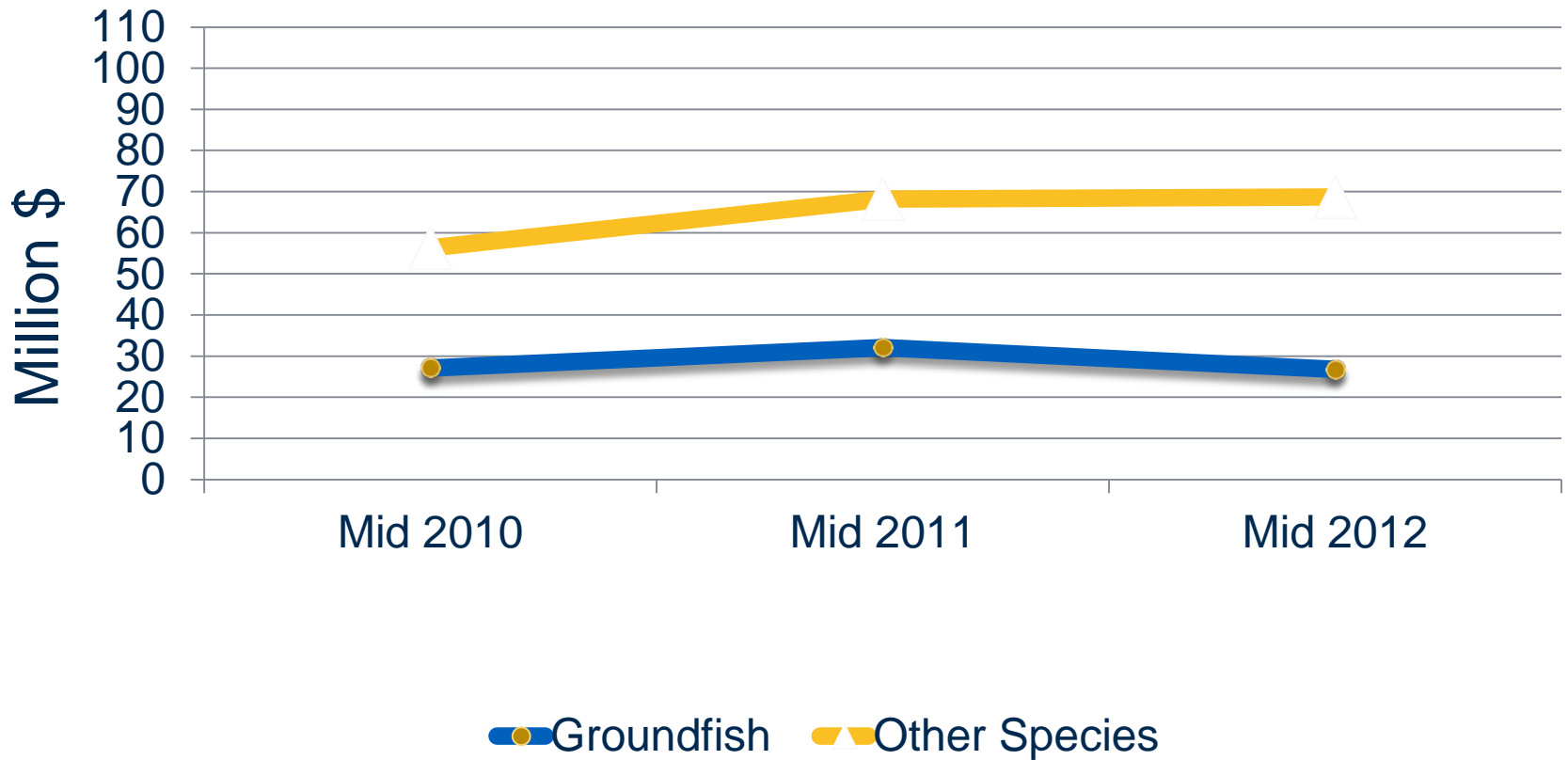
**Nominal Value of Landings by Home Port State
all trips, million \$, May-October**





Massachusetts
GF revenues down, NGF nearly constant

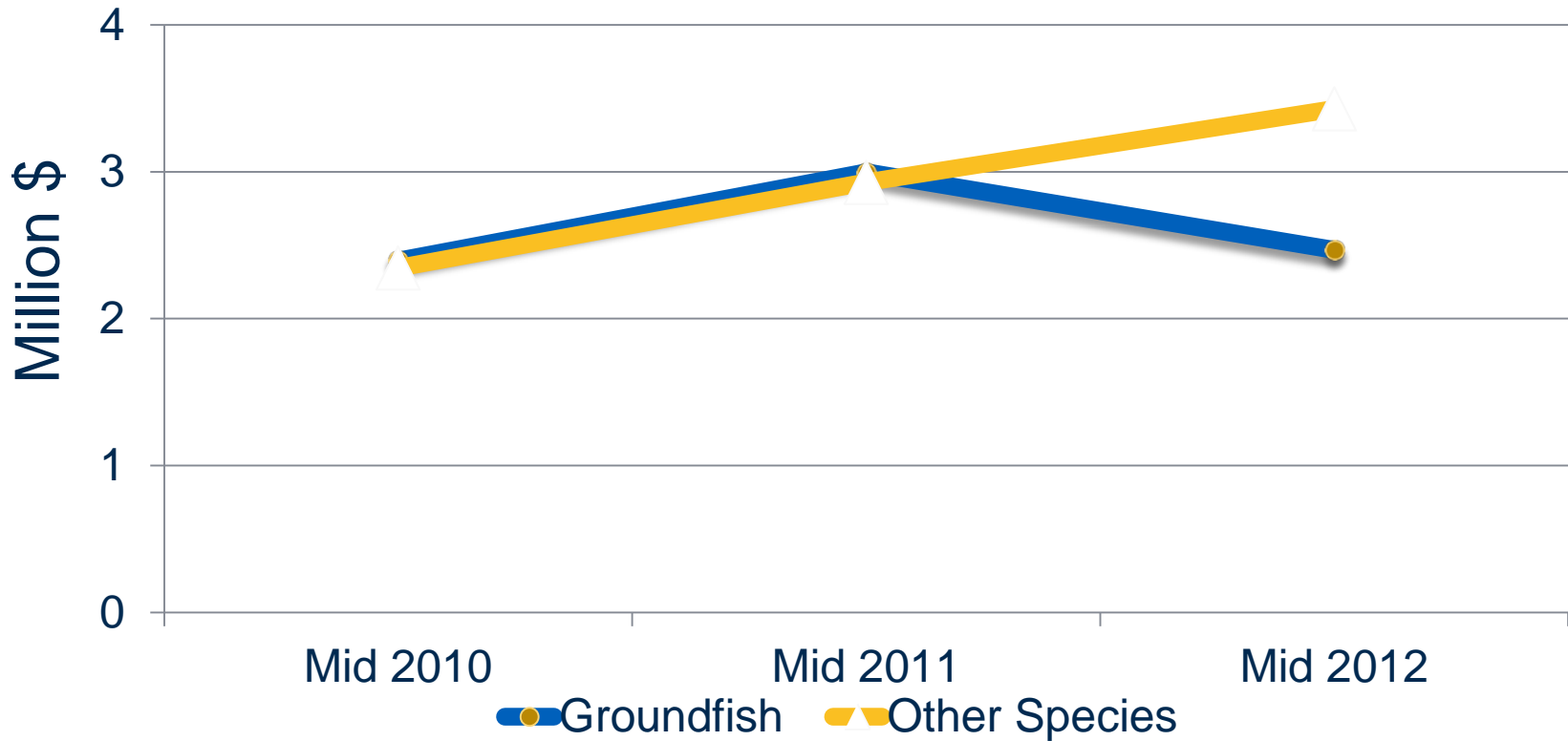
Nominal Value of Landings by Home Port State
all trips, million \$, May-October





New Hampshire
GF Revenues down, NGF up

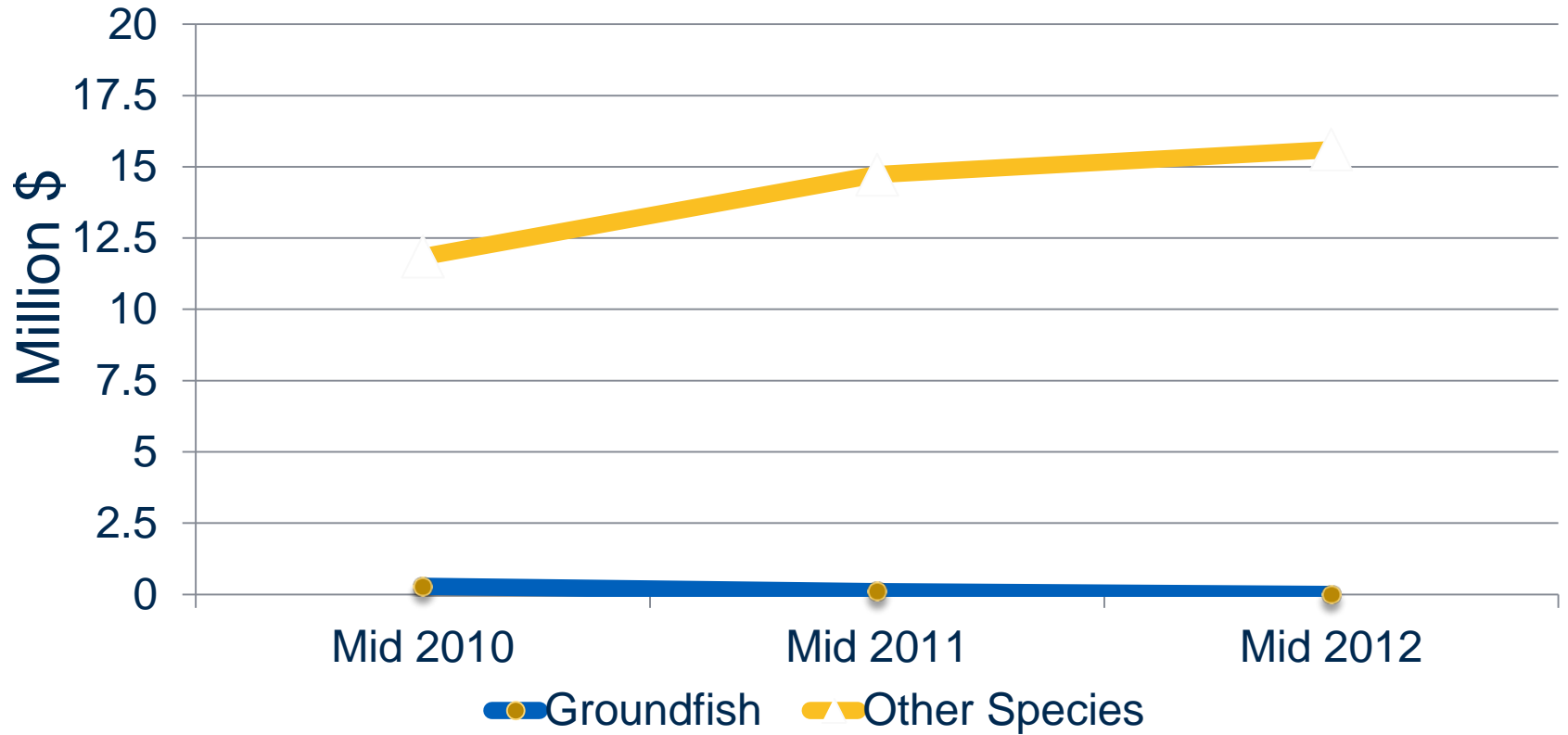
Nominal Value of Landings by Home Port State
all trips, million \$, May-October





New Jersey
GF revenues down, NGF revenues up

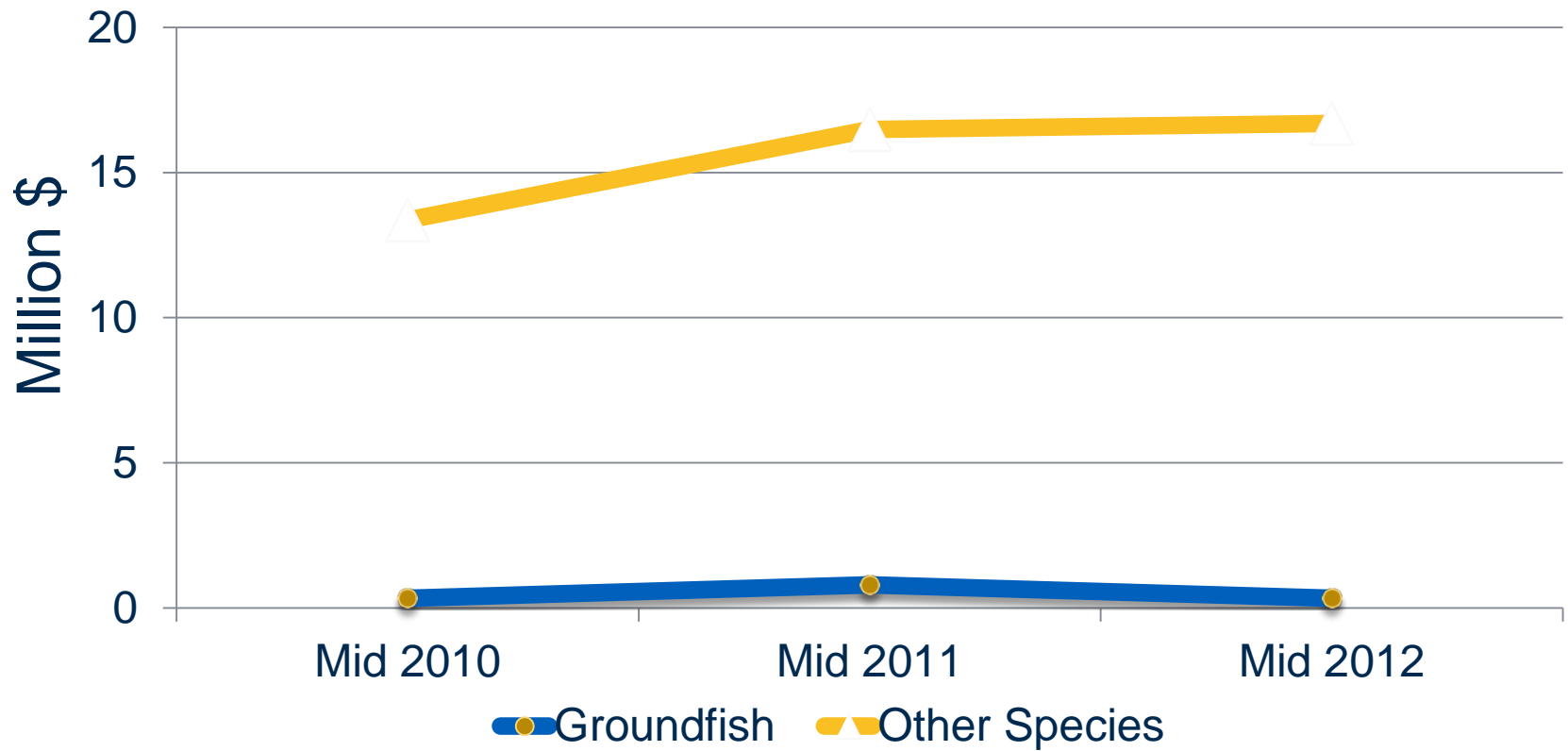
Nominal Value of Landings by Home Port State
all trips, million \$, May-October

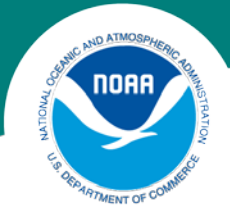




New York
GF revenues down, NGF slightly up

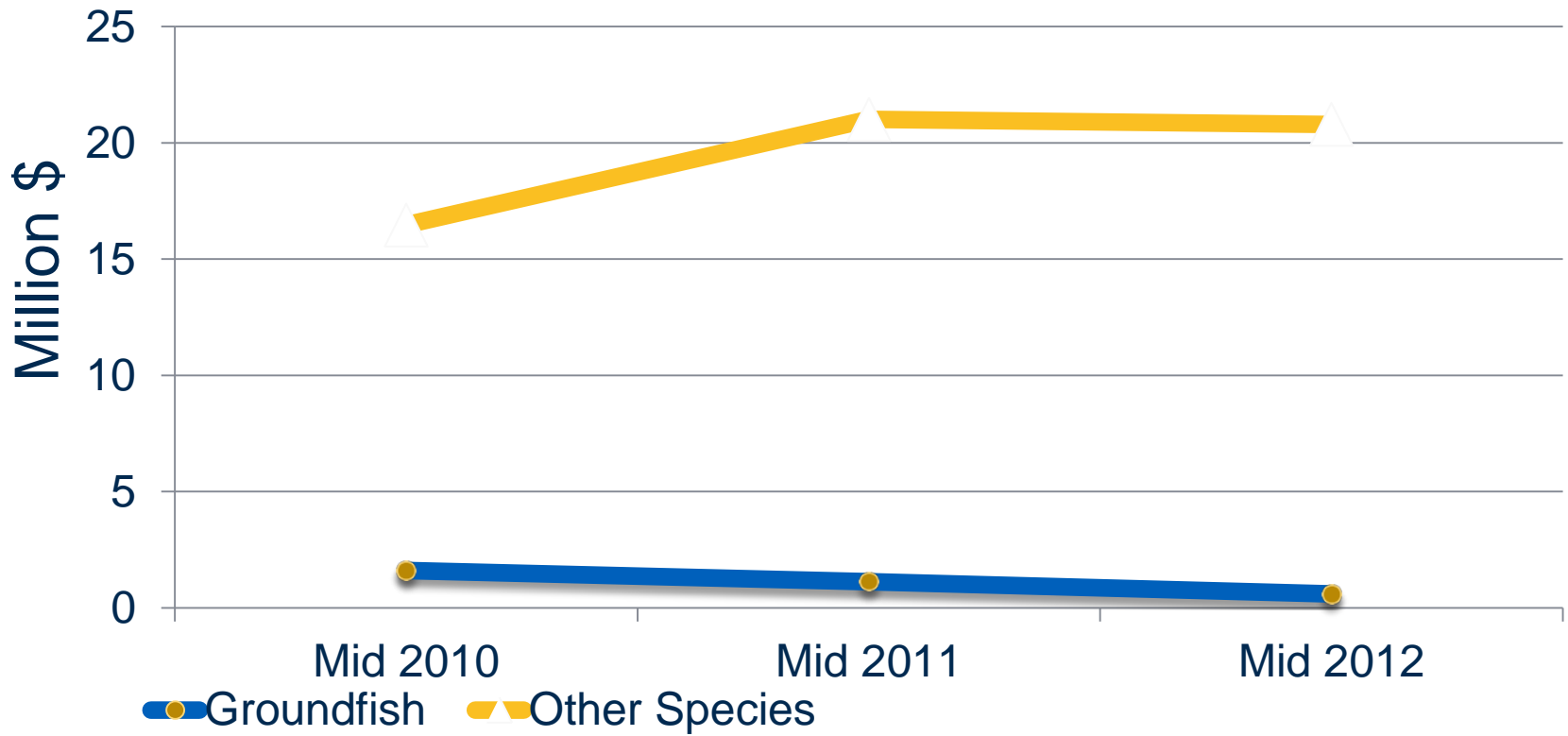
Nominal Value of Landings by Home Port State
all trips, million \$, May-October

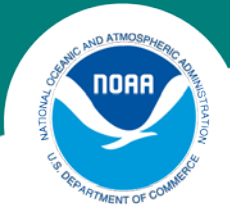




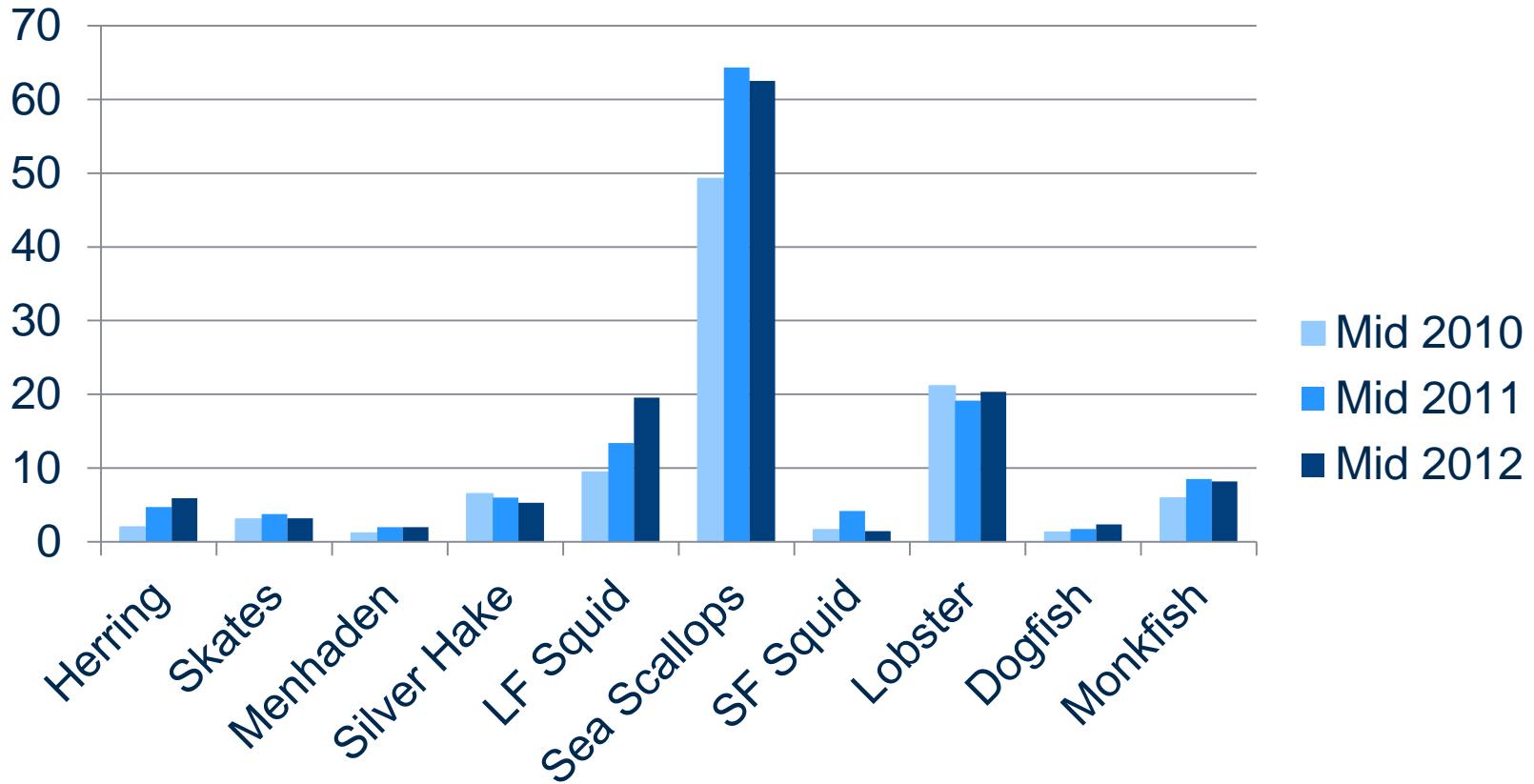
Rhode Island
GF revenues down, NGF revenues slightly down

Nominal Value of Landings by Home Port State
all trips, million \$, May-October





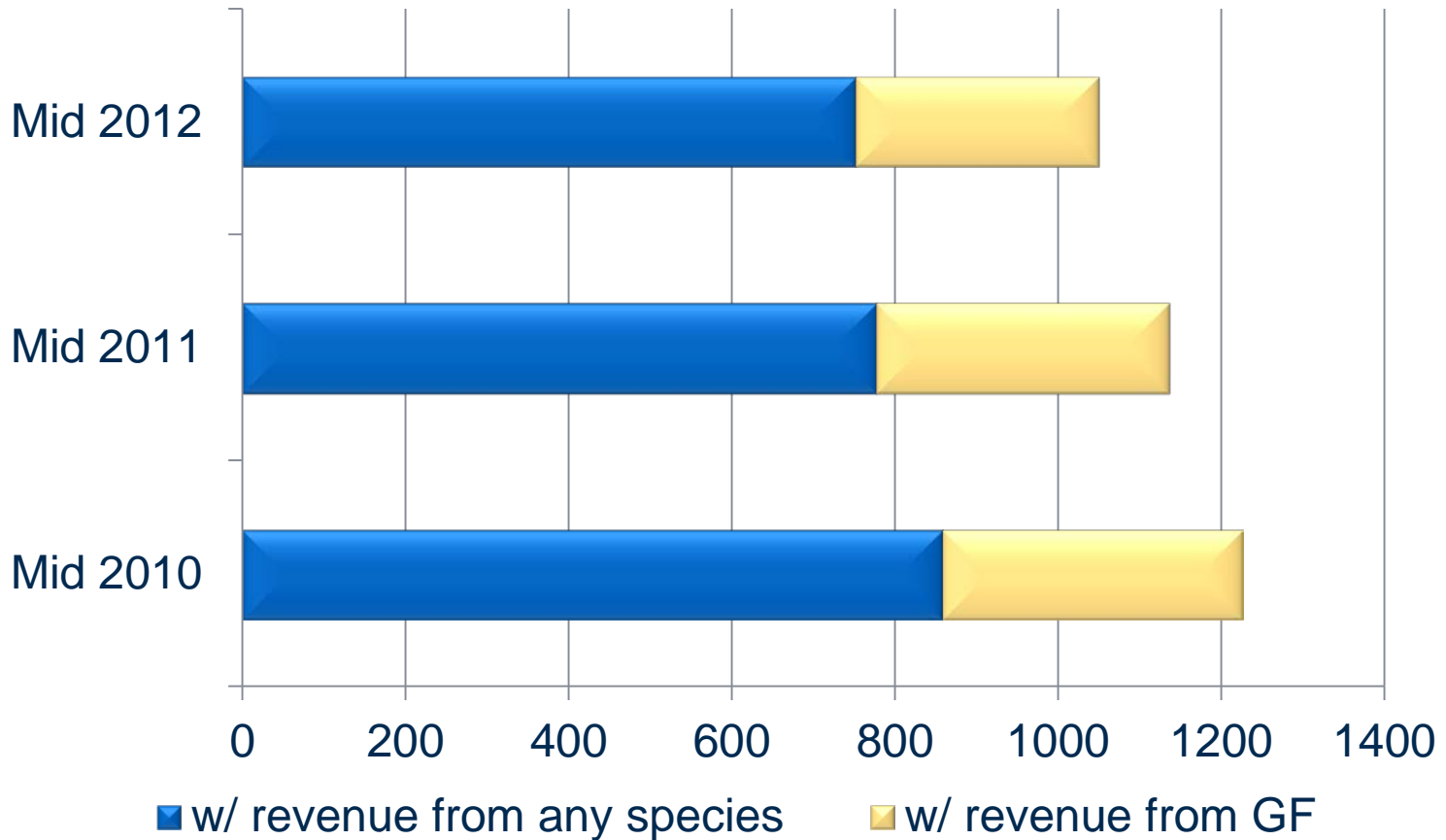
**Nominal Value of Top 10 NGF Species
landed by GF vessels, million \$, May-October**





Fewer Active Vessels

Number of active groundfish vessels

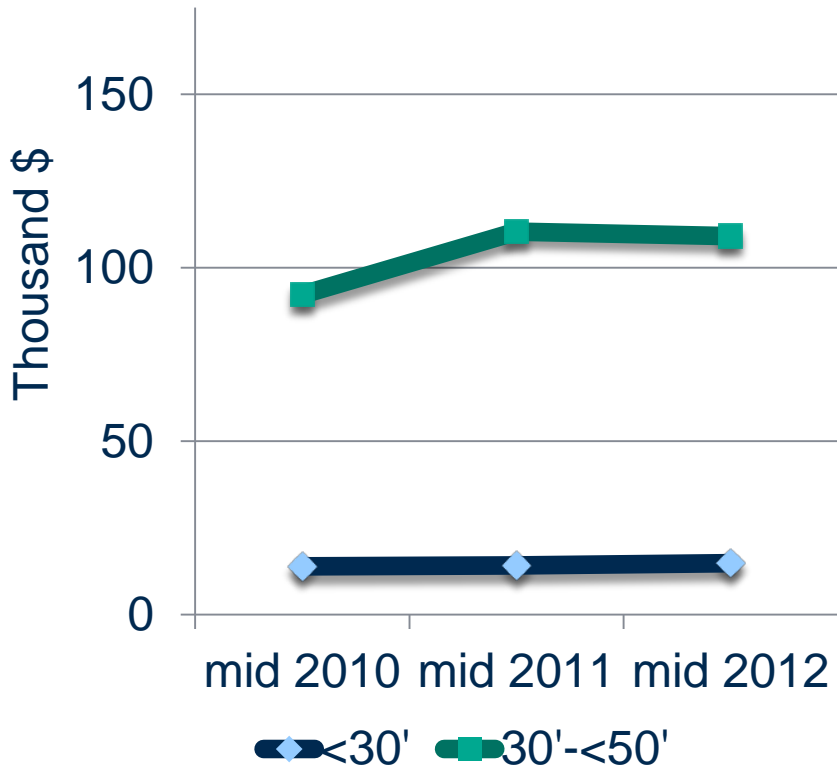




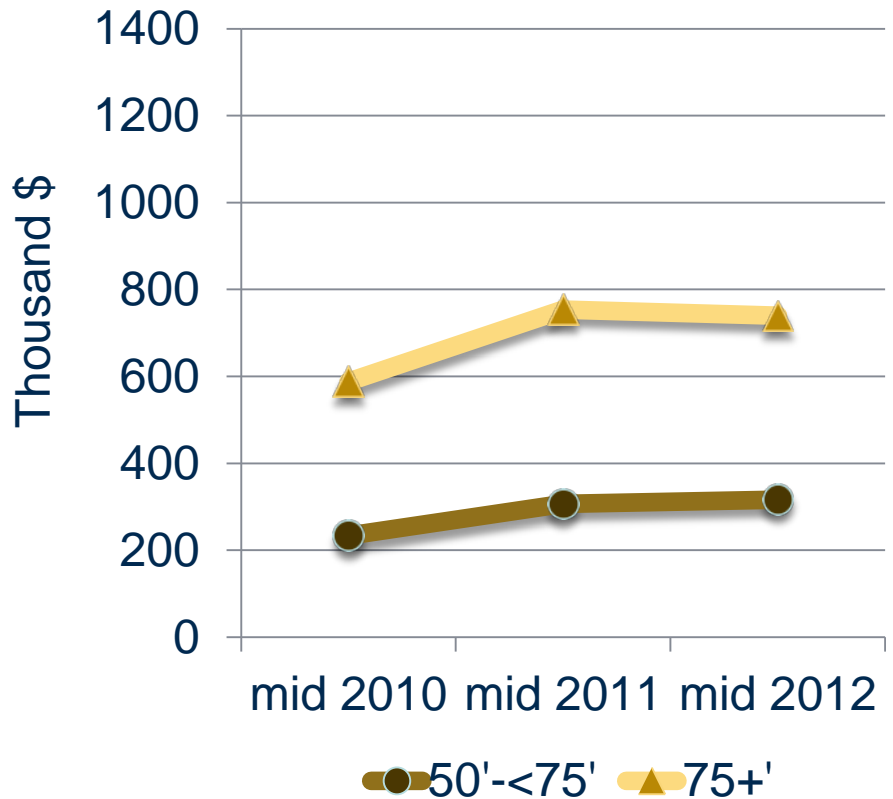
Average All Species Revenue Per Vessel

All species, all trips, thousand \$, May-October

Smaller vessels



Larger vessels

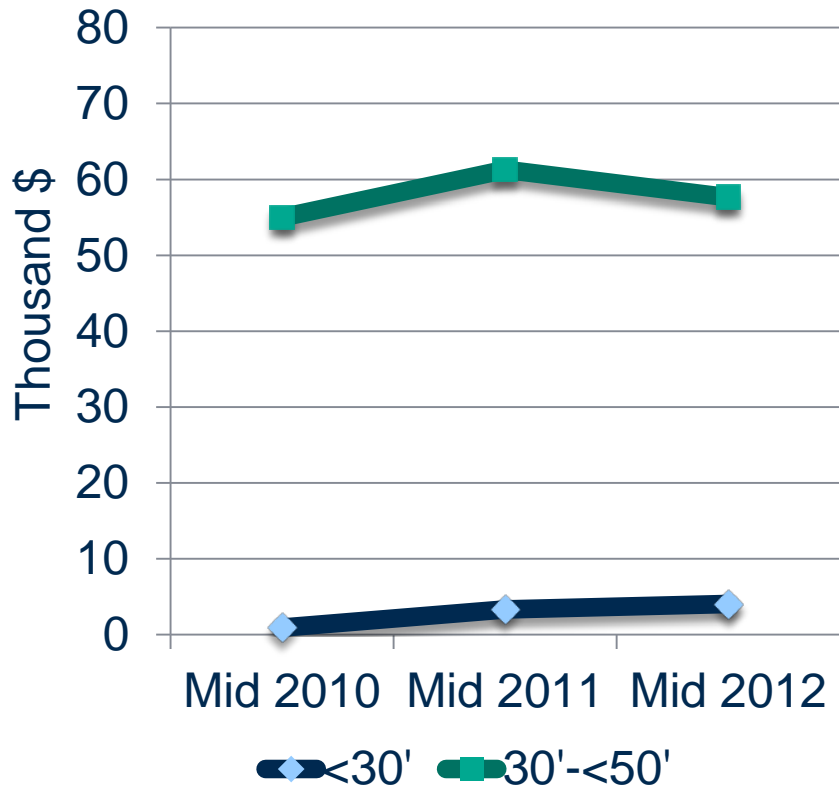




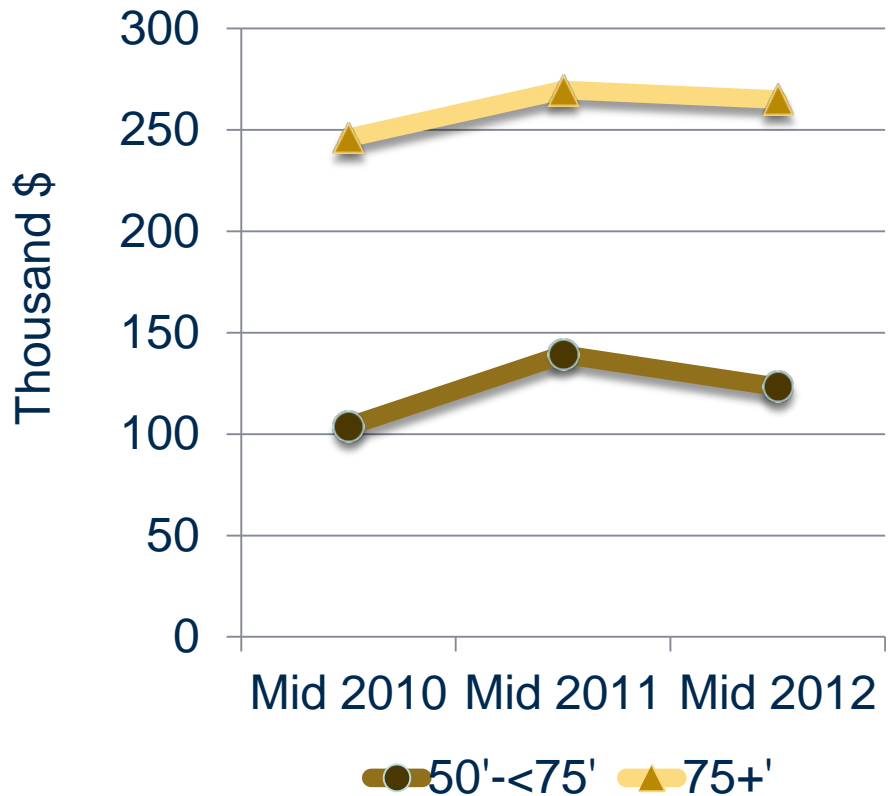
Average GF Revenue Per Vessel

Groundfish, all trips, thousand \$, May-October

Smaller vessels



Larger vessels





How is SSB working to improve its analysis of what's going on?

- Accounting for the impact of leasing activity on net revenue estimates.
 - SSB expects to update FY 2011 estimates of net revenue in June at the NEFMC meeting.
- Releasing FY2012 GF Report that will include impact of leasing on net revenue estimates (assuming sector trade information is provided).
- Understanding Ownership Patterns
- Understanding Profitability



More Information

- Summary Tables for May 2012 – October 2012 Northeast Multispecies Fishery, Northeast Regional Office, URL:
http://www.nero.noaa.gov/ro/fso/reports/2009_2010_Comparison.htm
- Murphy T., Kitts A., Records D., Demarest C., McPherson M., Walden J., Caless D., Bing-Sawyer E., Steinback S., Olson J. [2011 Final Report on the Performance of the Northeast Multispecies \(Groundfish\) Fishery \(May 2011 - April 2012\)](#). US Dept Commer, Northeast Fish Sci Cent Ref Doc. 12-30; 111 p. URL:
<http://nefsc.noaa.gov/publications/crd/crd1230/>



More Information

For general questions about the SSB Performance Measures Program, (including the GF Report) or economic and social data collection, please contact:

Tammy Murphy, Economist

Social Science Branch / Northeast Fisheries Science Center

Voice: 508.495.2137

Email: Tammy.Murphy@noaa.gov

For questions about net revenue estimation, please contact:

Drew Kitts, Economist

Social Science Branch / Northeast Fisheries Science Center

Voice: 508.495.2231

Email: Andrew.Kitts@noaa.gov



More Information

For questions about ACE Leasing, please contact:

Chad Demarest, Economist

Social Sciences Branch / Northeast Fisheries Science Center

Voice: 508.495.2237

Email: Chad.Demarest@noaa.gov

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