

Comparisons Between Sector Allocation Programs, Regional Fishery Associations, and Harvest Cooperatives

Definitions

Sector Allocation programs and cooperatives are management strategies external to those included under Limited Access Privileges as defined in the reauthorized Magnuson-Stevens Act. Sector Allocation programs have been used in the Northeastern U.S. and have been defined as a group of persons who have voluntarily entered into a contract and agree to certain fishing restrictions for a specified period of time and which has been granted a TAC(s) in order to achieve objectives consistent with applicable FMP goals and objectives. Generally, quota is allocated to a sector or sectors based on aggregate catch histories of harvested stocks for vessels participating in the sector. Sector allocations are regulated through the regional Councils. Typically, the Council will require the sector to submit a management plan each year specifying how the sector’s portion of the total TAC will be fished. While sectors sometimes consist of people using the same gear, this does not have to be the case. Sectors are often allowed to act as harvest cooperatives by coordinating their harvest activities.

Harvest cooperatives consist of a group of people voluntarily working together to harvest a portion of the TAC under the Fishermen’s Collective Marketing Act. Harvest cooperatives enable cooperative members to coordinate harvest and other activities and thereby cut costs. Harvest cooperatives are typically also sectors with an allocation of the TAC they are allowed to manage with oversight. In this sense, sectors and harvest cooperatives are very similar. They are just regulated through different legislation.

Comparison

Regional Fishery Associations (as defined by the reauthorized MSA), like sectors, have both a group allocation (through the combined share allocations of its individual members) and, like cooperatives, have the ability to manage their harvest collectively. Sectors and harvest cooperatives require less time to develop than a regional fishery association and can be developed outside of a LAP. That is, sectors and cooperatives can be more quickly implemented than a LAP typically takes. However, a LAP is sometimes seen as a stronger harvest right than membership in a sector or cooperative. In addition, LAPs provide Regional Fishery Association members with a divisible and transferable asset. That is, members of a RFA will likely be able to sell their LAPs. Members of a sector or cooperative cannot sell their membership.

	Brief Description	Part of an MSA LAP program?	Potential Benefits	Potential Drawbacks
Sector Allocation Program	A group of persons who have voluntarily entered into a contract and agree to certain fishing restrictions for a specified period of time and which has been granted a TAC(s) in order to achieve objectives	No. Sectors, in this sense, are regulated through the regional Councils.	- Often seen as simpler and more responsive than traditional management - Allows for flexibility in when, where, and by whom quota is harvested - Some sectors have seen	- Administrative time spent on setting up sectors, monitoring, and reporting requirements - Potential for added management burden (monitoring,

	consistent with applicable FMP goals and objectives		<p>economic gain as a result of the sector</p> <ul style="list-style-type: none"> - Fishermen have more security as a part of a sector than under traditional management - Sectors can also potentially help with marketing - Sectors can help end the “race to fish” if they are coupled with the formation of cooperatives - Monitoring and implementation costs can increase for fishermen 	<p>enforcement, operation plan review)</p> <ul style="list-style-type: none"> - Sectors have to organize and govern themselves - Sectors can be punished for actions of one fisherman - Monitoring and implementation costs can increase for fishermen - Alone, Sectors often do not result in large economic benefits to fishermen because of lack of transferability compared to individual LAPs
Harvest Cooperative	Groups of people voluntarily working together to harvest a portion of the TAC. This enables cooperative members to coordinate harvest and other activities and thereby cut costs.	No. Cooperatives are regulated through the Fishermen’s Collective Marketing Act.	<ul style="list-style-type: none"> - Reduction in the cost associated with overcapitalized fleets For example, Pacific Whiting Conservation Cooperative shifted excess capacity out of the fishery and allowed more efficient operators to lease harvest shares from less efficient operators - Potentially allows for a reduction in the need for seasonal closures 	<ul style="list-style-type: none"> - Requires fishermen to spend time organizing themselves - May require fishermen to finance stricter monitoring methods - Cooperative can be punished for the actions of one fisherman - Lack of transferability compared to individual LAPs
Regional Fishery Association (RFAs)	Regional Fishery Associations (RFAs) can use harvest privileges if the RFA is a voluntary association with established bylaws and operating procedures and consists of participants in the fishery who hold LAP shares. RFAs can include commercial or recreational fishing businesses, processing businesses, fishery-dependent support businesses, or fishing communities. In order to harvest privileges a RFA	Yes. RFAs are formed after initial allocation.	<ul style="list-style-type: none"> - Divisible, sellable asset - Beneficial to small scale fishermen that don’t have enough allocation to fish themselves but still want to gain profit from their quota share - Have benefits associated with cooperatives, sector allocation, and individual privileges 	<ul style="list-style-type: none"> - Likely to take a longer period of time to implement than sector allocation or a cooperative due to the need for initial allocation to individuals prior to RFA formation - Requires fishermen to organize and manage themselves - Administrative time spent on setting up

	<p>must meet eligibility and participation criteria laid out in the reauthorized Magnuson-Stevens Act. RFAs cannot receive an initial allocation of LAPs. However, they may acquire such privileges after initial allocation. The term “regional fishery association” means, “an association formed for the mutual benefit of members (A) to meet social and economic needs in a region or subregion; and (B) comprised of persons engaging in the harvest or processing of fishery resources in that specific region or subregion or who otherwise own or operate businesses substantially dependent upon a fishery.”</p>			<p>RFAs, monitoring, and reporting requirements</p> <p>- Potential for added management burden (monitoring, enforcement, operation plan review)</p>
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