

Outline for a Socio-Economic Profile of the Commercial Snapper Grouper Fishery in the South Atlantic

Synopsis: As part of Vision Blueprint Regulatory Amendment 27 (Commercial Management Measures), the public was asked to comment on management approaches that would meet the needs of “traditional bandit boats.” Several ideas were submitted for the South Atlantic Fishery Management Council (Council) to consider; however, such items would have to be developed through a full amendment to the Snapper Grouper FMP (as opposed to a regulatory amendment) and would take substantial time. In addition, the Council expressed the need for an in-depth characterization of the fishery before considering substantial changes to how the fishery is managed. Hence, in March 2017 the Council directed staff to begin work on a socio-economic characterization of the commercial Snapper Grouper (SG) fishery that would address items such as descriptive statistics (location, permit portfolios, corporation v. individual, demographics, etc.) about SG permit holders and changes over time; leased permits (via vessel leasing); latent permits; vessel characteristics (for evaluation of a ‘traditional bandit boat’ definition); qualitative descriptions of fishing communities; SG participant catch portfolios; SG dealer information; economic importance of the total fishery and by species sub-complex; seasonality and regional distribution of landings; and growth potential analysis. Council staff will provide an overview of the work plan, and timing for the project.

A. Description of fishing communities- this section will include a qualitative description of major commercial SG fishing communities in each region along with a ranking of these communities based on a “regional quotient” of commercial SG landings by weight and ex-vessel value. This section will also include information on engagement and reliance on commercial fishing for these communities based on the most recent year of available data.

The regions that will be examined are:

1. North Carolina
2. South Carolina
3. Georgia
4. North Florida to Palm Beach Inlet
5. Palm Beach Inlet to Key West

Question for the Council/AP/SEP:

- Is this geographic division of regions sufficient? Should states/regions be consolidated? Should states/regions be further divided or subdivided differently?

Snapper Grouper AP input:

- Palm Beach inlet boundary – better fit would be the St. Lucie Inlet since this line in Florida defines the spatial boundary for the prohibition on the use of longlines.
- Outer Banks (north of Hatteras) should be a region since fishing in that area is different than in other regions.
- Topsail, NC, south to GA would be another region.

Socio-Economic Panel input:

- Lumping communities into regions is appropriate if county level data are being used.

South Atlantic Council input:

B. Descriptive statistics of Snapper Grouper permit holders

1. Distribution of permit holders by region
2. Business structure (corporation v. individual ownership)
3. Demographics of permit holders
4. Permit portfolios- What other South Atlantic and federal fishing permits do SG permit holders possess?

Snapper Grouper AP input:

- SERO is in the midst of updating their permit application – there will be more information to include in the characterization.
- Should include a description of holders of corporations and their structure.
- Include a description of permit leases.
- Portfolios – important to include information on permits for other fisheries (CMP, etc.).
- Describe issues with transferring permits from vessels to be able to fish for other species.
- Examine ages of permit holders, captain, crew. There are not a lot of young people entering the fishery.
- What are the obstacles to entering the fishery, in addition to the capital needed to purchase a permit, vessel, gear, etc.?

Socio-Economic Panel input:

- Include home state of permit holder in addition to home port of vessel.

South Atlantic Council input:

C. Permits and Permitted Vessel Characteristics

1. Leased permits
2. Latent permits
3. Permit cost and availability
4. Distribution of SG permitted vessels by region (based on hailing port city)
5. Vessel characteristics (age, length, horsepower, crew size, holding capacity, hull material, fuel type, use in for-hire fishing) with a specific focus on vessels fishing bandit gear.

Questions for the Council/AP/SEP:

- Are there additional vessel characteristic or statistics that could be used to better define a “traditional bandit boat”?
- When do you consider a permit “latent”? No landings? Minimal landings (if so what level)?
 - For how many years must this level of landings occur before a permit is “latent”?
 - Should there be a differentiation between Unlimited Permits and 225 LB. Permits in relation to what is considered “latent”?

Snapper Grouper AP input:

- Speed should be a factor in determining what constitutes a “traditional bandit boat”. Size should not be a factor. It is more about the length of the trip than anything else.
- Traditional bandit boats typically target everything, but day boats target specific species.
- Traditional bandit boats have bandit gear, which in general is not removed from the boat. Day boats use electric reels.
- Vessels in Florida have evolved from trip boats to day boats to adapt to regulations, and changes in available/affordable slips (boats are trailered in and out).
- AP expressed concern about trying to define a ‘latent permit’ because this may result in someone losing a permit. Instead, the discussion indicated that staff should focus on the types of fishermen holding permits but not participating in the commercial fishery regularly.
- “Leased” permits – some fishermen who are no longer fishing have two SG permits and lease them both. This has undermined the 2 for 1 program. Suggest seeking legal clarification of such issues.
- Look at income qualifiers in relation to permits with low landings or look at which permit is generating income.
- Working waterfronts – how reduction of working waterfronts is affecting the fishery; leasing of waterfront property vs. ownership that provides no protection for existing fishing operations (fish houses, boat slips, etc.).
- As far as looking into permits with low landings, should there be a distinction between the unlimited and trip-limited permits? Yes, because the trip-limited permits are not transferable. For years to be included in characterization, suggest looking at time post Amendment 8 (when the 2 for 1 program went into place).
- Suggest looking at changes in fishermen behavior since implementation of the 2 for 1 program.
- Include information on how many 225 permits have any landings and how the permit holders have changed over the years.
- What is the cost for a permit (or two), and how has this changed?
- How do people get the capital to enter the fishery?

South Atlantic Council input:

D. Participant information

1. Catch portfolio- species composition of landings for SG fishery participants by pounds and value
2. Dealer information (geographic distribution, business structure, and involvement in other fisheries such as Atlantic Shark or Domestic Swordfish)

Snapper Grouper AP input:

- How many fishermen are also acting as their dealers? Which dealers are fishermen selling their catch to? This would be directly related to the number of fish houses.
- Obtain demographic information on captains (age, etc.). This is important information that may provide insight on how the fishery is shaping up for the future.
- How have fishing businesses adapted with the decrease in fish houses?

South Atlantic Council input:

E. Profile of Snapper Grouper Landings

1. Landings by ex-vessel value and weight for each species in the SG fishery by species-complex - this will include groupers, snappers, jacks, porgies, grunts, tilefish, and other (wreckfish, gray triggerfish, hogfish, and spadefish)
2. Regional seasonality and distribution of landings by species-complex
3. Landings (ex-vessel value and weight) by gear
4. Economic impacts (Sales Impacts, Income Impacts, and Jobs)
5. Growth potential analysis

Note: The above topics will be examined based on 2014 through 2016 data.

Question for the Council/AP/SEP:

- Do you think that using data from 2014 through 2016 (i.e. three years) is sufficient for the purposes of this section?

Socio-Economic Panel input:

- There appears to be a lot of overlap regarding the discussions of the socio-economic profile and the social and economic information that are needed for the fishery ecosystem plan. Council staff may wish to present data for five years to match the proposed presentation of data for the Fishery Ecosystem Plan.
- Longer time series may be used for landings and ex-vessel revenues. Measures of current fishery performance should be interpreted within the context of a comparison with past performance.
- Staff clarified that the profiles are for all parts of the commercial snapper grouper fishery, not just the section using bandit reels.
- Suggestion to use data from the same five years as the period being used in the FEP so that the results of the SG socioeconomic profile can be incorporated into the FEP.

South Atlantic Council input:

General questions for the Council/AP/SEP:

- Is there available information not included in the outline that could help better describe the social and economic characteristics of the commercial Snapper Grouper fishery?

Socio-Economic Panel input:

- The Science Center has additional information about harvesting and ownership costs that could be used to compare changes in profitability over time.
- Is there utility in expanding this profile to include information on the recreational sector where data are available and as time allows?

Socio-Economic Panel input:

- The focus for the Council's request for information is the commercial sector and traditional bandit boats. If the report's focus was expanded to include the recreational sector, then there is the risk that final presentation of information for the commercial sector would be delayed. An analysis of the recreational sector could be conducted separately and with a separate release date.
- Some recreational data will already be tied into the analysis as outlined from overlap between Snapper Grouper participants that hold both recreational and commercial permits.

South Atlantic Council input: