



**Snapper Grouper
Commercial
Subcommittee Meeting**
March 2025

Michael Schmidtke,
SAFMC Staff

SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL

Snapper Grouper Commercial Historical Information Overview



Materials Overview

- Refresher of previously-presented reports on the SG commercial fishery and permits
- Full versions of each document are linked in the Agenda Overview

1998 Amendment 8

- Established the 2 for 1 method of limiting the number of commercial snapper grouper permit holders due to concerns over excess capacity and intense competition over the SG resources.
- Resulted in two different snapper grouper commercial permits:
 - The **SG1 permit** (i.e. “unlimited permit”)
No overall poundage restrictions (aside from species-specific trip limits) and is transferable
 - The **SG2 permit** (limited harvest to 225 lbs of SG species)
Intended to only be transferred to immediate family or onto a new vessel under the same owner

2014 Potential Optimum Yield

- As an appendix for the SAFMC Visioning Workshop, Carmichael developed an estimation of the growth potential for the SG fishery, based on the differences between recent catches and the “potential optimum yield”
- Back of the envelop calculation, but provides some context about the fishery at that time
- Identified several species that had potential for commercial growth, including red snapper, red grouper, and gag
- Long-term trend of the commercial sector is that overharvest occurred in the 1980s-mid 1990s, but since the 2000s, the commercial fishery consistently had room for approximately 2 million lbs ww (total for all species) of growth potential per year, potentially indicating underutilization

2018

Socio-Economic Profile (MacLaughlin Buck)

- Proportion of permits held by corporate entities had increased since 1998, but most permits still held by individuals or families at this time
- Estimated cost to obtain an SG1 permit was roughly \$60-\$40,000, increasing ~\$40,000 from typical prices in 2011
- Leasing of permitted vessels was common, with a lease typically ranging from \$6,000-\$8,000 annually
- 49% reduction in SG1 permits since AM 8 implementation
- 67% reduction in SG2 permits since AM 8 implementation

2018

Socio-Economic Profile (MacLaughlin Buck)

- January 2018: 541 SG 1 permits & 110 SG2 permits
- Estimated cost to obtain an SG 1 permit was roughly \$60-\$80,000, increasing from about \$40,000 in 2011
- Leasing/temporary use of an SG 1 permit was common, with a lease typically ranging from \$6,000-\$8,000 annually

2018 Socio-Economic Profile

(MacLaughlin Buck)

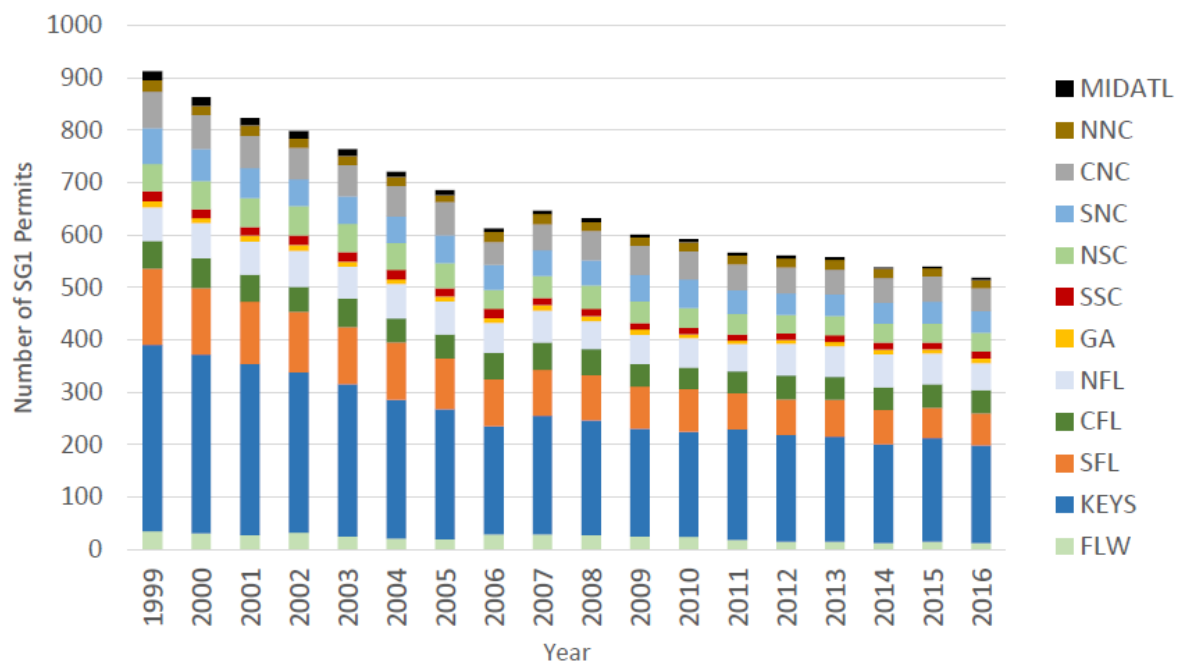


Figure 2-2. Snapper Grouper Unlimited (SG1) permits by homeport area/state from 1999 through 2016

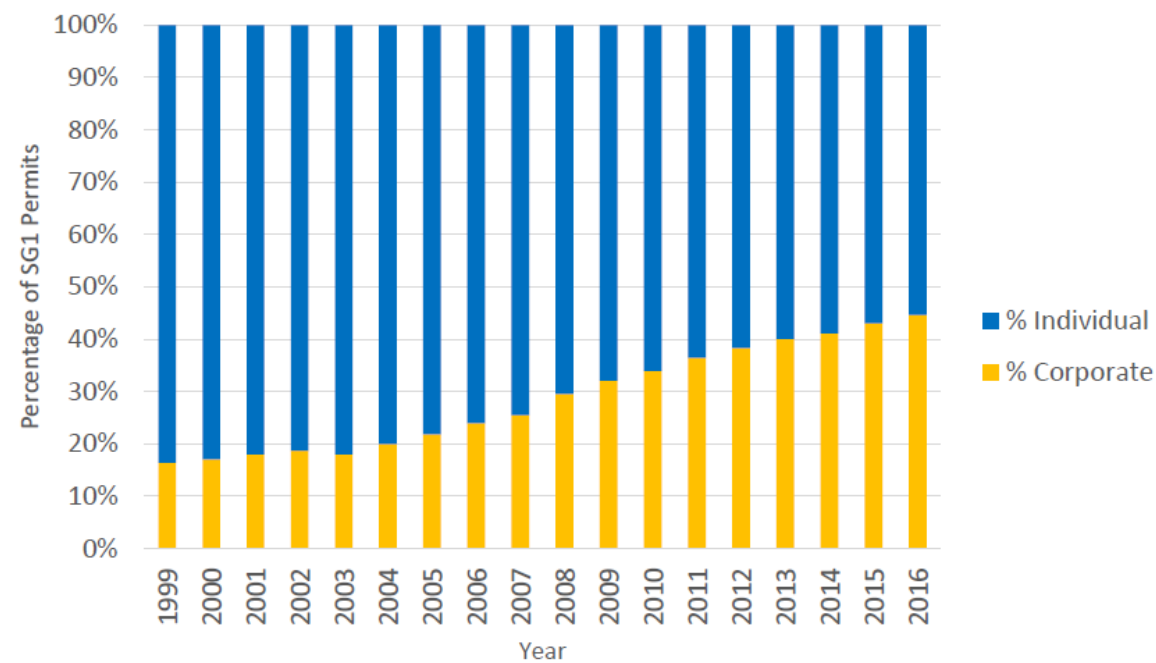


Figure 2-4. Proportions of total SG1 permits that are held by individuals and corporations 1999-2016

2018 Socio-Economic Profile

(MacLaughlin Buck)

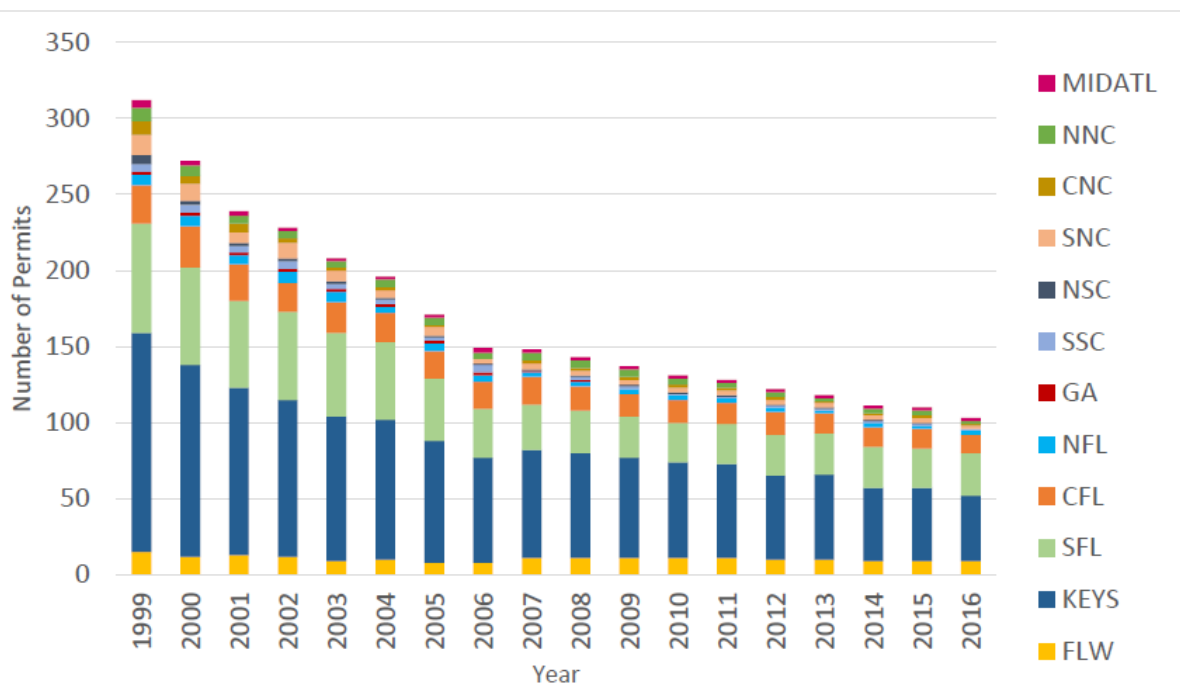


Figure 2-5. Snapper Grouper Limited (SG2) permits by homeport area/state from 1999 through 2016

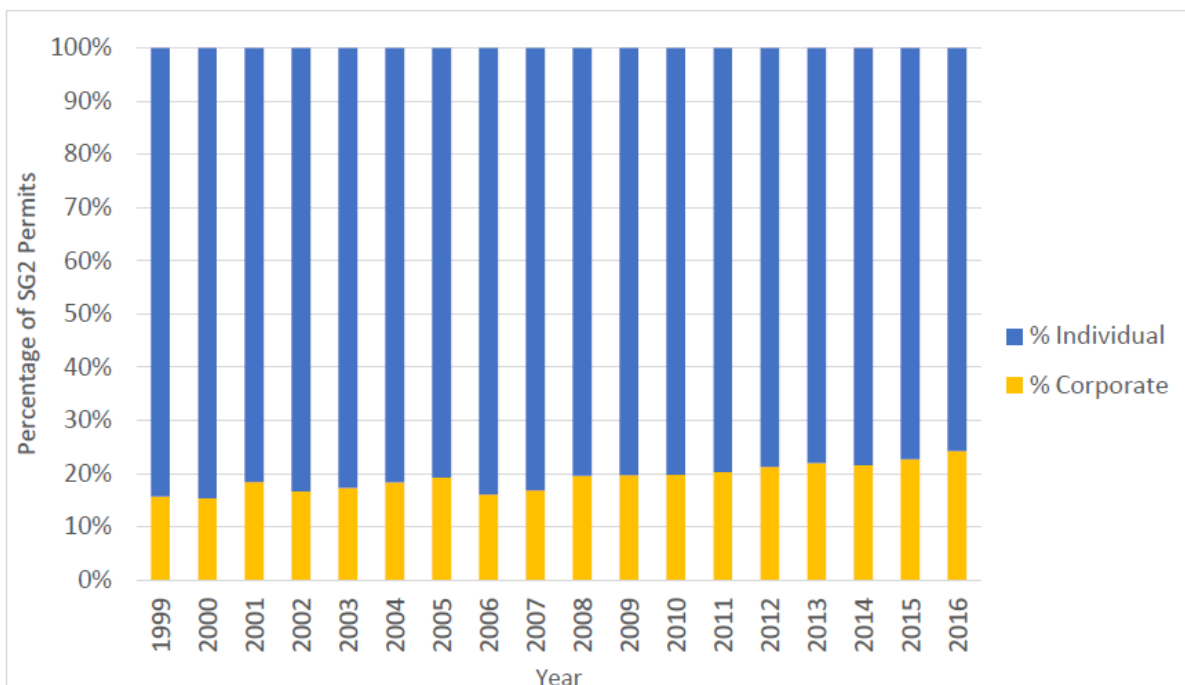


Figure 2-6. Proportions of total SG2 permits that are held by individuals and corporations 1999-2016

2020 Executive Order 13921

- E.O. 13921: Promoting American Seafood Competitiveness and Economic Growth instructed regional fishery management councils to submit a prioritized list of actions to reduce burdens on domestic fishing and to increase production within sustainable fisheries.
- The Council's response (submitted on October 30, 2020) addressed data, policy and fishery management topics that pose burdens to fishing operations and prevent optimizing yield from the fisheries managed by the Council.

2021 Oct. AP Discussion

- The AP discussed the SG commercial permit and made the following comments and recommendations:
 - New entry is difficult and expensive due to scarcity and cost of SG 1 permits
 - Concerns:
 - Loss of working waterfront
 - Sustainability of additional commercial pressure, specifically noting the increase and strong effect of recreational fishing
 - “Corporate loophole” for SG 2 permits
 - Potential considerations:
 - Limitation on how many permits can be owned/leased by a single person
 - Exemption of some SG 1 permits from the 2 for 1 policy
 - Possibly those that have not had recent harvests associated with them or those being acquired by fishermen in areas without a local harvester
- Overall, mixed opinions on level of overcapitalization and removing 2 for 1 policy at that time

2021/2024 2 for 1 White Paper

- As part of its response to the E.O., the Council developed a white paper evaluating the 2 for 1 policy in December 2021
- This white paper was updated at the Council's request in March 2024
- 2020:
 - 50% reduction in SG1 permits since AM 8 implementation
 - 77% reduction in SG2 permits since AM 8 implementation

2021/2024 2 for 1 White Paper

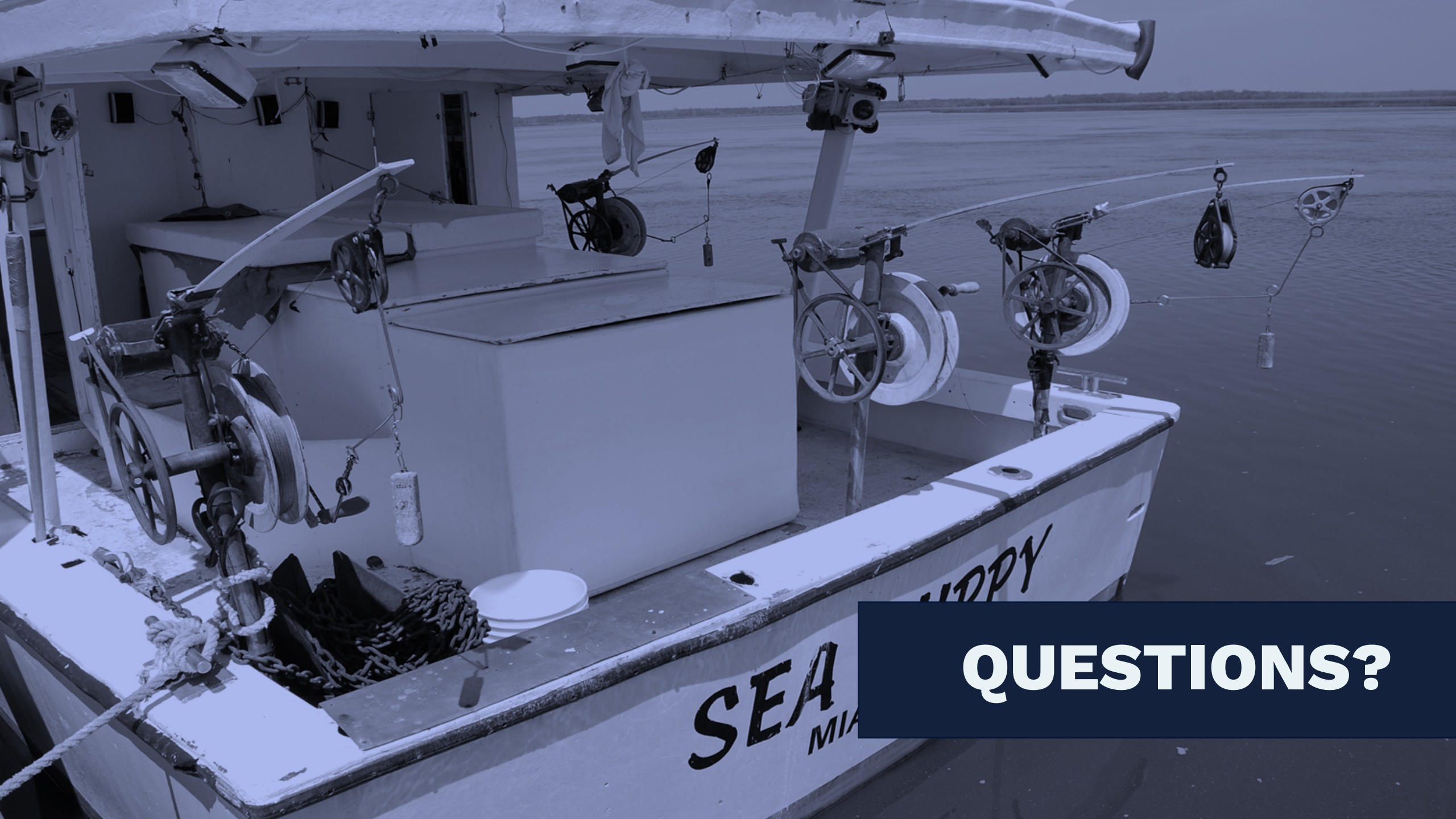
Table 3

| Year | SG 1 permits assigned to leased vessels | Percent of SG 1 permits assigned to leased vessels | SG 1 permits consolidated* | SG 1 permits terminated** | SG 2 permits terminated** |
|---------|---|--|----------------------------|---------------------------|---------------------------|
| 2015 | 198 | 35% | 6 | 1 | 4 |
| 2016 | 216 | 38% | 8 | 0 | 2 |
| 2017 | 225 | 41% | 4 | 0 | 4 |
| 2018 | 227 | 41% | 9 | 0 | 2 |
| 2019 | 232 | 43% | 9 | 2 | 4 |
| Average | 220 | 40% | 7 | 1 | 3 |

2021/2024 2 for 1 White Paper

Table 4

| Year | Total SG permitted vessels | Permitted vessels that landed SG species | Permitted vessels that did not land SG species | Percentage of permitted vessels that landed SG | Percentage of permitted vessels that did not land SG species |
|---------|----------------------------|--|--|--|--|
| 2016 | 681 | 563 | 118 | 83% | 17% |
| 2017 | 668 | 568 | 100 | 85% | 15% |
| 2018 | 659 | 542 | 117 | 82% | 18% |
| 2019 | 651 | 534 | 117 | 82% | 18% |
| 2020 | 639 | 517 | 122 | 81% | 19% |
| Average | 660 | 545 | 115 | 83% | 17% |



QUESTIONS?