

# Wreckfish Fishery Overview

Paul Reiss, Sam Ray,  
Kate Quigley

# History of the Fishery

Year	Pounds	Dollars	Events
1987			2 boats begin fishing
1988			6-11 boats fish
1989			25-39 boats
1990	3,793,000	\$4,714,000	Emergency rule: 2 million lb quota implemented. Closed in August. (Due to cold water event)
1991	1,926,000	\$2,567,000	Amd 3: 10,000lb trip limit. Closure 1/15-4/15. Permit required (91). 38 vessels fished. Shrimp improved, bad weather, price decline, bottom longline prohibited
1992	1,271,000	\$1,960,000	Amd 5: ITQ implemented with 2 million lb quota, remove trip limit,
1993	1,145,000	\$1,943,000	No change
1994	1,203,000	\$2,080,000	~11 vessels ("Heavy 11"), "reality set in"
1995	645,000	\$1,150,000	~11 vessels ("Heavy 11"), "reality set in"
1996	397,000	\$763,000	~11 vessels ("Heavy 11"), "reality set in"
1997	250,000	\$498,000	Several vessels went elsewhere
1998	211,000	\$430,000	No change
1999	211,000	\$427,000	No change
2000	~200,000		No change
2001	~200,000		No change Less than 4 vessels fished

# Number of Vessels and Shareholders

Year	Permitted Vessels
1991	91
1992	39
1993	27
1994	25
1995	17
1996	17
1997	14
1998	11
1999	11
2000	8
2001	6

Year	Shareholders
1991	49
1992	37
1993	35
1994	26
1995	25
1996	25
1997	25
1998	25
1999	25
2000	25
2001	25

# Late 1980s and Early 1990s

- A few fishermen targeted wreckfish approximately 100 miles offshore
- Virgin stock – large harvests possible
- Shrimpers and larger vessels re-rigged, new vessels purchased
- By 1991, more than 80 vessels were permitted and about 40 were fishing in derby-like conditions



WSI NOWrad  
May 24 10:20

GPS-2  
500nm

041



City Forecasts	Storm Track	Wx Text	Hide Wx	
Observation Station	Pac Winds	Atl Winds	Pac Waves	Atl Waves
Radar	Cloud Tops + Radar	Sea Surface Temp	Pressure	Surface Analysis

Hail Positive 17%

SOG 1k

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Full Scrn Menu WX Menu Clear POIs

# Derby Fishery Begins

- An influx of shrimp boats (33% of shareholders contacted)
- A desire to qualify for the ITQ and receive an initial allocation they could profitably fish with
- A desire to participate in a fishery with high yields from a virgin stock which would likely require less effort to harvest from than a non-virgin stock

# 1991 Spawning Season Closure and Longline Prohibited

- *Fishermen* noticed that wreckfish were filled with roe in winter and early spring.
- A spawning season closure was requested and implemented from January 15-April 15.
- After first spawning season closure, the markets for wreckfish were adversely affected due to the interruption caused by the closure. Dealers substituted imported grouper to fill void left by wreckfish. When re-opened, markets for wreckfish were not there.
- This, the ITQ eligibility requirements, initial allocation, the difficulty of harvesting wreckfish, banning of longlining, and a rebound in the shrimp fishery contributed to a decline in the number of vessels participating in the fishery after implementation of the ITQ.

# ITQ Implemented in 1992 via Amendment 5

- Eligibility: 5000 lbs 1987-91 in aggregate
- Initial allocation: 50% equal and 50% historical catch 1989-90
- Annual coupons representing pounds distributed
- Wreckfish vessel permit necessary to use coupons
- TAC set at 2 million pounds





# Wreckfish ITQ Main Objectives

- Develop mechanism to vest fishermen in the fishery and create incentives for conservation and regulatory compliance whereby fishermen can realize potential long-run benefits from efforts to conserve and manage the wreckfish resource.
- Provide regime promoting stability long-range planning and investment while avoiding the necessity for more stringent management measures and increasing management costs over time.
- Develop mechanism that allows marketplace to drive harvest strategies and product forms in order to maintain product continuity and increase total producer and consumer benefits.

# Initial Allocation

- 49 people received shares in 1992
- Shares ranged from 1.079%-6.407% or ~19,400 – 115,400 lbs
  - 31 people received less than 2% each
  - 9 people received 2-3%
  - 9 people received more than 3%



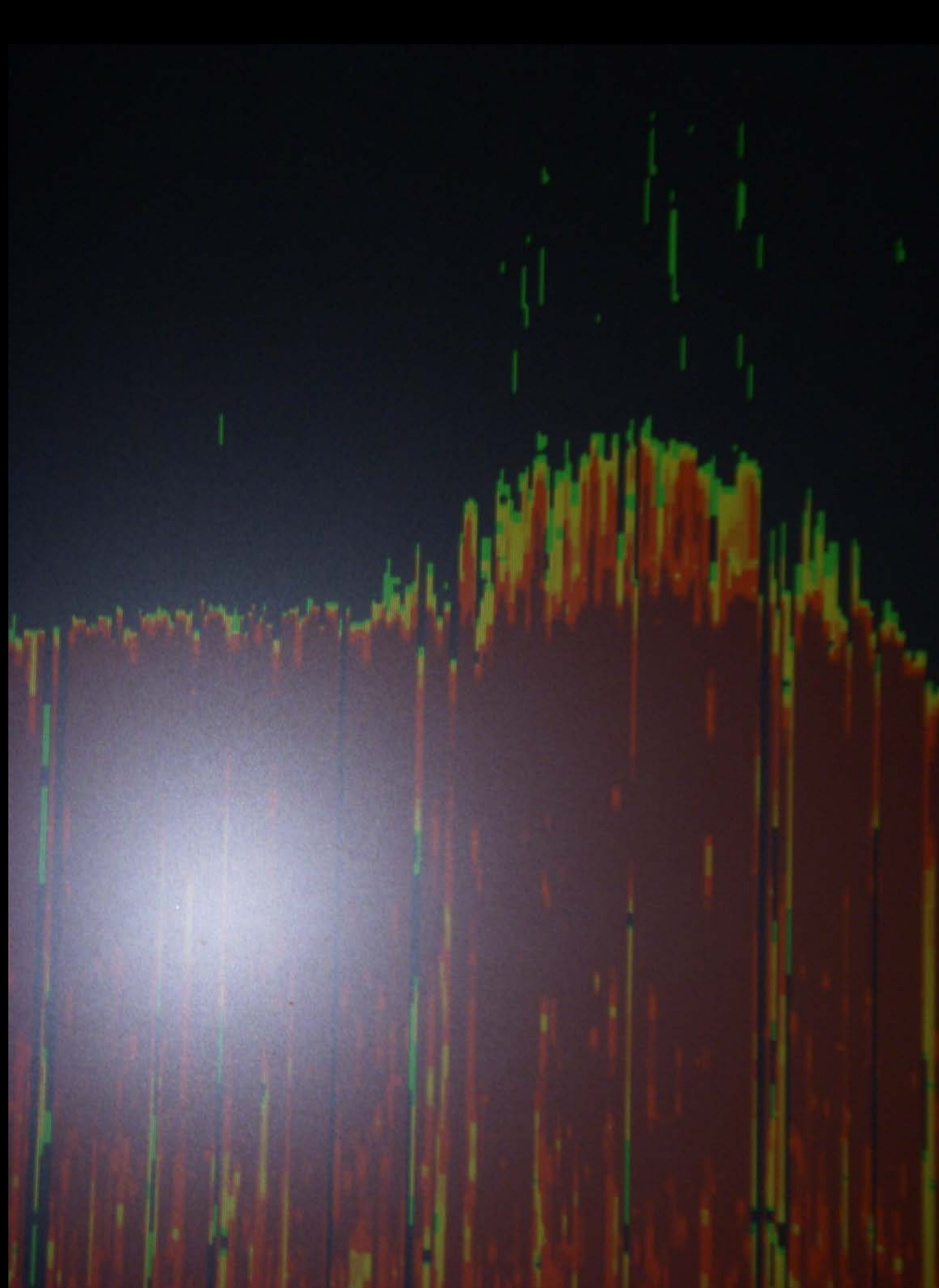
# Share Trading

- March – July 1992
  - 7 fishermen purchased shares (1 new entrant)
  - 14 fishermen sold shares
  - 13 left the fishery
- 1992- 1998 →

Share %	1992	1998
Less than 1%	0	3
1 - 1.9%	31	10
2 - 2.9%	9	1
3 - 3.9%	6	2
4 - 5.9%	2	2
6 - 7.9%	1	3
8 - 9.9%	0	1
10 - 14.9%	0	2
More than 15%	0	1

# Derby Fishery Ends

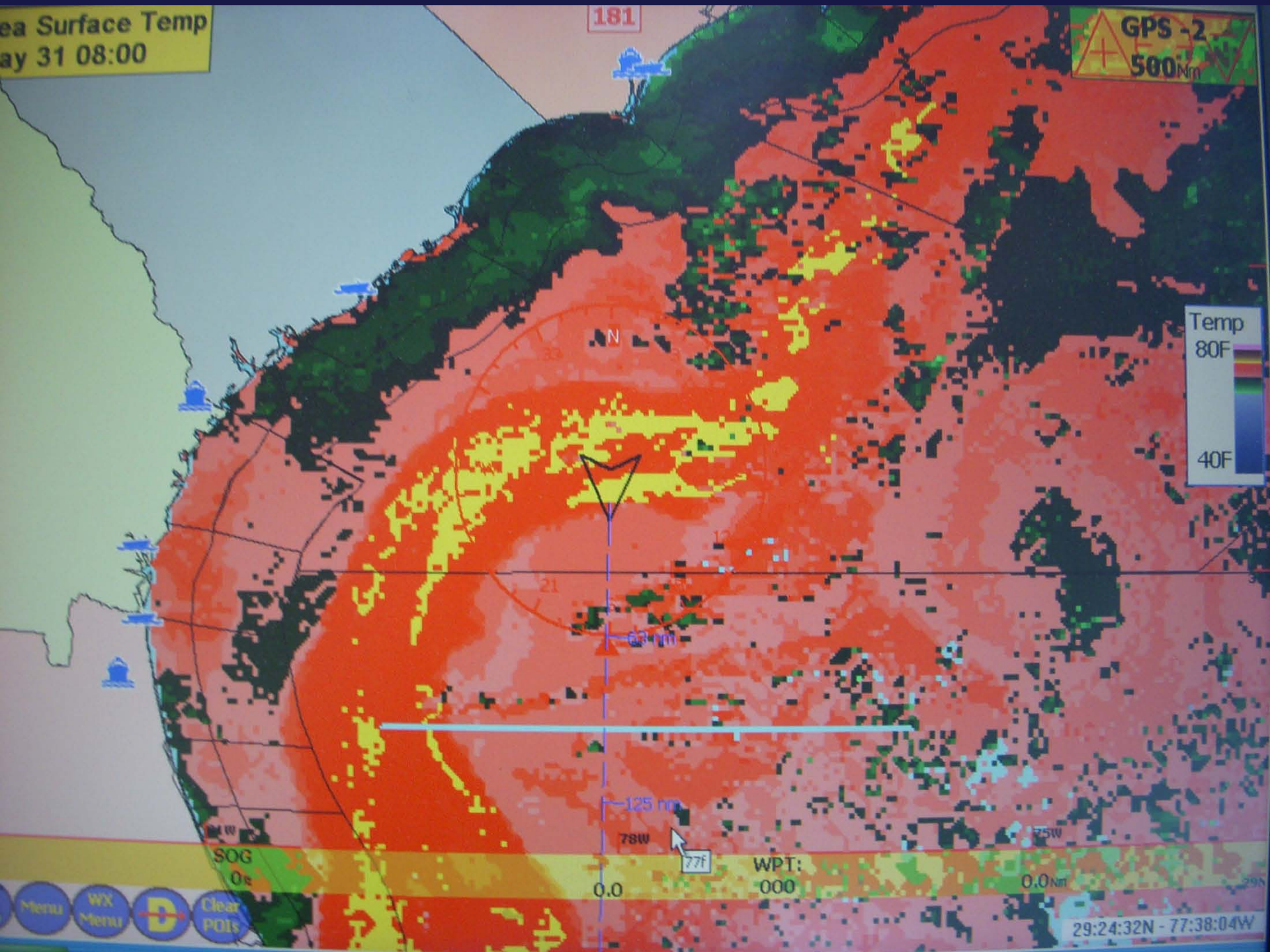
- ITQ eliminated derby but many feel the derby would have subsided anyway due to the nature of the fishery
  - Close proximity to the offshore side of the Gulf Stream (need to deal with strong currents); and
  - Air bladders are undetectable due to the extreme depths.



Sea Surface Temp  
May 31 08:00

181

GPS - 2  
500Nm



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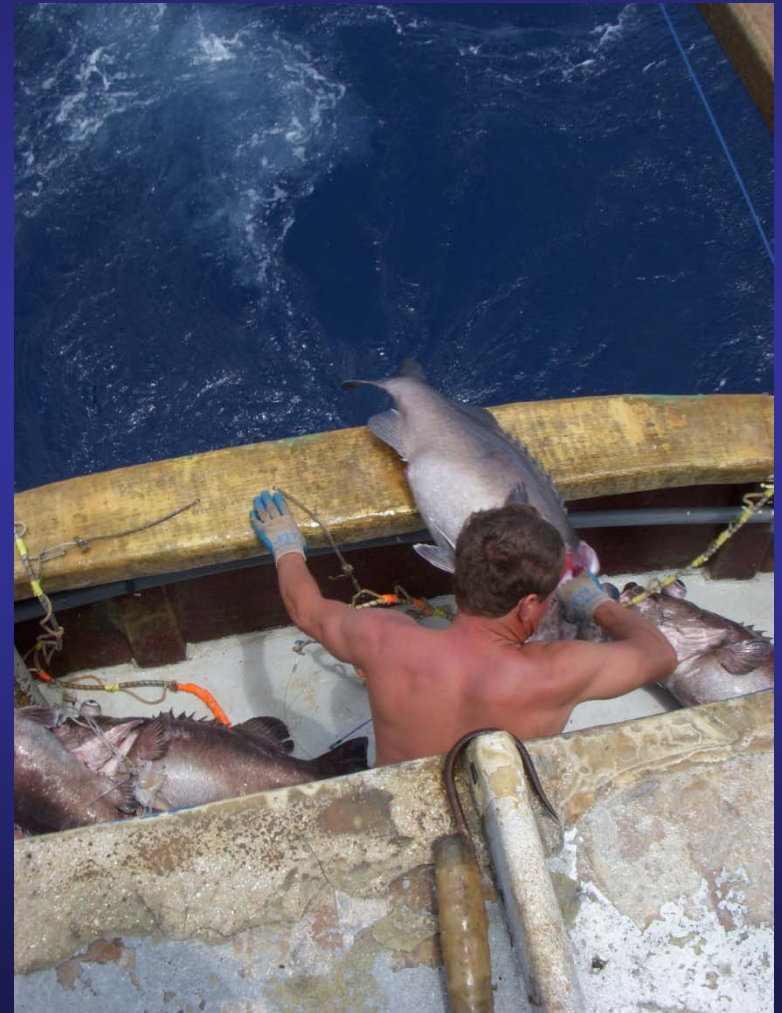
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# Changes in Landings Over Time

- 1992 to 1994 - Eligibility and initial allocation, shrimp rebound, market changes
- 1998-2000 – Death of 3 highliners and 3 others left to foreign fisheries
- Current fishery – 25 shareholders, 4 or less active fishermen
- More active fishermen in the future? Three planned to enter or re-enter this year

# Why hasn't TAC been reached?

- Nature of the fishery (tides, distance)
- Not enough trips or vessels
- Cold water events more common than in the 1990s
  - Used to occur 1-2 times per year
  - Now occur 6-8 times per year
- Weather is worse now than in the 1990s





# Market for Wreckfish Shares

- According to informal survey, shares purchased with intent of fishing, not selling (no speculation)
  - Good investment
  - Fish a plentiful species
- Shares not exchanged since 2002
  - All shareholders aware they can sell shares and/or coupons
  - No buyers offering a “fair price”
  - Waiting for stock to rebound
  - Bitterness about IFQ
  - Help rebuild stock

# Future Changes Wanted

- There is unanimous consent by shareholders that no major changes are needed other than those required by the reauthorized MSA – keep 2 million pound TAC and keep ITQ program
  - Cost recovery collection should be assessed to all shareholders equally (not just active participants)

# Future Changes Wanted

- Changes wanted by individual shareholders:
  - Increased enforcement to deal with anecdotal reports of juvenile wreckfish being caught off VA, SE states
  - Changes in wreckfish logbook to record additional info (ex: reason for poor/good catches)
  - Establish a control date and use or lose provision



# ACL

- If the ACL chosen is lower than the current 2 million pounds,
  - Active fishermen may need to purchase more shares/coupons to harvest the same amount they do now and this may result in all active fishermen leaving the fishery
  - Shareholders feel their shares will decrease in value and be less than the investment they made a decade ago when they purchased those shares

# Summary

- Current state of participation and landings is largely a result of physical characteristics of the fishery
- Consensus that ITQ program should remain except for MSA requirements
- Requests for small changes from individuals
- Keep 2 million lb TAC to enable continuation of existing fishery