



New England landings are higher, less unwanted species are being caught 3 weeks into new fishery reg

SEAFOOD.COM NEWS by John Sackton - May 25, 2010 - Three weeks into the new fishing year in New England groundfish landings through the major auctions are significantly higher than in 2009, and more target species are being caught.

This once again shows that predictions of collapse of New England fisheries due to the new catch share program don't tell the whole story of what is happening in the region.

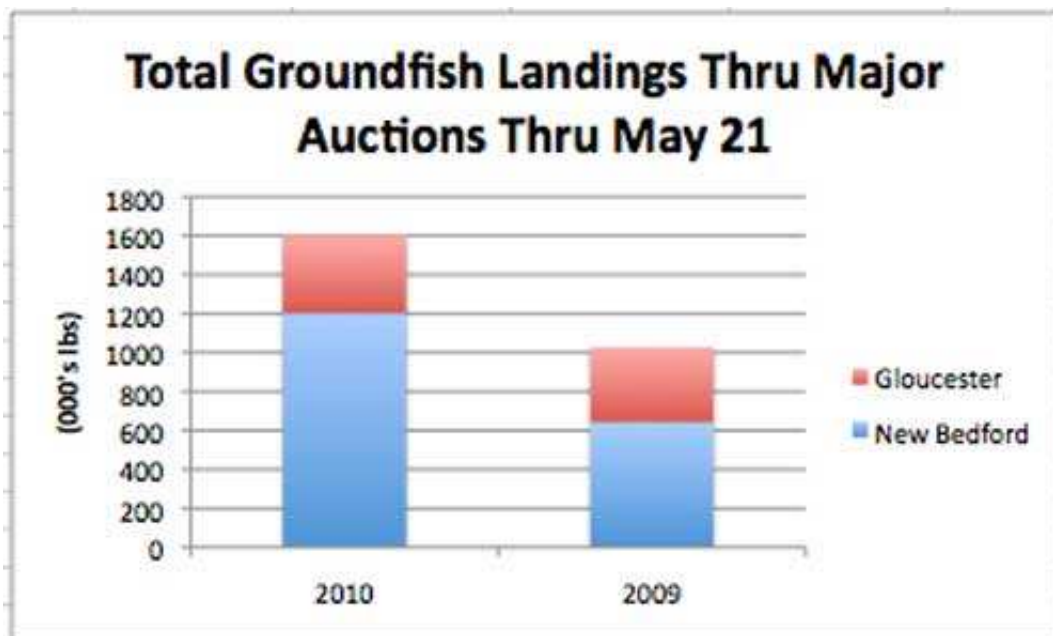
Since we published the first data on actual landings under the new fishing regime that challenged the conventional wisdom in other media that catch share implementation would be a fisheries disaster, our articles have been broadly attacked in the pages of the Gloucester Times and on SavingSeafood.org.

The Gloucester Times accused us of being a tool of EDF for publishing data the first week of the program showing New England landings were up 4%. Since then, each week we have revised and improved our data analysis, and now we can report that as of the week ending May 21, New Bedford groundfish landings (sold and reported through the auction), are up a whopping 86% since the beginning of May compared to 2009, and in Gloucester, landings on their reporting schedule which we have calculated as roughly one week behind New Bedford, are up 5% through May 14th.

	Haddock	Pollock	YT	Cod	Total Gndfish	Percent increase
NB 2010	710	16	18	183	1203	86.51%
NB 2009	236	8	48	72	645	
Glouc 2010	292	8	7	64	402	4.96%
Glouc 2009	130	194	1	25	383	

(Data from New England weekly auction report, NMFS, showing daily volumes sold through the Gloucester and New Bedford Auctions. The New Bedford data is through May 21st, the Gloucester data is through May 14th, 2010. Data is in thousands of lbs.)

The graph below tells the story of higher groundfish landings.



(Source: NMFS weekly auction reports)

So the first conclusion from our data, which has now correctly identified a trend for three weeks, is that overall groundfish landings are higher. One of the major reasons for this is that vessels do not have to contend any longer with trip limits, and as a result they can bring in everything they catch that is legal size. This results in far less regulatory discards, and is a key benefit of a fishing regime based on sector or catch share allocations.

But Saving Seafood wrote over the weekend that because both they and NMFS could agree that it is too early to conclude that the sector allocation program is working, therefore something must be wrong with our data or our approach.

They said

In a May 11 report, Seafoodnews.com reported " in New England, the fleet is landing more fish" under sectors than they did in 2009 under the former days-at-sea system. Almost immediately, industry leaders balked at that assessment. Five days later, in a May 16 follow-up, Seafoodnews.com revisited its analysis showing that 'landings across the region were up' noting 'this week, that overall trend continues.' The story concluded 'based now on two weeks of data, it is fair to say that the new fishing rules in New England have not led to lower total landings of groundfish, and they have resulted in significant changes in the species being targeted. These are exactly the goals that the program designers had in mind.'

After three weeks, we again stand by the data, and our statements.

As seen in the chart above, overall landings are up. It is true that the final results have to include the entire fishing year - and we will know that soon enough. But my point is that the early trends are positive.

But more significantly, the pattern of fish being landed has changed to more closely match the sector allocations.

There are two primary problems with the new sector system. One is that allocations for harvesters overall were extremely low. But even within the low allocations, some species were so limited as to be choke species, which could shut down the fishing of an entire sector if their catch limit was reached. On paper these 'choke' species, could choke off fishing for the abundant species fairly quickly. This is a significant problem, and not one to be sneezed at.

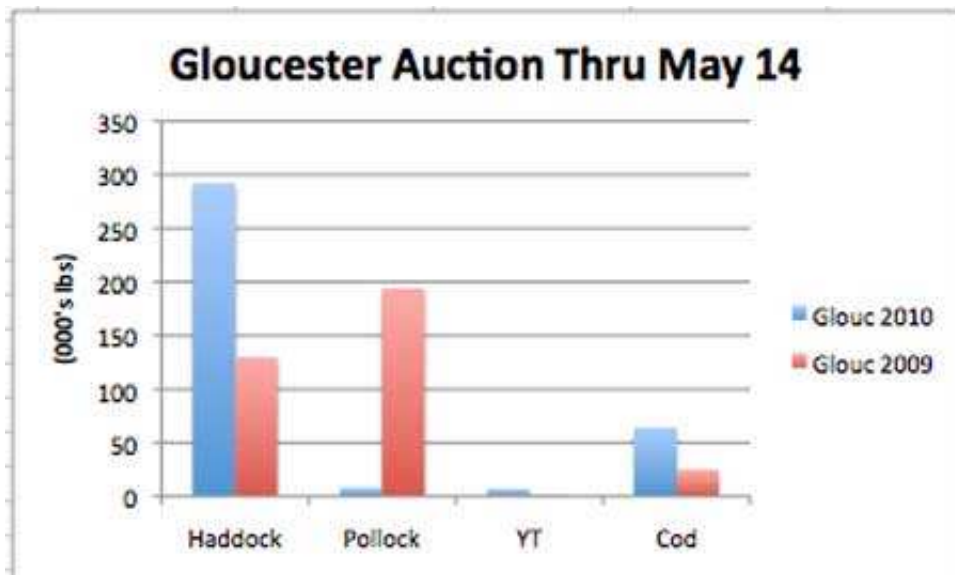
However, experience with other catch share programs have shown that when fishermen are given greater flexibility to target species and use the best combination of gear and market timing to catch a fixed amount of fish, they change their behavior, and in fact reduce catch of unwanted species (those with the lowest allocations), and increase landings of those species with the highest allocations.

Based on very preliminary data (only three weeks), this positive trend is in evidence in New England. If this continues, it will indeed be a significant data point that the region is successfully adapting to the new system.

It is true that we don't know if it will last. But the early figures are compelling.

One of the most significant choke species is pollock. The pollock allocation was absurdly low based on survey data that did not take into account landings or other factors. Since the initial allocations, everyone, from NOAA to the industry and the Congressional representatives agrees the pollock allocation was flawed and needs to be revised as soon as possible, and some models confirm a higher abundance of pollock.

But in the meantime, sectors are operating on a very small allocation of pollock.



This chart shows that in Gloucester, there has been a dramatic shift to higher landings of both haddock and cod than in 2009, and much lower landings of pollock. This is how you would expect sectors to behave if they had the ability to control their fishing effort. (see note below on calculations)

In 2009, during these first weeks of May, (through May 14th for Gloucester), 130,000 lbs of haddock were landed vs. 194,000 lbs of pollock. Anyone looking at this and finding their pollock allocation was perhaps 5% of their haddock allocation would say it would inevitably shut the fishery.

But in 2010, during the same period the Gloucester auction sold 292,000 lbs of Haddock and 8,000 lbs of pollock. In other words, for every 100 lbs of haddock, this year fishermen were landings 2.7 lbs of pollock, compared to last year when they were landing 149 lbs of pollock for every 100 pounds of haddock.

Obviously this is only based on a small number of trips. But it is significant because it suggests that like fishermen everywhere, when given the economic opportunity and the incentive, fishermen in New England can in fact adjust their catches to maximize their returns under the new regulatory regime.

Saving Seafood quoted auction owners Larry Ciulla in Gloucester and Richie Canastra in New Bedford. Ciulla said the data available in the first few weeks 'has nothing to do with fishing. It comes down to whether the 'boats are leaving the docks or not leaving the docks. If you don't leave the dock, you are getting zero.' My point is that statement was true in May of 2009 and in May of 2010. It does nothing to address why he has higher volume.

And in an email to Saving Seafood, fish dealer Marc Agger said, 'two weeks are meaningless É Gloucester and New Bedford were constrained on cod landings last May due to closures.' Again, that is true, but the most dramatic changes are on haddock, not cod. Cod landings are 247,000 lbs so far in May of 2010, vs. 97,000 in 2009. But overall groundfish are 1.605 million lbs this year, vs. 1.028 million in 2009. So cod is not the whole story.

Canastra pointed out another reason accurate comparisons between 2009 and 2010 are impossible: even though some boats aren't fishing this May, he is now buying from more 'vessels because of the sectors. My volume is up,' he wrote in an email.

The bottom line, he said in an interview with saving seafood is it's not 'apples to apples ... there shouldn't be any comparisons in the first two weeks .. If I were to tell you things are great, I would be lying.'

We are not saying things are great. There are huge computer problems for many vessels fishing with the Northeast Seafood Coalition software, and there are many smaller vessels that have been hurt or disenfranchised due to the way catch history was allocated.

But that is not the point. The point is that the vessels who catch 80% of the groundfish landings in new England, and who are most likely to be able to take advantage of the new opportunities with sectors, appear to be doing so in two ways. They are increasing their landings or trips (as confirmed by Canastra), and they are targeting the species for which they have more abundant allocations, as shown by the huge change in relative amounts of haddock and pollock being landed.

The reason we are putting forward this view, along with a prediction I made in the pages of the Gloucester Times that overall fleet landings in 2010 will be higher than in 2009, is that if one actually looks at the facts about the New England fleet, one gets a better picture of who is hurt and who is helped by the sector allocations.

The Cap Log Group has [published on its web site a paper](#) based on NMFS data. One is a look at the landings of New England vessels by port and by size. Click on the link to download the paper.

	2004	2005	2006	2007
# of Groundfish Permits (Open and Limited Access)	3,263 permits	3,091 permits	2,911 permits	2,822 permits
Vessels Landing > 1 lb groundfish	1,004 vessels	884 vessels	828 vessels	818 vessels
Vessels Landing > 5k lbs groundfish	601 vessels	550 vessels	532 vessels	507 vessels
Vessels Landing > 75k lbs groundfish	270 vessels	249 vessels	216 vessels	220 vessels
Vessels Landing > 150k lbs groundfish	164 vessels	147 vessels	99 vessels	128 vessels

(Source; Cap Log group analysis of New England Fisheries data from NMFS)

Looking at this data tells us two important things.

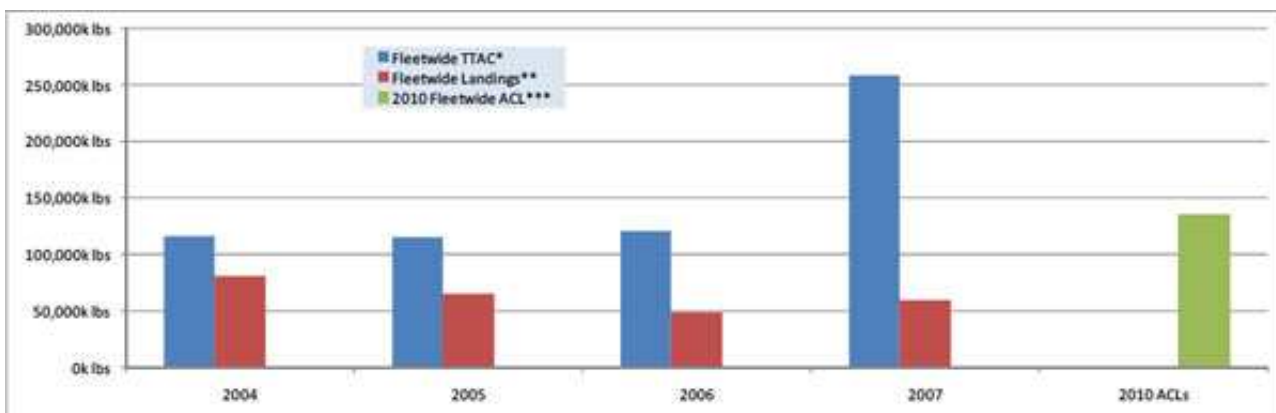
First, out of roughly 800 active vessels in New England, around 300 landed less than 5,000 lbs of groundfish over an entire year. Given that this would net the vessel owner about \$3,000 before vessel expenses, if that, it is obvious that these boats are not economically dependent on groundfish. When vessels talk of low allocations, the first thing to determine is whether the vessel in question was in that low landing category historically.

If you have only landed a couple of thousand pounds of groundfish, and then get an allocation of only a few hundred pounds, that is not an injustice. There may be other issues - support for different ports, fleet diversity, protecting small boats - that should lead the council to look at the allocation, but it is not a case of a traditional groundfish boat coming up empty.

Among the remaining 500 or so vessels, about 200 of these, or roughly 20% of the total number of active vessels, land about 80% of all groundfish. The other 300 divided up the remaining 20%. If you are one of those vessels in the latter group, than yes, your allocation is small, but it is not significantly different than the overall landing history for this group of vessels. No matter how you slice it, ultimately about 300 vessels will have to share 20% of the \$67 million worth of recent groundfish landings. That means 300 vessels would get on average a groundfish gross stock of \$44,666.00. This is not viable for any vessel fishing on groundfish alone. It won't pay for year round crew, vessel upkeep, or docking and insurance, let alone fuel. Either the number of vessels will have to shrink, or vessels will have to land a lot more other species than groundfish to stay alive. The only problem is that now these histories are locked in. What had been going on out of public view for ten years is now manifest. And these people feel disenfranchised.

The second thing, from a draft paper as yet unpublished by Caplog group, is that the total annual catch entitlements in New England are higher than the actual landings of recent years (up to 2007)

The chart below shows the total annual catch entitlements in New England compared to actual landings of t in the years up to 2007.



Data from Caplog group. Red is actual regional groundfish landings in the years 2004-2007. Green is the total annual catch entitlements under the new sector regime. TTAC represent the target for total landings. It is not an enforceable TAC, but represents the what the TAC would be under the science models used to

set effort controls. It shows how much overall landings were held below total allowable landings by the poor management regime in place.

It is my belief that these 200 or so larger vessels that catch most of the groundfish have the most incentive and the greatest opportunity to adjust their fishing practices under the new system. For that reason, if you look at the total Annual Catch entitlement, (all groundfish species, all sectors), you will see it is actually higher than total landings in 2007.

I have not compared the actual landings in 2008 and 2009, which have shown increases. But extrapolating from 2007, it is not unreasonable to argue that if the fleet can actually capture a much higher percentage of the ACE, than total landings will go up under the new fishing regime, despite the extremely poor process for allocation.

If landings go up in the region, i.e. fishermen can catch more of the abundant haddock for example, it speaks directly to the argument that those rallying in Washington last February were making against NMFS.

NMFS was accused of wasting resources in New England because abundant species were being left in the water because of the need to protect weaker stocks. The primary tools were very crude - limiting days at sea, closed areas etc.

The preliminary data under the sector / catch share system, may show this situation is improving. I believe this is indeed so, and that is why we will keep monitoring this data, and highlighting this issue.

More money can be made from fishing in a flexible and entrepreneurial manner. Catch shares tilt the scales in favor of those who can take advantage of this.

None of these comments about total landings are meant to obscure the real problems that do exist in New England. We have gone through a period of intense consolidation, and it is fair to ask if it has been too much. When I wrote two weeks ago about 600 vessels being disenfranchised, what I meant was that there may be social reasons why not all of these vessel should be barred from getting higher groundfish allocations. But the allocation process was not able to consider the ramifications on the small boat fleet when it was first adopted.

Now the New England Management Council is potentially revisiting the issue. If so, lets focus on the real question: how to economically preserve a small boat fleet.

Other than that, the overall economics of the regional fishing industry will improve with higher landings, and better control over target species. This is something that should be welcomed by all sides in the catch share debate.

I recognize the article and analysis is a little lengthy, but I stand by my points: New England landings are higher than they were in 2009, and the mix of species is better tailored to catch the abundant species and avoid the problem species. Whatever else may be happening, these are the basic reasons catch shares were adopted, and in my view, they should continue to be given a chance to work.

Note on Calculations: The Gloucester data is reported with a 3 day delay. That means that on Monday, the day the data is reported for the previous week, New Bedford is reporting Mon thru Friday, while Gloucester is reporting the previous Tuesday through Monday. To simplify the comparison, I have simply treated all Gloucester landings as if they were 1 week behind New Bedford. This has the effect of disregarding the first Monday of May landings, but otherwise is an accurate method to get a week by week running total.)

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