



New England Fishery Management Council

News Release

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Patricia M. Fiorelli
978.465.0492, ext.106

IFQ Management Program for the Day Boat Sea Scallop Fleet Evaluated

Newburyport, MA Federal fishery managers received a report prepared by a team of technical experts who evaluated the performance of the sea scallop day boat fleet that has been governed by an Individual Fishing Quota (IFQ) management program since 2010. The report, drafted at the direction of the New England Fishery Management Council to monitor trends associated with IFQ management, was presented at its meeting late last week in Portland, ME.

Pleased with the comprehensive scope of the review, NEFMC Chairman Terry Stockwell commented, "It is important to determine whether the Council met its management goals or not and is aware of the impacts of its programs following implementation."

Titled *Limited Access General Category (LAGC) IFQ Fishery Performance Evaluation*, the report detailed information about the fishery's performance using biological, economic, safety and enforcement, and governance parameters. The items below address some of the conclusions made during the evaluation performed by the Council's Plan Development Team.

- The IFQ program was effective at controlling fishing mortality, or removals that can be attributed to harvesting activities, in addition to preventing overfishing. This was accomplished through the use of an overall Total Allowable Catch for this segment of the fishery equivalent to five percent of the total projected scallop catch. While total catch has not been exceeded since the program's implementation, the fleet has also managed to take about 90-95 percent of their annual catch limit.
- In general, ITQs add flexibility for participants and overall economic performance was positive as demonstrated by inflation-adjusted increases in estimates of total scallop revenues (by 48 percent) and net revenues (by 54 percent) between 2010 and 2012.
- Some active owners either permanently or temporarily purchased quota to increase the size of their businesses, while other owners with relatively smaller allocations leased out or sold their quota to active owners. Overall effort consolidated from 154 active vessels in 2010 to 129 in 2012, and from 127 owners in 2010 to 107 in 2012. Total leased pounds reached about one third of the total LAGC IFQ during 2010-2012; lease prices increased from \$1.79 per pound in 2010 to \$2.44 in 2012; and the average price of transferred quota increased from \$13.2 to \$23.4 per pound in the same period (a 77 % increase).
- Estimated crew employment declined by close to 4 percent, although the shares for individual crew members were estimated to have increased by 51 percent as gross scallop revenues rose.
- Documented safety and enforcement issues were relatively rare, although the information examined was limited and concerns remain about monitoring and enforcement.

A number of important caveats were associated with the above conclusions. The report noted that while revenues increased, a number of the gains were associated with external circumstances, such as favorable scallop resource conditions and a rise in ex-vessel prices at the same time. The absolute values estimated should be interpreted with caution since the net revenues did not include the cost of borrowing for leased or transferred quota, and the estimates for profits were based assumptions about fixed costs and how vessels share the cost of leased quota between the vessel owner and crew.

The final report is available on the NEFMC's scallop page <http://nefmc.org/scallops/index.html>. If you have questions contact Deirdre Boelke, Scallop Fishery Analyst, at dboelke@nemfc.org or 978.465.0492, ext. 14.