



# GULF OF MEXICO IFQ PRICING REPORT

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# GULF OF MEXICO EARLY 2023 IFQ PRICING REPORT

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# REPORT NOTES

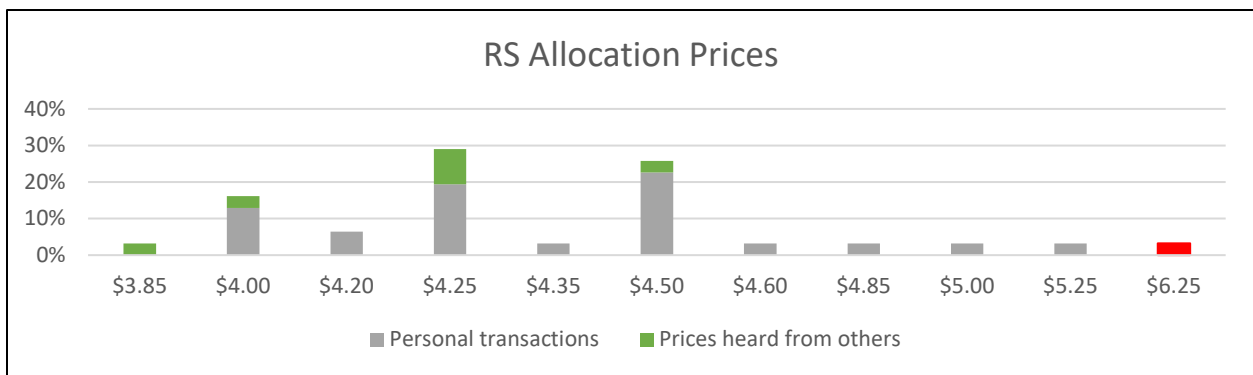
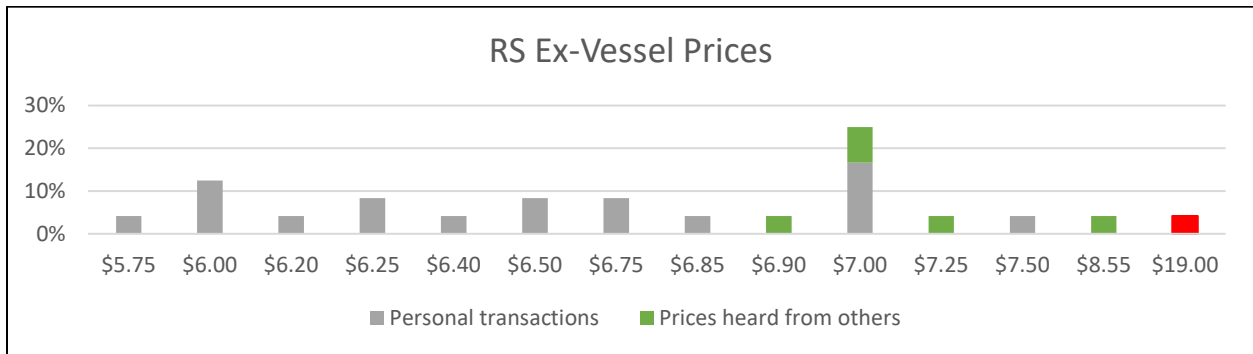
- The objective of this report is to provide Gulf of Mexico IFQ fishermen and dealers with timely data on red snapper and grouper-tilefish ex-vessel (fish), allocation (lease), and quota share prices. The prices reported are based on a survey of IFQ participants. The survey was sent to 120 IFQ participants and 33 provided pricing information for the survey (28% response rate). The survey was released on January 6, 2023, and responses were collected until February 15, 2023.
- This version of the survey measured prices in early 2023. It was designed to give respondents an early indication of market conditions given the recent relatively small increase in the red snapper commercial quota and very large decrease in the gag grouper commercial quota.
- Quota share prices provided are estimates of the price **with the current year's allocation included**. For survey responses for share purchased or sold without the current year's allocation included we add the respondent's estimate of the allocation price to their share price. This change allowed for an apples-to-apples comparison of share prices.
- Ex-vessel prices (the price dealers pay to fishers for fish) for deepwater grouper, other shallow water grouper, and tilefish are only collected for the most landed species in each group to keep the survey as short as possible.
- **The report now includes a new measure called the 'spread' which measures the difference between ex-vessel and allocation price. For each respondent that provided both an ex-vessel (fish) price and an allocation (lease) price we calculated the difference. This new measure was included in response to industry interest in the difference between the two prices. For spread we do not differentiate between 'personal transactions' and 'prices heard from others' due to data limitations.**
- Average prices, price ranges, and number of observations are shown with outliers removed. Responses were deemed to be outliers if they were more than two standard deviations from the average. **I encourage those using this document to examine both the column charts showing price frequency which provide information on all responses, including outliers, and also the tables that attempt to measure market averages.**
- **Thank you to all IFQ participants who took the survey and made this report possible.** If you are interested in providing input for future surveys, please fill out the sign up form on the Florida Sea Grant webpage – [CLICK HERE](#).
- **If you would like to provide feedback on the report, how it could be made more useful, and any additional information you would like to see included please feel free to do so by [CLICKING HERE](#) or contact me directly at [aropicki@ufl.edu](mailto:aropicki@ufl.edu) or 352-294-7667. Thanks!**

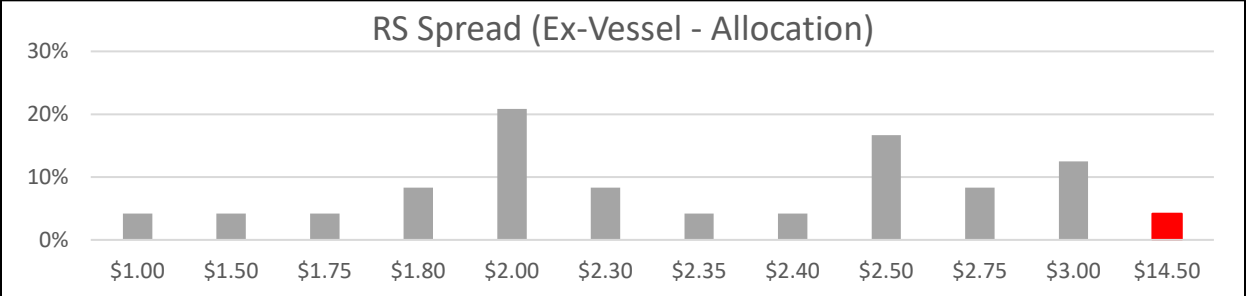
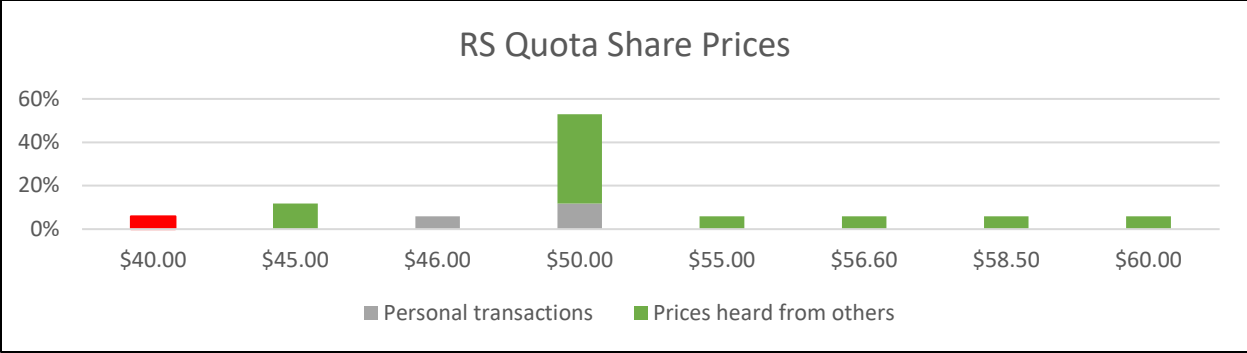
## Red Snapper (RS)

The average RS ex-vessel (fish) and allocation prices were both substantially higher than the values from the 4<sup>th</sup> Quarter of 2022 IFQ Pricing Report. Ex-vessel was \$.45/lb. higher, and allocation was \$.51/lb. higher. The increases in allocation are expected as the fourth quarter pricing includes a “use-it, sell-it, or lose-it” discount as participants look to sell allocation before it expires. The spread (ex-vessel less allocation) fell \$.08/lb. relative to the fourth quarter report.

The table below shows the average prices, price ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, quota share, and spread. The charts below show the frequency of different prices given. Outliers are included in the charts (shaded red).

<b>Red Snapper</b>			
	<b>Average</b>	<b>Price Range</b>	<b># of Responses</b>
Ex-Vessel Price	\$6.71	\$5.75 - \$8.55	23
Allocation Price	\$4.35	\$3.85 - \$5.25	30
Share Price	\$51.01	\$45.00 - \$60.00	16
Spread (Ex-vessel – Allocation)	\$2.25	\$1.00 - \$3.00	23



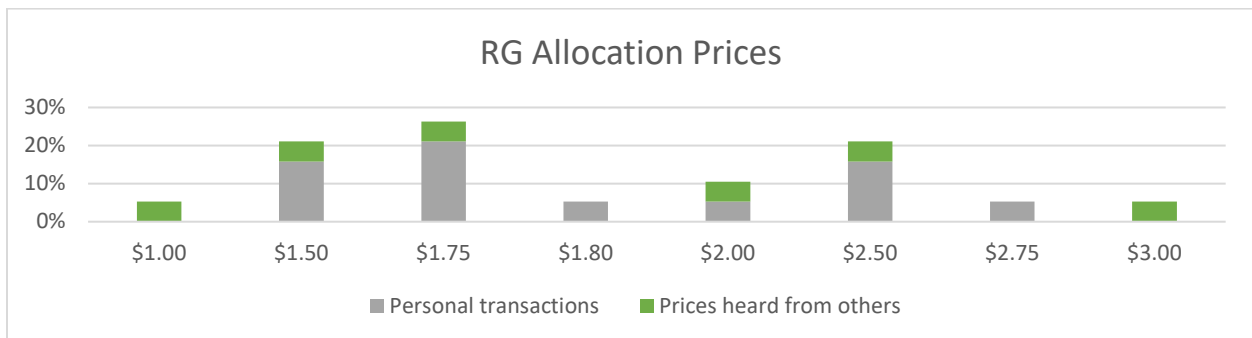
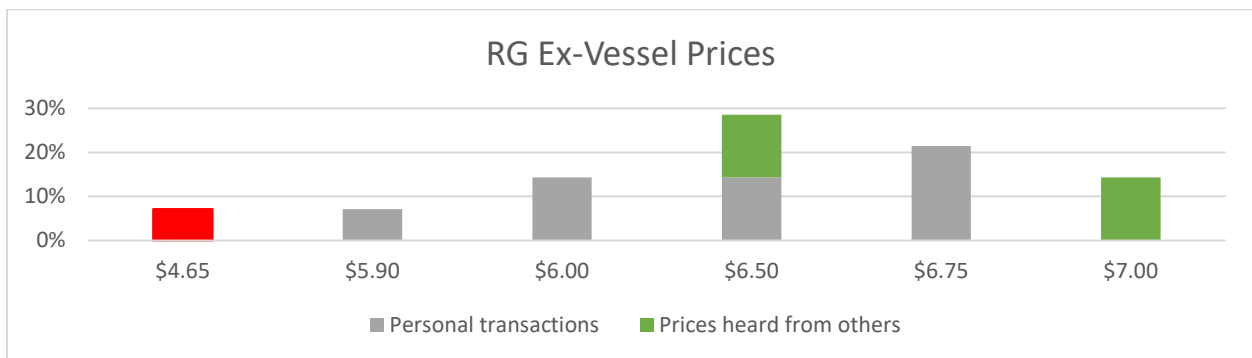


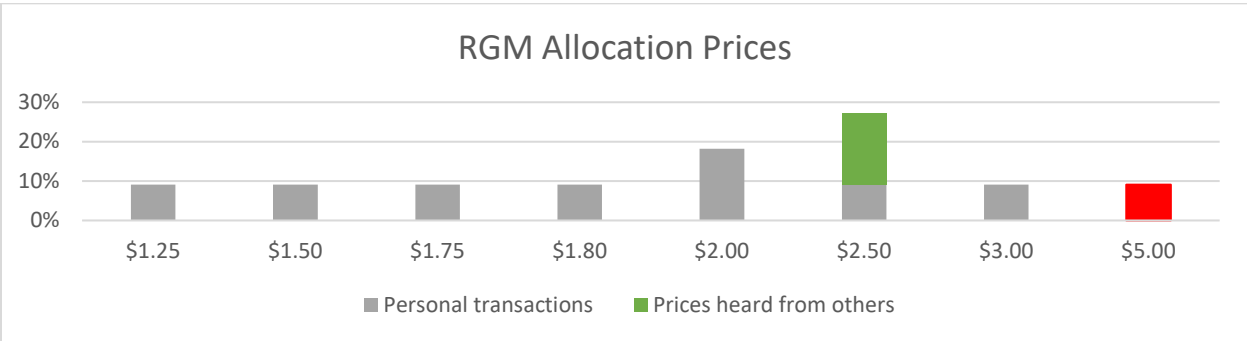
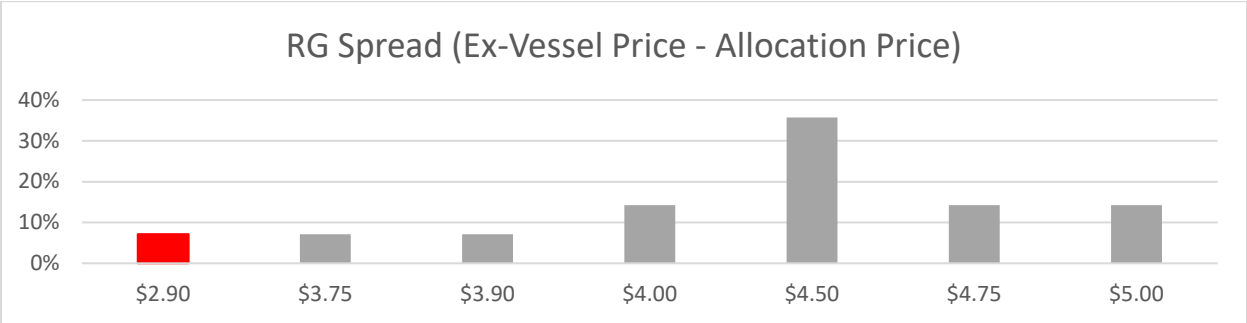
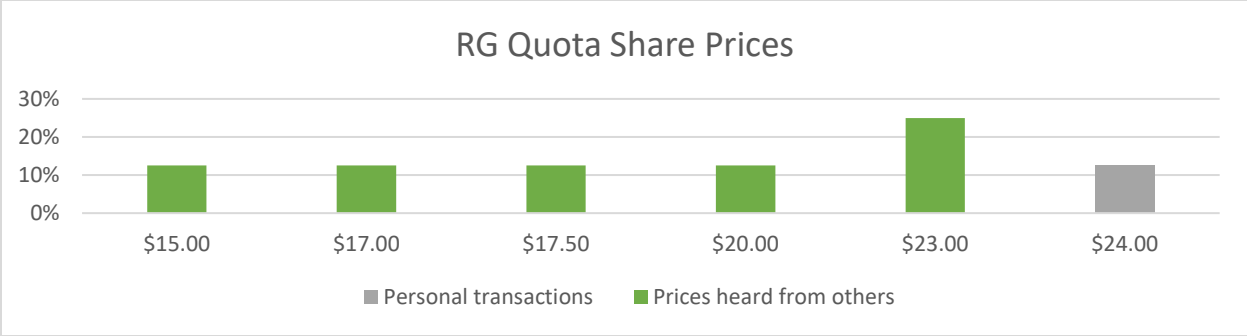
# Red Grouper (RG) and Red Grouper Multiuse (RGM)

Surprisingly, the spread (ex-vessel minus allocation) value for RG increased \$.15/lb. relative to the same value from the fourth quarter report. RG and TF were the only species categories to see an increase in the spread from the fourth quarter of 2022 to the beginning of 2023. Additionally, the RG ex-vessel market showed a lot less variation in prices relative to the fourth quarter report.

The table below shows the average prices, price ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation (RG and RGM), quota share, and spread. The charts below show the frequency of different prices given. Outliers are included in the charts (shaded red).

Red Grouper			
	Average	Price Range	# of Responses
Ex-Vessel Price	\$6.59	\$5.90 - \$7.50	13
Small (18-20 in. or 4 down)	\$4.60	\$4.40 - \$5.00	2
Large (4-7 or 7+)	\$6.00	-	1
Allocation Price (RG)	\$1.96	\$1.00 - \$3.00	19
Share Price	\$21.19	\$15.00 - \$30.00	8
Spread (Ex-vessel – Allocation)	\$4.43	\$3.75 - \$5.00	13
Allocation Price (RG Multiuse)	\$2.08	\$1.25 - \$3.00	10



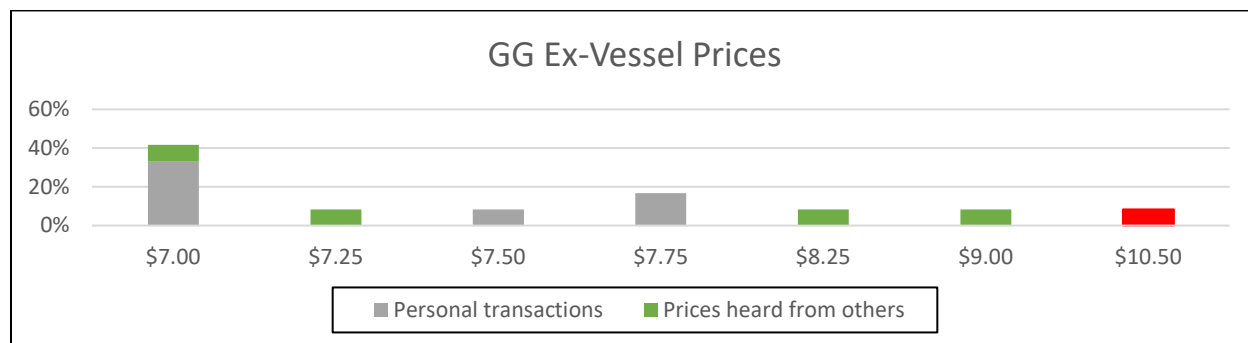


## Gag Grouper (GG) and Gag Grouper Multiuse (GGM)

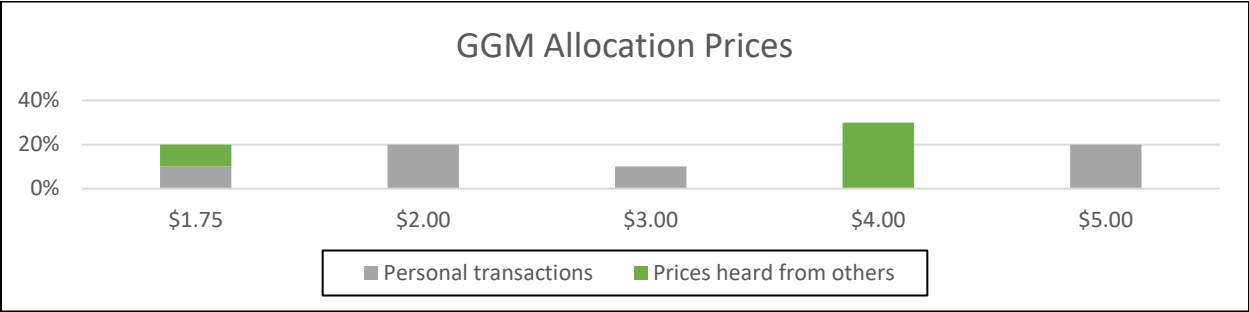
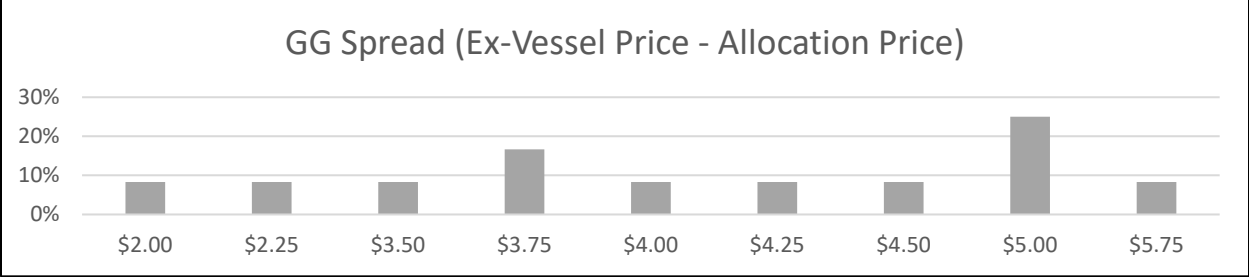
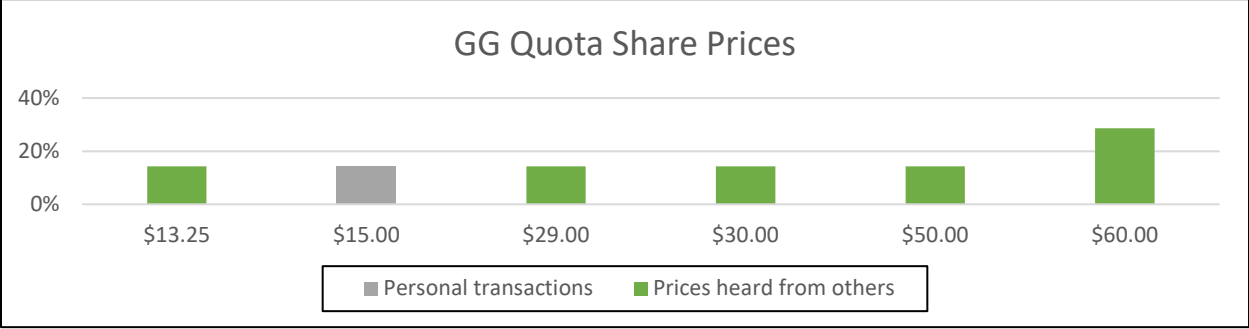
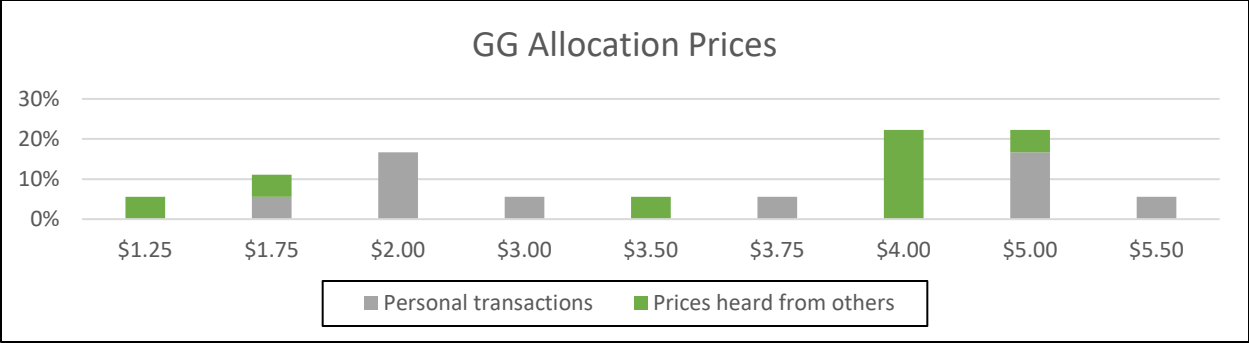
The gag grouper market was significantly impacted by the large decrease in the commercial quota in 2023. While the average ex-vessel price increased only \$.46/lb. relative to the fourth quarter of 2022 report, the average allocation price increased \$2.14/lb. This change decreased the spread on gag grouper from \$5.88/lb. in the fourth quarter of 2022 to \$4.06/lb. currently. The spread is now the second smallest among all IFQ species groups behind only RS. Additionally, the quota share price also changed dramatically due to the commercial quota decrease. The average gag grouper quota share price of \$36.75/lb. was 2.34 time larger than the price indicated by the fourth quarter report. In addition to these findings several respondents commented on how the lack of gag grouper allocation is impacting other IFQ species groups and indicated they expect the allocation and ex-vessel prices to continue to rise. It is possible that the results of this survey conducted very early in the year are understating the impacts of the decrease in the gag grouper commercial quota on market conditions as the market is still adjusting to the lower commercial quota.

The table below shows the average prices, price ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation (GG and GGM), quota share, and spread. The charts below show the frequency of different prices given. Outliers are included in the charts (shaded red).

<b>Gag Grouper</b>			
	<b>Average</b>	<b>Price Range</b>	<b># of Responses</b>
Ex-Vessel Price	\$7.50	\$7.00 - \$9.00	11
Allocation Price (GG)	\$3.47	\$1.25 - \$5.50	18
Share Price	\$36.75	\$13.25 - \$60.00	8
Spread (Ex-vessel – Allocation)	\$4.06	\$2.00 - \$5.75	12
Allocation Price (GG Multiuse)	\$3.25	\$1.75 - \$5.00	10





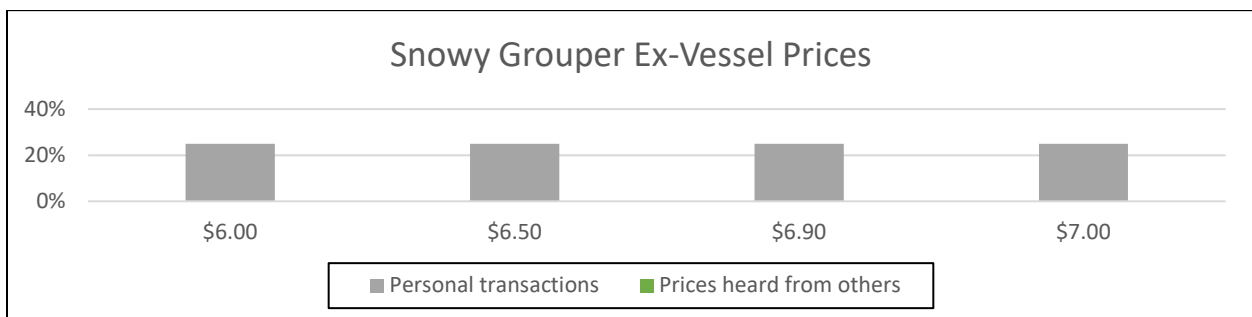
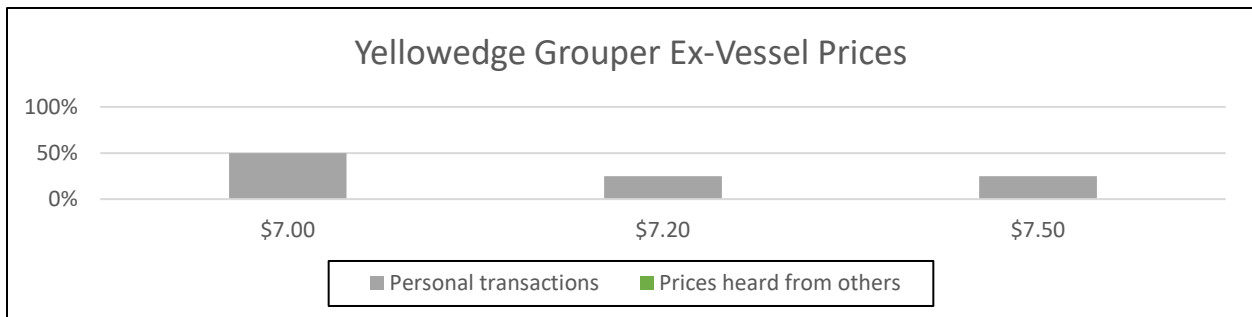


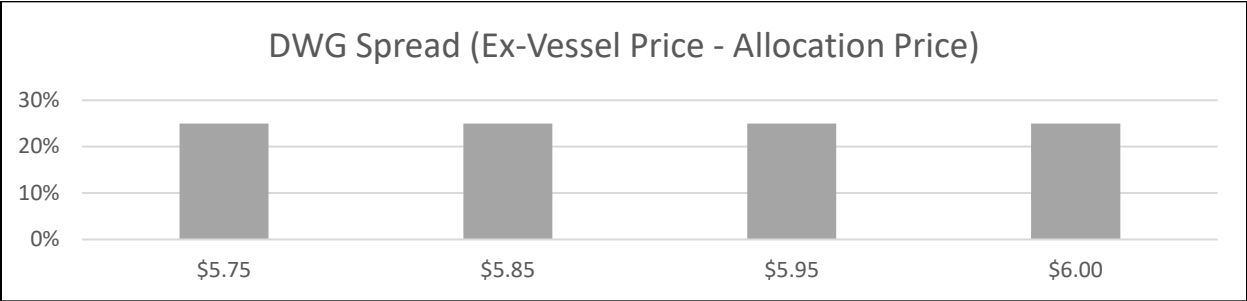
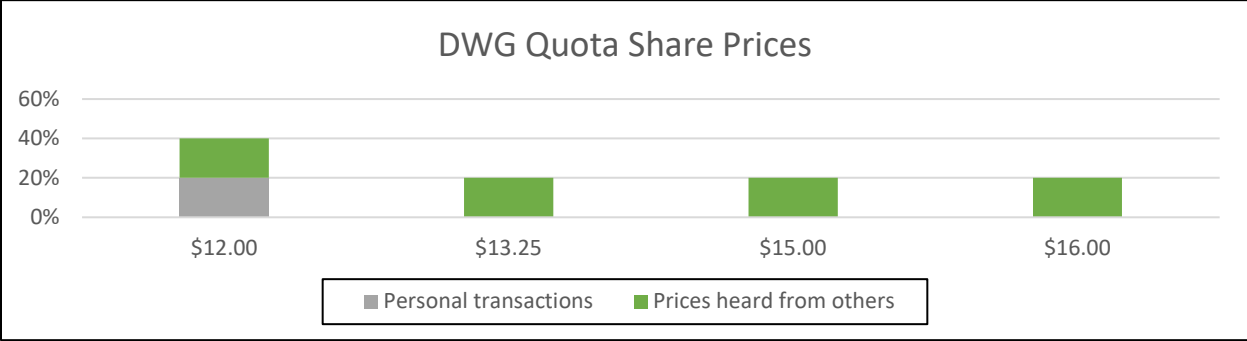
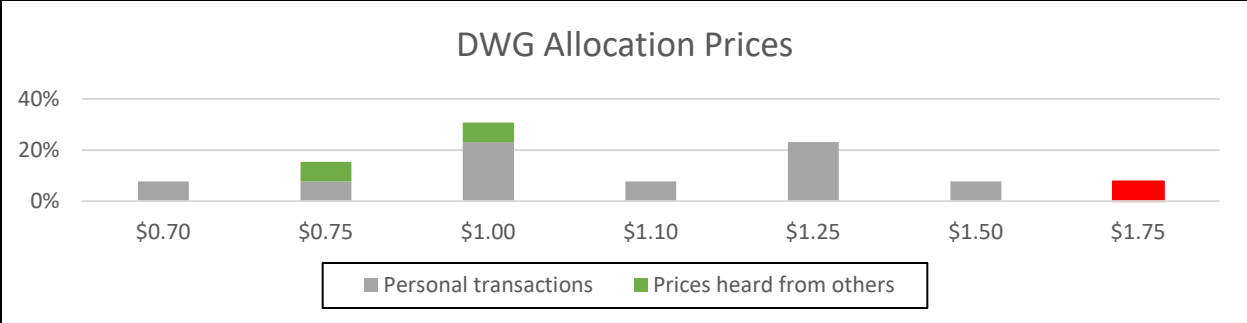
## Deep Water Grouper (DWG)

Deepwater grouper market prices remained fairly constant relative to the 2022 fourth quarter report. Snowy grouper ex-vessel prices rose \$.32/lb. and DWG allocation prices rose \$.09/lb. The spread on DWG fell only slightly from the fourth quarter from \$5.94/lb. to \$5.89/lb. **These numbers should be interpreted cautiously as fewer responses to DWG and TF survey questions are received than the other IFQ species categories.**

The table below shows the average prices, price ranges, and number of responses (**all with outliers removed**) for ex-vessel (yellowedge and snowy), allocation, quota share, and spread. The charts below show the frequency of different prices given. Outliers are included in the charts (shaded red).

<b>Deep Water Grouper</b>			
	<b>Average</b>	<b>Price Range</b>	<b># of Responses</b>
Ex-Vessel Price (Yellowedge)	\$7.18	\$7.00 - \$7.50	4
4 down	\$5.00	\$4.50 - \$5.50	2
4-7	\$6.25	\$6.00 - \$6.50	2
7+	\$7.35	\$7.20 - \$7.50	2
Ex-Vessel Price (Snowy)	\$6.60	\$6.00 - \$7.00	4
Allocation Price	\$1.05	\$0.70 - \$1.50	12
Share Price	\$13.65	\$12.00 - \$16.00	5
Spread (Ex-vessel – Allocation)	\$5.89	\$5.75 - \$6.00	4



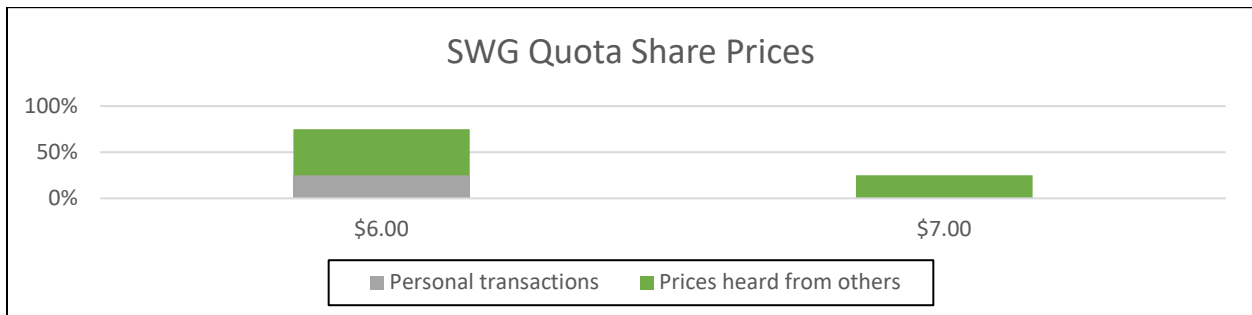
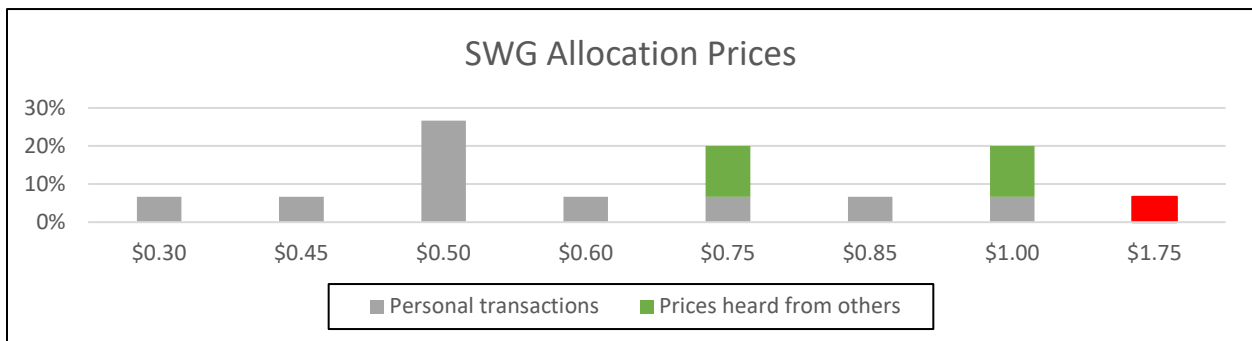
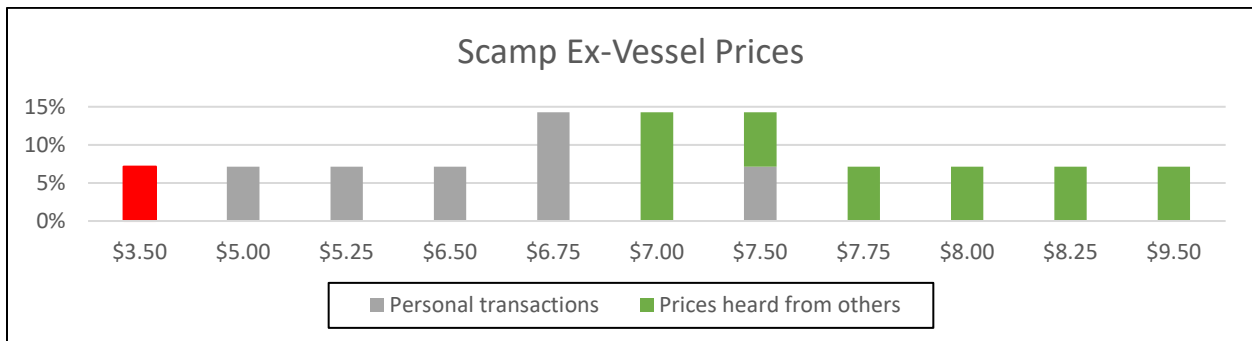


## Shallow Water Grouper (SWG)

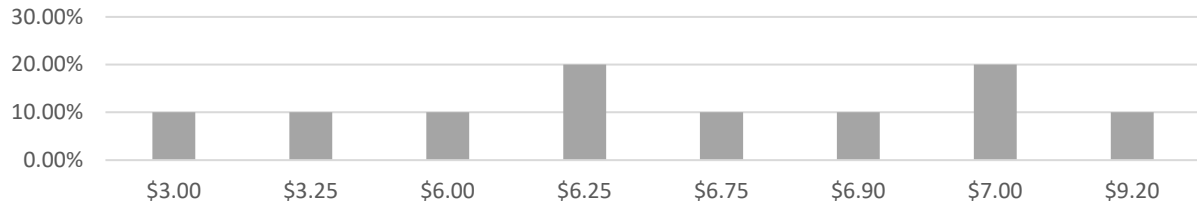
While the spread on SWG fell \$.32/lb. relative to the fourth quarter of 2022 it remained the highest among all IFQ species categories. The increased spread was due to higher reported ex-vessel prices for scamp where the calculated average was \$.45/lb. higher than the fourth quarter average.

The table below shows the average prices, price ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, quota share, and spread. The charts below show the frequency of different prices given. Outliers are included in the charts (shaded red).

<b>Shallow Water Grouper</b>			
	<b>Average</b>	<b>Price Range</b>	<b># of Responses</b>
Ex-Vessel Price (Scamp)	\$7.13	\$5.00 - \$9.50	13
Allocation Price	\$0.68	\$0.30 - \$1.00	14
Share Price	\$6.25	\$6.00 - \$7.00	4
Spread (Ex-vessel – Allocation)	\$6.16	\$3.00 - \$9.20	10



### SWG Spread (Ex-Vessel Price - Allocation Price)

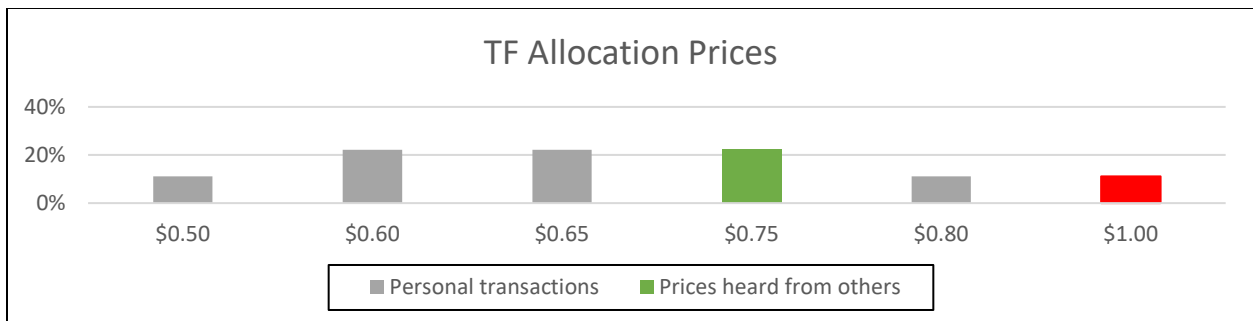
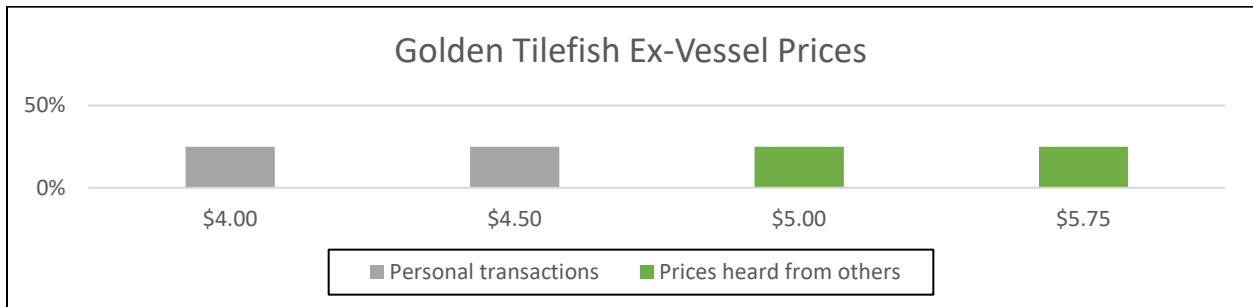


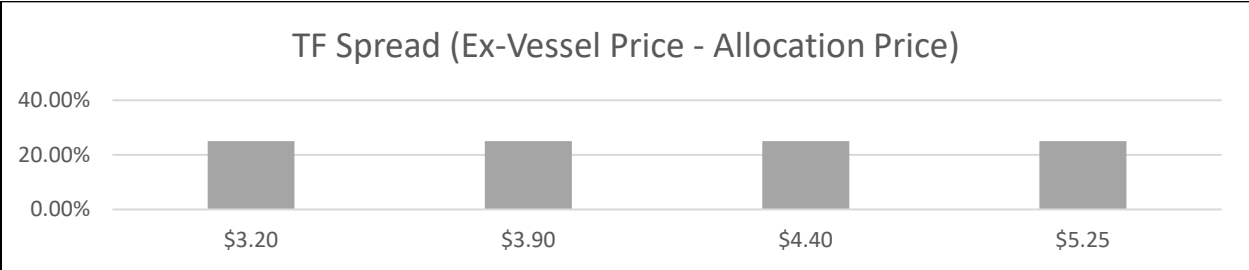
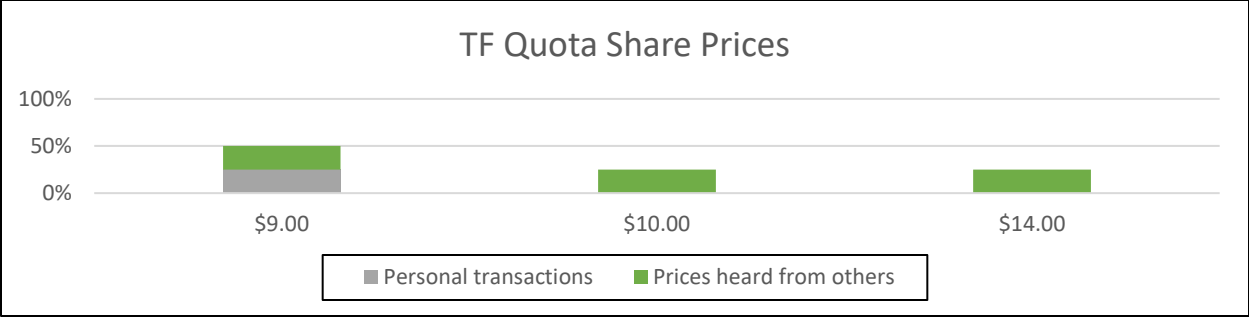
## **Tilefish (TF)**

Surprisingly, the spread (ex-vessel minus allocation) value for TF increased \$.06/lb. relative to the same value from the fourth quarter report. TF and RG were the only species categories to see an increase in the spread from the fourth quarter of 2022 to the beginning of 2023. **These numbers should be interpreted cautiously as fewer responses to DWG and TF survey questions are received than the other IFQ species categories.**

The table below shows the average prices, price ranges, and number of responses (**all with outliers removed**). The table also provides ex-vessel prices by fish size. The charts below show the frequency of different prices given for TF ex-vessel, allocation, and quota share, and spread. Outliers are included in the charts (shaded red).

<b>Tilefish</b>			
	<b>Average</b>	<b>Price Range</b>	<b># of Responses</b>
Ex-Vessel Price (Tilefish)	\$4.81	\$4.00 - \$5.75	4
4 down	\$3.00	\$2.50 - \$3.50	4
4-7	\$4.31	\$3.50 - \$5.25	4
7+	\$4.94	\$4.00 - \$5.75	4
Allocation Price	\$0.66	\$0.50 - \$0.80	8
Share Price	\$10.50	\$9.00 - \$14.00	4
Spread (Ex-vessel – Allocation)	\$4.19	\$3.20 - \$5.25	4





## Survey Comments

At the end of the survey there is an additional comments section. Here is a summary of those comments:

- One respondent stated that the gag decrease was causing DWG, RG, RS, and TF allocation prices to rise dramatically.
- One respondent indicated that they did not approve of the Gulf Council's management of the Gulf of Mexico reef fish fishery.
- One respondent stated that the IFQ loan program is extremely difficult to qualify for and the 20% down payment is onerous. They were aware of only one applicant that successfully received a loan. The respondent also indicated that they expect gag grouper to climb to \$10/lb whole fish with the cut in the commercial quota and worried about impacts on consumers.
- One respondent indicated that red snapper allocation prices, which are listed at an ask price of \$6/lb on one website, are too high for a fisherman to profitably harvest red snapper. The respondent was also concerned with quota share consolidation in the fishery among a small number of dealers.
- One respondent noted support for the reef fish permit requirement in Amendment 36. The respondent saw a permit requirement as a potential way for share and allocation prices to decrease to levels that would allow fishermen to profitably harvest fish and decrease speculation and investment in the fishery from non-fishing entities.
- One respondent indicated that they usually sell a significant portion of their gag grouper allocation to others but won't be able to this year due to the significant drop in the gag grouper commercial quota.
- One respondent asked that grey tilefish be included in the survey since it is the primary IFQ tilefish species harvested in the eastern Gulf.
- One respondent stated that DWG allocation has tanked due to increased fuel and trip costs. Similar to other respondents they noted that the scarcity of gag grouper allocation had led to substantial price increases.
- One respondent stated that prices in the fishery are due entirely to supply and demand. They stated that the IFQ program is a free-market system that works.
- One respondent indicated that the fishermen make less harvesting the fish than the shareholders do selling the allocation. They indicated their allocation (lease) costs are always greater than their take home.

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