



GULF OF MEXICO IFQ PRICING REPORT

OCTOBER-DECEMBER 2022



GULF OF MEXICO
FOURTH QUARTER 2022
IFQ PRICING REPORT

Contact Information:

Andrew Ropicki
Assistant Professor & Extension Specialist
Food and Resource Economics, UF/IFAS
Florida Sea Grant
352-294-7667
aropicki@ufl.edu

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REPORT NOTES

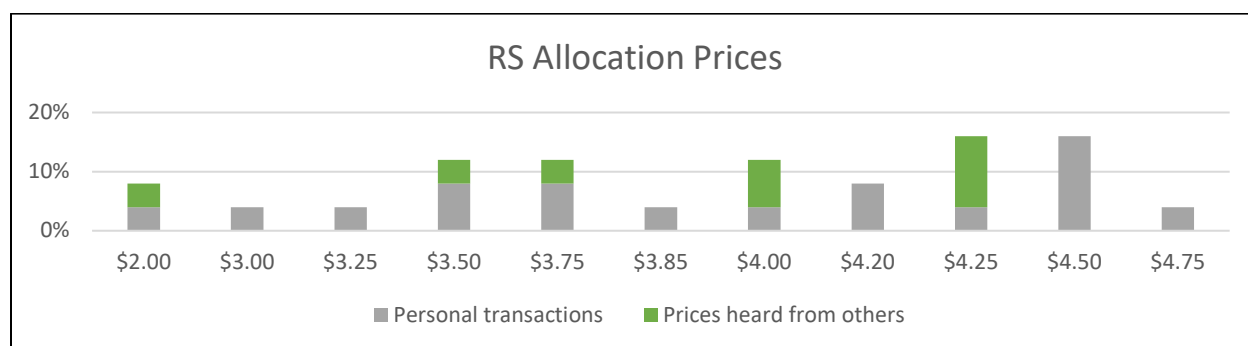
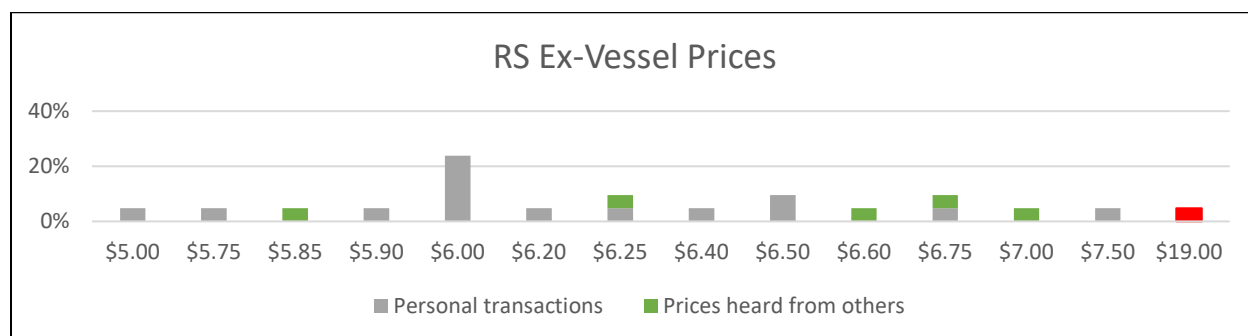
- The objective of this report is to provide Gulf of Mexico IFQ fishermen and dealers with timely data on red snapper and grouper-tilefish ex-vessel (fish), allocation (lease), and quota share prices. The prices reported are based on a survey of IFQ participants. The survey was sent to 120 IFQ participants 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 during the 4th quarter of 2022 (October-December).
- Quota share prices provided are estimates of the price **with 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 (yellowedge and snowy grouper for DWG, scamp for SWG, and golden tilefish for TF) 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. **However, for this 4th quarter report no allocation price outliers were removed. This is because the price can drop substantially at year end as the allocation nears expiration and allocation holders face a 'use-it, sell-it, or lose-it' situation.** Responses for share and ex-vessel prices 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 or 352-294-7667. Thanks!**

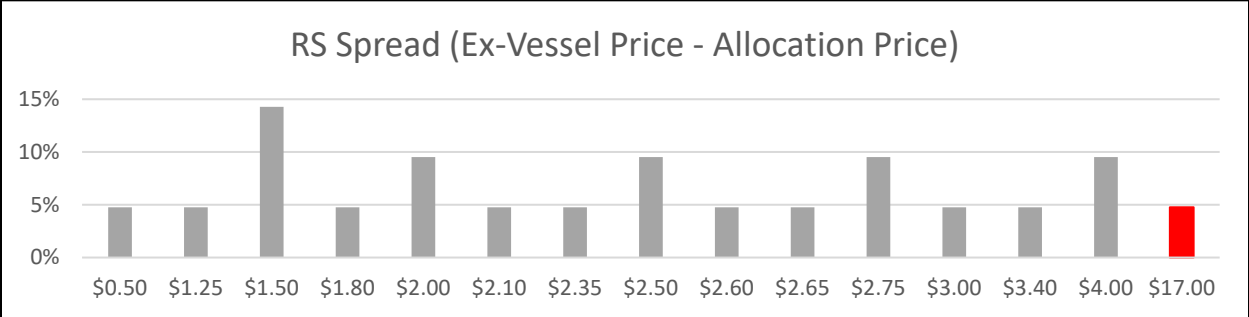
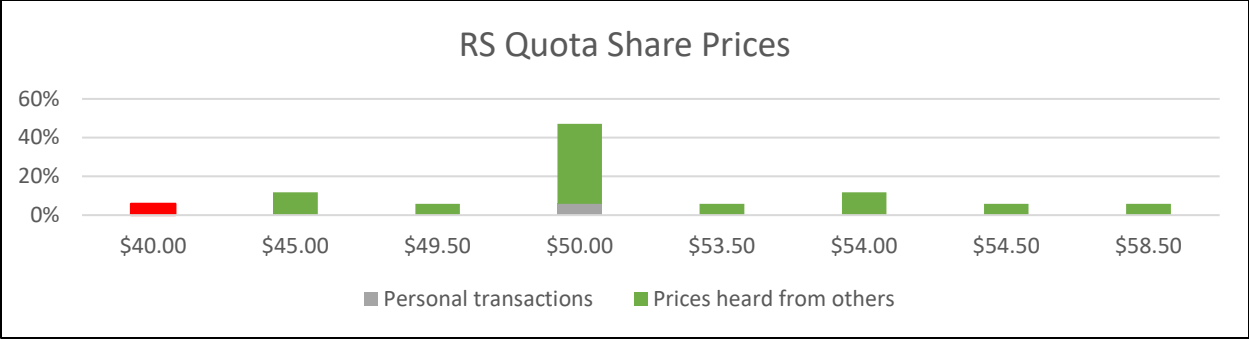
Red Snapper (RS)

Red snapper ex-vessel (fish) and allocation prices showed moderate declines in the fourth quarter relative to the values reported in the July-August pricing report. Average ex-vessel price was \$.20/lb. lower and allocation price was \$0.56/lb. lower. The decrease in allocation price coincides with the expiration of allocation at year end, fishermen are faced with a ‘use-it, sell-it, or lose-it’ situation for any remaining allocation as the year draws to a close. RS ex-vessel and allocation prices also experienced significant variation in prices during the fourth quarter of 2022.

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).

Red Snapper			
	Average	Price Range	# of Responses
Ex-Vessel Price	\$6.26	\$5.00 - \$7.50	20
Allocation Price	\$3.84	\$2.00 - \$4.75	30
Share Price	\$50.88	\$45.00 - \$58.50	16
Spread (Ex-vessel – Allocation)	\$2.33	\$0.50 - \$4.00	20



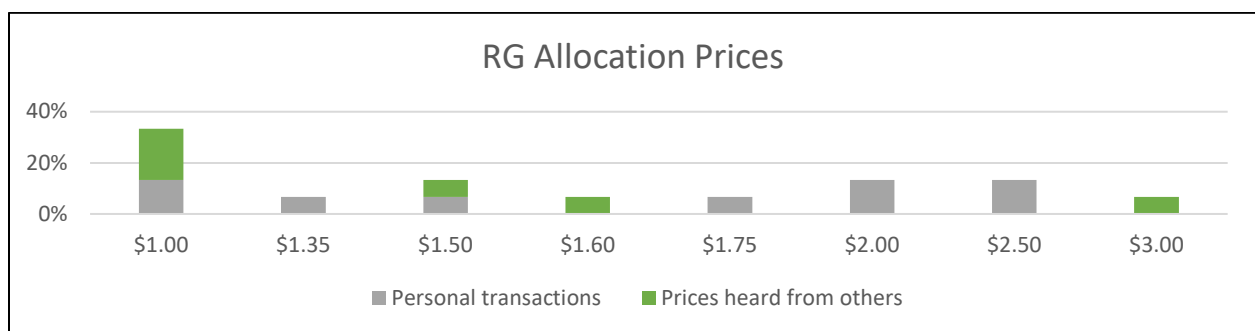
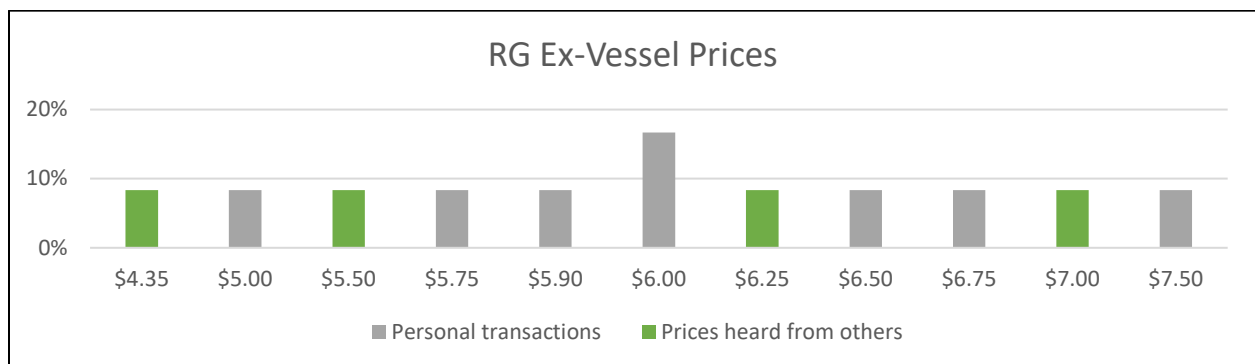


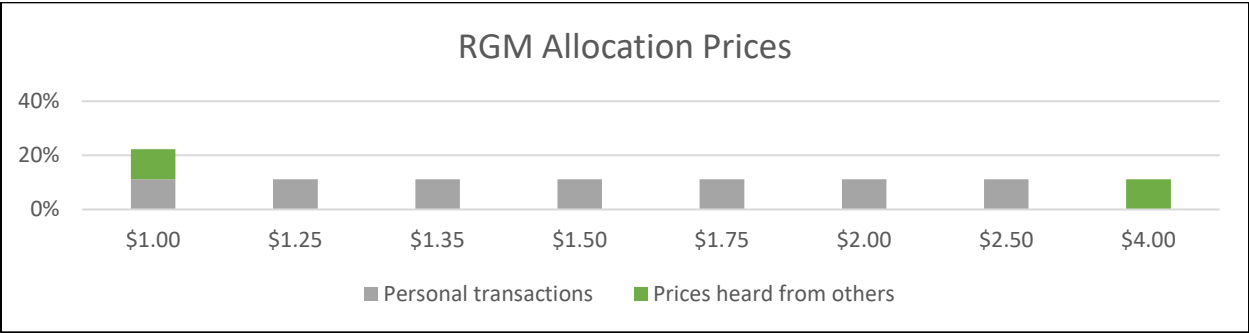
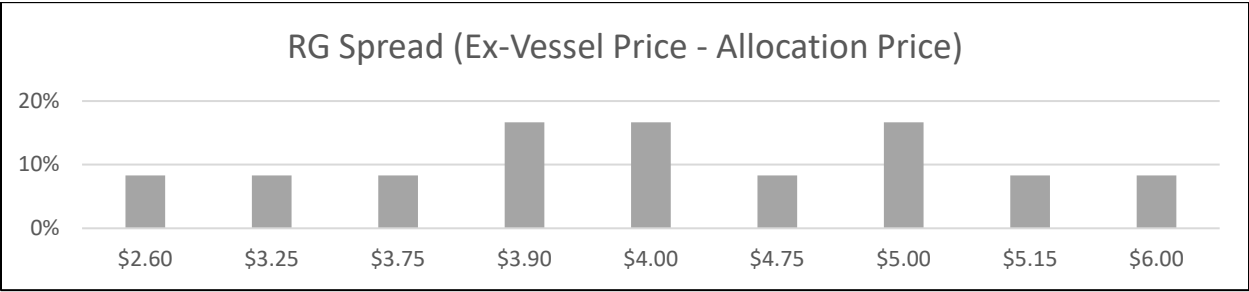
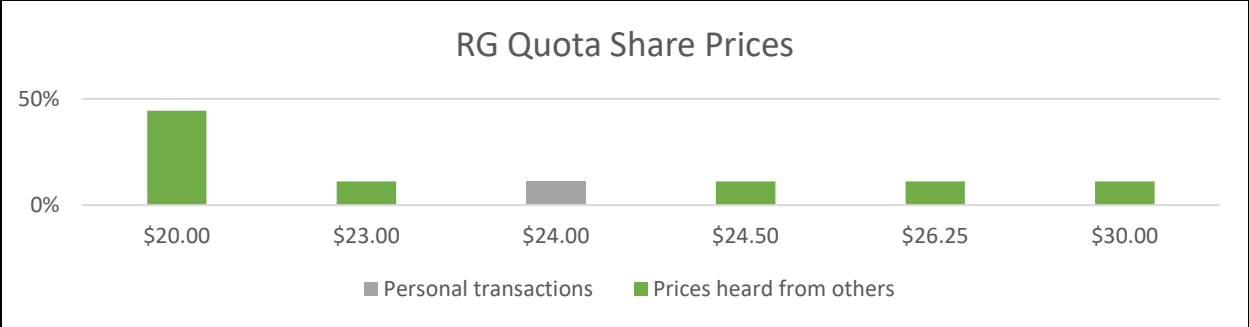
Red Grouper (RG) and Red Grouper Multiuse (RGM)

Like the RS markets the RG ex-vessel and allocation market prices decreased in the fourth quarter relative to the numbers from the July-August report. The average RG ex-vessel price was \$.07/lb. lower; the RG allocation price was \$0.51/lb. lower, and the RGM allocation price was \$.17/lb. lower during the last quarter of the year. The average share price was substantially higher (\$4.16/lb.), **but the low number of respondents providing share prices can lead to larger changes based on small changes in variation and should be interpreted with caution.**

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	\$6.04	\$4.35 - \$7.50	12
Small (4 down)	\$5.50	-	1
Large (4-7 or 7+)	\$6.00	-	1
Allocation Price (RG)	\$1.65	\$1.00 - \$3.00	15
Share Price	\$23.08	\$20.00 - \$30.00	9
Spread (Ex-vessel – Allocation)	\$4.28	\$2.60 - \$6.00	12
Allocation Price (RG Multiuse)	\$1.82	\$1.00 - \$4.00	9



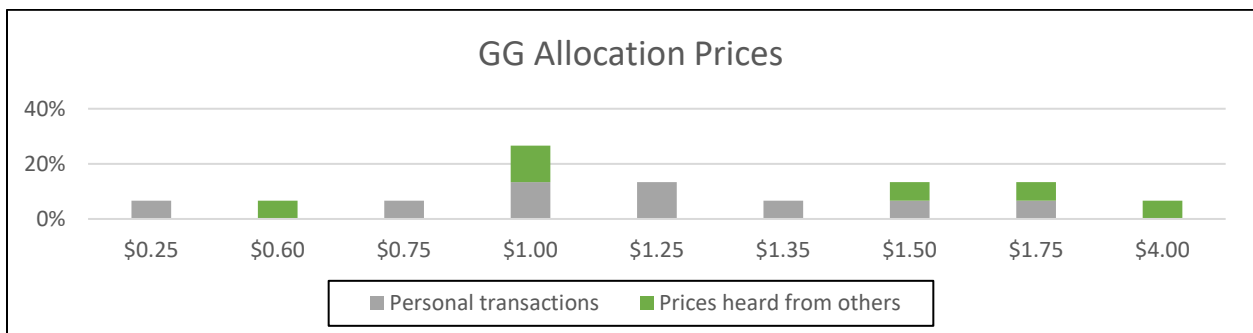
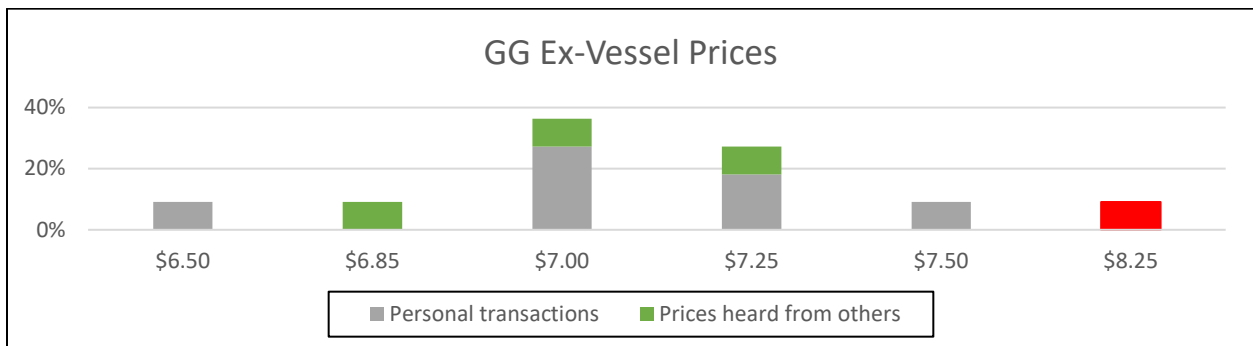


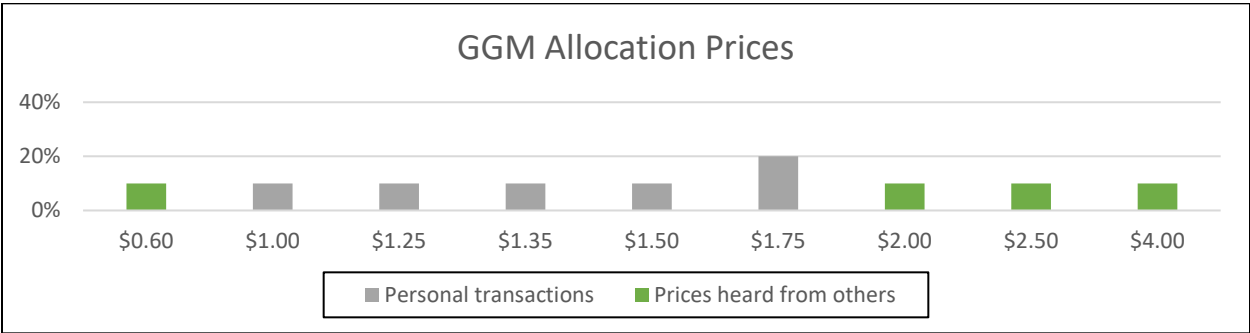
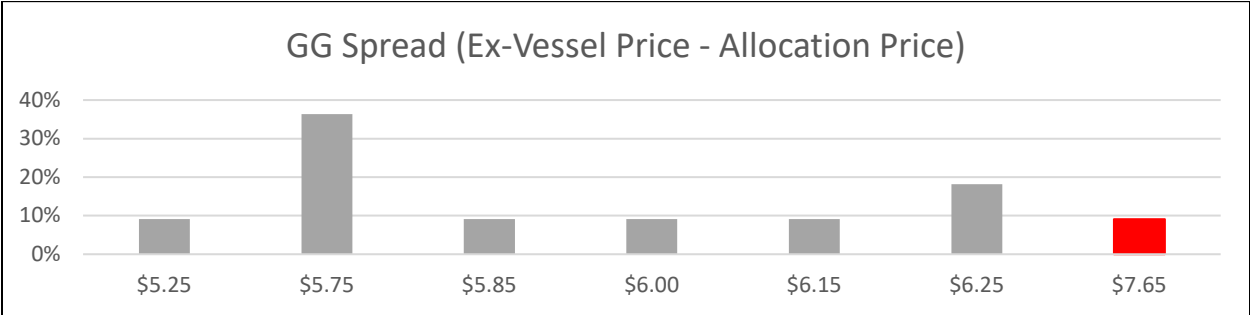
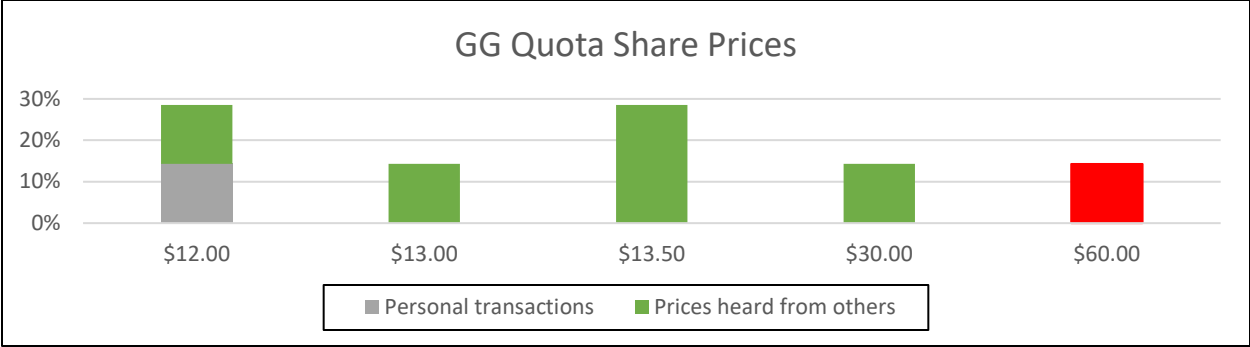
Gag Grouper (GG) and Gag Grouper Multiuse (GGM)

Like RS and RG ex-vessel and allocation market prices, GG prices decreased in the fourth quarter relative to the numbers from the July-August report. The average GG ex-vessel price was \$.22/lb. lower; the GG allocation price was \$0.28/lb. lower, and the GGM allocation price was \$.19/lb. lower during the last quarter of the year. The average share price was slightly higher (\$1.92/lb.) than July-August 2022. The spread value, the ex-vessel (fish) price minus the allocation price, calculated for each respondent that provides both prices, was substantially higher than the values for RS and RG.

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).

Gag Grouper			
	Average	Price Range	# of Responses
Ex-Vessel Price	\$7.06	\$6.50 - \$7.50	10
Allocation Price (GG)	\$1.33	\$0.25 - \$4.00	15
Share Price	\$15.67	\$12.00 - \$30.00	5
Spread (Ex-vessel – Allocation)	\$5.88	\$5.25 - \$6.25	10
Allocation Price (GG Multiuse)	\$1.77	\$0.60 - \$4.00	10



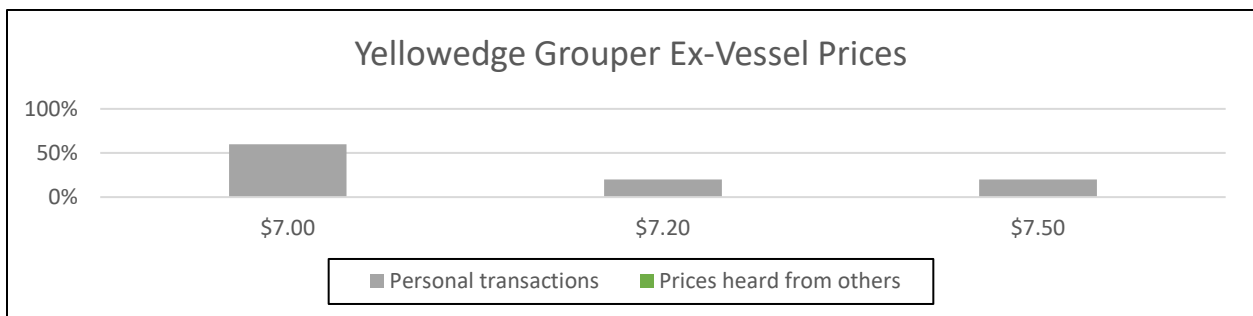


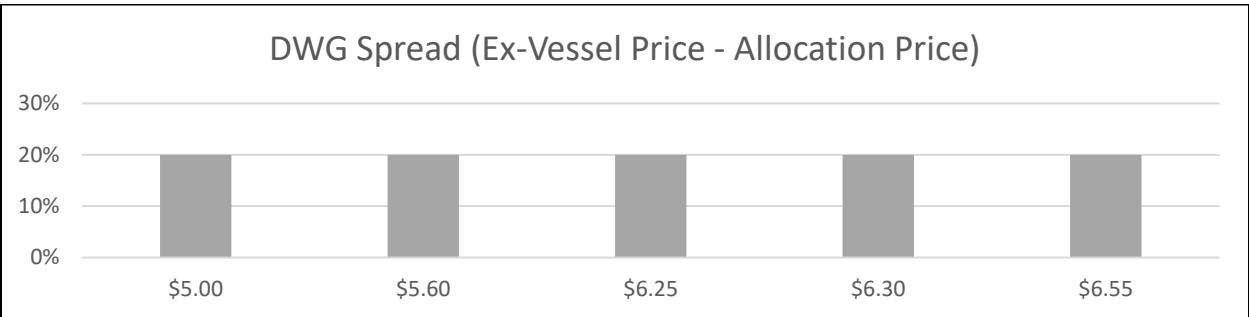
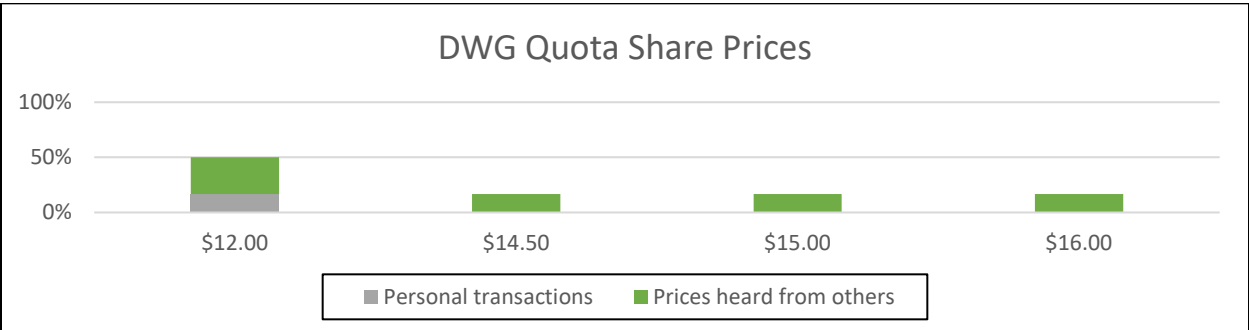
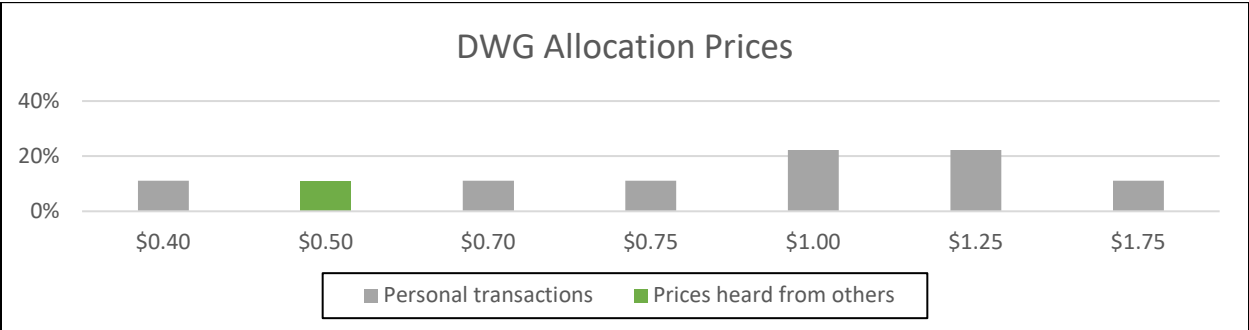
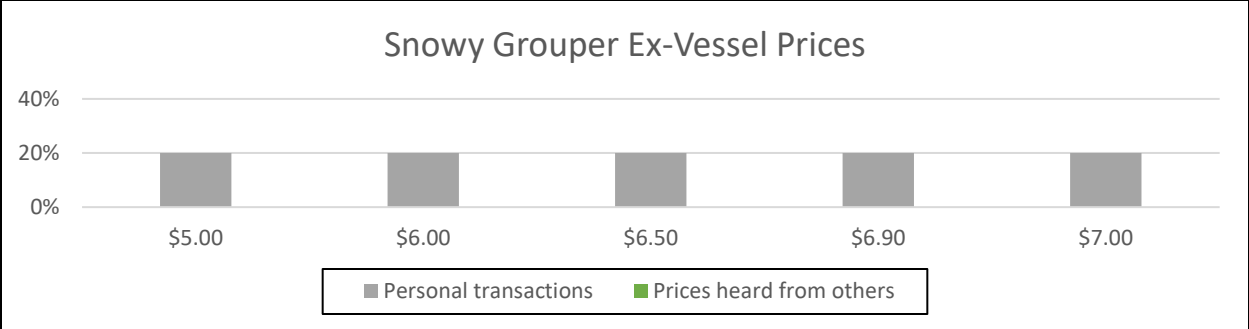
Deep Water Grouper (DWG)

DWG ex-vessel (fish) prices were the only IFQ species group to rise relative to the results of the July-August 2022 report. Yellowedge grouper ex-vessel prices were \$.18/lb. higher and snowy grouper prices were \$.14/lb. higher. **It is worth noting this could be due to the low number of responses received for this species group.** DWG allocation prices fell substantially relative to the July-August report dropping 32% (\$.45/lb.). While all IFQ species allocation prices dropped at year end due to the upcoming expiration of allocation the drop in DWG allocation prices was the second largest in percentage terms behind only TF allocation. The average spread on DWG was the second largest for the period only trailing SWG. **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).

Deep Water Grouper			
	Average	Price Range	# of Responses
Ex-Vessel Price (Yellowedge)	\$7.14	\$7.00 - \$7.50	5
4 down	\$3.75	\$2.00 - \$5.50	2
4-7	\$5.50	\$5.00 - \$6.00	2
7+	\$7.00	\$7.00 - \$7.20	2
Ex-Vessel Price (Snowy)	\$6.28	\$5.00 - \$7.00	5
Allocation Price	\$0.96	\$0.40 - \$1.75	9
Share Price	\$13.58	\$12.00 - \$16.00	6
Spread (Ex-vessel – Allocation)	\$5.94	\$5.00 - \$6.55	5



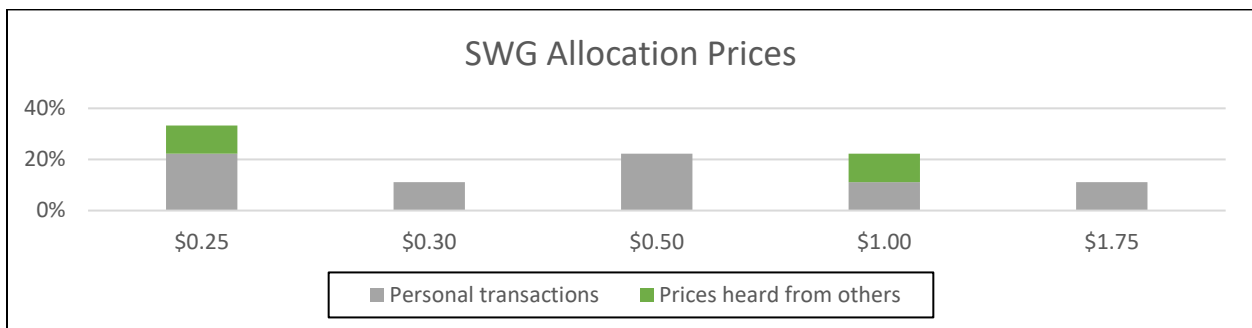
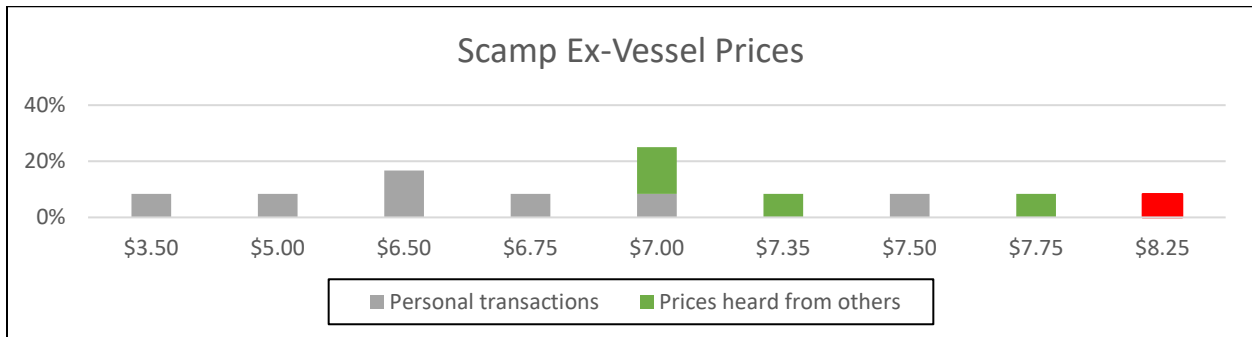


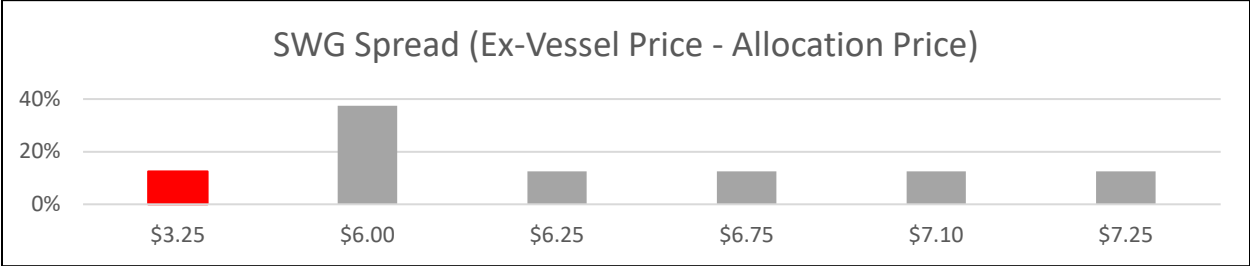
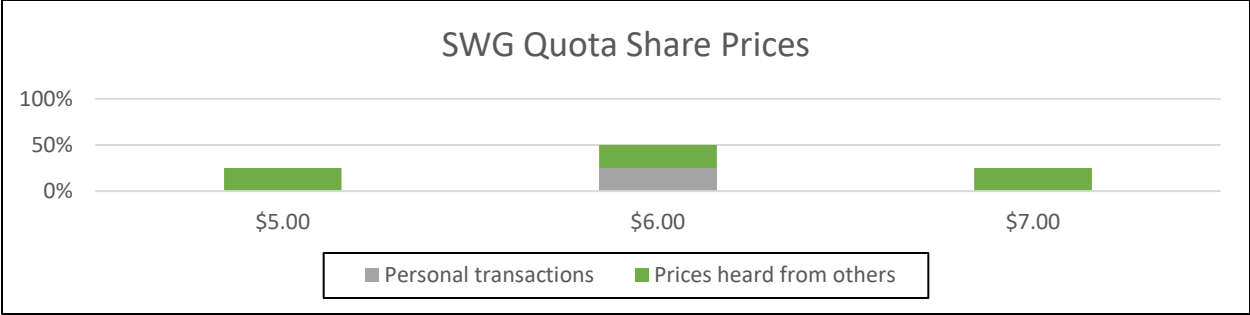
Shallow Water Grouper (SWG)

Scamp ex-vessel (fish) prices fell \$.31/lb. relative to the results of the July-August 2022 report. The average SWG allocation prices fell \$.20/lb. relative to the July-August report but that might understate how far the price dropped. To account for allocation price variability at year end associated with allocation expiration no allocation outliers were removed. There were only 9 SWG allocation price observations and one high price (\$1.75/lb.) was not removed and raised the average by \$.13/lb. The average spread on SWG was the largest among all IFQ species groups at \$6.48/lb.

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).

Shallow Water Grouper			
	Average	Price Range	# of Responses
Ex-Vessel Price (Scamp)	\$6.68	\$5.00 - \$8.25	11
Allocation Price	\$0.64	\$0.25 - \$1.75	9
Share Price	\$6.00	\$5.00 - \$7.00	4
Spread (Ex-vessel – Allocation)	\$6.48	\$6.00 - \$7.25	7



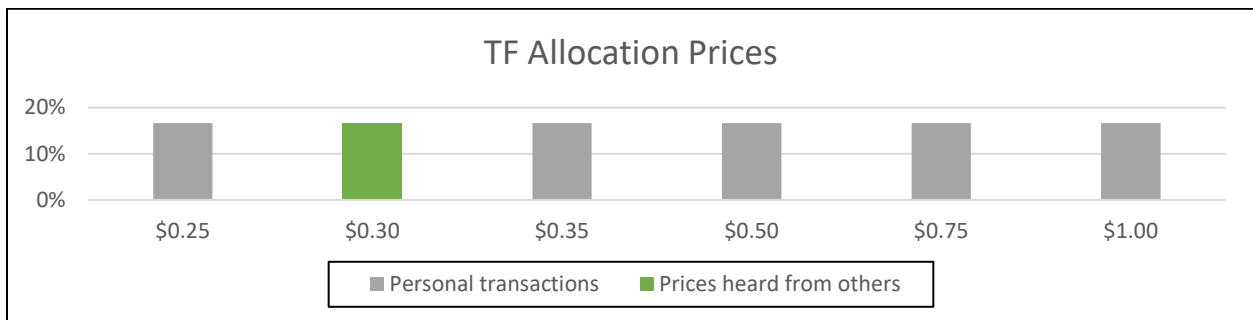
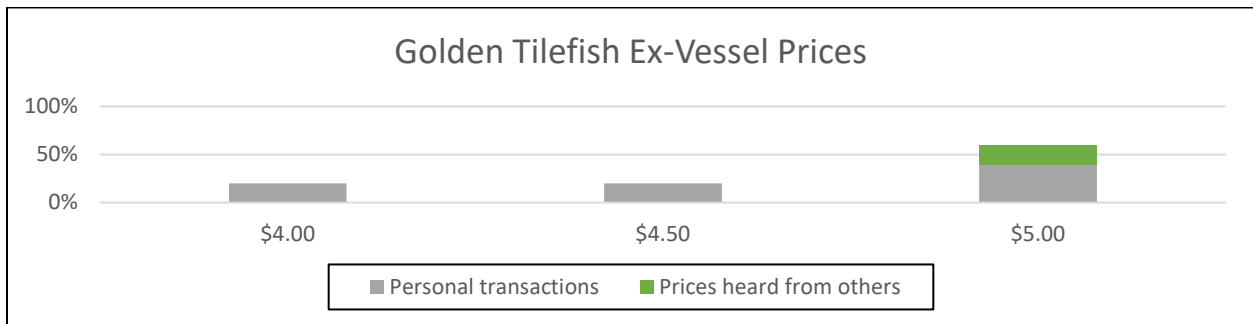


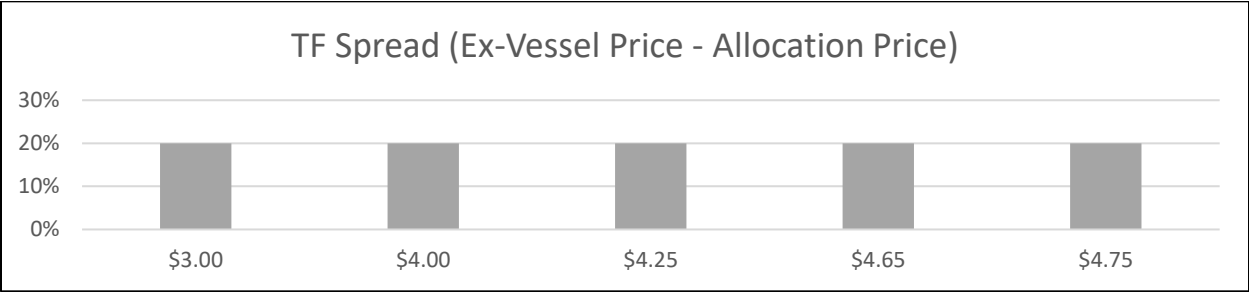
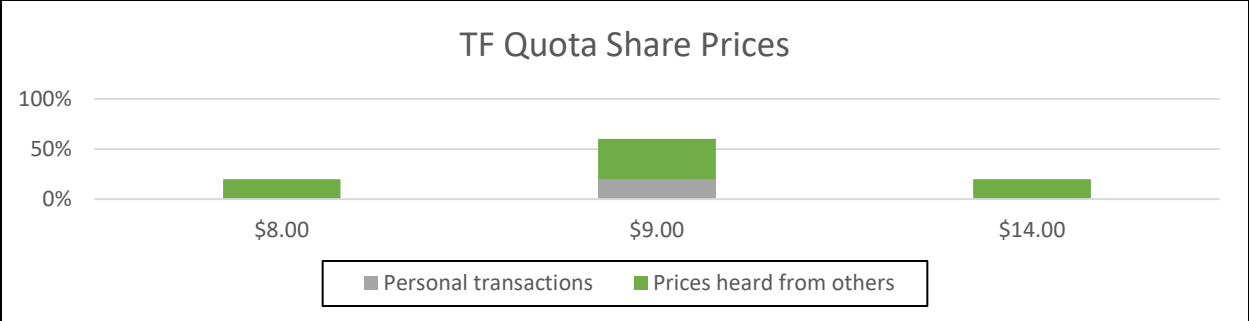
Tilefish (TF)

Golden tilefish ex-vessel (fish) prices fell \$.26/lb. relative to the results of the July-August 2022 report. TF allocation prices fell 41% (\$.37/lb.) relative to the July-August report. While all IFQ species allocation prices dropped at year end due to the upcoming expiration of allocation the drop in TF allocation prices was the largest in percentage terms. **These numbers should be interpreted cautiously as fewer responses to TF and DWG survey questions are received than the other IFQ species categories.** This was the first IFQ pricing survey to include information on price differences across size classes and while responses were limited the report highlights the difference in prices between 4-down, 4-7, and 7+ fish.

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).

Tilefish			
	Average	Price Range	# of Responses
Ex-Vessel Price (Tilefish)	\$4.70	\$4.00 - \$5.00	5
4 down	\$3.25	\$3.00 - \$3.50	2
4-7	\$4.00	\$3.50 - \$4.50	2
7+	\$4.50	\$4.00 - \$5.00	2
Allocation Price	\$0.53	\$0.25 - \$1.00	6
Share Price	\$9.80	\$8.00 - \$14.00	5
Spread (Ex-vessel – Allocation)	\$4.13	\$3.00 - \$4.75	5





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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