



GULF OF MEXICO IFQ PRICING REPORT

APRIL - JUNE 2023



GULF OF MEXICO
2nd QUARTER 2023
APRIL-JUNE
IFQ PRICING REPORT

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REPORT NOTES

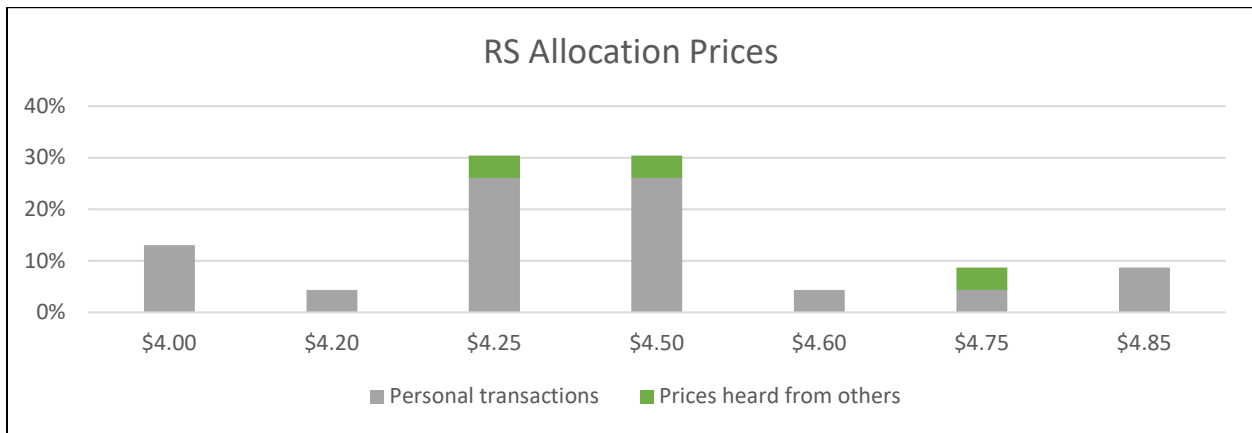
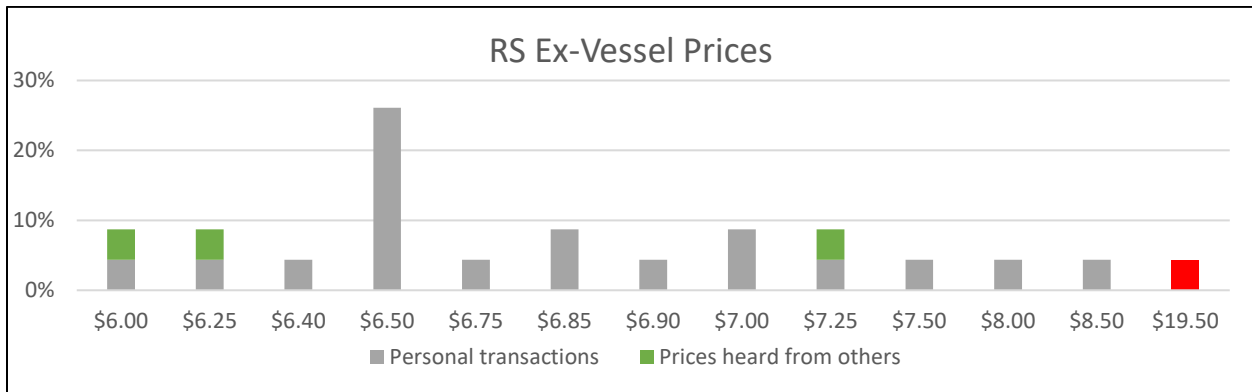
- The objective of this report is to provide Gulf of Mexico IFQ fishermen and dealers with timely data on red snapper and grouper-tilefish ex-vessel (fish), allocation (lease), and quota share prices. The prices reported are based on a survey of IFQ participants.
- This version of the survey measured prices during the second quarter (April-June) of 2023.
- 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 were only collected for the most landed species in each group to keep the survey as short as possible.
- 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.**
- The survey was sent to 230 IFQ participants and 25 provided pricing information for the survey (11% response rate). The survey was released on July 3, 2023, and responses were collected until July 31, 2023.
- **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!**

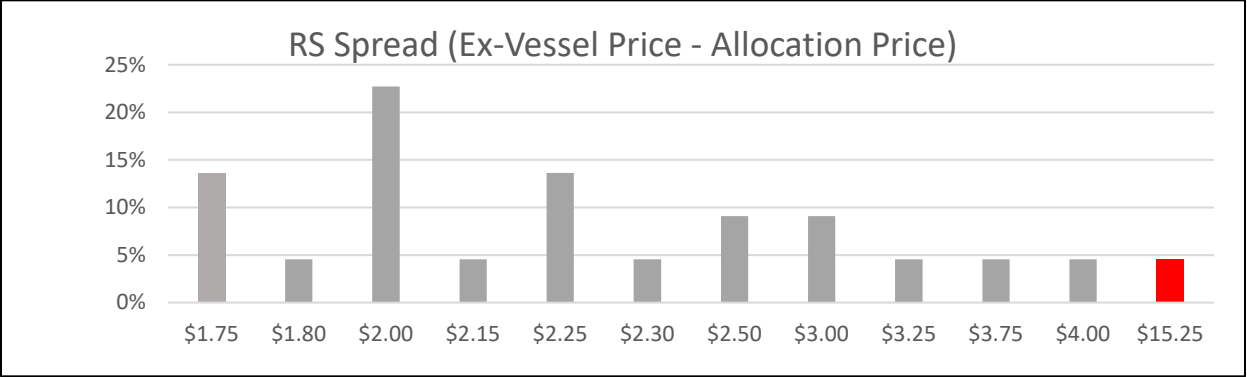
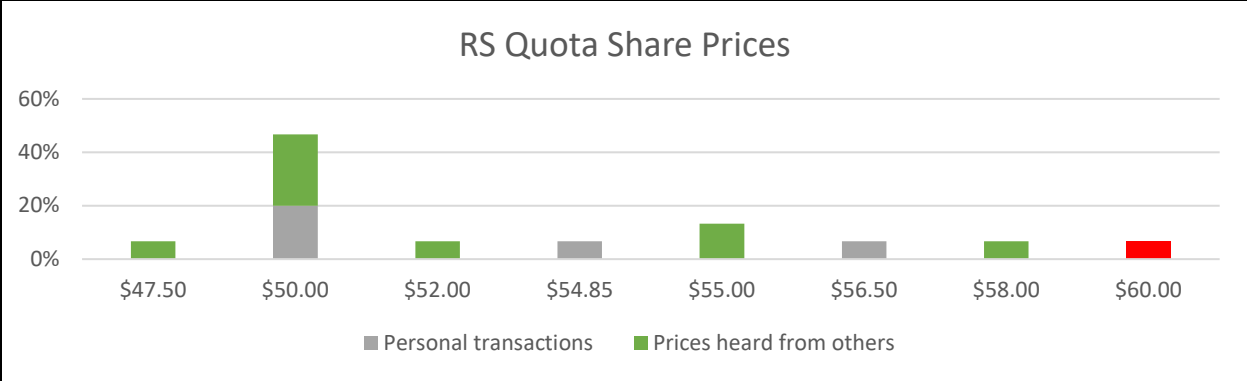
Red Snapper (RS)

The average RS ex-vessel (fish) allocation, and share prices were all slightly higher than the values from the Early 2023 IFQ Pricing Report. Additionally, the spread (ex-vessel less allocation) increased substantially relative to the Early 2023 report (\$0.56/lb higher). Ex-vessel was \$0.10/lb. higher, allocation was \$0.05/lb. higher, and share price was \$1.05 higher. While there was variation in allocation trading prices, most responses (52%) indicated prices of \$4.25 or \$4.50 per pound.

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	Range	# of Responses
Ex-Vessel Price	\$6.81	\$6.00 - \$8.50	22
Allocation Price	\$4.40	\$4.00 - \$4.85	23
Share Price	\$52.06	\$47.50 - \$58.00	14
Spread (Ex-Vessel – Allocation)	\$2.81	\$1.75 - \$4.00	22



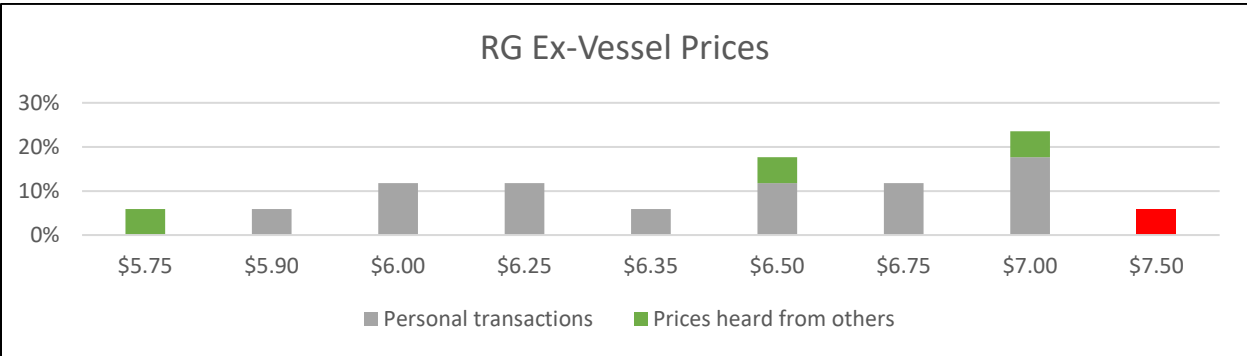


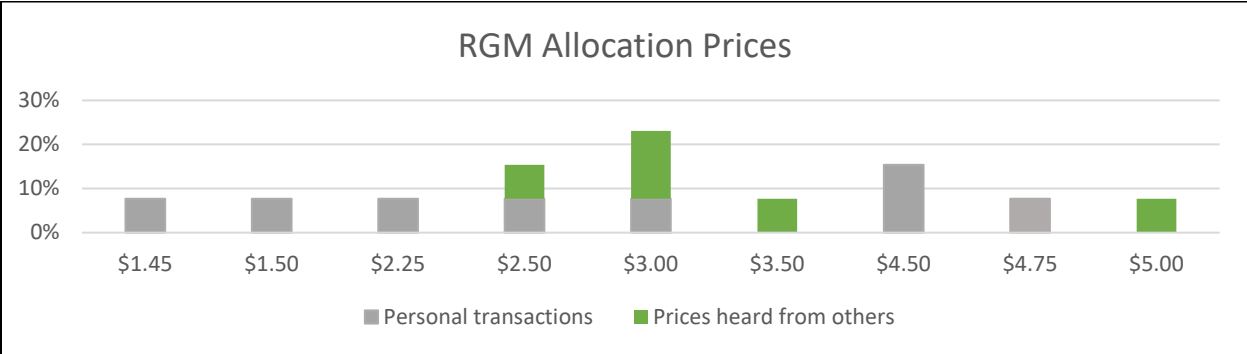
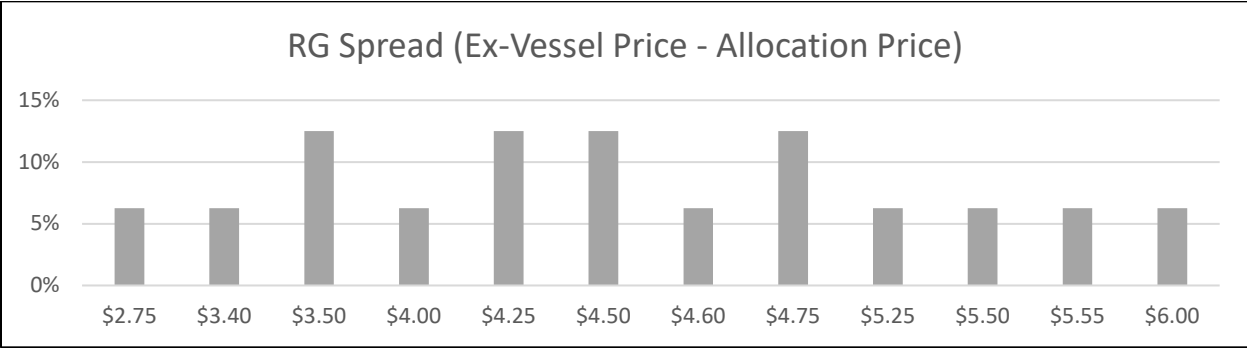
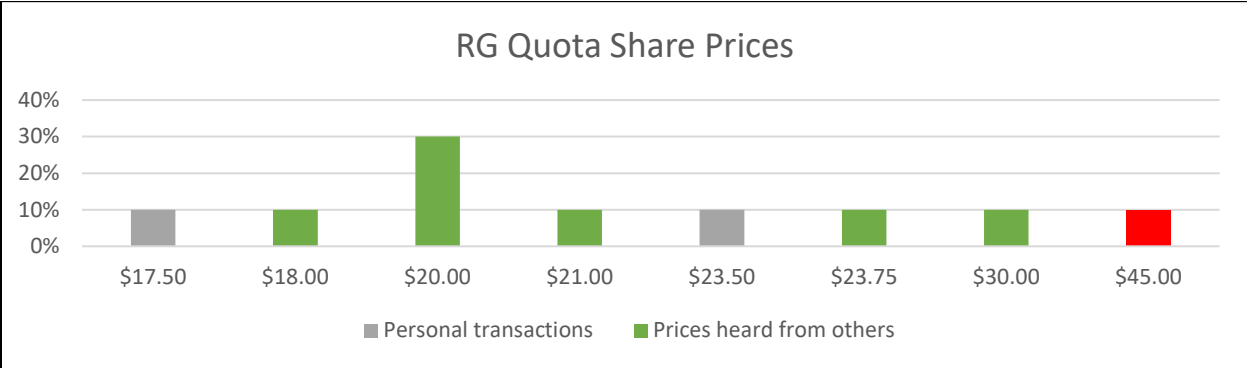
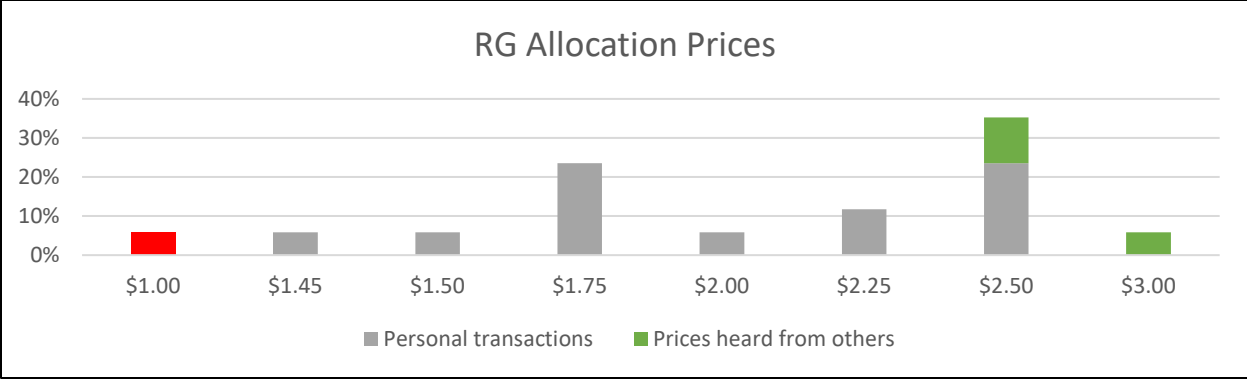
Red Grouper (RG) and Red Grouper Multiuse (RGM)

While the average ex-vessel price was down slightly relative to the early 2023 report (\$0.12 per pound), both the average allocation price (\$0.19 per pound) and share price (\$2.69 per pound) increased relative to the earlier survey. It is important to note that the average share price is based on a smaller sample of responses and as such is more prone to swings in value. The average spread (ex-vessel minus allocation) was almost identical to the previous report, increasing by \$0.01 per pound. Lastly, the red grouper multiuse was substantially higher (\$1.11 per pound) relative to the early 2023 report due to the scarcity of gag grouper allocation.

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	\$6.47	\$5.75 - \$7.00	16
Small (4 down)	\$6.25	\$6.25	1
Medium (4-7)	\$6.75	\$6.75	1
Large (7+)	\$6.75	\$6.75	1
Allocation Price (RG)	\$2.15	\$1.45 - \$3.00	16
Share Price	\$23.88	\$17.50 - \$30.00	9
Spread (Ex-Vessel – Allocation)	\$4.44	\$2.75 - \$6.00	16
Allocation Price (RG Multiuse)	\$3.19	\$1.45 - \$5.00	12



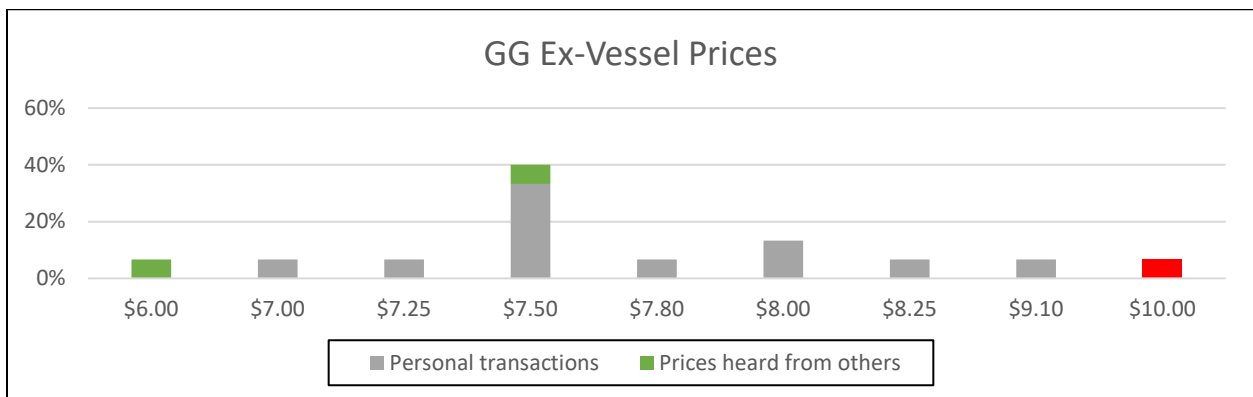


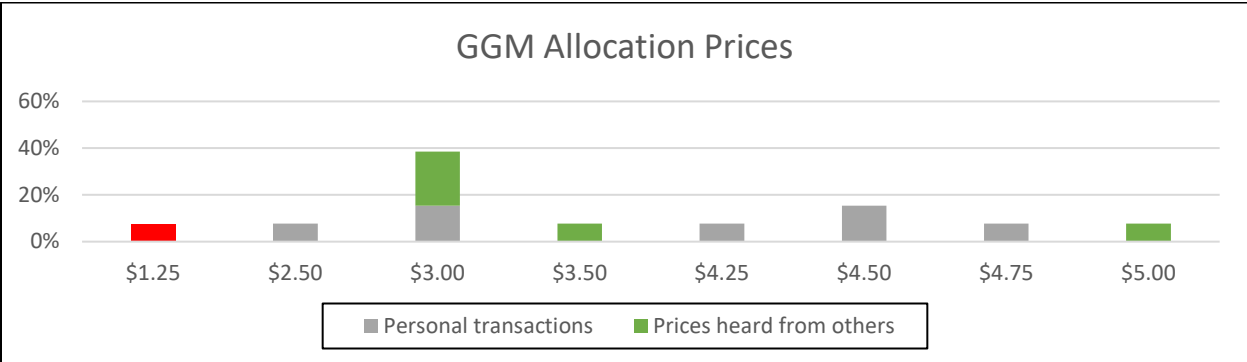
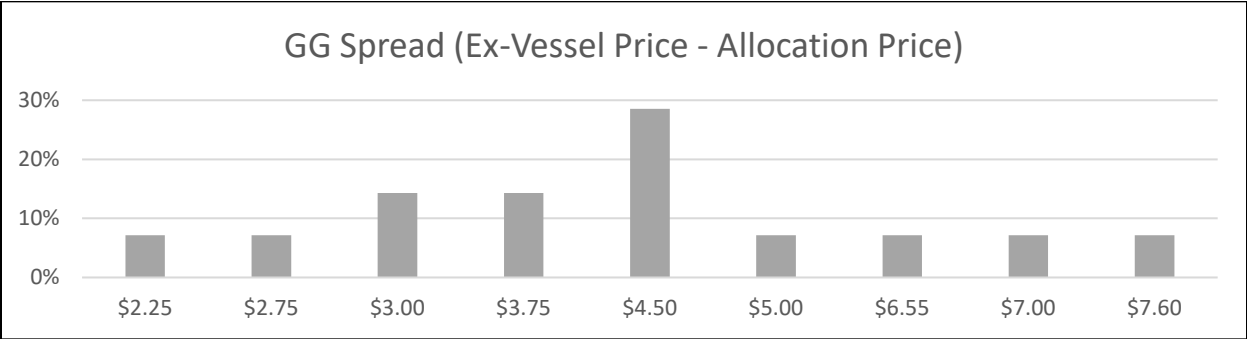
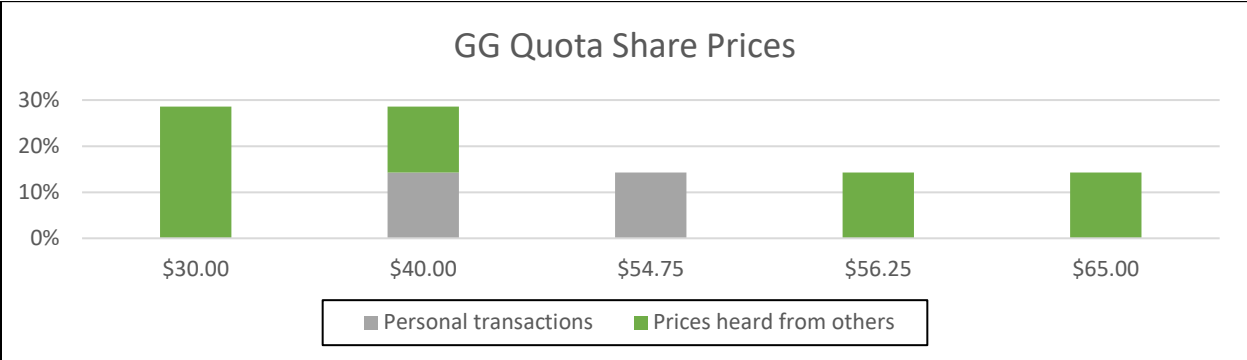
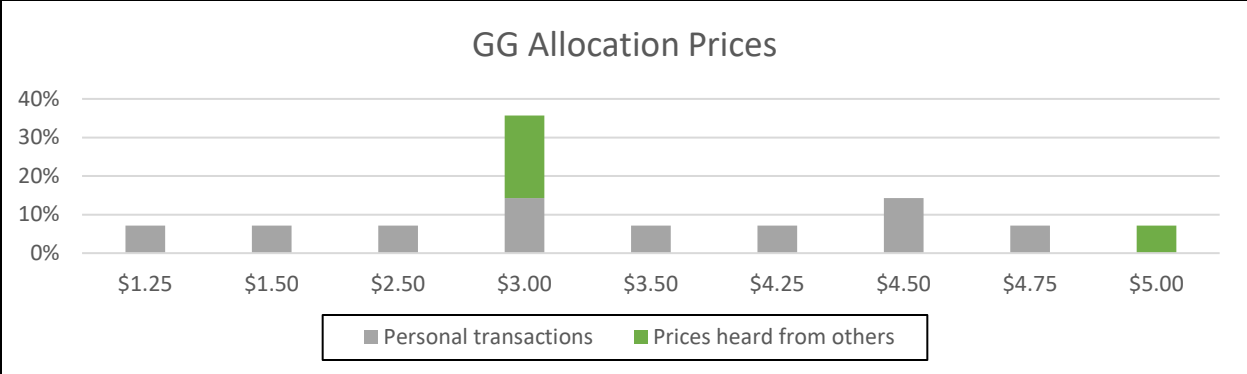
Gag Grouper (GG) and Gag Grouper Multiuse (GGM)

The gag grouper market continued to show the impacts of the large reduction in the commercial quota. While the average allocation price fell \$0.13 per pound relative to the earlier 2023 survey and report, the price is still substantially higher than the values from 2022. The spread (ex-vessel less allocation) moderated somewhat, increasing \$0.32 per pound to \$4.48 per pound and was slightly larger than the red grouper spread in the second quarter. Additionally, the quota share price continued to climb with the average value increasing \$8.39 per pound from the previous report and \$29.47 per pound from the end of 2022 survey. It is important to note that the quota share market is thinly traded, and the averages provided are based on a small number of survey responses making them susceptible to large swings in value.

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	\$7.60	\$6.00 - \$9.10	14
Allocation Price (GG)	\$3.34	\$1.25 - \$5.00	14
Share Price	\$45.14	\$30.00 - \$65.00	7
Spread (Ex-Vessel – Allocation)	\$4.48	\$2.25 - \$7.60	14
Allocation Price (GG Multiuse)	\$3.67	\$2.50 - \$5.00	11



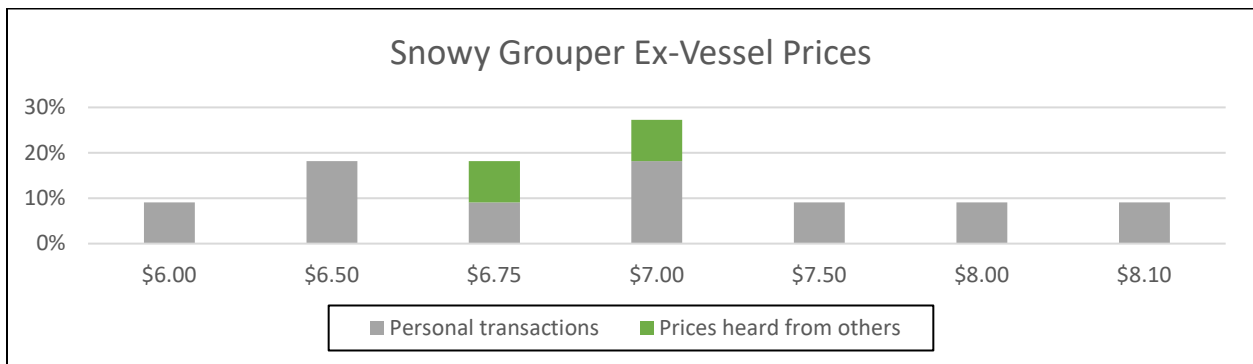
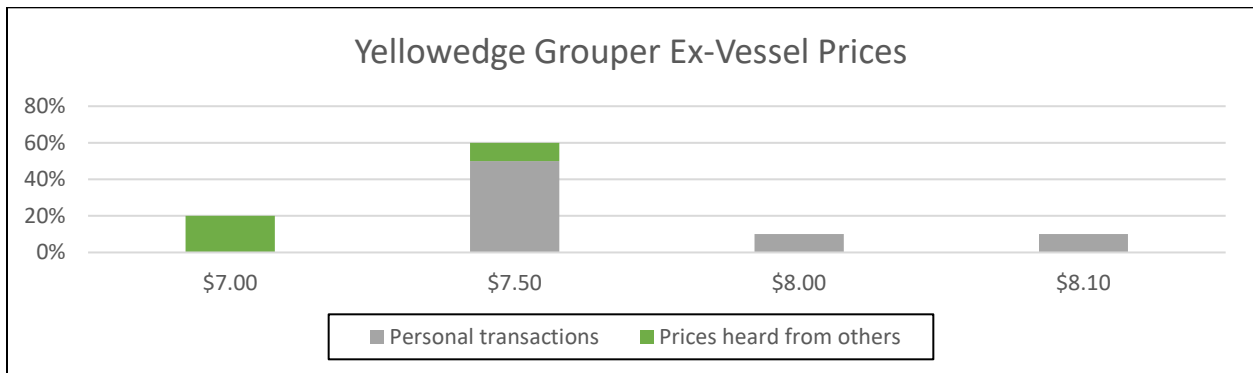


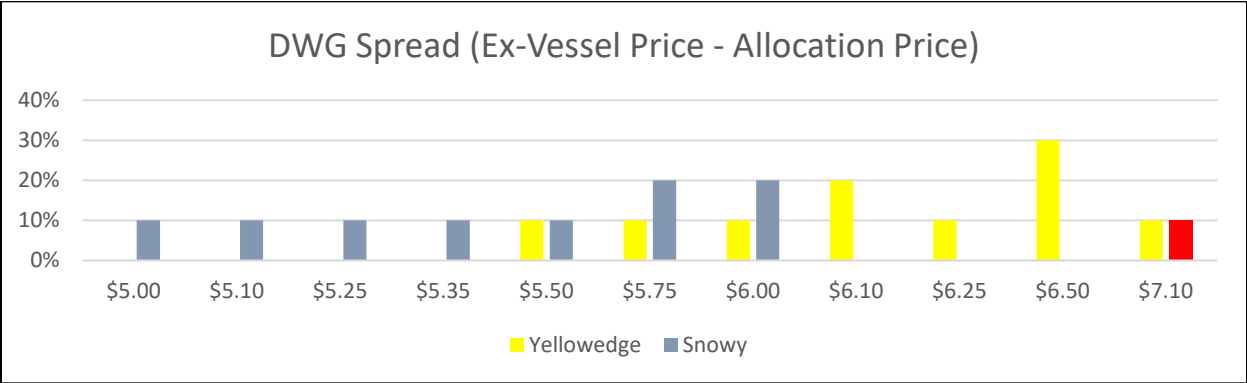
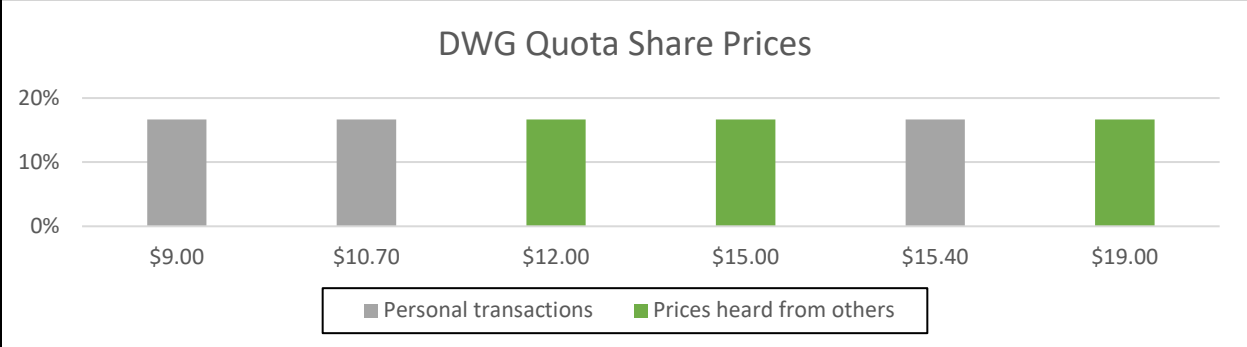
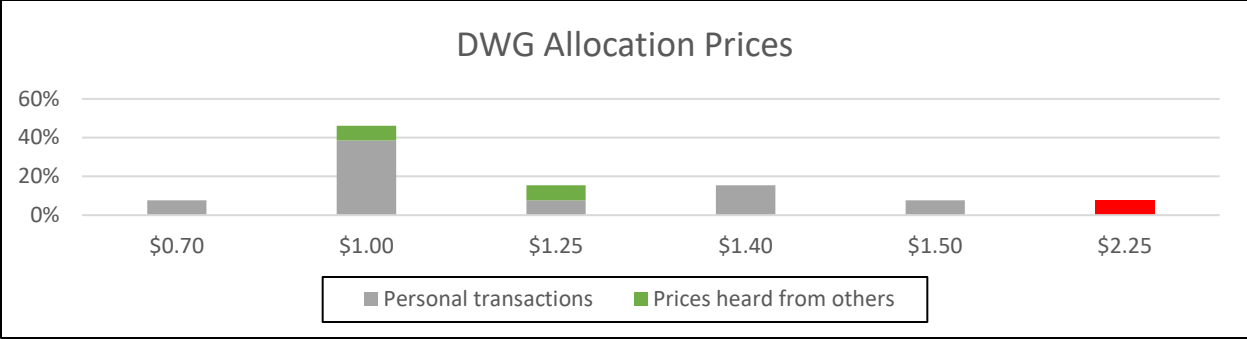
Deep Water Grouper (DWG)

The DWG allocation market rose slightly (\$0.08 per pound) relative to the previous survey, but the ex-vessel prices increased more substantially (\$0.33/lb. for yellowedge grouper and \$0.41/lb. for snowy grouper). **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)	\$7.51	\$7.00 - \$8.10	10
4 down	\$5.92	\$5.75 - \$6.50	3
4-7	\$6.63	\$6.00 - \$7.00	4
7+	\$7.50	\$7.50	4
Ex-Vessel Price (Snowy)	\$7.01	\$6.00 - \$8.10	11
Allocation Price	\$1.13	\$0.70 - \$1.50	12
Share Price	\$13.52	\$9.00 - \$19.00	6
Spread (Ex-Vessel – Allocation) (YE)	\$6.23	\$5.50 - \$7.10	10
Spread (Ex-Vessel – Allocation) (S)	\$5.52	\$5.00 - \$6.00	9



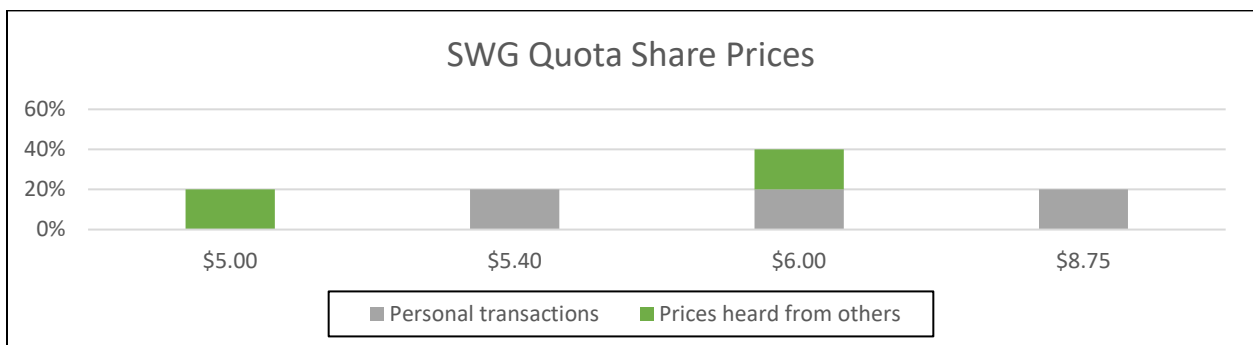
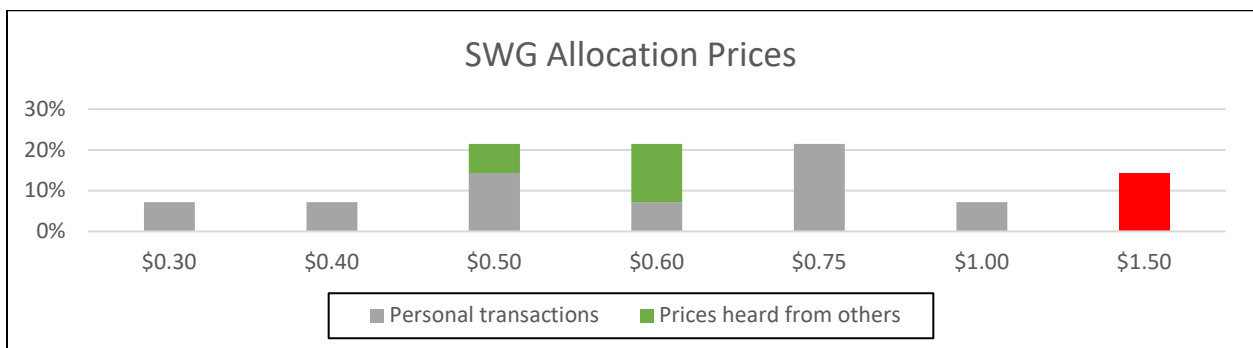
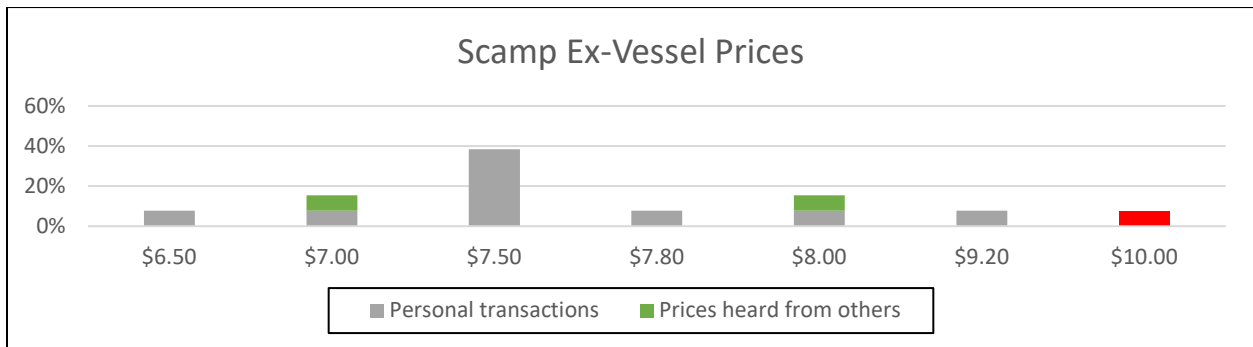


Shallow Water Grouper (SWG)

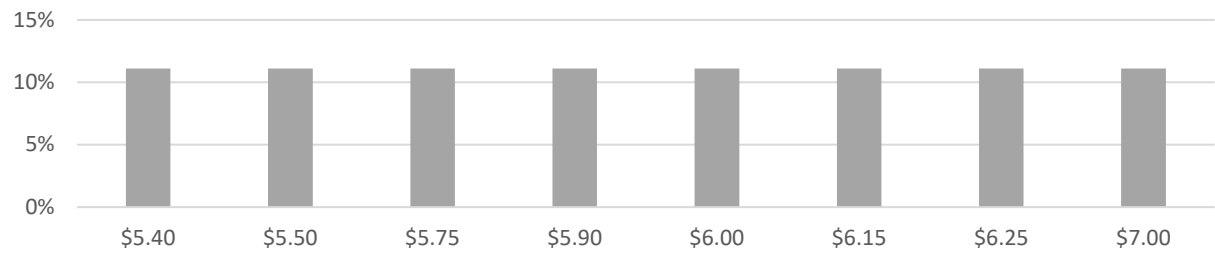
The average scamp ex-vessel price increased \$0.45 per pound relative to the previous report while the average SWG allocation price also rose from the previous report (\$0.08 per pound higher).

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)	\$7.58	\$6.50 - \$9.20	11
Allocation Price	\$0.60	\$0.30 - \$1.00	11
Share Price	\$6.23	\$5.00 - \$8.75	5
Spread (Ex-Vessel – Allocation) (Scamp)	\$5.99	\$5.40 - \$7.00	8



SWG Spread (Ex-Vessel Price - Allocation Price)

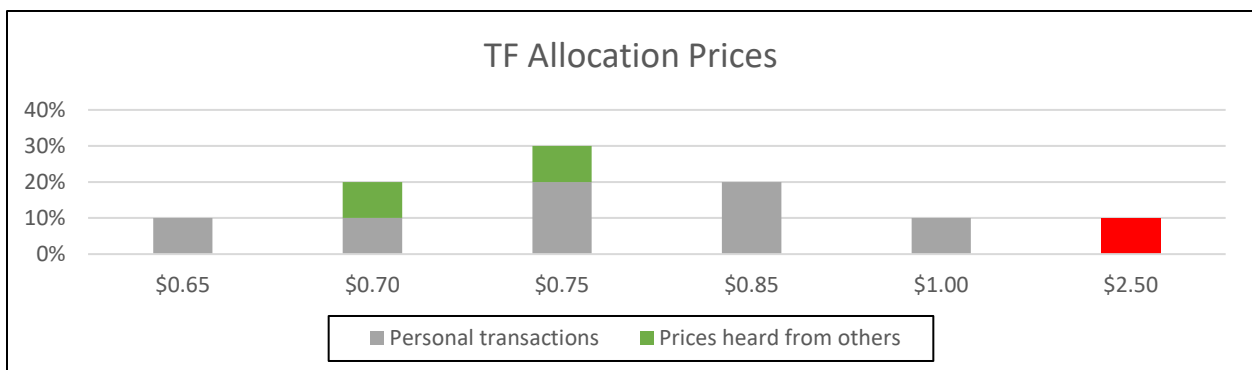
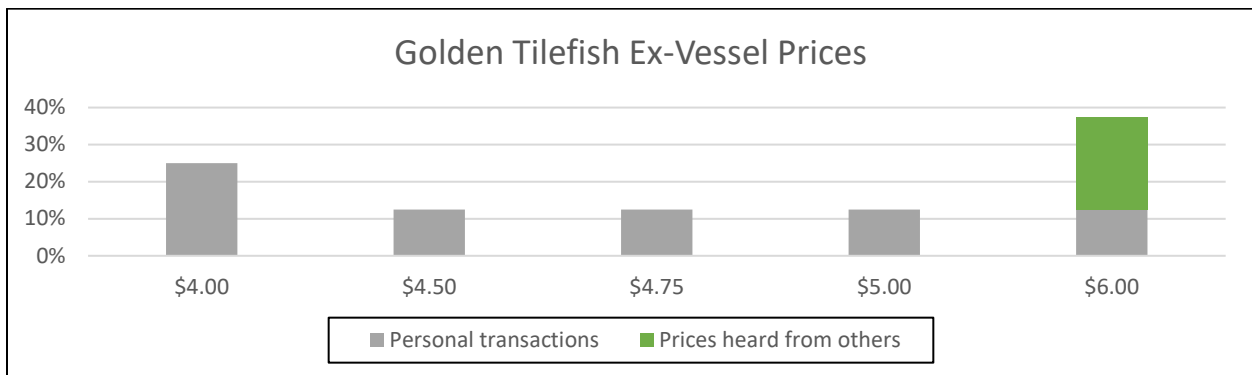


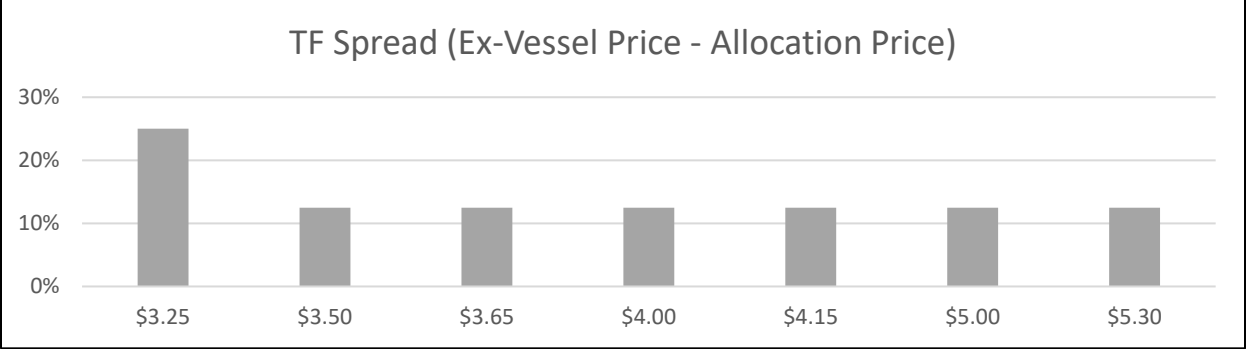
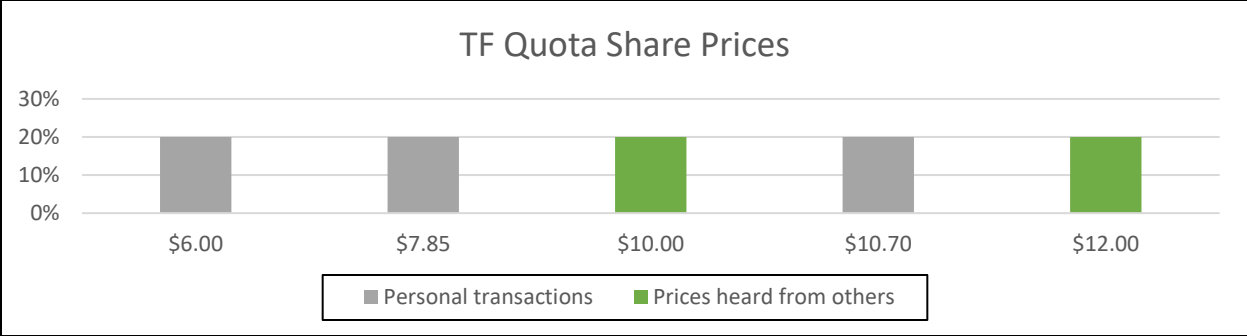
Tilefish (TF)

The TF average ex-vessel and allocation prices both rose relative to the previous survey and report (early 2023 report) increasing \$0.22 and \$0.12 pound, respectively. Additionally, the share price fell \$1.19 per pound relative to the previous report. **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).

Tilefish			
	Average	Price Range	# of Responses
Ex-Vessel Price (Golden Tilefish)	\$5.03	\$4.00 - \$6.00	8
4 down	\$3.50	\$3.00 - \$4.00	4
4-7	\$4.60	\$4.00 - \$5.00	5
7+	\$5.60	\$5.00 - \$6.00	5
Allocation Price	\$0.78	\$0.65 - \$1.00	9
Share Price	\$9.31	\$6.00 - \$12.00	5
Spread (Ex-Vessel – Allocation) (Golden)	\$4.01	\$3.25 - \$5.30	8



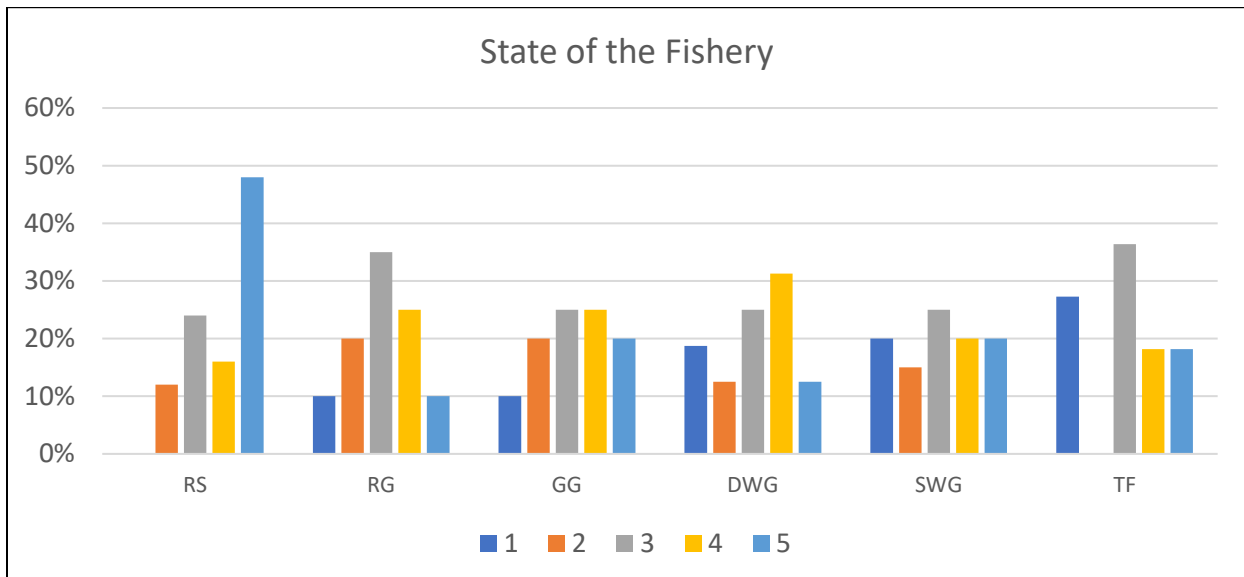


State of the Fishery

Respondents were asked to rate the current state of each fishery with regards to the difficulty or ease of harvesting the fish and their beliefs on the stock status. The question asked them to rate the state of the fishery on a 1 to 5 scale with a 1 indicating the fishery is in bad shape and a 5 indicating the fishery is in great shape. The results are shown in the table and chart below.

On average, the red snapper fishery was seen as in the best shape among the different IFQ species/species groups with roughly 65% of respondents scoring it a 4 or 5. Red snapper was followed somewhat surprisingly by gag grouper. Gag grouper having the second highest score matches the opinions provided by some respondents that the stock is in better shape than current regulations would suggest. On average, all of the IFQ species/species groups scored at the midpoint of the range (3.0) or higher.

State of the Fishery						
	RS	RG	GG	DWG	SWG	TF
Average	4.00	3.05	3.25	3.06	3.05	3.00
# of Responses	25	20	20	16	20	11

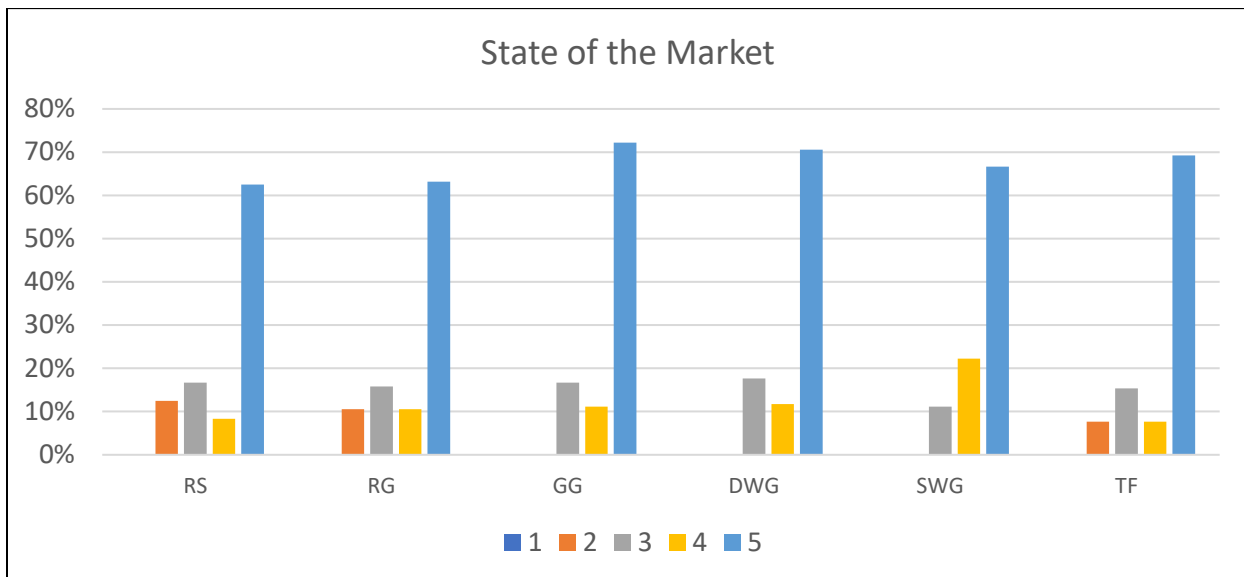


State of the Market

Respondents were asked to rate the current state of each market with regards to the difficulty or ease of selling the fish and how they feel the market is moving (are prices rising or falling). The question asked them to rate the state of the market on a 1 to 5 scale with a 1 indicating demand and prices for the IFQ species group are low and/or falling and a 5 indicating demand and prices are high and/or rising. The results are shown in the table and chart below.

On average, the ratings for the state of the market for each IFQ species group were higher than the ratings for the state of the fishery. For all species groups the average rating given was above 4 and most respondents rated the state of the market a 5 (the highest score). While not all respondents indicated they felt the markets were strong the general sentiment was that market demand and prices are high and/or increasing for all IFQ species groups.

State of the Market						
	RS	RG	GG	DWG	SWG	TF
Average	4.21	4.26	4.56	4.53	4.56	4.38
# of Responses	24	19	18	17	18	13



Survey Comments

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

- One respondent indicated that gag grouper are plentiful and they are catching and releasing 200 to 300 gag grouper per day. They believe the science is wrong and the stock is healthy.
- One respondent indicated they feel the IFQ system is broken and needs to be changed completely or switched to a trip limit system like in the Atlantic.
- One respondent indicated that all grouper and tilefish species are becoming harder and harder to locate and harvest. The respondent believes that recreational bycatch loss, especially in deepwater species of grouper and snapper, are devastating most reef fish species. They indicated the year around recreational seasons for grouper, tilefish, and snappers (except red) have devastated these species over the past decade. They believe decreasing catch limits without reducing recreational season lengths and bag limits have no effect on stopping overfishing by the recreational sector. They indicated that without changes to control recreational harvest many species will soon follow gag and collapse.
- One respondent indicated that they mainly land grey tilefish and were disappointed that it was not asked about in the survey. Additionally, they indicated that the survey did not allow for market changes over the 3-month period analyzed and that until Easter demand for fish was strong, but the market slowed after Easter, as it does every year. Demand picks back up by the 2nd week of June. They tried to report average prices, but the long time period and market seasonality made it difficult.
- One respondent indicated that IFQ prices are making it unprofitable for commercial fishermen who do not own shares. They indicated they lease in quota and after the lease costs, cost recovery fees, and trip expenses they do not profit from fishing.
- One respondent indicated that the IFQ system was designed to reduce the commercial fishing fleet and has done that. They also stated the IFQ system was supposed to keep the fishery healthy, and it has not done that. The fishing is the worst they have seen in 25 years and there are no indications that it will get better anytime soon.
- One respondent indicated that gag and red grouper stocks have been rebuilding a lot over the last two years and with the gag quota reductions they believe discard mortality will explode to ridiculous levels similar to those previously seen with red snapper.
- One respondent indicated that other than pure speculators (appeared to be describing quota owners not directly involved in the fishery) the reason lease prices are high is the burden the recreational sector is putting on the resource. They stated that the reason gag, amberjack, and red grouper are all in decline is recreational discards causing less fish to be available to the commercial sector. They predicted that red snapper abundance will decrease after two years of the large rec season punishing the near shore/offshore stock with 9 red snapper discarded to every one caught causing 97% of the red snapper discards and mortality. They believe that most of the commercial fishers not happy with the IFQ program either refused to purchase shares or sold theirs early in the program. They believe that a landing requirement for quota ownership (requiring landings of 10-30% of quota owned) and future quota increases divided equally among “substantial” fishers can help to level the playing field. They believe the

program is working for most active fishers but the investment only participants need to be removed.

- One respondent indicated they are worried about the red grouper and other species being overfished by the recreational sector. They noted the gag fishery is overfished and now there is effort shifting. They are worried about the Gulf Council being dominated by recreational interests and taking away commercial allocation.
- One respondent indicated that the Western Gulf fishery is in a slight decline but still very strong.
- One respondent indicated they believe that Texas does not have a robust program to monitor and control the red snapper being caught by the private angler sector. They believe that an increase in the number of boats and better technology are leading to the fish disappearing. They recommended the Council do a statistical analysis for the Texas private angler catch using the metrics from Mississippi on how many fishermen and fish are landed along with trips per boat. They believe this can be done with information on the size of the Texas fleet and the days they can fish and feel it is likely that the 141,000 lbs. of private recreational landings reported by Texas is inaccurate and understates the true value.
- One respondent indicated the current IFQ is a disaster for all but a few shareholders.
- One respondent noted concerns about the Gulf Council and NOAA catering to the recreational sector and not doing what is best for the species. They pointed to management of gag grouper and amberjack and failure to control discards as examples of this.
- One respondent indicated that the gag grouper closure is not warranted, and they are discarding gag grouper.
- One respondent asked that commercial fishers and their knowledge be better used in the management of the fishery. He indicated commercial fishers are the only true scientists involved in the fishery and law requires the best scientific data be used to implement regulations.
- One respondent indicated the IFQ program must change to help fishermen.
- One respondent indicated the price of leasing quota makes it impossible to pay good wages for the crew and to reinvest in the business.
- One respondent indicated that red snapper is easy to catch and easy to sell and they are very happy with the IFQ system and current management.
- One respondent indicated that the management system is broken, and the quota system has failed the Gulf of Mexico. They believe the fisheries are collapsing at a rate they never thought they would in see in their lifetime and the research used to make policy is flawed. They feel that outside interests (those trying to save sharks) have been allowed to damage all of the fish stocks by allowing every fish to be harvested except the apex predators (sharks and goliath groupers). They believe that something needs to be done about the shark populations because the sharks and porpoises are eating the fish and limiting catches.
- One respondent indicated that the advent of state management for recreational red snapper seasons has put a lot of pressure on red snapper stocks in general and is leading to a shrinking biomass in the entire Gulf of Mexico. They indicated that buying a larger fish is becoming harder, which is a sign there are issues with the stock. They believe localized depletion is affecting red snapper fisheries gulf wide. They think the Gulf Council's ability to react to changes in stocks is just too slow, and by the time they react it's generally too late or years later and by then probably the wrong decision for the time. Also, they noted a lot of people

get left out of the stock process and what if the best available science becomes wrong science because only selected people get consulted.

- One respondent believes that the red snapper stock is extremely large and is affecting other species. They believe other species are not able to repopulate as quickly because the amount of snapper living on similar bottom is creating an unfavorable environment for them. They noted that as a bandit boat captain they vent and throw back 10 red snapper for every one favorable red grouper on what were historically red grouper fishing spots which is extremely challenging and costs them time and gear to fish through the red snapper. Since they only have a small amount of red snapper share it makes their work on the water unpleasurable and forces them to constantly try new areas with less red snapper on shared bottom. In their opinion something needs to be done to the snapper population to correct the problem and smaller outfits, like theirs, should be offered more allocation to help manage the population or more days should be opened to the general public. The respondent got into the business to carry on his father's legacy and to provide for his family, but the current regulations and fish prices are causing his business to struggle especially given increasing prices after COVID. The respondent indicated that while other food products have increased by 10% or more (beef, cereal, and baby food) the price of fish only went up 3%. Because of this their costs associated with fuel and groceries increased but weren't offset by increased revenue from higher fish prices.

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FOR THE NEXT PRICING REPORT***

