

GULF OF MEXICO IFQ PRICING REPORT

OCTOBER 2023



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IFQ PRICING REPORT

Contact Information:

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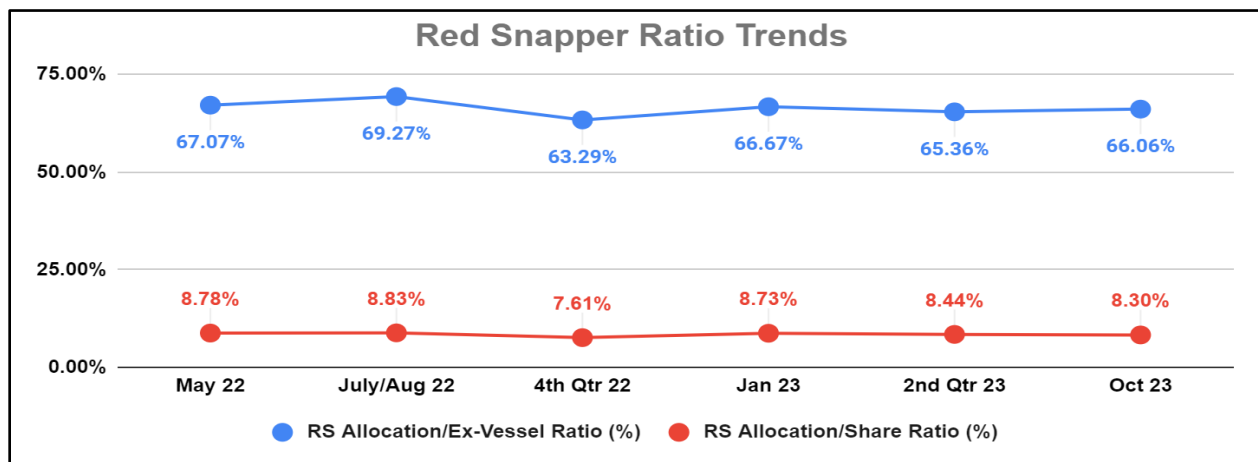
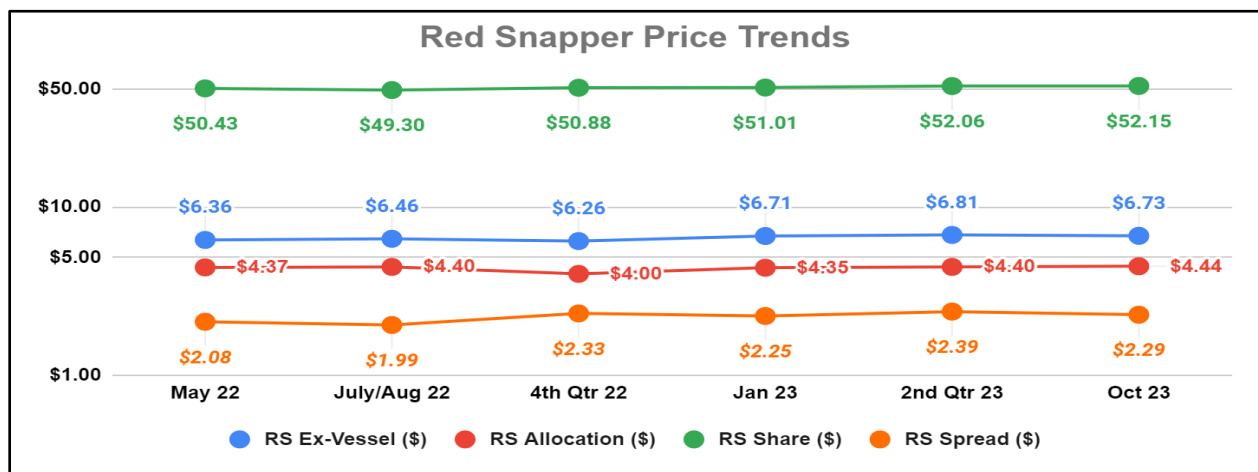
REPORT NOTES

- 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 245 IFQ participants and 23 provided pricing information for the survey (9% response rate). The survey was released on October 20, 2023, and responses were collected until November 20, 2023.
- This version of the survey measured prices in October 2023. Going forward there will be 4 surveys annually covering the months of January, May, July, and October. Respondents were asked about this schedule and 81% indicated it would work, 14% were not sure, and 5% indicated the schedule was not ideal.
- 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 across responses.
- 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. The charts showing all responses, including outliers, were moved to the back of the document to allow for the new trend charts. **I encourage those using this document to examine both the averages and trends presented in each section and the column charts showing all responses presented at the end of the document.**
- **The report now includes two new measures – the allocation/ex-vessel ratio and the allocation/share ratio. For each respondent that provided both an ex-vessel price and an allocation price we calculated the allocation price as percentage of the ex-vessel price (allocation/ex-vessel ratio). Allocation/ex-vessel indicates how much of a fisher's revenue goes toward paying for allocation. For each respondent that provides both an allocation and share price we calculated the allocation price as a percentage of the share price (allocation/share ratio). Allocation/share indicates the dividend yield on the purchase of a pound of share – similar to the measure used for stock investments.**
- **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 table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The charts show that pricing has been relatively stable for red snapper (ex-vessel, allocation, and share) with a slight dip in prices in the 4th quarter of 2022 and a slight widening of the spread between ex-vessel and allocation prices since mid-2022.

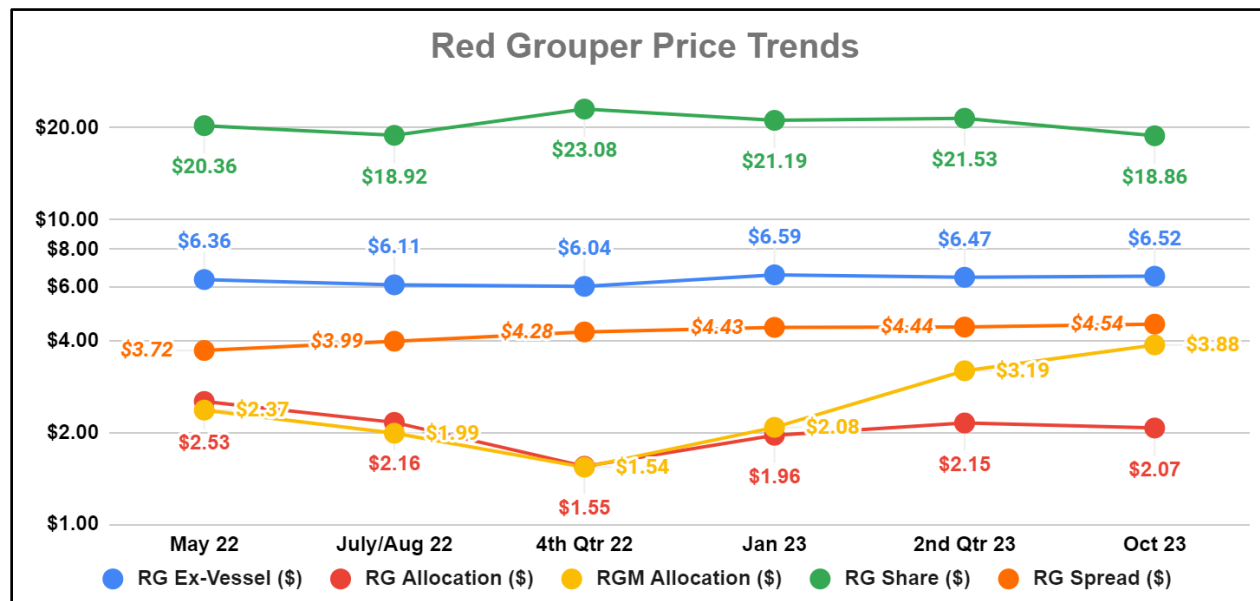
Red Snapper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$6.73	\$6.00 - \$8.00	18
Allocation Price	\$4.52	\$4.00 - \$4.85	18
Share Price	\$52.15	\$45.00 - \$59.50	13
Spread (Ex-vessel – Allocation)	\$2.21	\$1.65 - \$3.00	17
Allocation/Ex-vessel Ratio	66.1%	50% - 75%	18
Allocation/Share Ratio	8.5%	7.5% - 10%	10



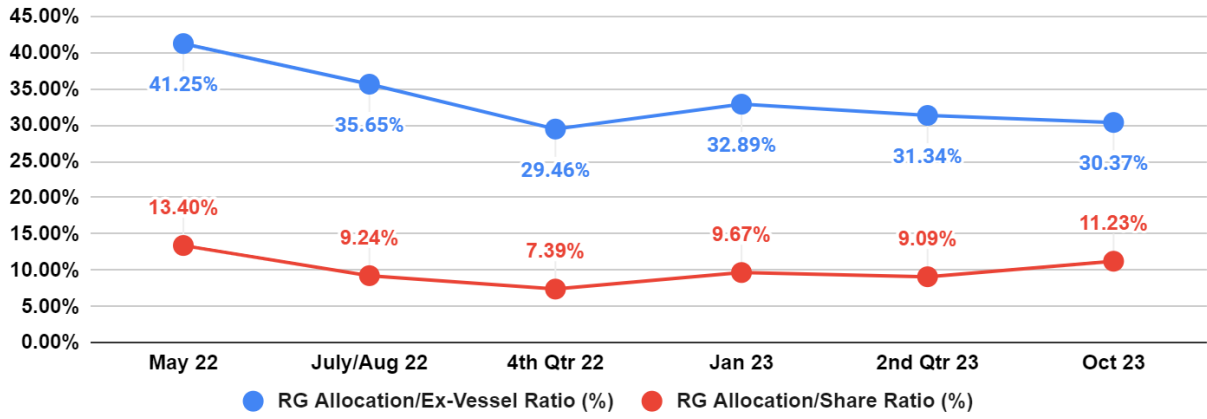
Red Grouper (RG) and Red Grouper Multiuse (RGM)

The table below shows the averages, ranges, and number of responses (all with outliers removed) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (also with outliers removed). The charts show decreasing red grouper allocation prices since mid-2022 which has led to a decrease in the allocation to ex-vessel ratio and increasing red grouper multiuse allocation prices in 2023 associated with the decrease in the gag grouper quota.

Red Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$6.52	\$6.20 - \$7.00	11
Small (18-20 in. or 4 down)	\$6.00	\$5.75 - \$6.25	4
Large (20+ in or 4 up)	\$6.38	\$6.25 - \$6.50	4
Allocation Price (RG)	\$2.07	\$1.50 - \$3.00	11
Share Price	\$18.86	\$15.00 - \$22.25	8
Spread (Ex-vessel – Allocation)	\$4.54	\$4.00 - \$5.00	10
Allocation/Ex-vessel Ratio	30.4%	23% - 38%	10
Allocation/Share Ratio	11.2%	10% - 15%	8
Allocation Price (RG Multiuse)	\$3.88	\$1.95 - \$5.25	9



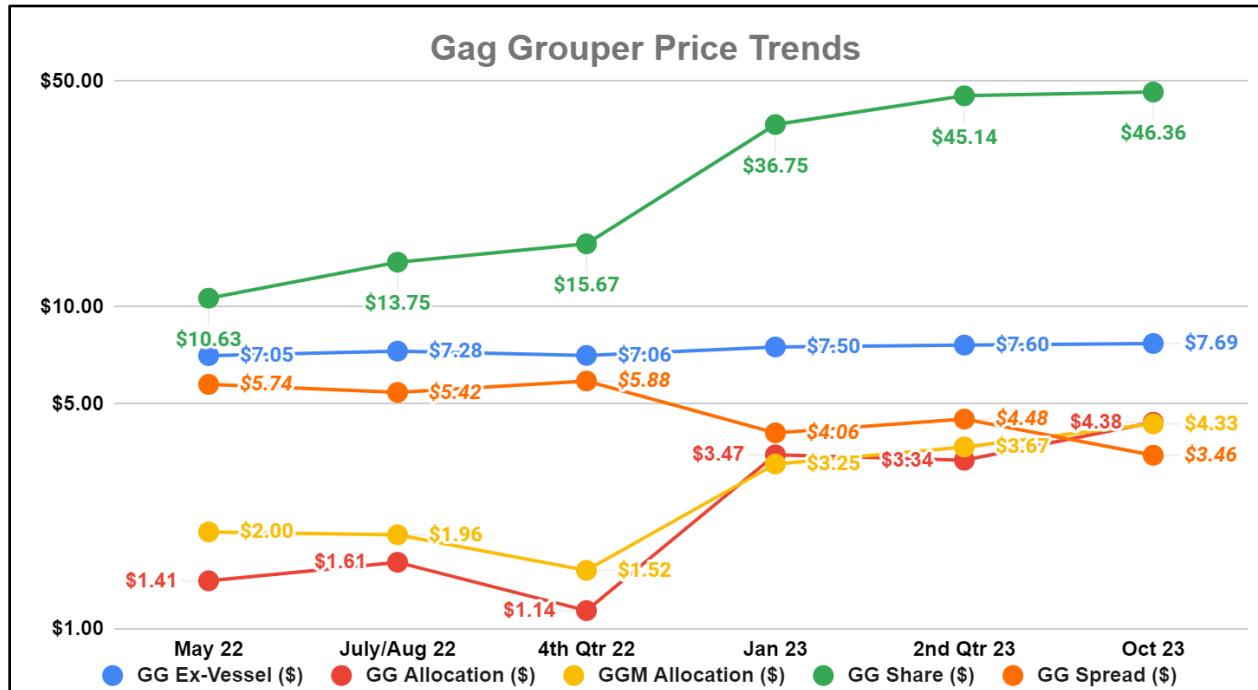
Red Grouper Ratio Trends



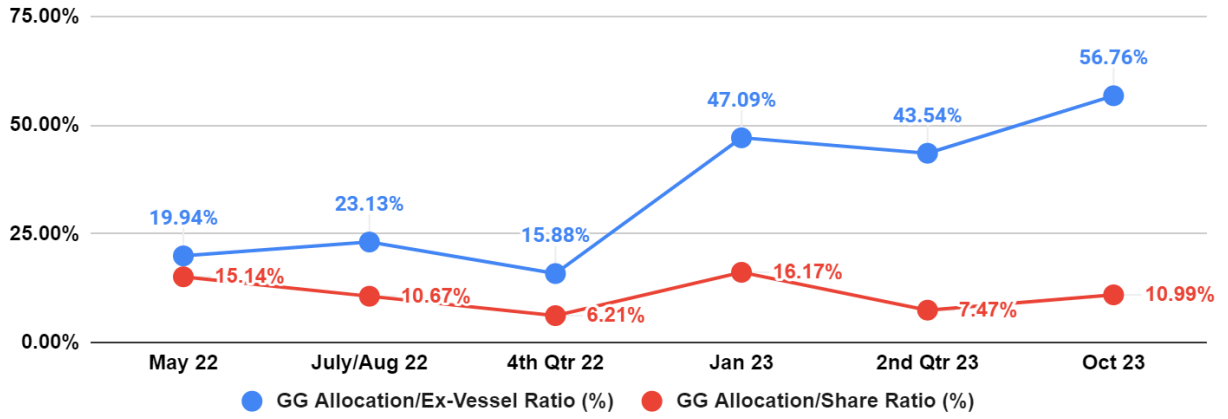
Gag Grouper (GG) and Gag Grouper Multiuse (GGM)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The table shows wide variation in allocation and share pricing (see price ranges), based on this lack of consensus around market prices and the small number of respondents none of the responses were outliers. The charts show the large increase in share, GG allocation, and GGM allocation in 2023 due to the decrease in the commercial quota. Even with a slight increase in ex-vessel prices the large run up in allocation prices caused the allocation/ex-vessel ratio (second chart) to increase almost 2.5-fold relative to the May 2022 report. The GG allocation/ex-vessel ratio is now second only to RS among IFQ species.

Gag Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$7.69	\$7.00 - \$8.00	13
Allocation Price (GG)	\$4.38	\$3.00 - \$6.00	13
Share Price	\$46.36	\$20.00 - \$80.00	7
Spread (Ex-vessel – Allocation)	\$3.46	\$2.50 - \$4.50	12
Allocation/Ex-vessel Ratio	56.8%	40% - 80%	13
Allocation/Share Ratio	11.0%	5.0% - 20%	7
Allocation Price (GG Multiuse)	\$4.33	\$3.00 - \$5.50	8



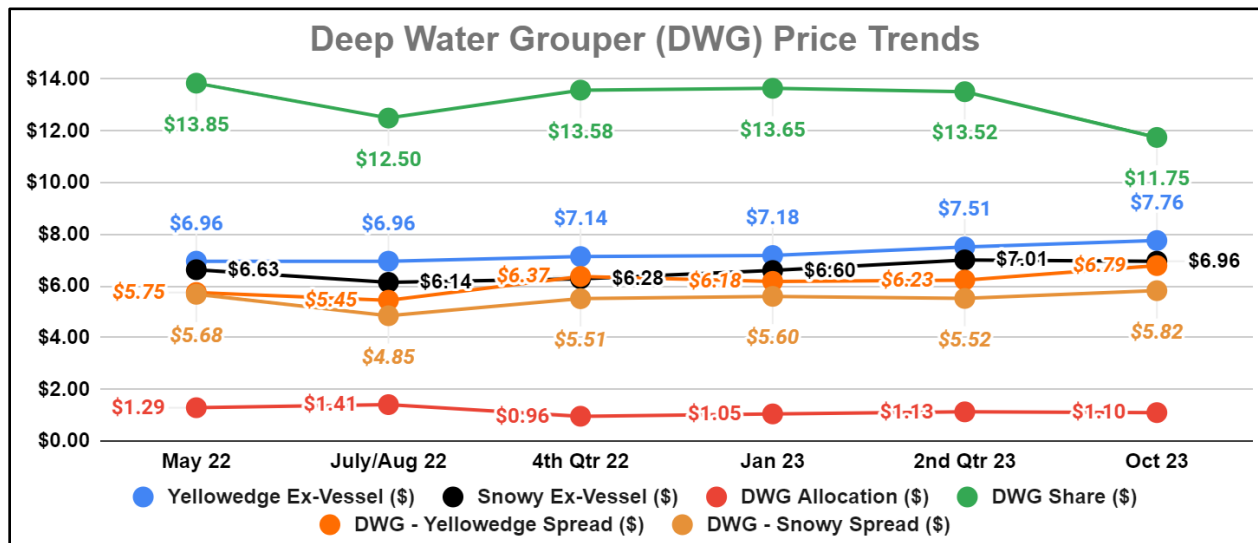
Gag Grouper Ratio Trends



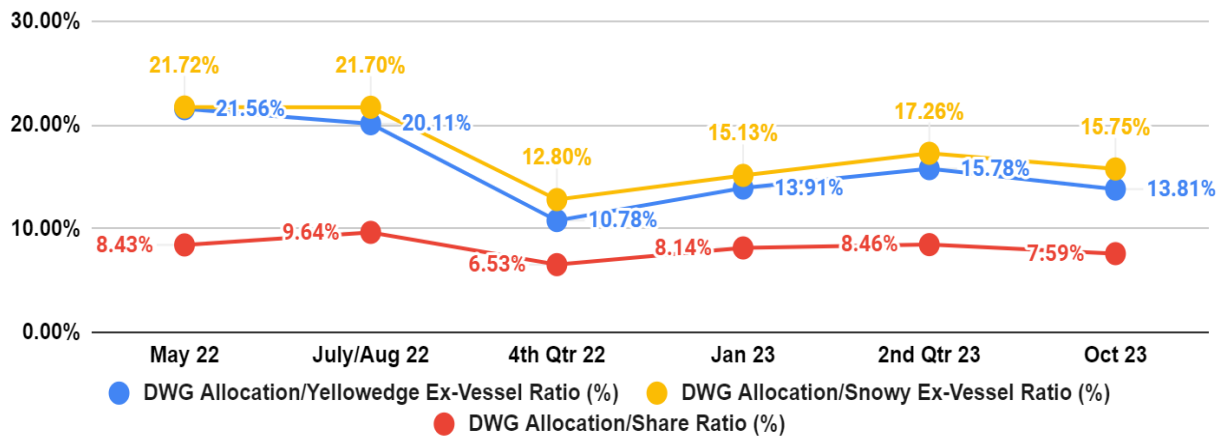
Deep Water Grouper (DWG)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The allocation/ex-vessel ratios are lower in 2023 than they were in 2022 due to increased ex-vessel prices however it is important to note that the survey receives fewer responses for DWG, SWG and TF questions so it could be due to small sample sizes and not indicative of a trend.

Deep Water Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price (Yellowedge - YE)	\$7.76	\$7.25 - \$8.25	7
4 down, < 3 lbs.	\$4.67	\$2.00 - \$6.00	5
4-7, > 3 lbs.	\$6.77	\$5.00 - \$8.10	5
7+	\$7.87	\$7.50 - \$8.25	5
Ex-vessel Price (Snowy Grouper - SG)	\$6.96	\$6.25 - \$8.00	6
Small	\$4.00	\$4.00	1
Medium & Large	\$8.00	\$8.00	1
Allocation Price	\$1.10	\$0.25 - \$2.00	9
Share Price	\$11.75	\$8.25 - \$15.00	7
YE Spread (Ex-vessel – Allocation)	\$6.79	\$6.10 - \$7.50	5
SG Spread (Ex-vessel – Allocation)	\$5.82	\$5.25 - \$7.00	5
YE Allocation/Ex-vessel Ratio	13.8%	9.1% - 19%	5
SG Allocation/Ex-vessel Ratio	15.8%	12% - 21%	5
Allocation/Share Ratio	7.6%	3.0% - 13%	6



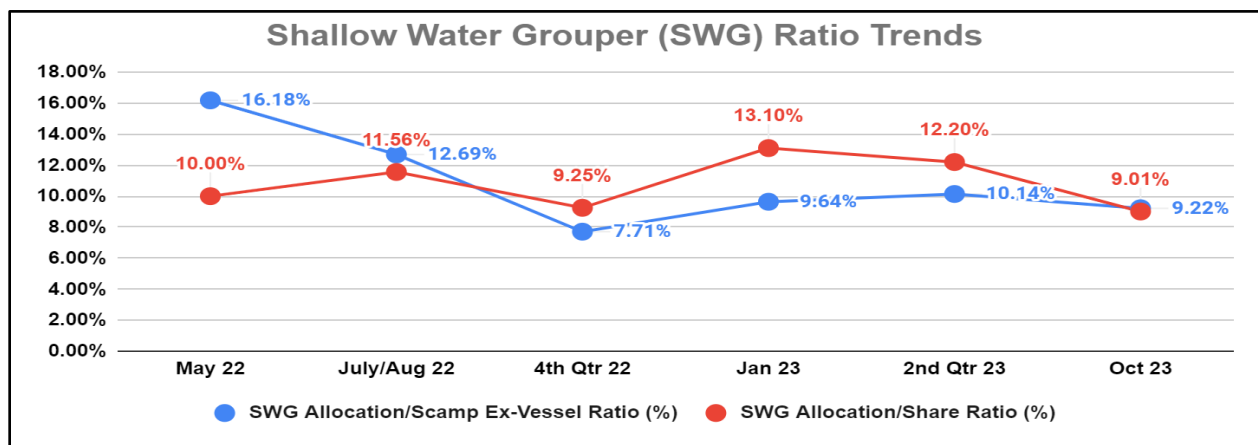
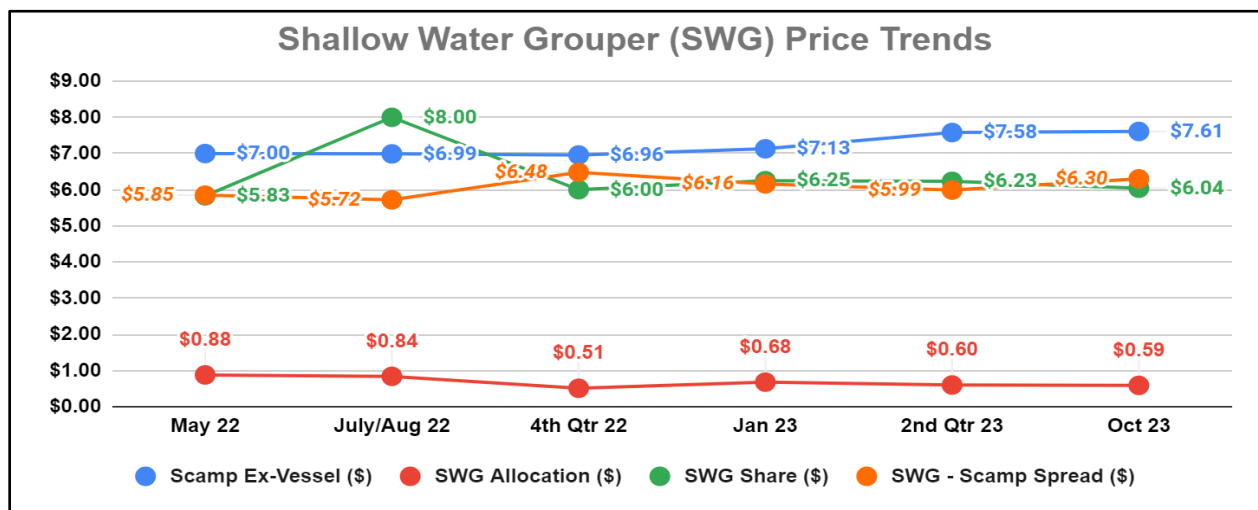
Deep Water Grouper (DWG) Ratio Trends



Shallow Water Grouper (SWG)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). Scamp ex-vessel prices have increased since 2022 which, along with a general decrease in SWG allocation prices, has led to a decreasing allocation/ex-vessel ratio.

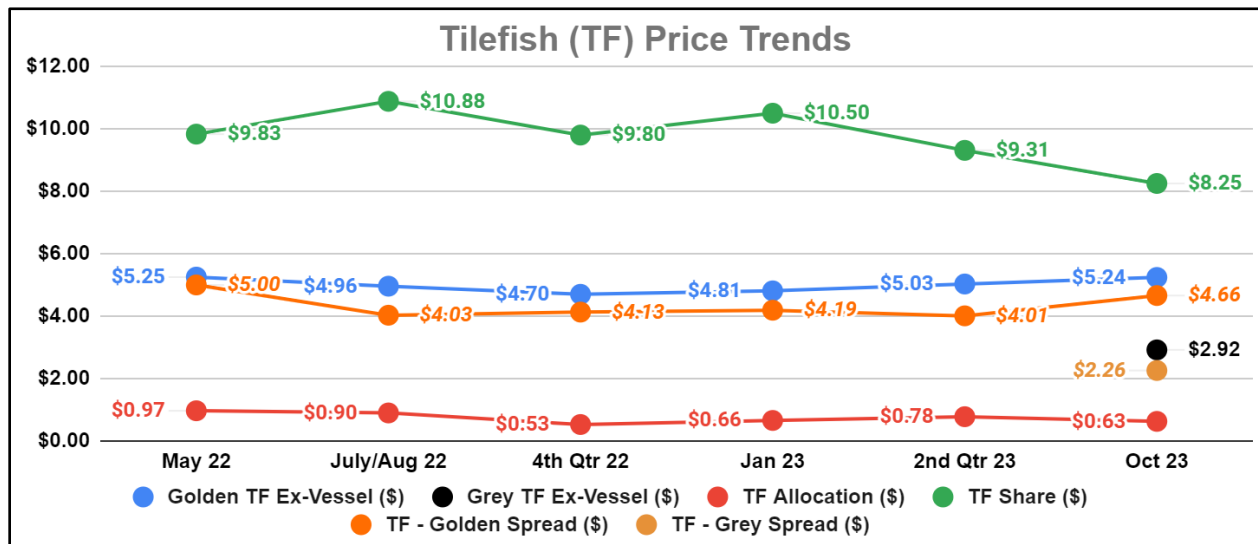
Shallow Water Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price (Scamp)	\$7.61	\$7.25 - \$8.00	9
Allocation Price	\$0.59	\$0.25 - \$1.00	12
Share Price	\$6.04	\$5.00 - \$8.50	6
Spread (Ex-vessel – Allocation)	\$6.30	\$5.75 - \$7.50	5
Allocation/Ex-vessel Ratio	9.2%	50% - 75%	9
Allocation/Share Ratio	9.0%	4.8% - 17%	7



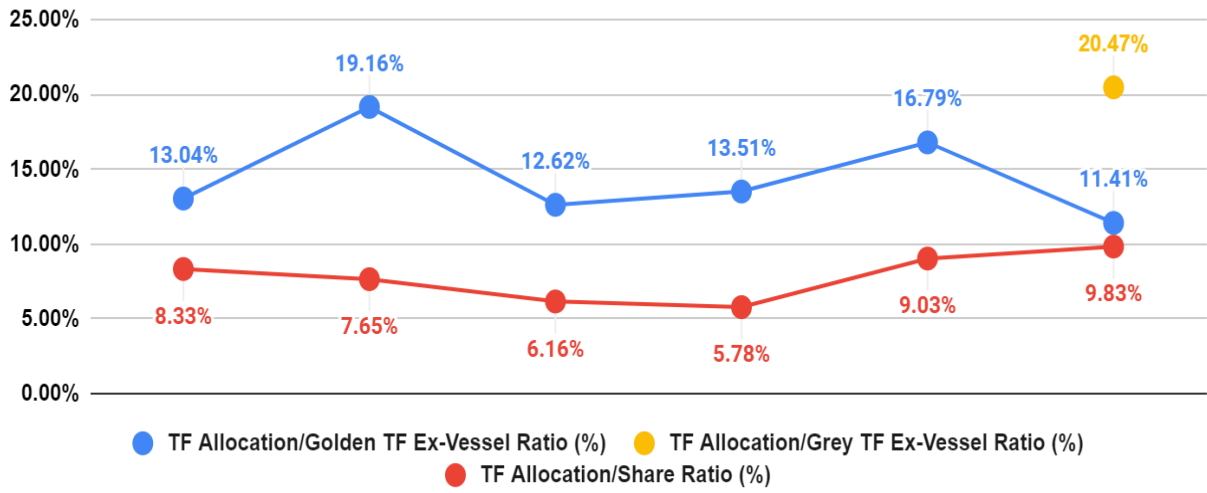
Tilefish (TF)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The charts show a general downward trend in share and allocation prices. Additionally, while this was the first report that included grey tilefish the data shows the substantial difference in ex-vessel price relative to golden tilefish and how that impacts the spread and allocation/ex-vessel ratio.

Tilefish			
	Average	Price Range	# of Responses
Ex-vessel Price (Golden TF)	\$5.49	\$4.50 - \$6.00	4
4 down	\$2.58	\$2.00 - \$3.50	3
4-7, 4-15	\$4.86	\$4.50 - \$5.45	4
7+, 4-15	\$5.49	\$4.50 - \$6.00	4
Ex-vessel Price (Grey TF)	\$2.92	\$2.25 - \$3.25	5
Allocation Price	\$0.63	\$0.45 - \$0.85	8
Share Price	\$8.25	\$5.00 - \$12.00	6
Golden Spread (Ex-vessel – Allocation)	\$4.91	\$4.05 - \$5.50	4
Grey Spread (Ex-vessel - Allocation)	\$2.26	\$1.80 - \$2.75	4
Golden Allocation/Ex-vessel Ratio	10.6%	8.3% - 15%	4
Grey Allocation/Ex-vessel Ratio	20.5%	15% - 30%	4
Allocation/Share Ratio	9.8%	6.3% - 21%	6



Tilefish (TF) Ratio Trends

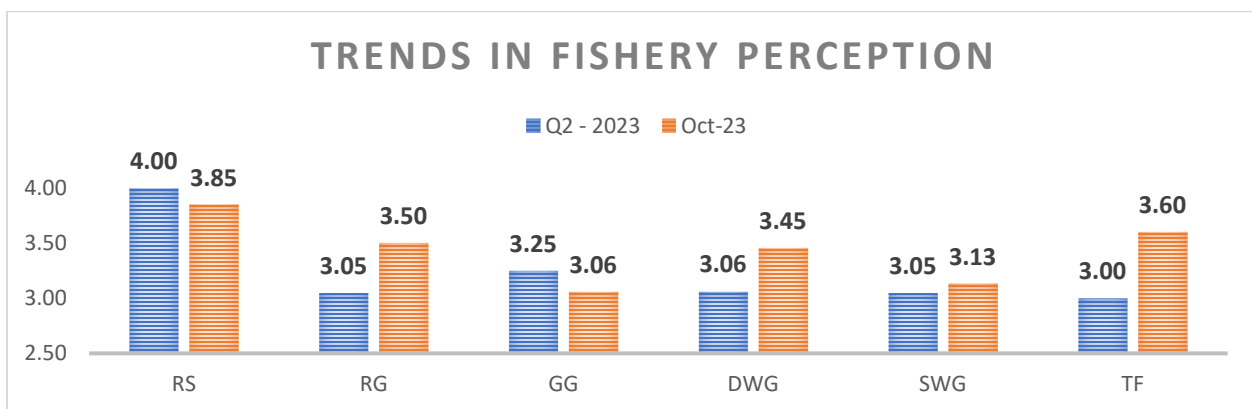
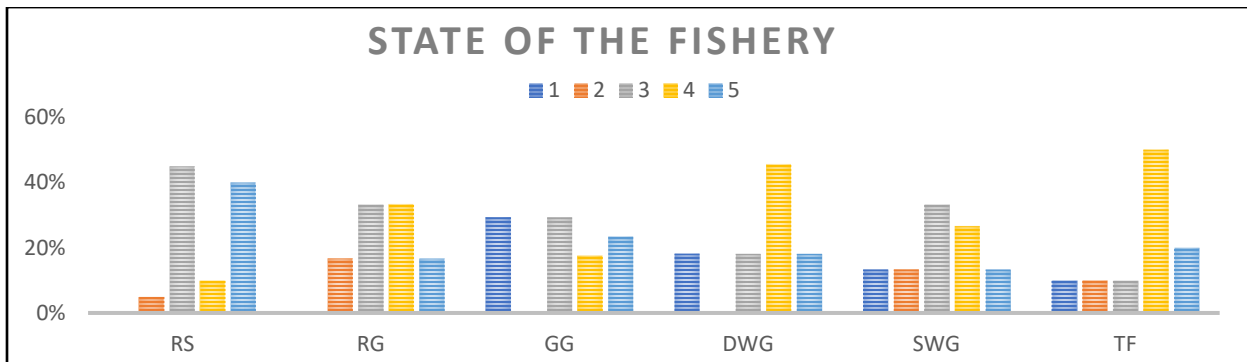


State of the Fishery

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 50% of respondents scoring it a 4 or 5. On average, all of the IFQ species/species groups scored at the midpoint of the range (3.0) or higher and the changes in average perception from the previous survey were mixed with RS and GG falling while all others rose.

State of the Fishery						
	RS	RG	GG	DWG	SWG	TF
Average	3.85	3.50	3.06	3.45	3.13	3.60
# of Responses	20	12	17	11	15	10

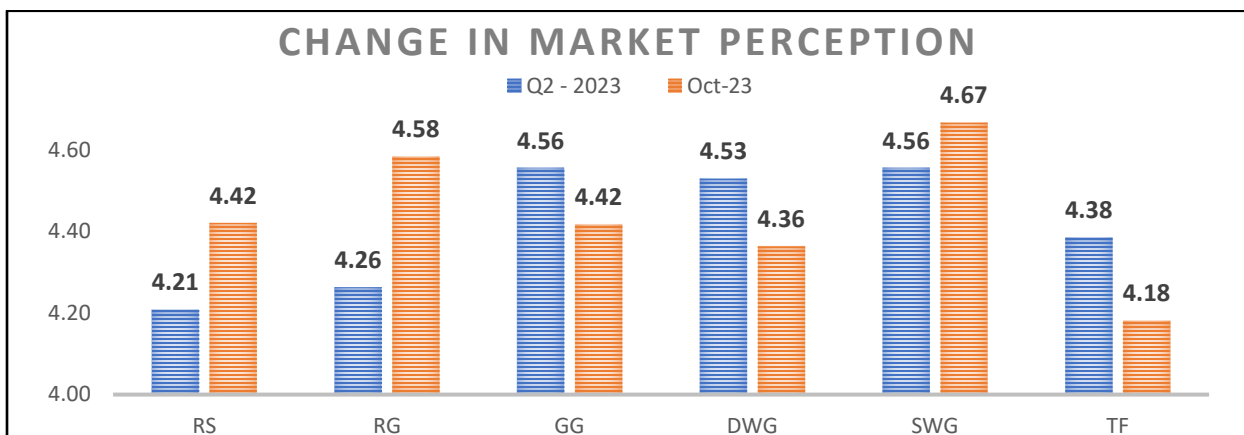
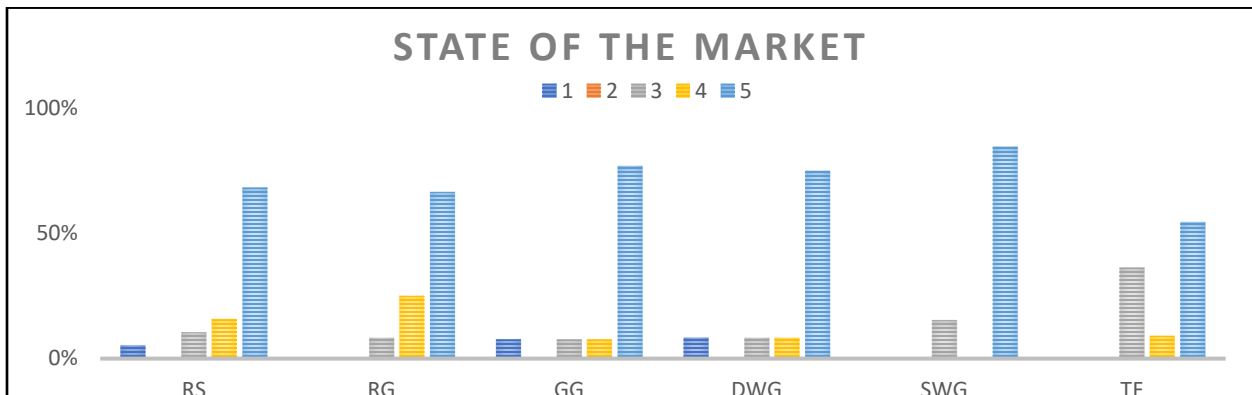


State of the Market

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 charts below with a comparison to previous surveys included.

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 – similar to the last survey. 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	4.42	4.58	4.42	4.36	4.67	4.18
# of Responses	19	12	13	12	13	11



Survey Comments

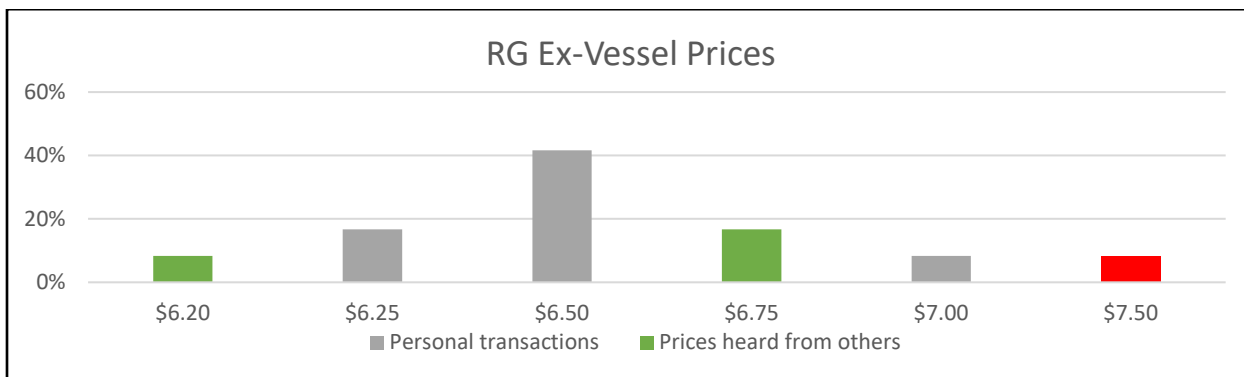
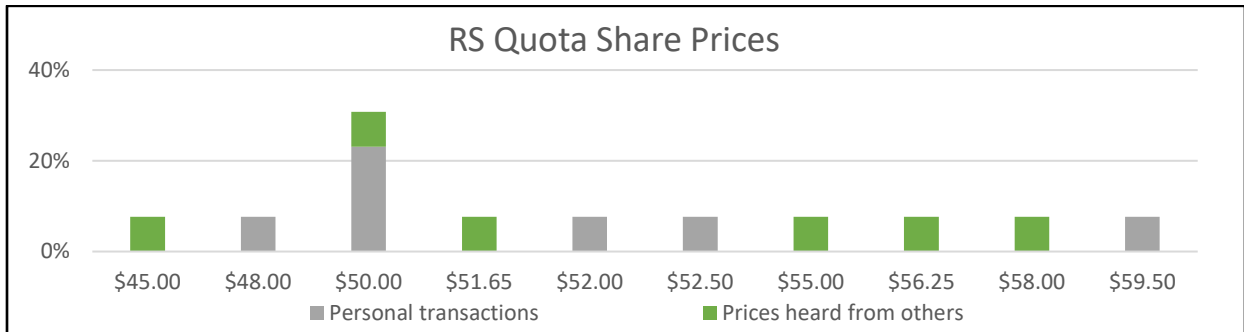
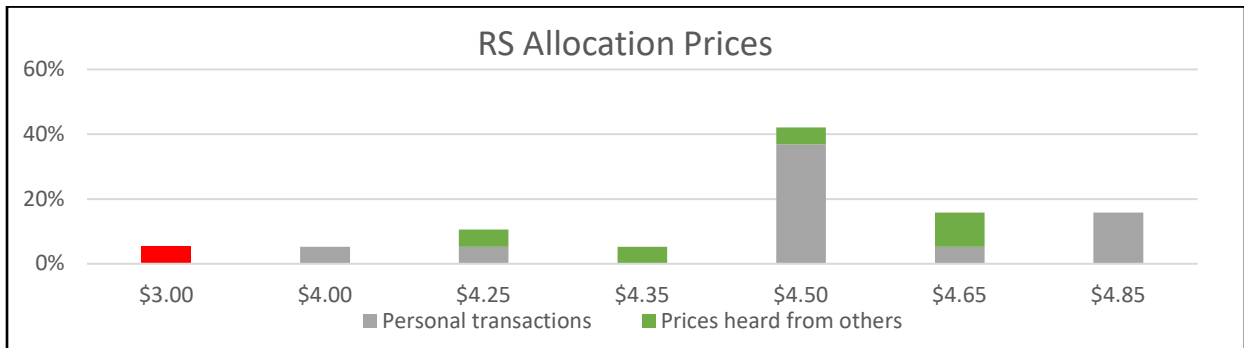
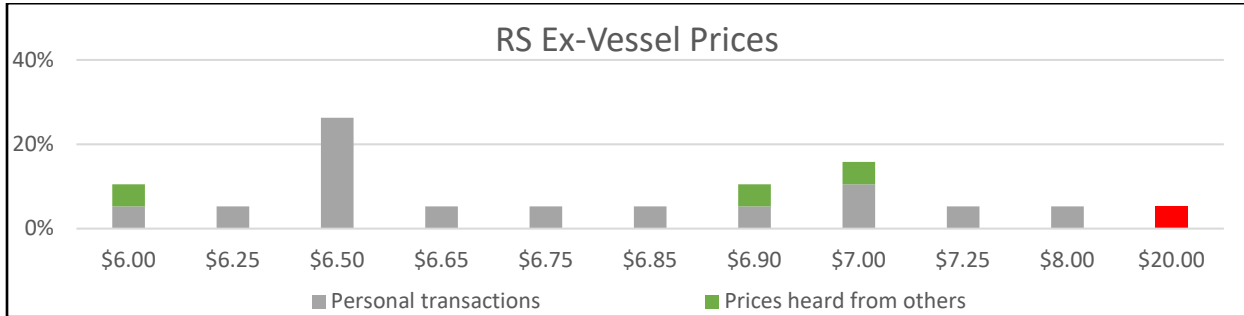
At the end of the survey there is an additional comments section. Here is a summary of those comments:

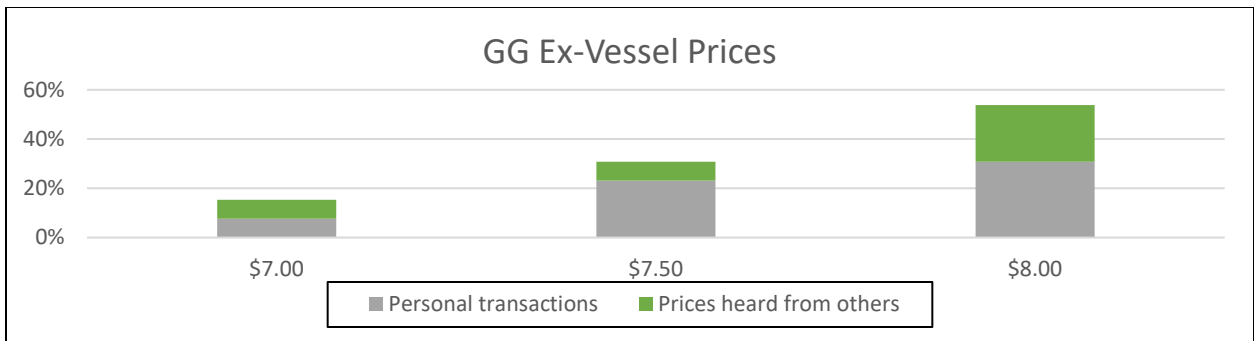
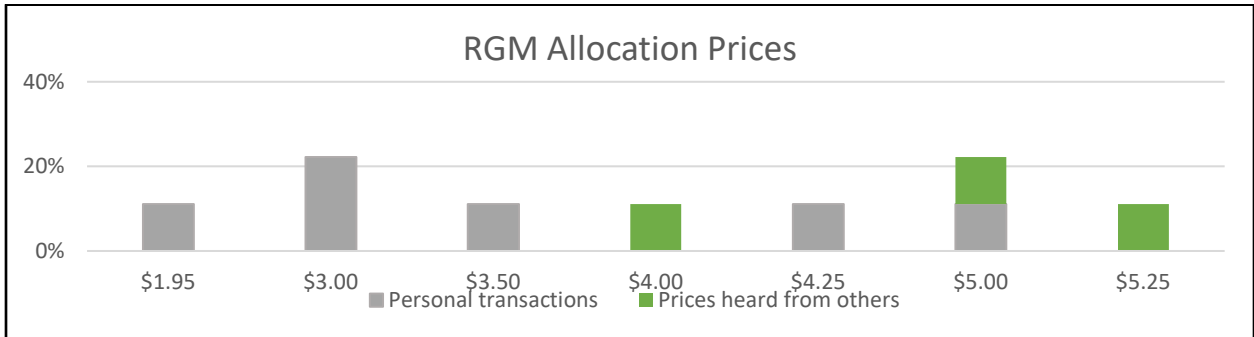
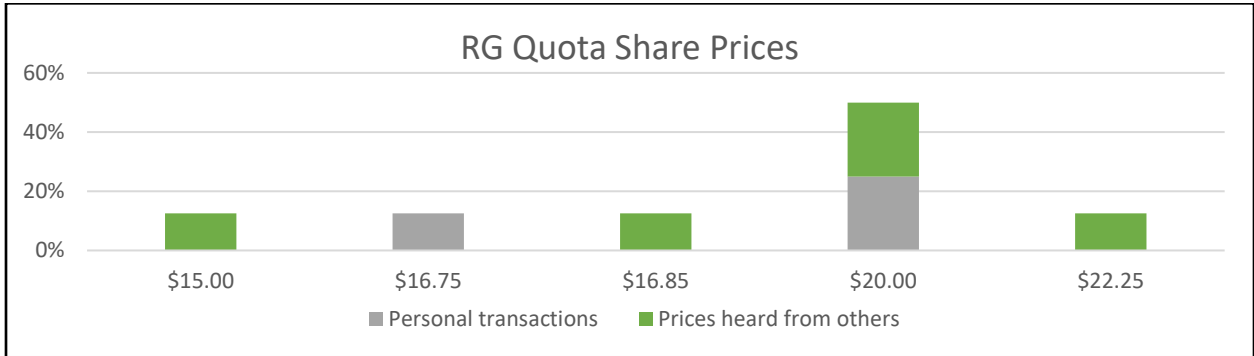
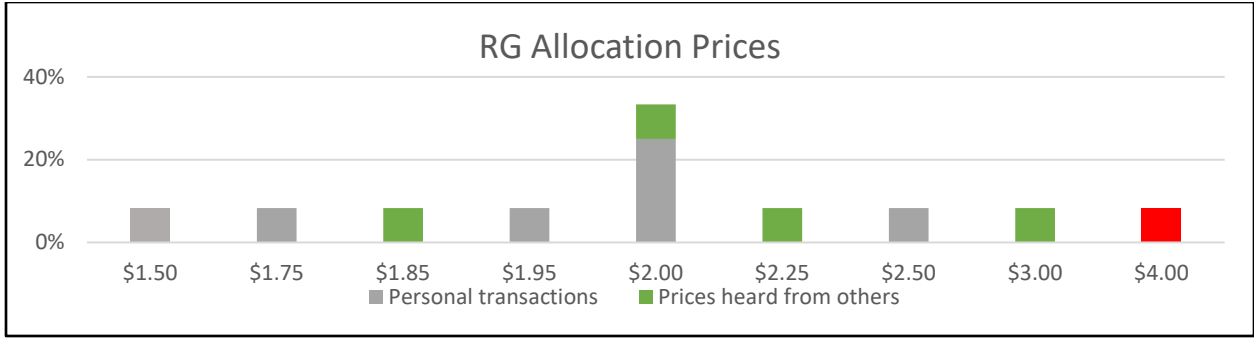
- Concerned about the timing of the survey starting in mid-October to gather October prices instead of starting at the end of the month.
- Indicated the IFQ program is getting worse for those actually fishing. Believes the prices are set by people that don't fish and it makes it hard for fishermen to make a living and needs to change.
- Noted problems related to overcapitalization in the fishery, recreational overages/discards, and work ethic.
- Stated the system is unsustainable. Operating costs to maintain boats continue to increase. Quota prices are increasing and fishermen are forced to buy at high prices to participate in the industry they have already heavily invested in. Believes many fishermen will soon go out of business.
- Concerned about recreational overfishing and Gulf Council's unwillingness to act until species are grossly overfished. Indicated these factors are putting Gulf stocks in serious jeopardy. Said stock levels and catch rates for virtually every major reef fish species in the Gulf are below where they were 5 years ago and only red snapper rates continue at a reasonable level. Stated the recreational sector overfished red snapper in 2022 by several million pounds and the Council failed to act and believes this constitutes a violation of Magnuson Stevens.
- Need a reliable site to trade allocation, shares, and permits. Currently it is difficult to do so.
- Lease prices are out of control due to outside people in the market. Indicated it needs to be only fishermen in the IFQ market. Also stated does not agree with management of gag grouper and believes the stock is in good shape.
- The IFQ system has made it hard for fishermen like him just to be fishermen. Believes lease prices are too high and should be capped. Does not agree with fishermen who imply that new fishermen just need a business plan and a loan from the bank.
- Indicated they joined the commercial fishery in 1990 and bought three reef fish permits for three vessels for \$35 each. Believes the fishery has gone downhill since then due to federal management. Is very unhappy with how the commercial fishing community is treated by the federal government.
- Stated they don't believe the recreational catch of red snapper in Texas waters is being monitored with the same accuracy as other states – specifically Mississippi. Noted that at the Mobile (AL) Council meeting Texas reported only 141,000 lbs of red snapper landed vs. 150,000+ for Mississippi. Doesn't believe this is accurate and has noted a significant decline in size and quantity of red snapper he catches off of Texas.

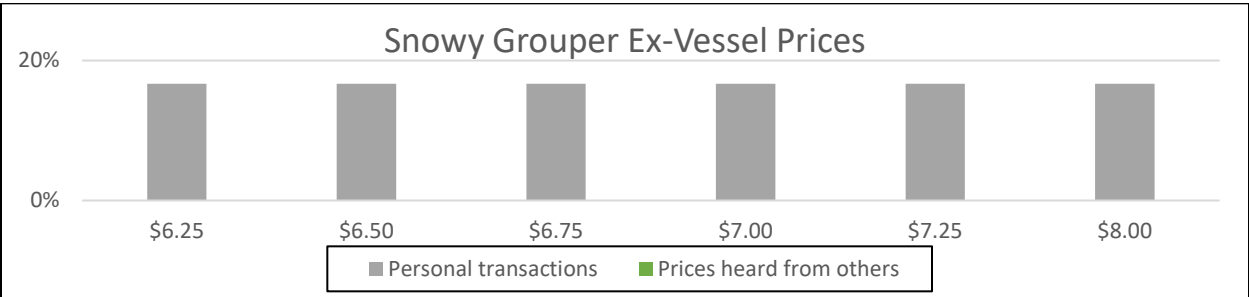
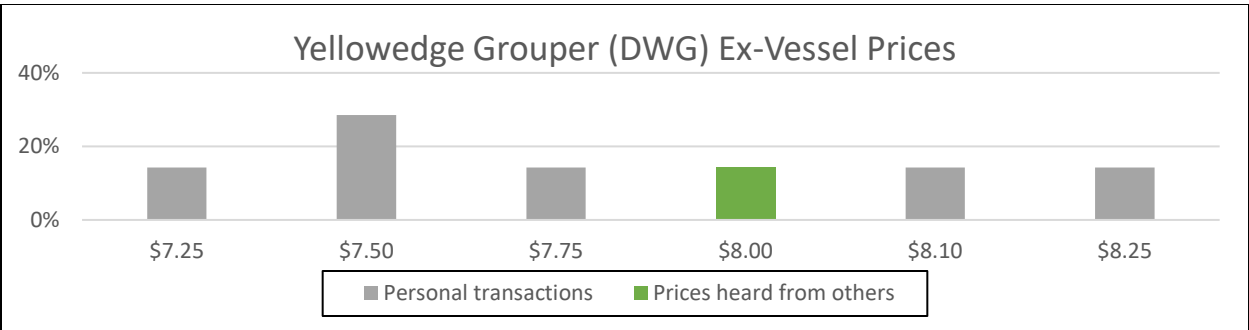
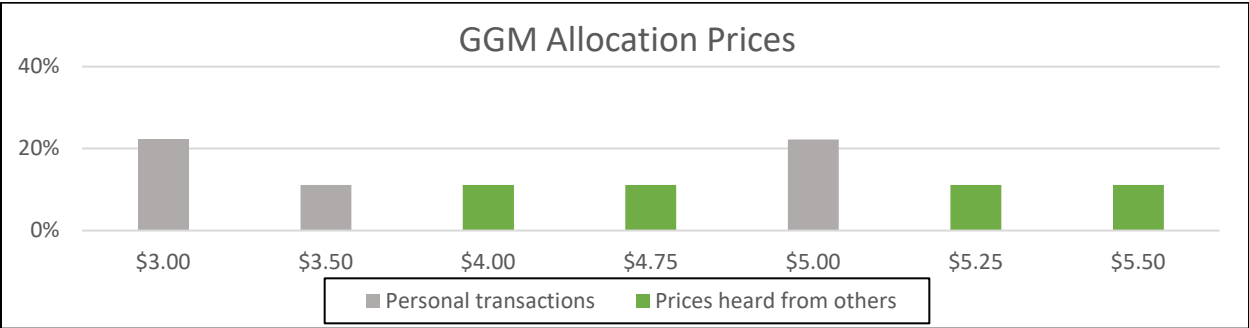
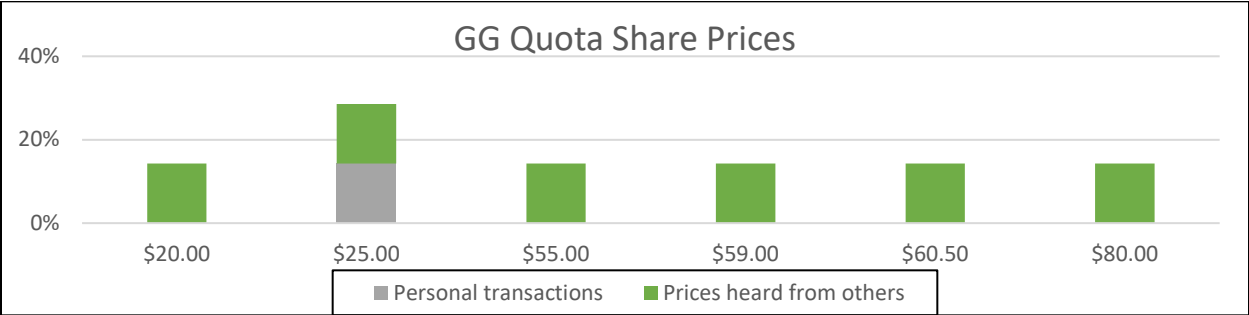
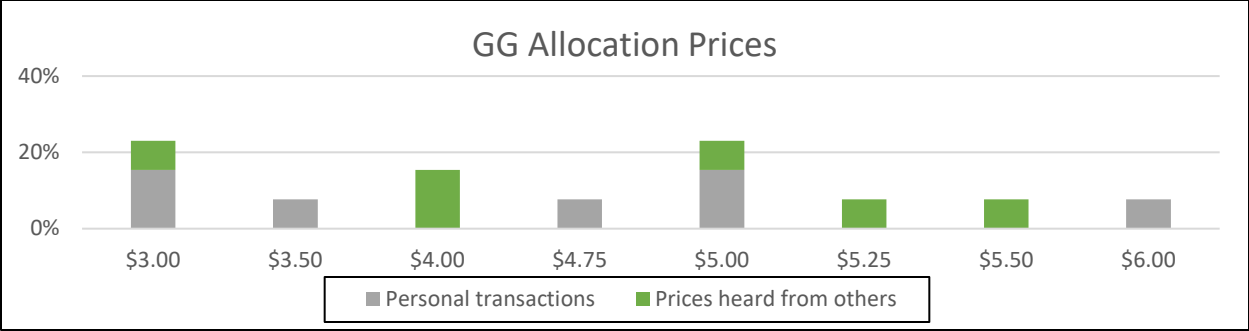
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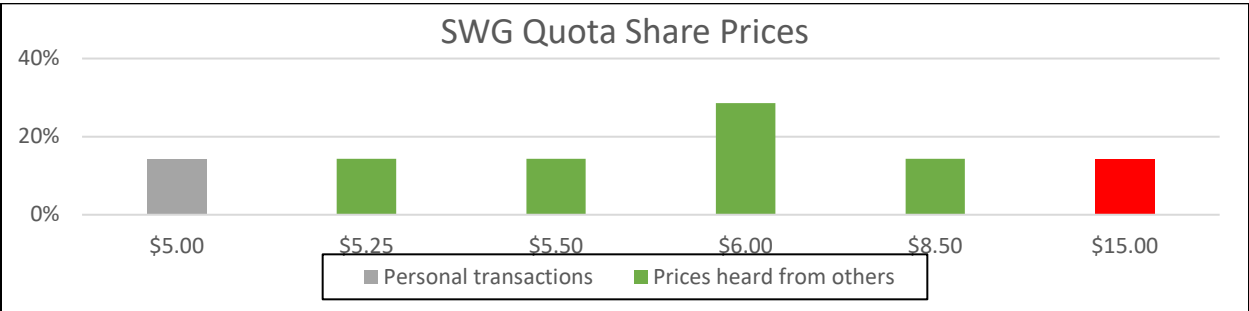
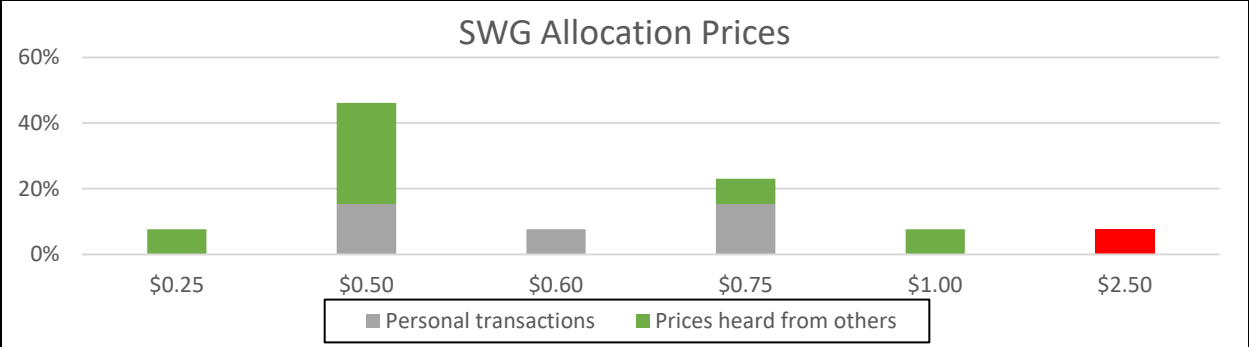
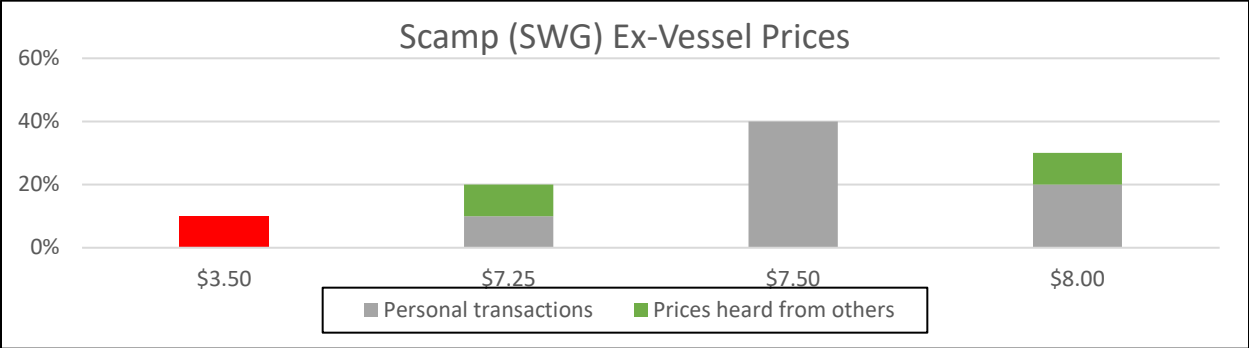
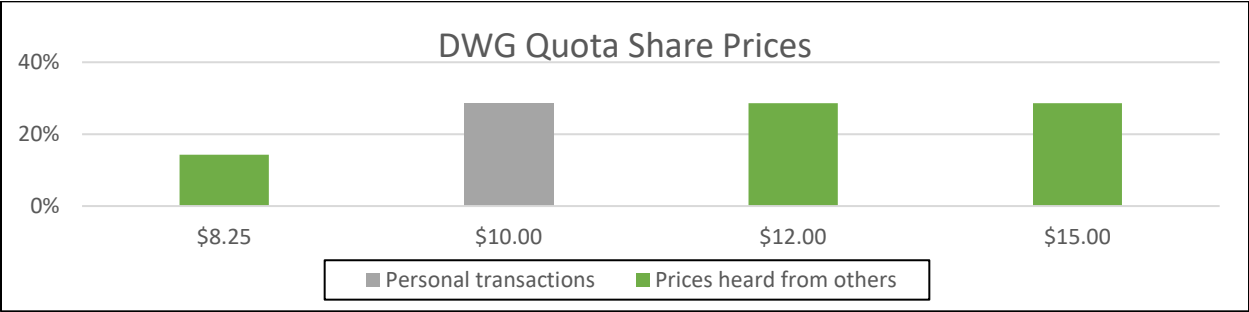
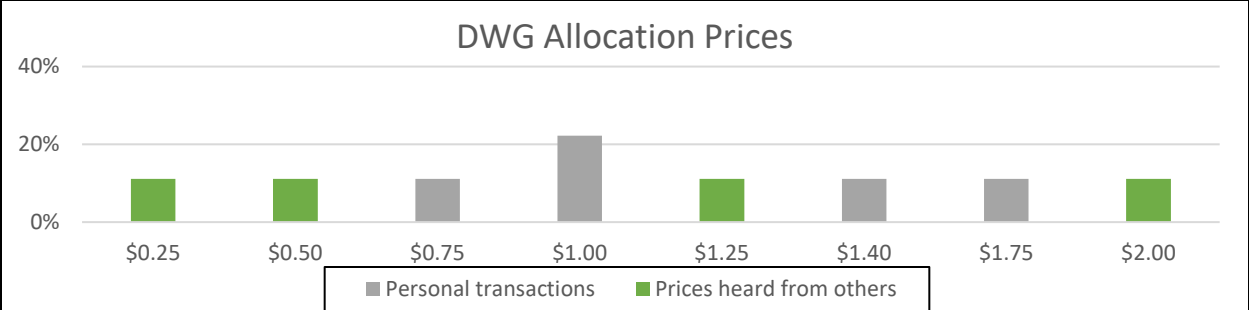
All Survey Responses

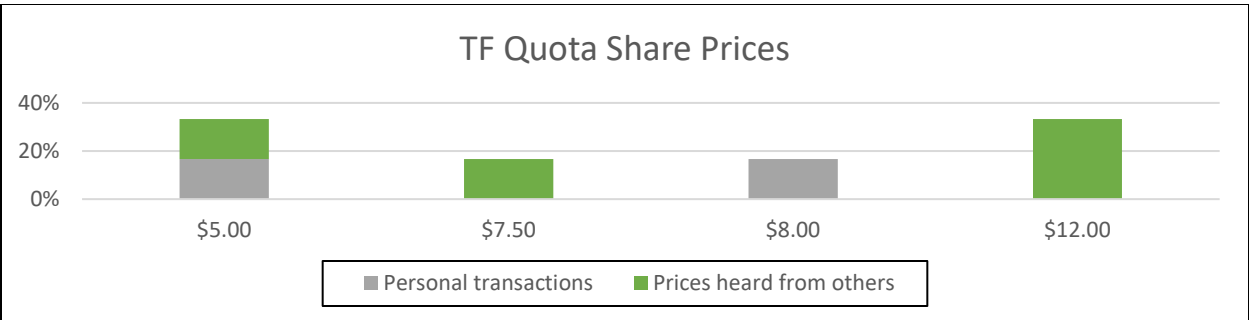
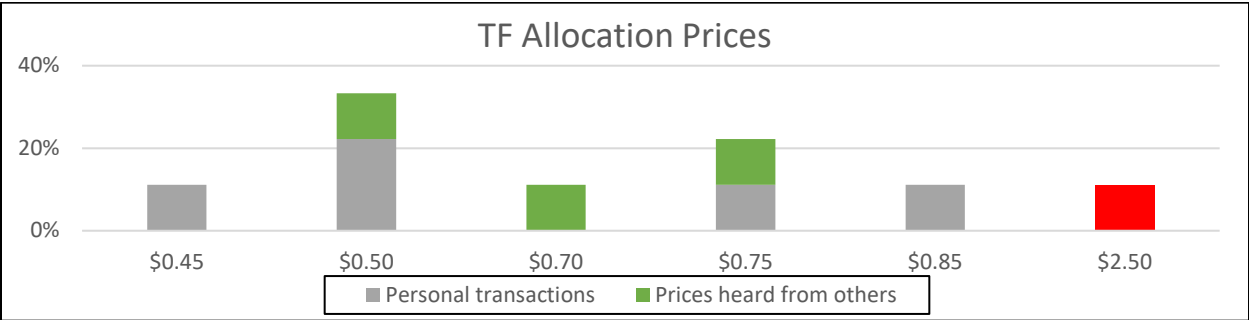
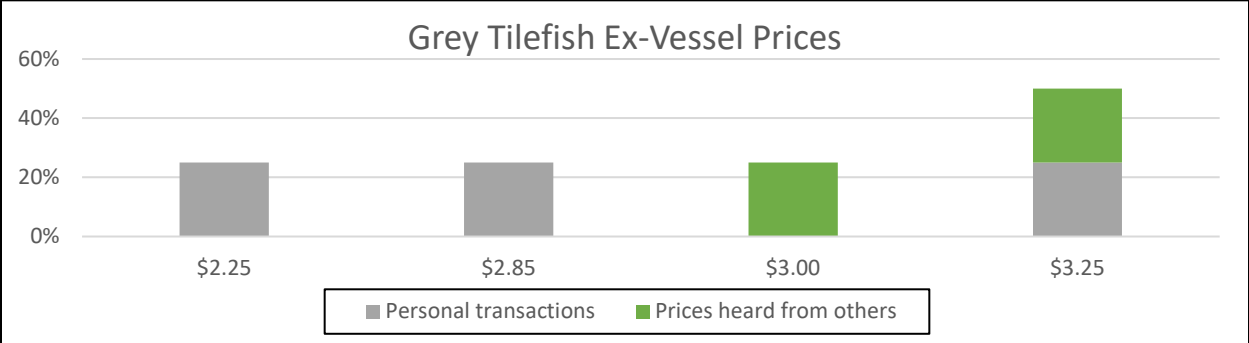
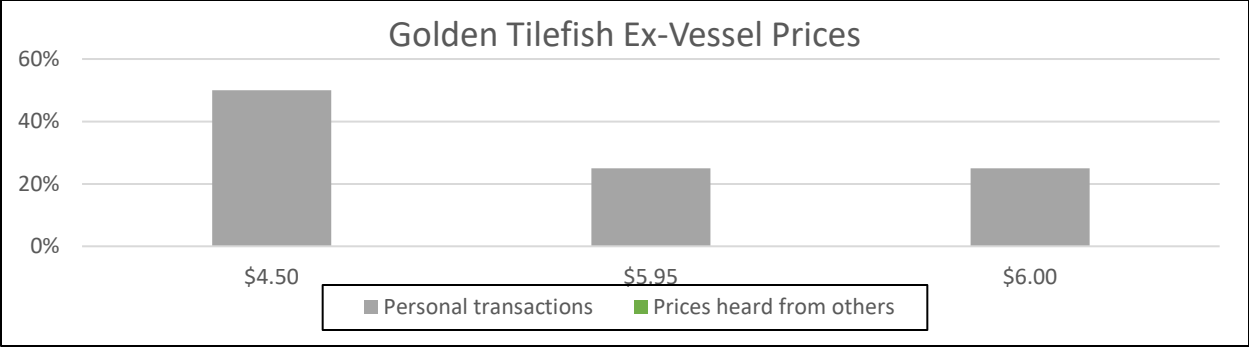
This section provides histograms of all responses to ex-vessel, allocation, and share prices. Responses shaded red were removed from the analysis presented earlier as outliers as described in the Report Notes. These are the same charts that were included in the body of the document in previous reports.











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