



GULF OF MEXICO IFQ PRICING REPORT

MAY 2024

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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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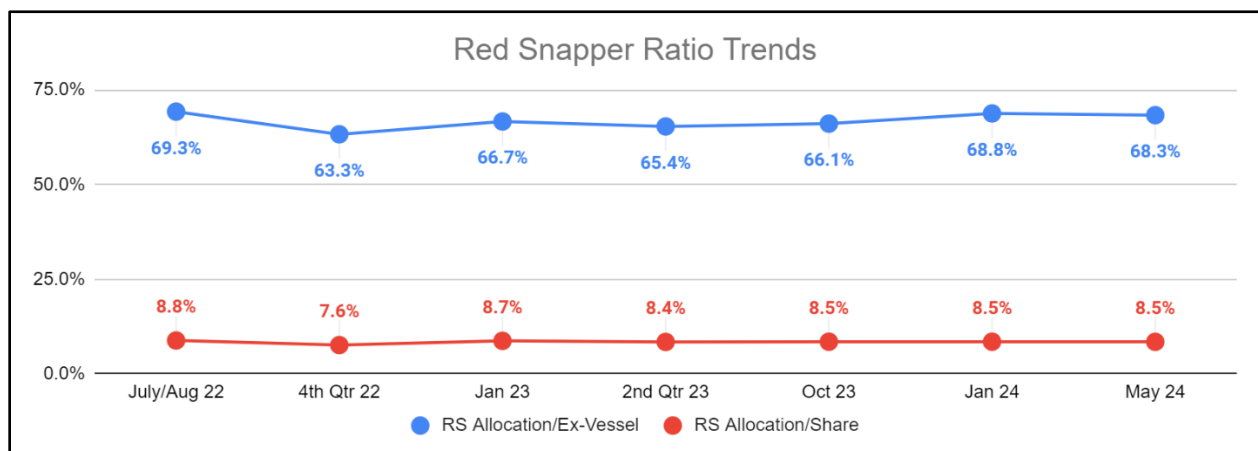
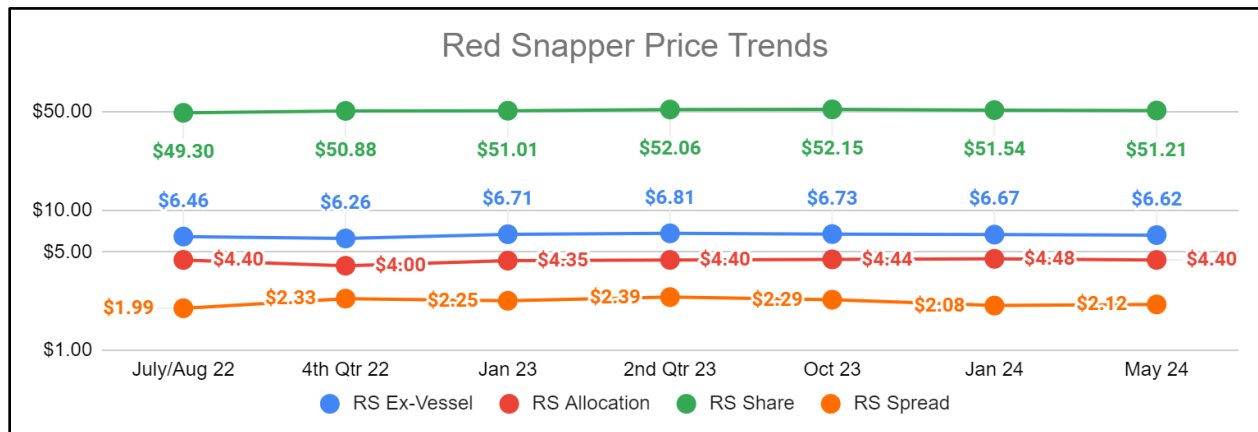
REPORT NOTES

- 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 233 IFQ participants and 20 provided pricing information for the survey (9% response rate). The survey was released on May 28, 2024, and responses were collected until June 30, 2024.
- This version of the survey measured prices in May 2024.
- 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. Charts showing all responses, including outliers, are at the back of the document. **I encourage those using this document to examine the averages and trends presented in each section and the column charts showing all responses at the end of the document.**
- **The report now includes two additional 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 a 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 provided 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, which is 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 remains relatively stable for red snapper (ex-vessel, allocation, and share).

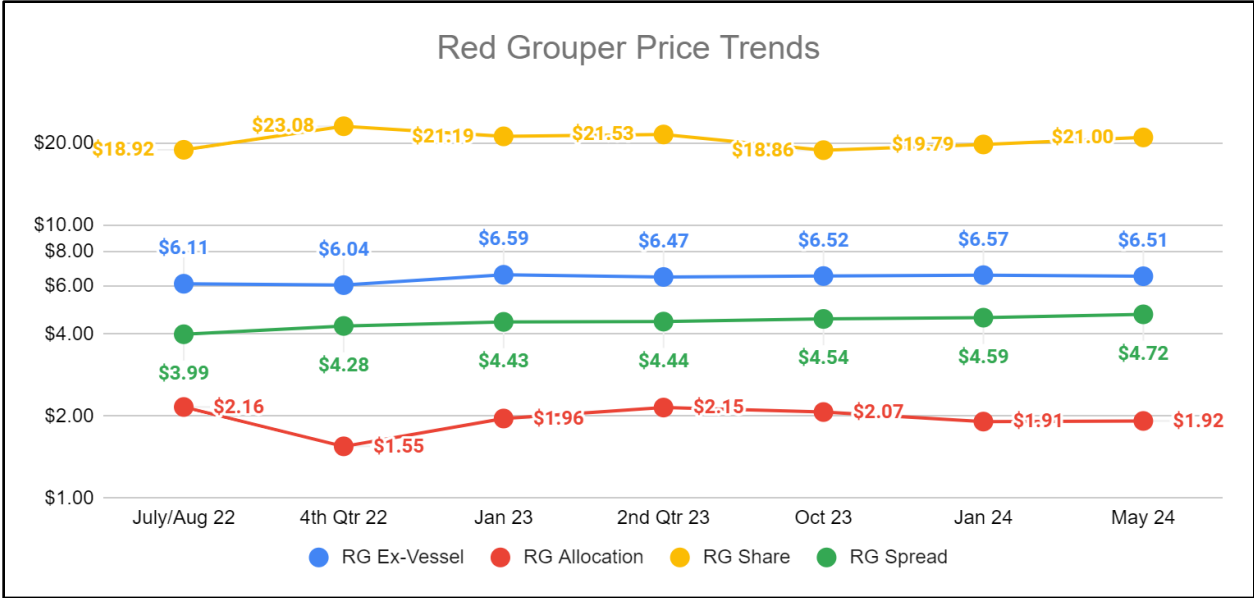
Red Snapper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$6.62	\$5.50 - \$7.50	14
Allocation Price	\$4.40	\$3.75 - \$5.00	18
Share Price	\$51.21	\$48.00 - \$54.00	14
Spread (Ex-vessel – Allocation)	\$2.12	\$0.50 - \$3.30	14
Allocation/Ex-vessel Ratio	68.3%	56% - 91%	14
Allocation/Share Ratio	8.5%	7.5% - 9.7%	13



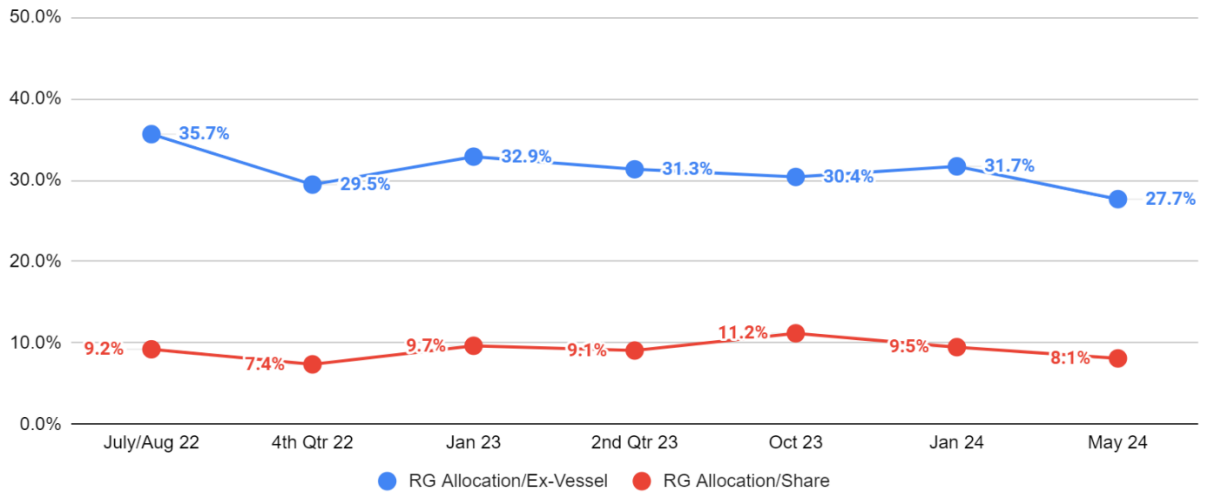
Red Grouper (RG) and Red Grouper Multiuse (RGM)

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). While the ex-vessel and allocation prices were relatively stable, the share price increased by roughly 6% relative to January 2024.

Red Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$6.51	\$6.00 - \$7.00	9
Small	\$6.38	\$6.25 - \$6.50	2
Large (20+ in or 4 up)	\$6.75	\$6.50 - \$7.00	2
Allocation Price (RG)	\$1.92	\$1.20 - \$2.25	10
Share Price	\$21.00	\$18.00 - \$25.00	8
Spread (Ex-vessel – Allocation)	\$4.72	\$3.75 - \$5.80	9
Allocation/Ex-vessel Ratio	27.7%	16% - 38%	9
Allocation/Share Ratio	8.1%	5% - 10%	6



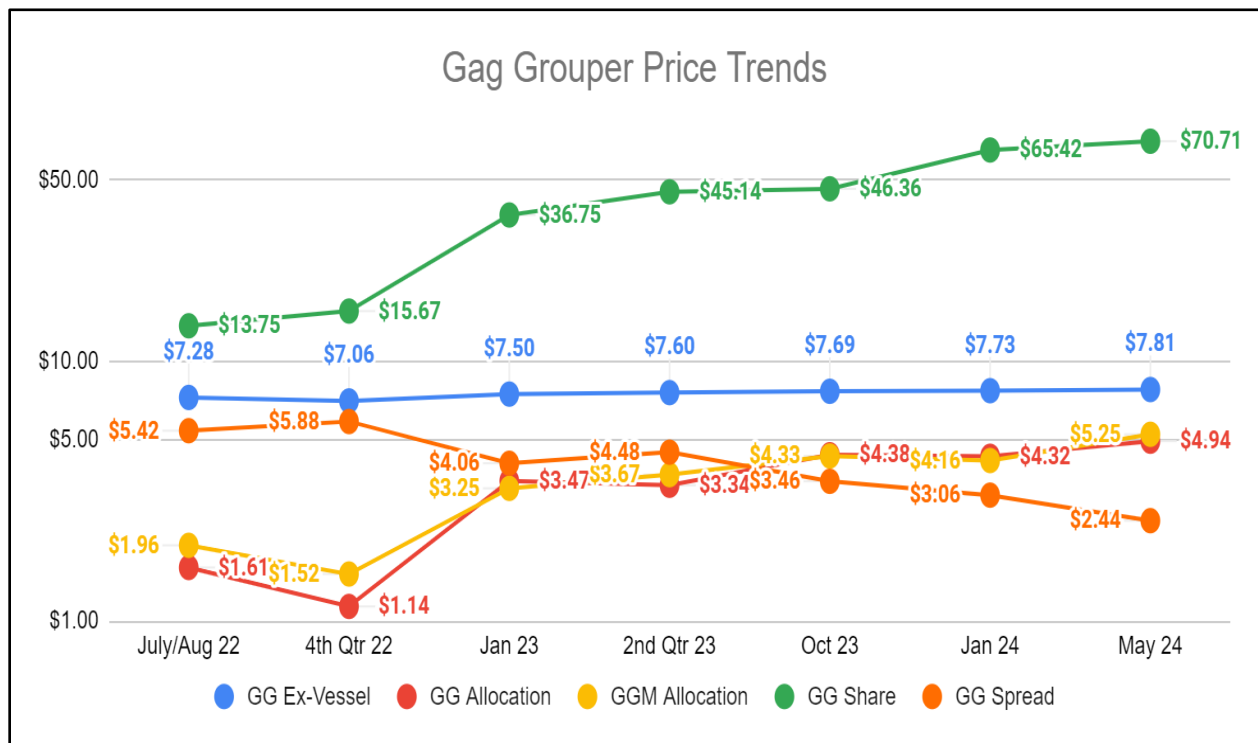
Red Grouper Ratio Trends



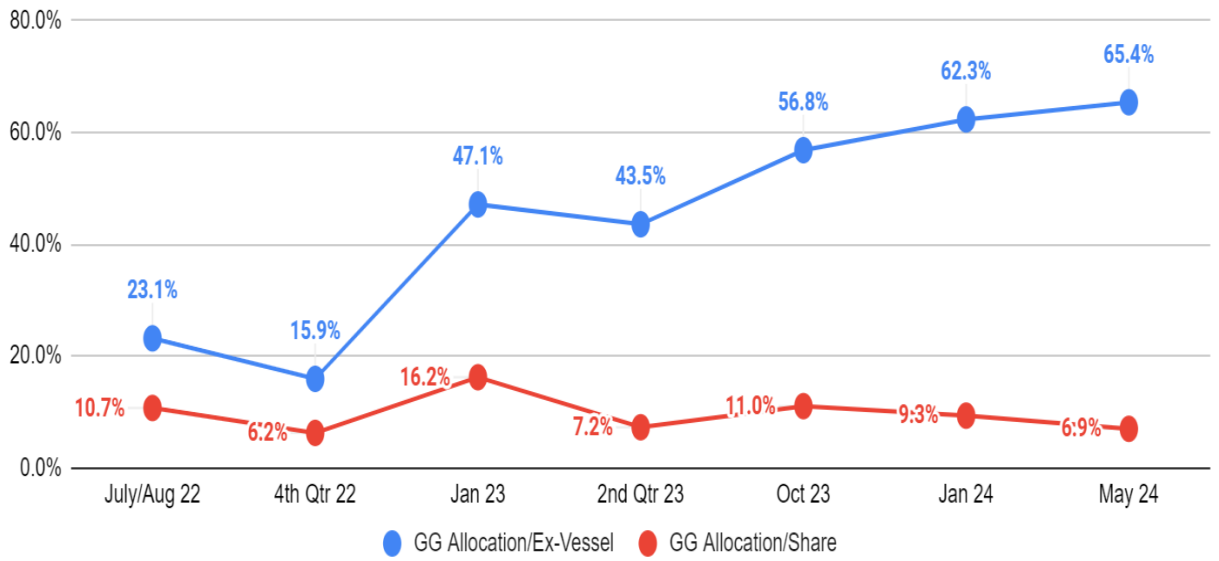
Gag Grouper (GG) and Gag Grouper Multiuse (GGM)

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**). Share and allocation prices continued to increase like all reports since the decrease in the gag quota. These increases pushed the allocation/ex-vessel ratio closer to the ratio for red snapper.

Gag Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$7.81	\$6.50 - \$9.00	10
Allocation Price (GG)	\$4.94	\$4.00 - \$5.75	9
Share Price	\$70.71	\$50.00 - \$100.00	7
Spread (Ex-vessel – Allocation)	\$2.44	\$1.50 - \$3.75	7
Allocation/Ex-vessel Ratio	65.4%	44% - 77%	8
Allocation/Share Ratio	6.9%	4.0% - 10%	4
Allocation Price (GG Multiuse)	\$5.25	\$4.00 - \$6.00	9



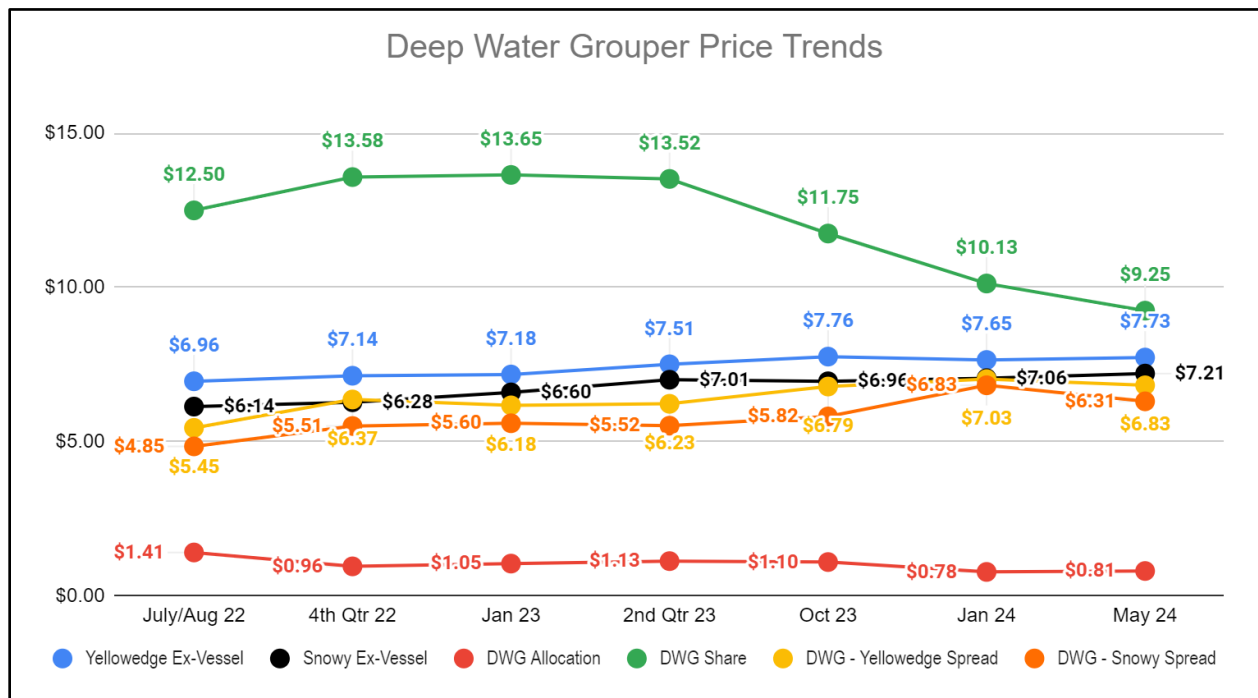
Gag Grouper Ratio Trends



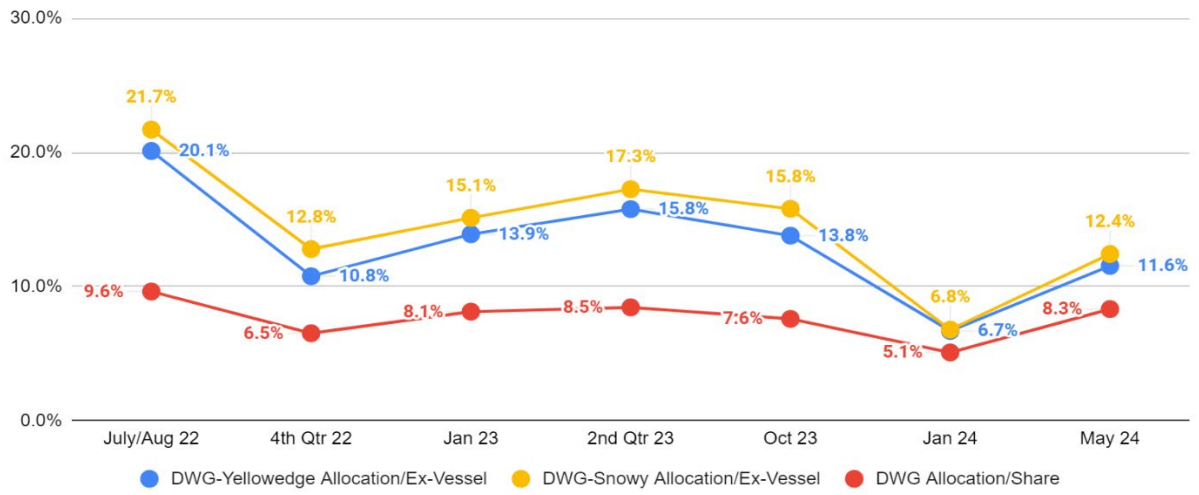
Deep Water Grouper (DWG)

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 DWG share price continued its downward trend with the value now 32% below the January 2023 number. The increases in the ratios (allocation/ex-vessel and allocation/share) are somewhat misleading and due to the small number of responses for the DWG survey questions.

Deep Water Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price (Yellowedge - YE)	\$7.73	\$7.00 - \$8.40	5
7 down	\$6.50	\$6.50	1
7 up	\$7.75	\$7.75	1
Ex-vessel Price (Snowy Grouper - SG)	\$7.21	\$6.50 - \$8.30	5
Allocation Price	\$0.81	\$0.50 - \$1.00	8
Share Price	\$9.25	\$5.00 - \$12.00	4
YE Spread (Ex-vessel – Allocation)	\$6.83	\$6.50 - \$7.40	5
SG Spread (Ex-vessel – Allocation)	\$6.31	\$5.75 - \$7.30	5
YE Allocation/Ex-vessel Ratio	11.6%	7% - 13%	5
SG Allocation/Ex-vessel Ratio	12.4%	8% - 15%	5
Allocation/Share Ratio	8.3%	5% - 10%	4



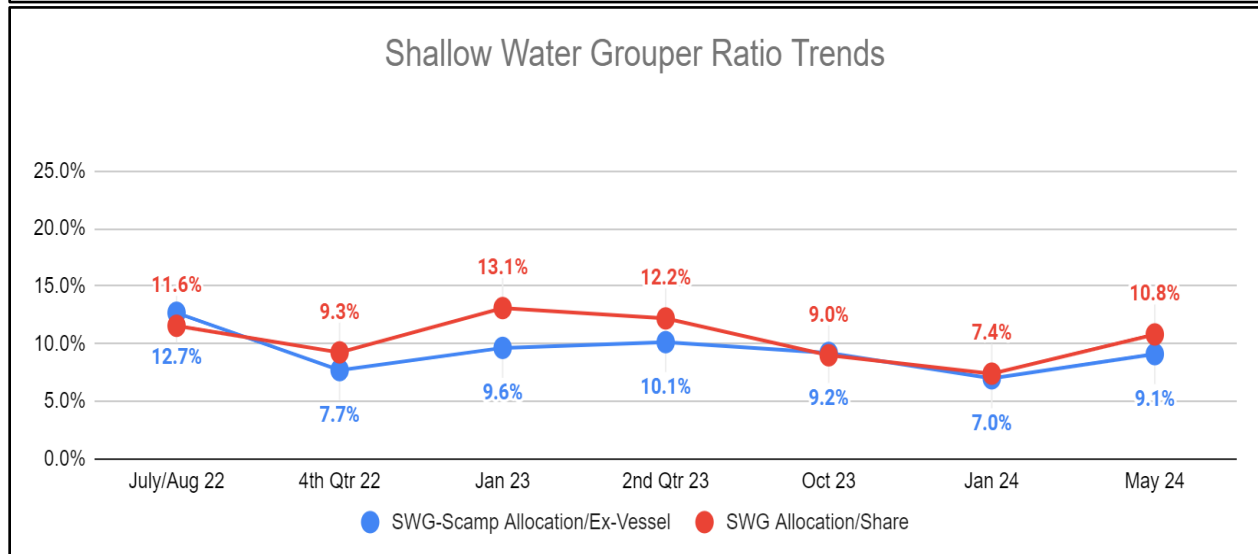
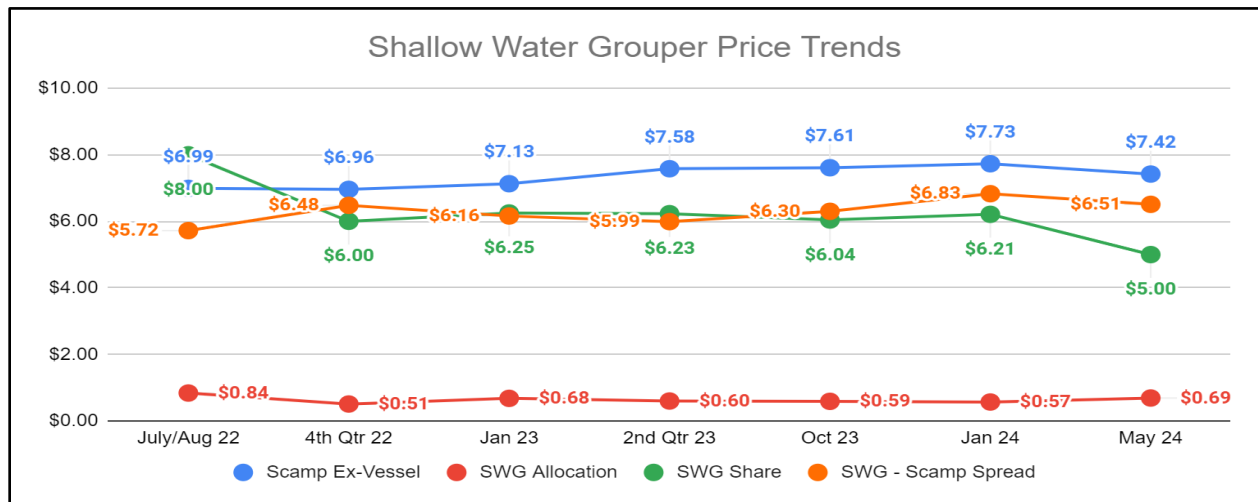
Deep Water Grouper Ratio Trends



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 decreased for the first time since the 4th quarter of 2022.

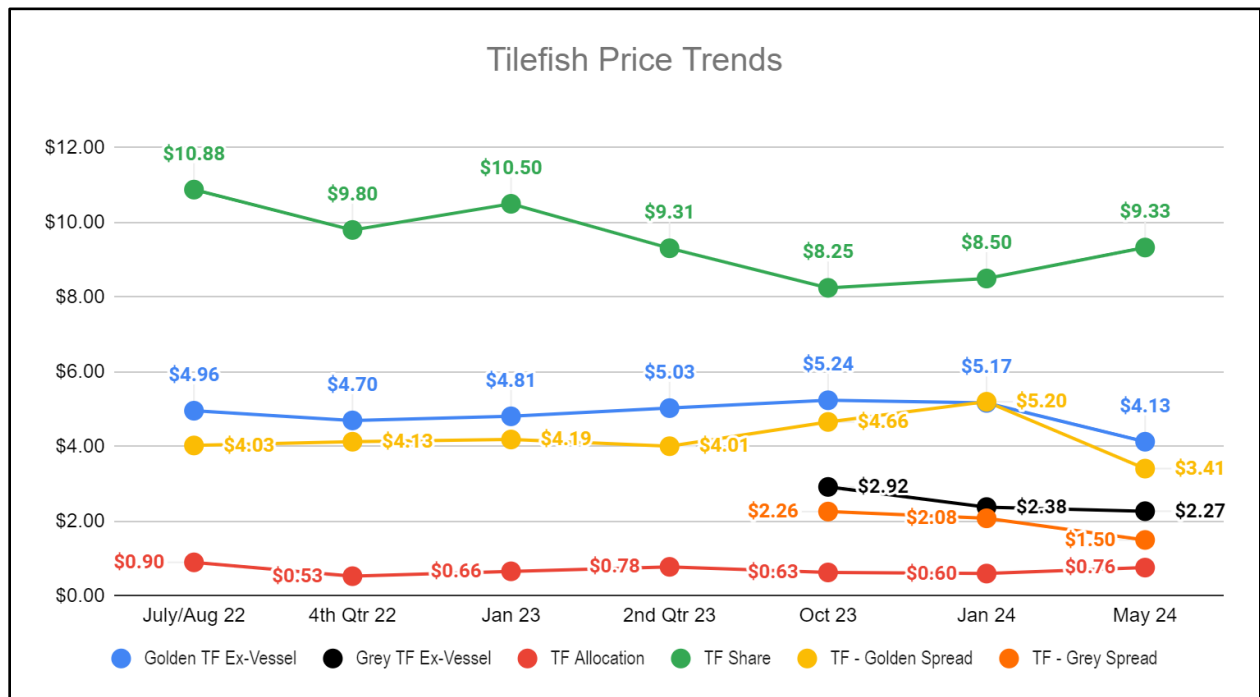
Shallow Water Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price (Scamp)	\$7.42	\$6.50 - \$8.40	10
Allocation Price	\$0.69	\$0.10 - \$1.00	10
Share Price	\$5.00	\$4.00 - \$6.00	4
Spread (Ex-vessel – Allocation)	\$6.51	\$6.00 - \$7.80	5
Allocation/Ex-vessel Ratio	9.1%	3% - 13%	9
Allocation/Share Ratio	10.8%	2% - 19%	4



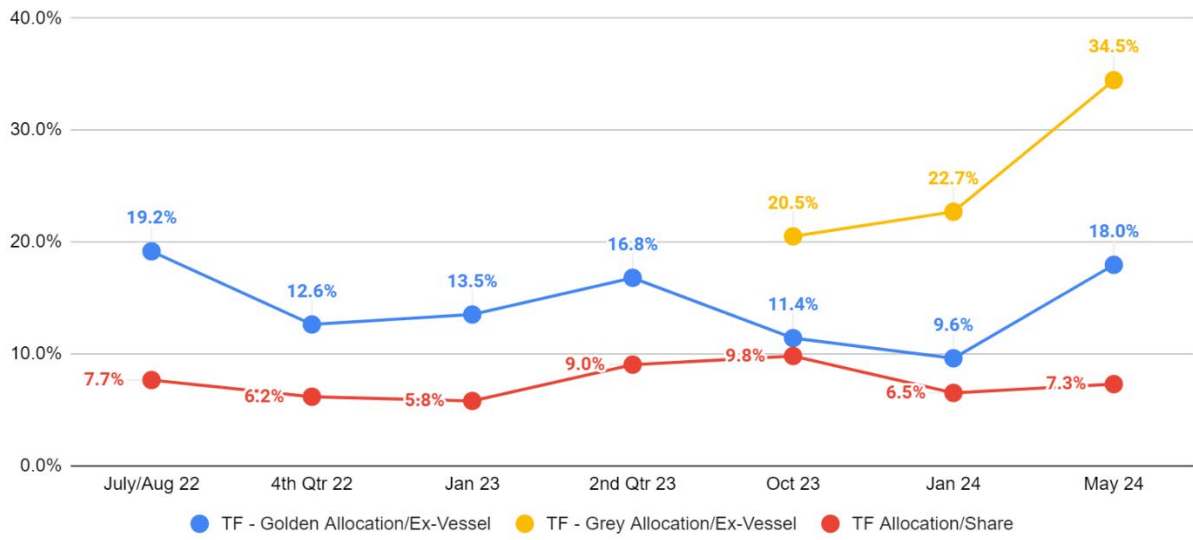
Tilefish (TF)

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**). While the golden tilefish ex-vessel price dropped 22% from the January 2024 average, it is important to note that the average is based on only 4 survey responses. These averages are based on a small number of responses and might not be indicative of market conditions.

Tilefish			
	Average	Price Range	# of Responses
Ex-vessel Price (Golden TF)	\$4.13	\$3.50 - \$5.00	4
7 down	\$3.50	\$3.50	1
7 up	\$5.00	\$5.00	1
Ex-vessel Price (Grey TF)	\$2.27	\$2.00 - \$2.85	5
Allocation Price	\$0.76	\$0.50 - \$1.00	7
Share Price	\$9.33	\$8.00 - \$10.00	3
Golden Spread (Ex-vessel – Allocation)	\$3.41	\$2.65 - \$4.50	4
Grey Spread (Ex-vessel - Allocation)	\$1.50	\$1.00 - \$2.00	5
Golden Allocation/Ex-vessel Ratio	18.0%	10% - 24%	4
Grey Allocation/Ex-vessel Ratio	34.5%	25% - 50%	5
Allocation/Share Ratio	7.3%	5% - 9%	3



Tilefish Ratio Trends

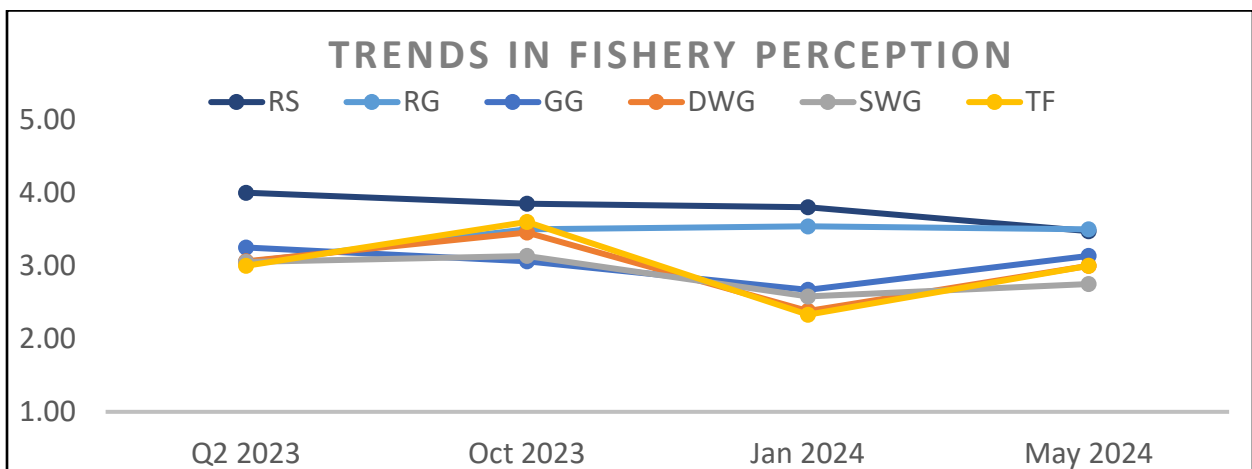
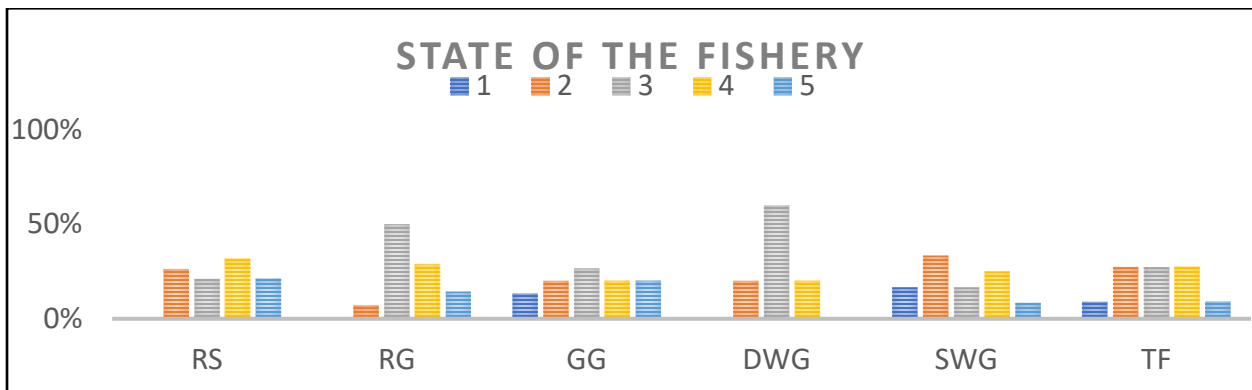


State of the Fishery

Respondents were asked to rate the current state of each fishery concerning 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 grouper fishery was seen as in the best shape among the different IFQ species/species groups, with 93% of respondents scoring it at 3 or higher. This was the first survey in which red snapper did not score the highest and the third straight survey in which opinions regarding the red snapper fishery decreased.

State of the Fishery						
	RS	RG	GG	DWG	SWG	TF
Average	3.47	3.50	3.13	3.00	2.75	3.00
# of Responses	19	14	15	10	12	11

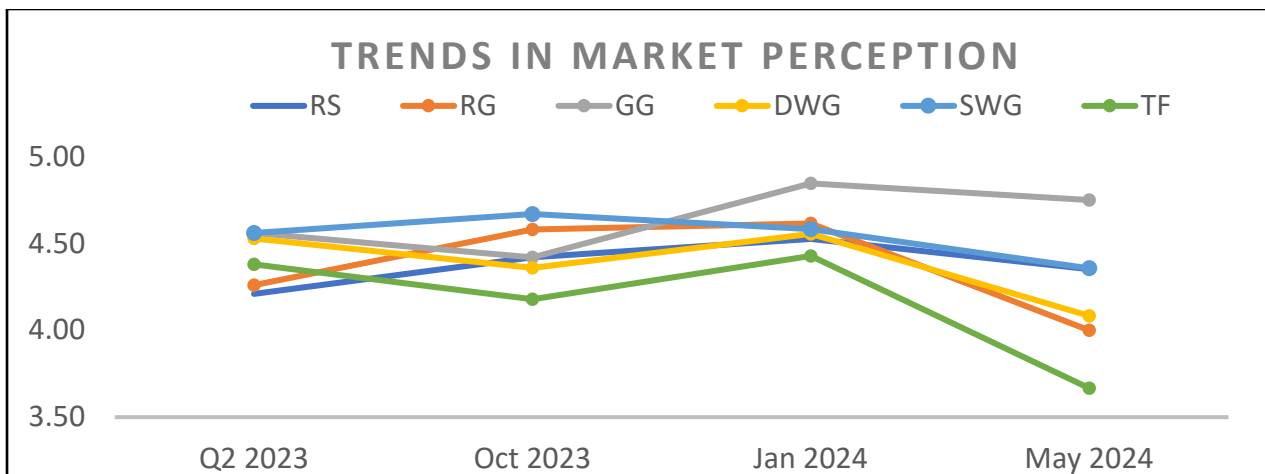
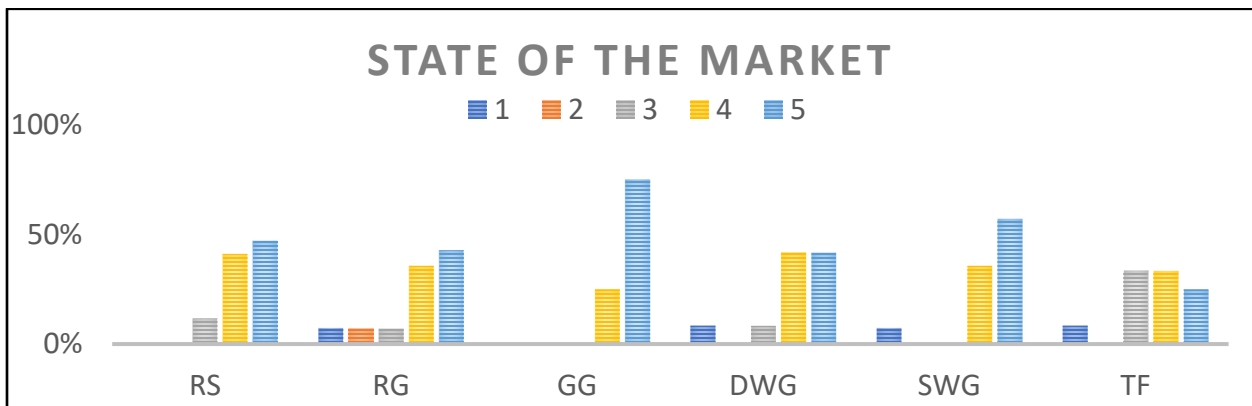


State of the Market

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 charts below with a comparison to previous surveys included.

While average scores were still generally high indicating a relatively strong market, the averages fell relative to the January 2024 survey for all species groups. The 3.67 average sentiment score for tilefish market the first time any species group had an average below 4 since this question was added to the survey in mid-2023.

State of the Market						
	RS	RG	GG	DWG	SWG	TF
Average	4.35	4.00	4.75	4.08	4.36	3.67
# of Responses	17	14	12	12	14	12



Survey Comments

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

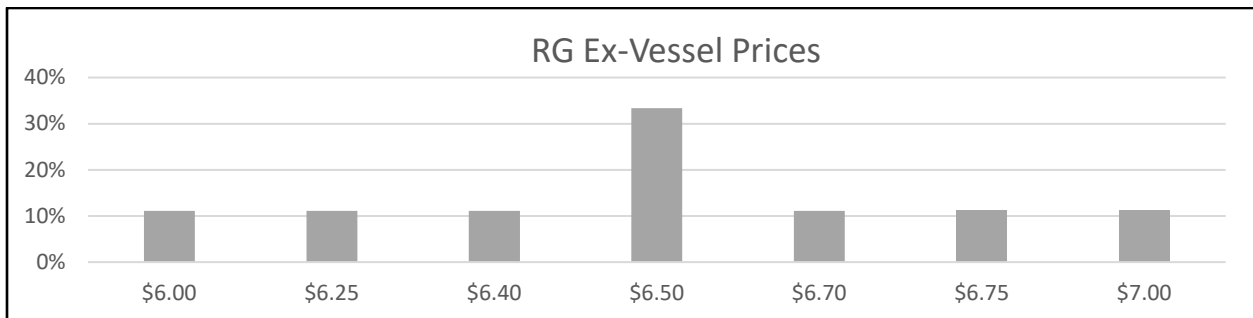
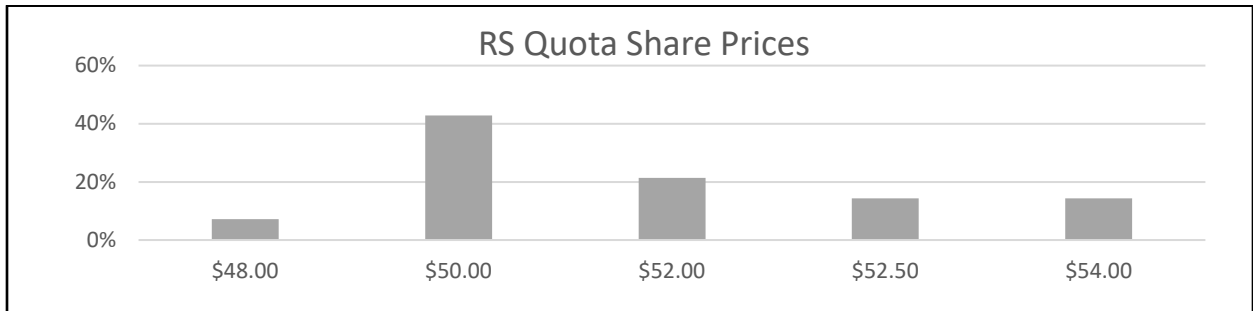
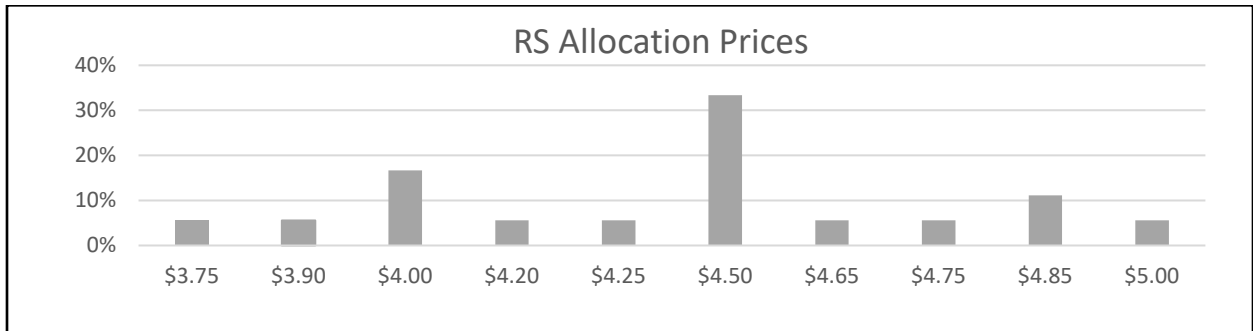
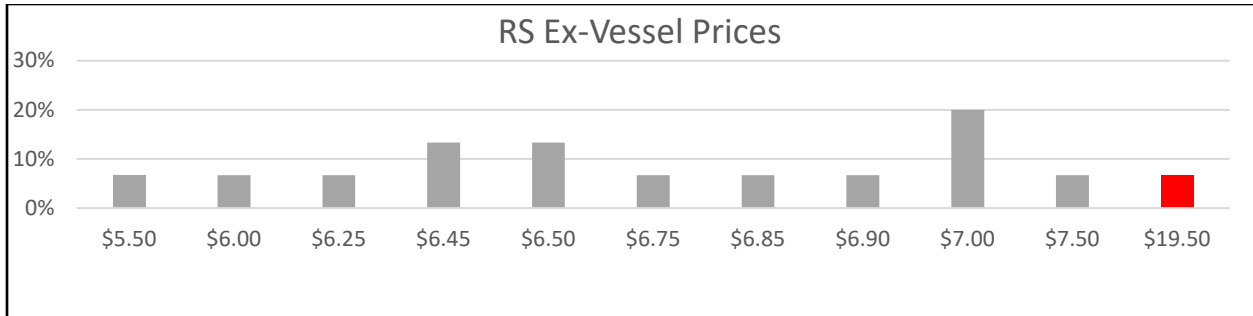
- Indicated that red snapper is difficult to find and catch off Pensacola, and they focused on fishing when the recreational season is closed.
- Concerned about the disconnect between what the shareholders charge for allocation and the actual price paid to fishermen for landing the fish after accounting for other fishing expenses. They believe that NOAA needs to reform the fishery or there won't be fishermen left in the Gulf to land the fish. They also mentioned concerns about a rumored "co-op" being formed by one of the largest shareholders and felt this is a bad idea that needs to be stopped as it will consolidate power and make the current situation worse for fishermen. The respondent believes a problem exists with family members controlling shares purchased with someone else's money. The general sentiment is that amendments that consider the fishermen need to be passed.
- Indicated new entrants need to worry more about the non-accountable discard heavy recreational fishery hindering their future more than allocation/share price.
- Stated that the recreational sector in Texas is overfishing red snapper. The sector includes too many boats, better technology, long seasons, and no robust monitoring program, making overfishing inevitable. Believes that Texas recreational landings estimates compared to other states either imply there are no fish, the fishermen are not effective and can't catch fish, or the data on their landings is substantially underreported.
- Believe the IFQ system has ruined the market for commercial fishermen and investors have bought up almost all of the quota and the fishermen are now at their mercy to be able to fish. Indicated that allocation costs 30-80% of gross revenue and something has to change or they will be forced out of business.
- Indicated that commercial red snapper fishermen have to go further offshore to catch fish off the coast of Alabama. Inshore (up to 25 miles) is inundated with recreational red snapper fishermen whose season gets longer and longer each year with a limited reporting system. Stated that based on personal experience, many are aware the reporting system is not working. Believes the commercial sector is suffering from this and the government is not willing to support them.
- Indicated that catching red snapper off the Florida coast is easy, but the Florida market is flooded and selling the catch is difficult. Also indicated, the gag grouper fishery is strong, but with no quota available, they have been forced to discard 300+ pounds of gag grouper each trip. Respondent is also concerned about red grouper being overfished because of the growth in the number of recreational anglers in the fishery and limited data on actual recreational catches of red grouper.

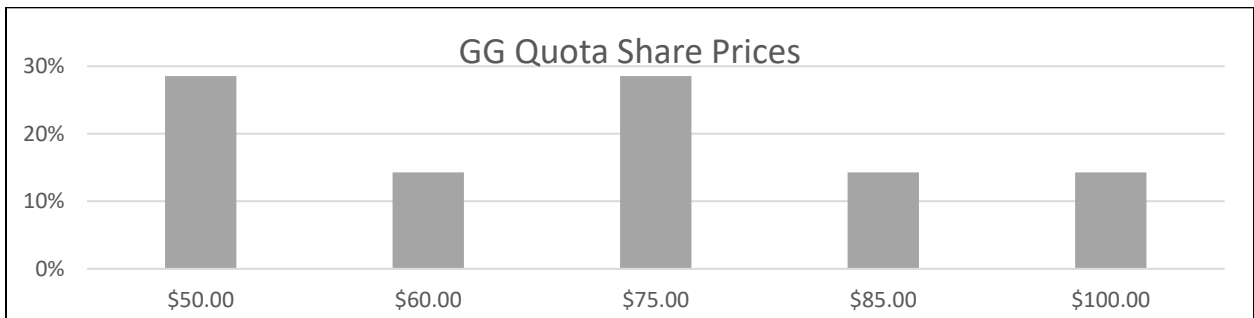
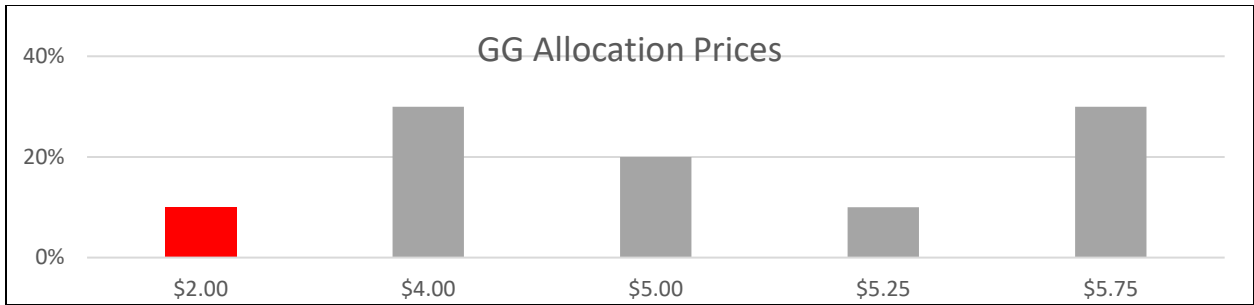
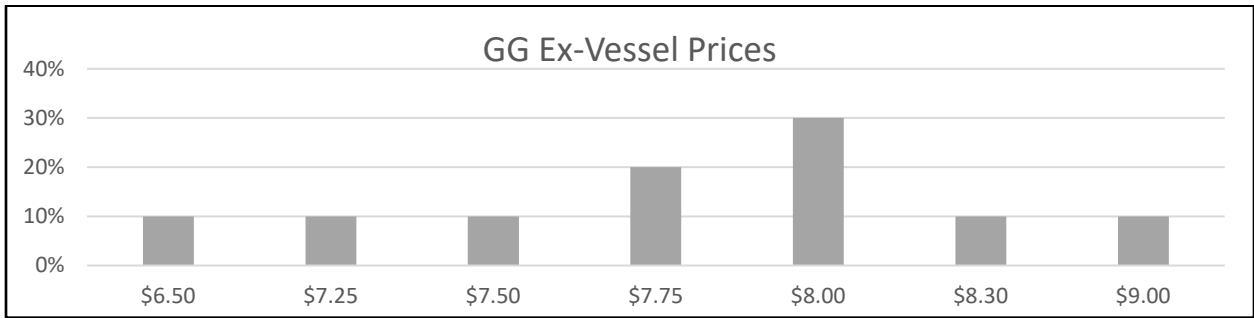
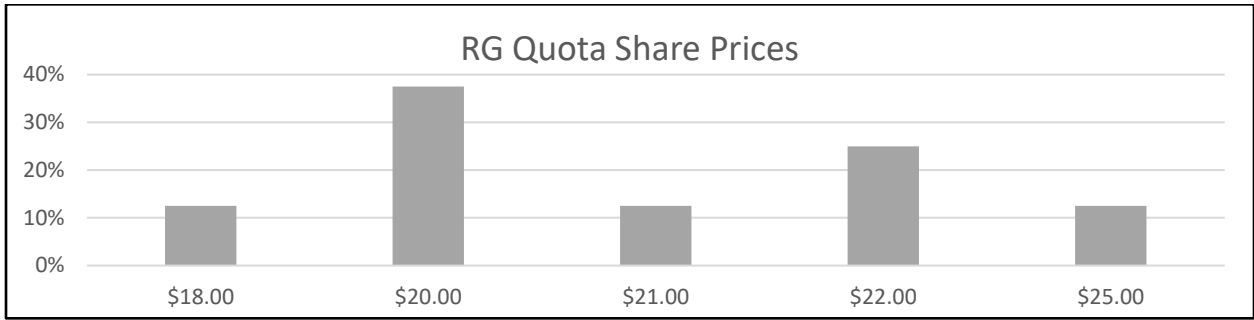
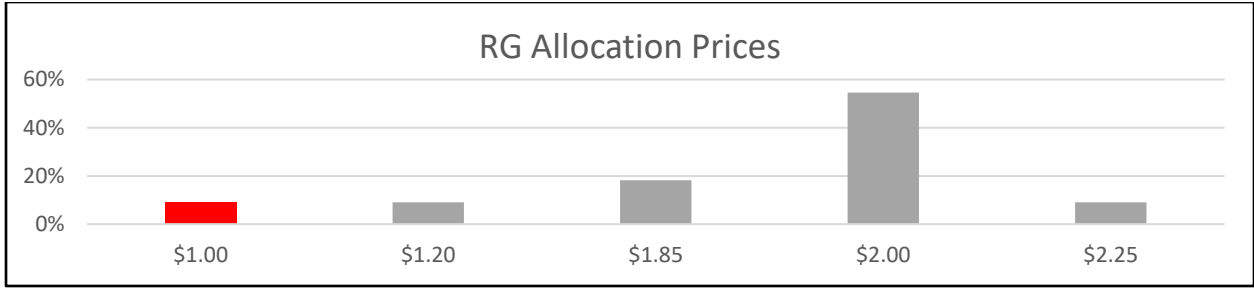
- Respondent has been in the Florida fishing industry since 1987 and believes the government is destroying the US fishing industry. Concerned that wealthy outsiders are selling allocation at high prices while fishing costs have doubled in recent years. Indicated that gag discards are at an all-time high due to the small quota. Believes that IFQ is a better answer to overfishing than complete commercial shutdowns. Believes family history in the industry or access to capital is required to succeed in the fishery. Believes the government is failing to be a good caretaker of the resource.

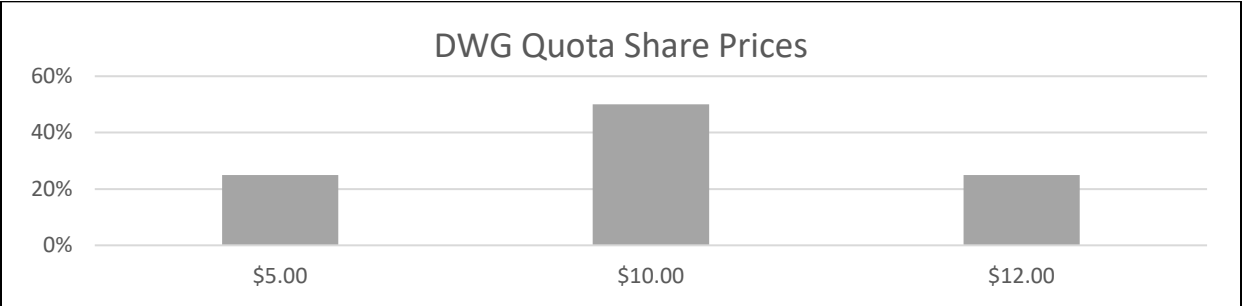
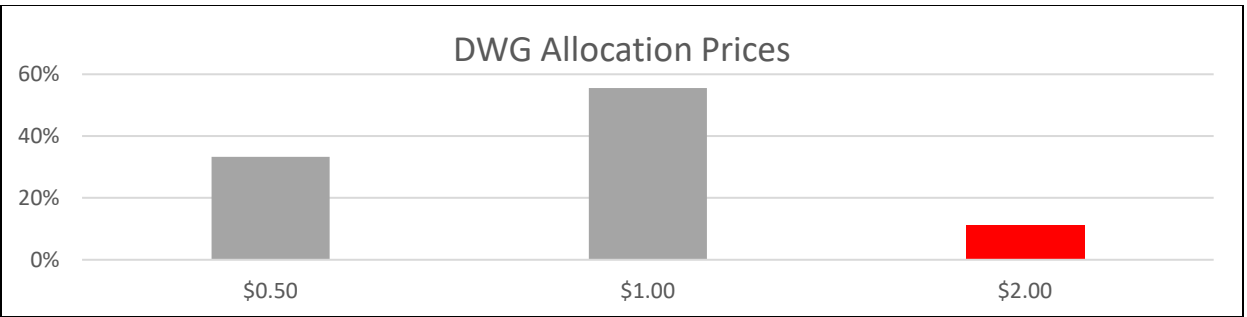
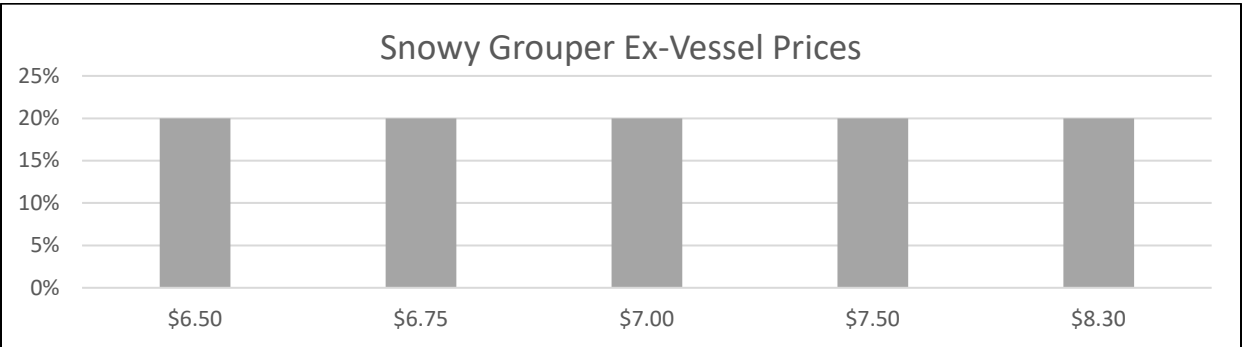
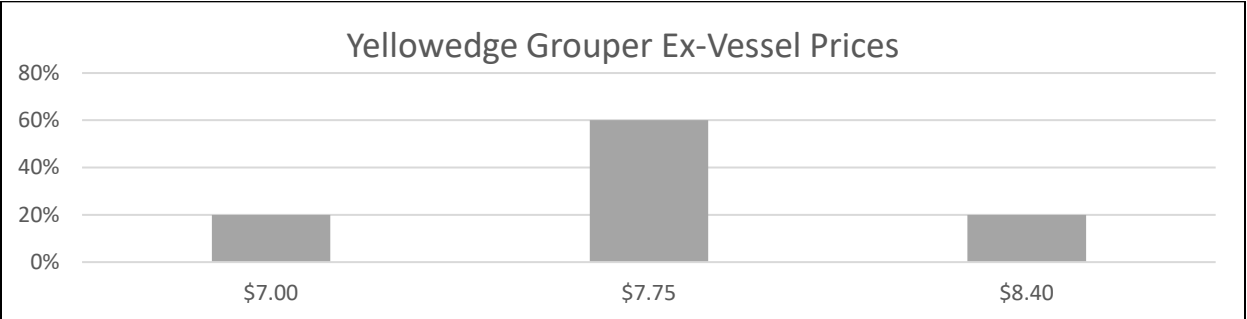
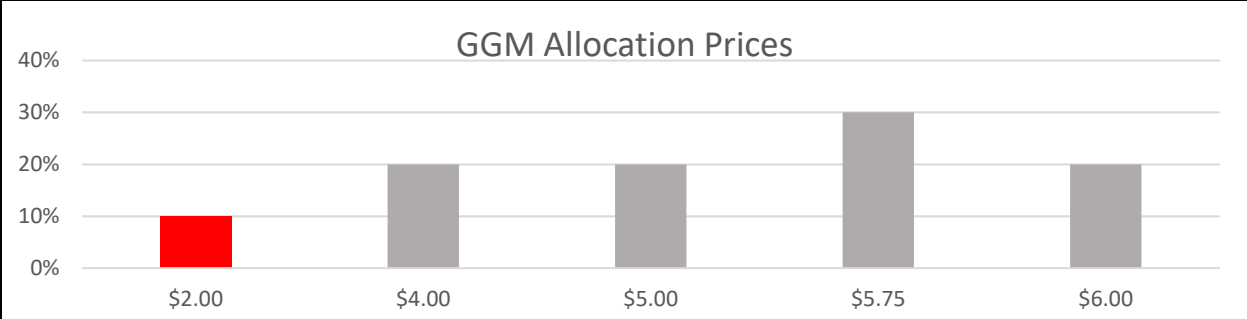
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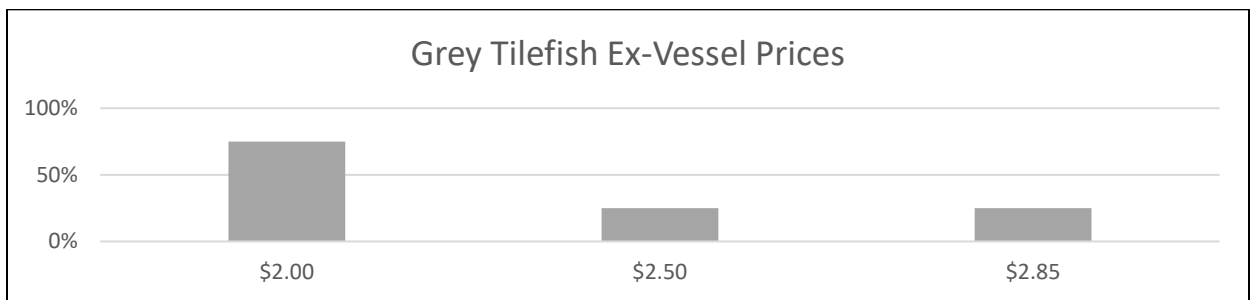
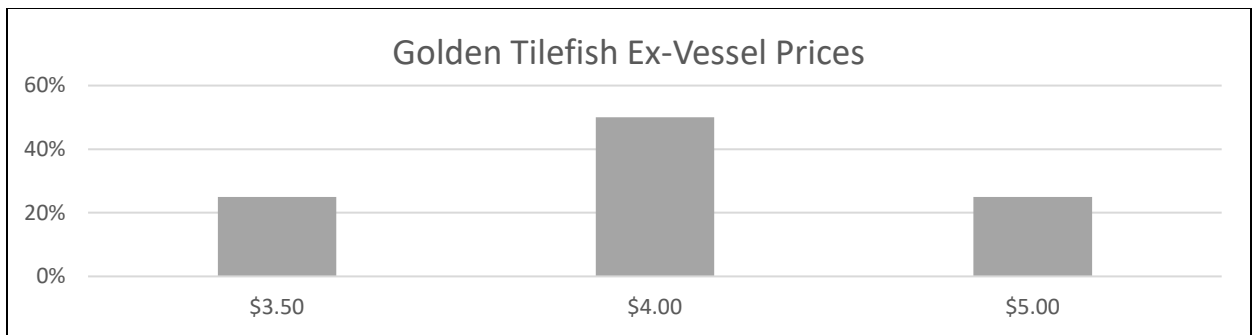
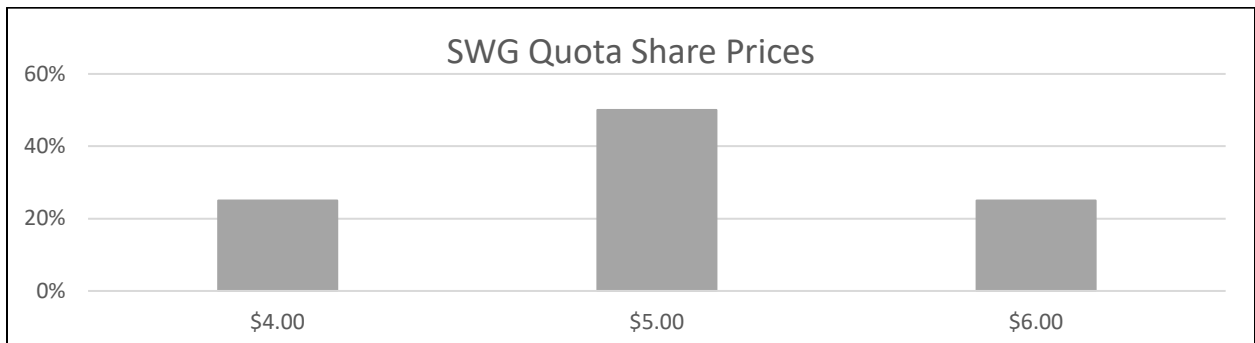
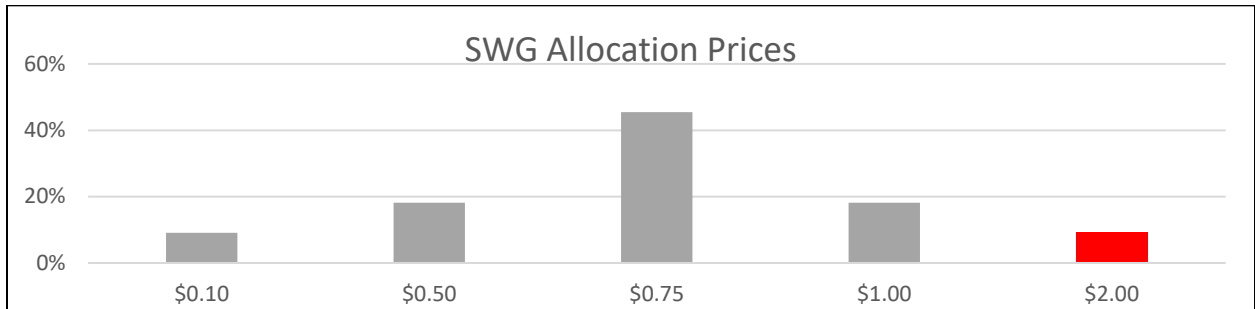
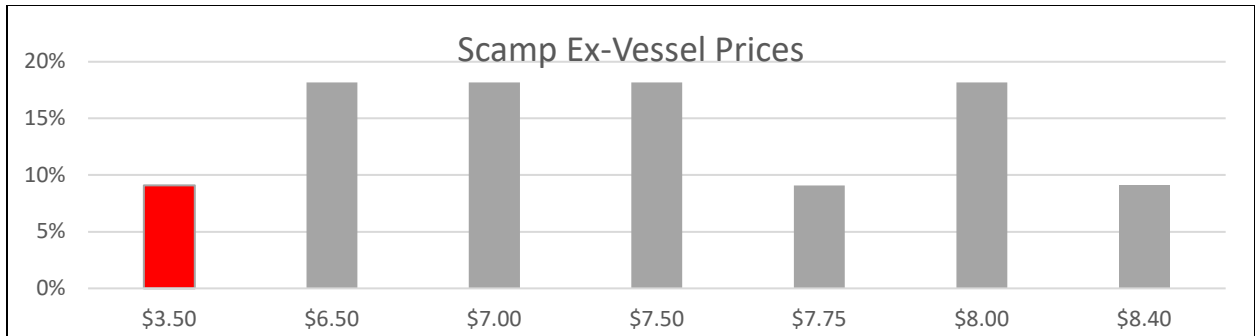
All Survey Responses

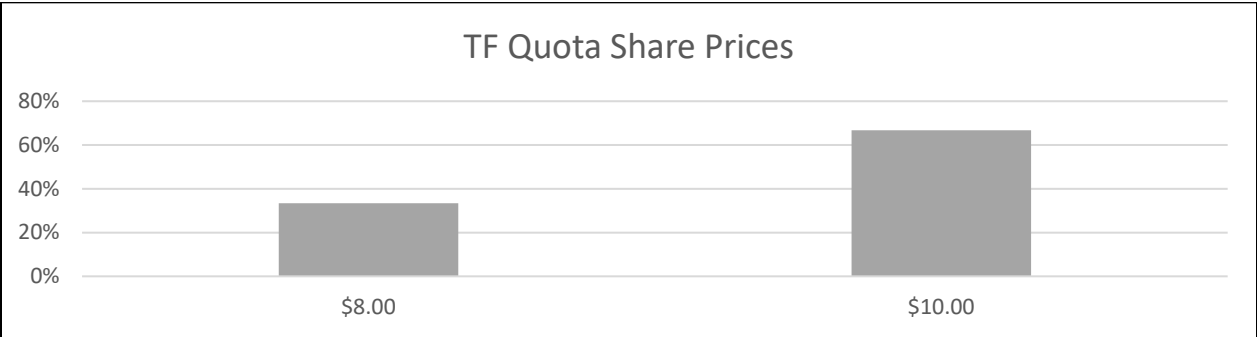
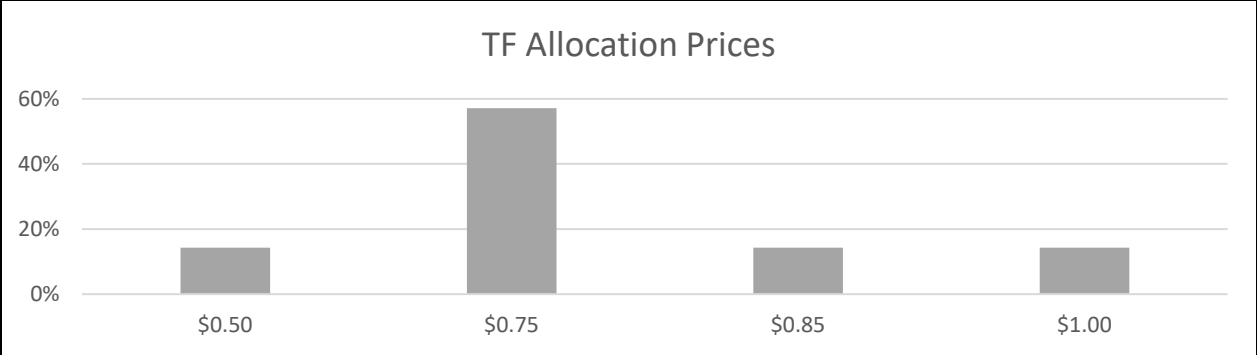
This section provides histograms of all responses to ex-vessel, allocation, and share prices. Responses shaded red were removed from the analysis presented earlier as outliers as described in the Report Notes. One slight change is that I have stopped categorizing responses based on personal transactions vs. prices heard from others due to the responses being similar across surveys.











Andrew Ropicki

*Assistant Professor & Extension Specialist
Food and Resource Economics, UF/IFAS
Florida Sea Grant*

phone: 352-294-7667
email: aropicki@ufl.edu

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FOR THE NEXT PRICING REPORT*

