

## The Case for Grouper and Snapper Re-Allocation

A recent presentation to the socioeconomic science and statistical committee (SESSC) of the Gulf of Mexico Fishery Management Council by two NOAA Fisheries Service Economists showed that recreational value for grouper far outstrips commercial value in the grouper fishery. These economists concluded that the current allocation is economically inefficient and to increase efficiency and maximize the value to the nation, the allocation should be moved towards the recreational sector. Yet the SESSC refused to recommend changing the allocation substantially or even recommending that the council should develop a plan to change allocations in this fishery. This prompted CCA to compile all the grouper and red snapper valuation estimates published in the literature and provided in Table 1. The estimates presented to the SESSC are detailed in NMFS 2011 and Carter and Liese (2012).

Table 1. All Existing Grouper and Red Snapper Values.

Authors	Year	Species	Commercial Value	Recreational Value	Supports Re-Allocation to Recreational Sector
Haab, T.C. et al.	2000	Snapper - Grouper		\$7 - \$8/fish	Yes
Gentner, B.	2004	Red Grouper		\$19.37/pound	Yes
Gentner, B.	2004	Gag Grouper		\$19.27/pound	Yes
Johnston et al.	2006	All Fish Species		14.33/fish	Yes
Carter, D.W. et al.	2008	Grouper (all)	\$1.14/pound	\$1.33/pound	Yes
Haab, T. et al.	2009	Grouper (all)		\$32 - \$98/fish	Yes
Gentner, B.	2010	Gag Grouper		\$13.58/pound	Yes
Gentner, B.	2010	Red Grouper		\$13.51/pound	Yes
NMFS	2011a	Gag Grouper	\$0.95/pound		Yes
NMFS	2011a	Red Grouper	\$0.69/pound		Yes
NMFS	2011a	Deepwater Grouper	\$1.09/pound		Yes
NMFS	2011a	Shallowwater Grouper	\$0.97/pound		Yes
Carter, D.W. and C. Liese	2012	Grouper (all)		\$26-\$80/fish	Yes
Gillig et al.	2000	Red Snapper		\$20/fish	Yes
Gillig et al.	2003	Red Snapper		\$7/fish	Yes
Haab, T. et al.	2009	Red Snapper		\$108/fish	Yes
Griffin et al.	2009	Red Snapper		\$52-\$155/day	Yes
Carter, D.W. and C. Liese	2012	Red Snapper		\$20-\$63/fish	Yes
NMFS	2011b	Red Snapper	\$2.76/pound		Yes

From Table 1, commercial values for various grouper species range from \$0.69/pound to \$1.14 per pound with the lower values from NMFS 2011a being more accurate as they are from market transactions in the grouper quota lease market whereas the Carter et al. (2008) estimates are derived from an econometric model. Commercial values for red snapper were \$2.76/pound as taken from quota lease transactions in NMFS 2011b. Recreational values range from a conservative \$1.33/pound to \$19.37/pound for grouper. Several of the studies did not denominate the value by the pound and instead denominated the value per fish. In these cases, value per fish ranged from \$7/fish to \$98/fish for grouper and from \$7/fish to \$108/fish for red snapper. To address detractors that have problems with the MRFSS data, the Johnston et al. study compiled 391 estimates across 48 different studies using all varieties of recreational data to develop the average across all fish species of \$14.33/fish. Using the 2011 MRIP catch estimates, the average gag grouper weighs 7.14 pounds. Applying this estimate to the Johnston figure generates a value per pound in the \$2/pound range for grouper supporting re-allocation when taking the average value across all species found in the literature. Griffin et al. (2009) simulated a market for red snapper shares and in this simulation the recreational sector would purchase the entire commercial allocation.

The evidence is overwhelming. Across all studies that have examined commercial and recreational value, recreational value exceeds commercial value. All studies consistently show that the current allocation is inefficient and that efficiency would be increased if recreational allocations were increased. Isn't it about time that the council addresses this inefficiency and begins managing these fisheries to maximize their value to the nation?

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