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# ***2015 Final Performance Report for the Northeast Groundfish Fishery: an overview***

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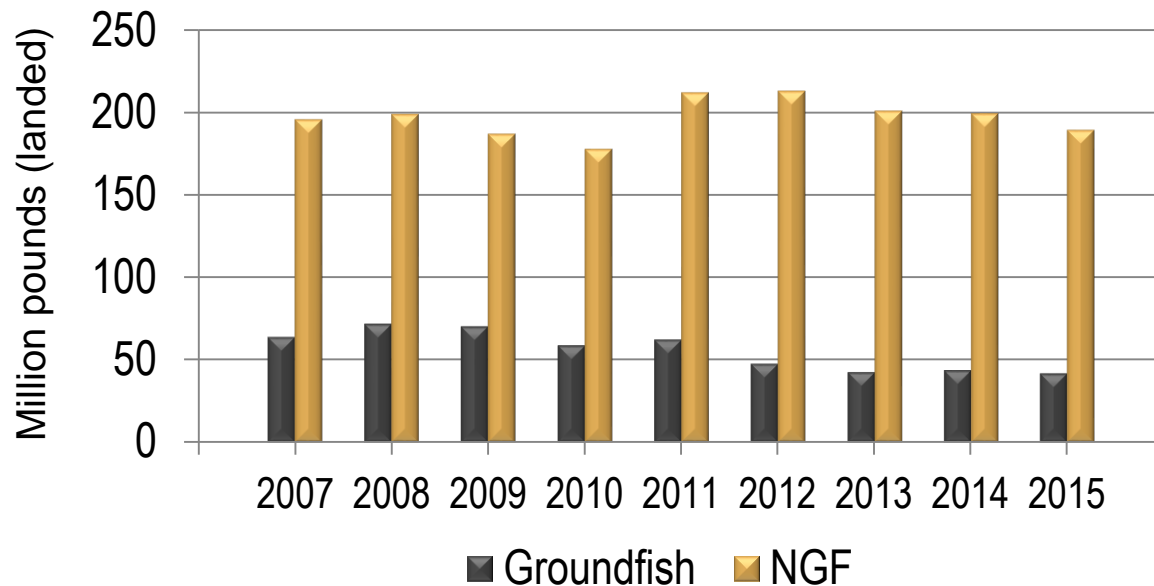
January 31, 2018  
NEFMC Meeting  
Portsmouth, New Hampshire

**Total Landings (GF+NGF) at a 9 year low in 2015 (231.1M lbs., -10.9% from 2007)**

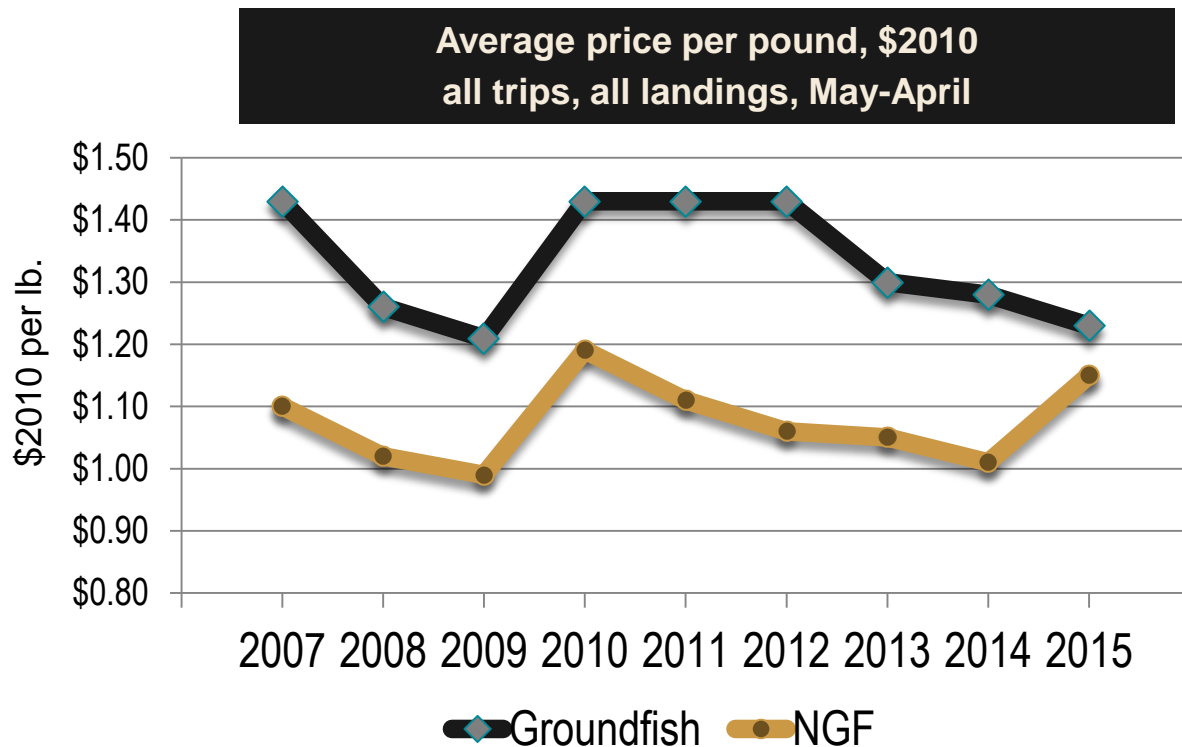
**GF landings at a 9 year low in 2015 (41.6 million lbs. in 2015, -34.5% from 2007)**

**NGF landings are relatively more stable (189.5 million lbs. in 2015, -3.2% from 2007)**

**Landings for all limited access groundfish vessels  
all trips, million landed pounds, May-April**



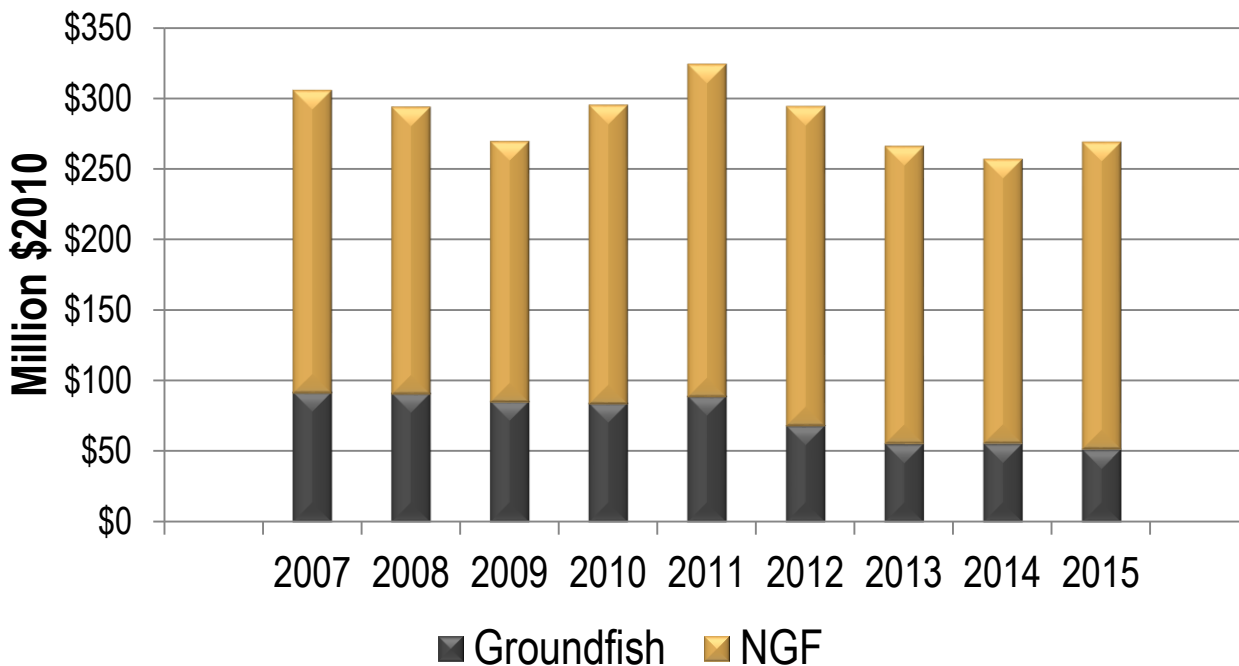
**Average GF price has trended downward since 2010.  
In 2015, average NGF price was \$0.14/lb. higher than in 2014  
and at its second highest value in the 9 yr. period.**



Since 2010,  
CP vessels have  
typically received  
higher average  
prices for GF and  
NGF than sector  
vessels.

Total gross revenues up 4.6% in 2015 compared to 2014, but down 12% overall from 2007.

Revenues for all active limited access groundfish vessels  
all trips, million \$2010, May-April



The GF share of total revenues was 29.8% in 2007, peaked at 31.4% in 2009, and dropped each year afterwards to 9 yr. low of 19% in 2015.

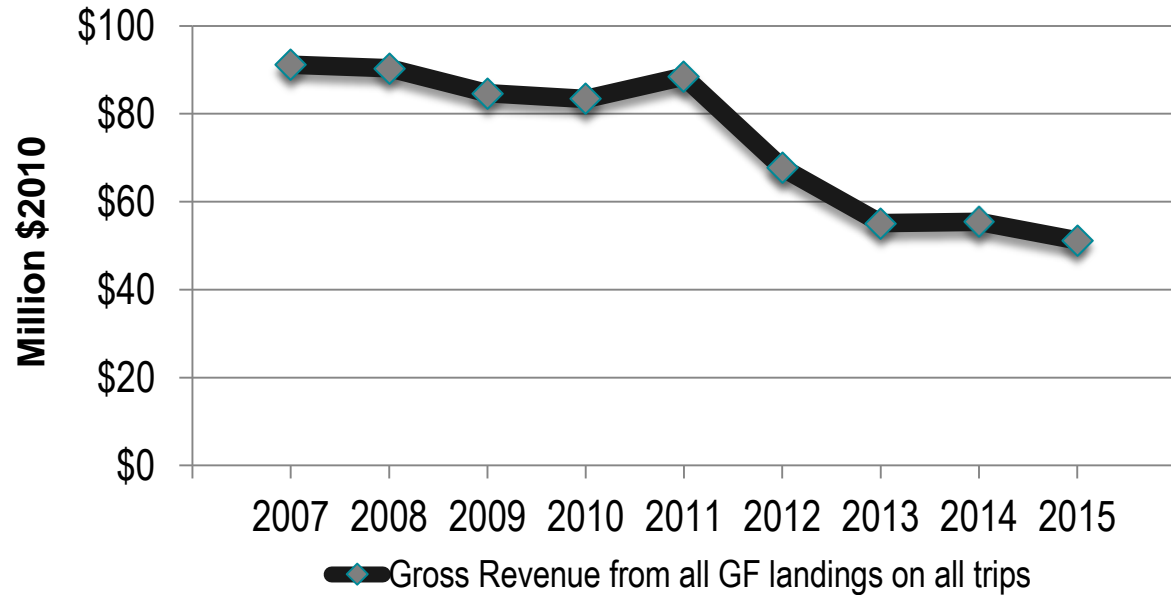
**GF revenues at a 9 year low in 2015 (\$51.2M)**

**Down \$4.2M (-7.6%) from 2014**

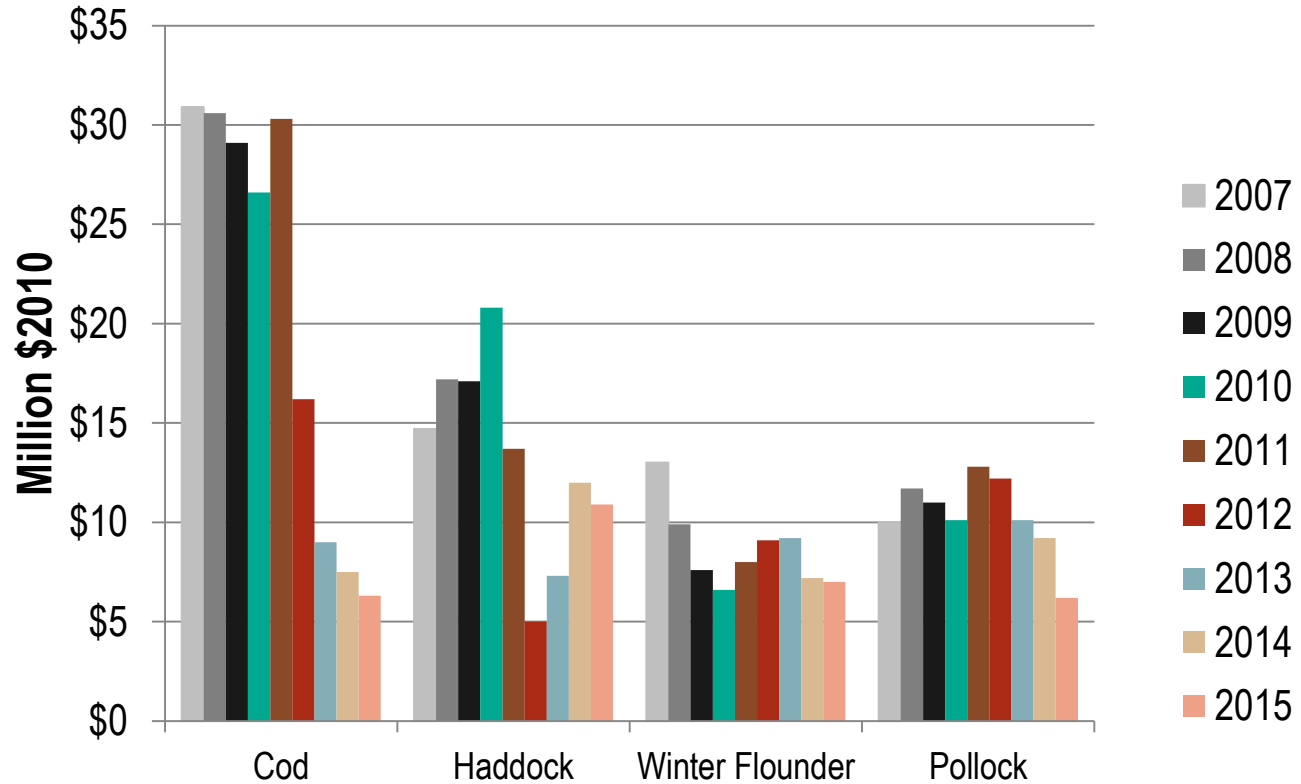
**Down \$40.0M (-43.9%) from 2007**

In 2015, sector  
vessels earned  
97.7% of the total  
value of GF landings.

**Value of Groundfish Landings  
all trips, million \$2010, May-April**



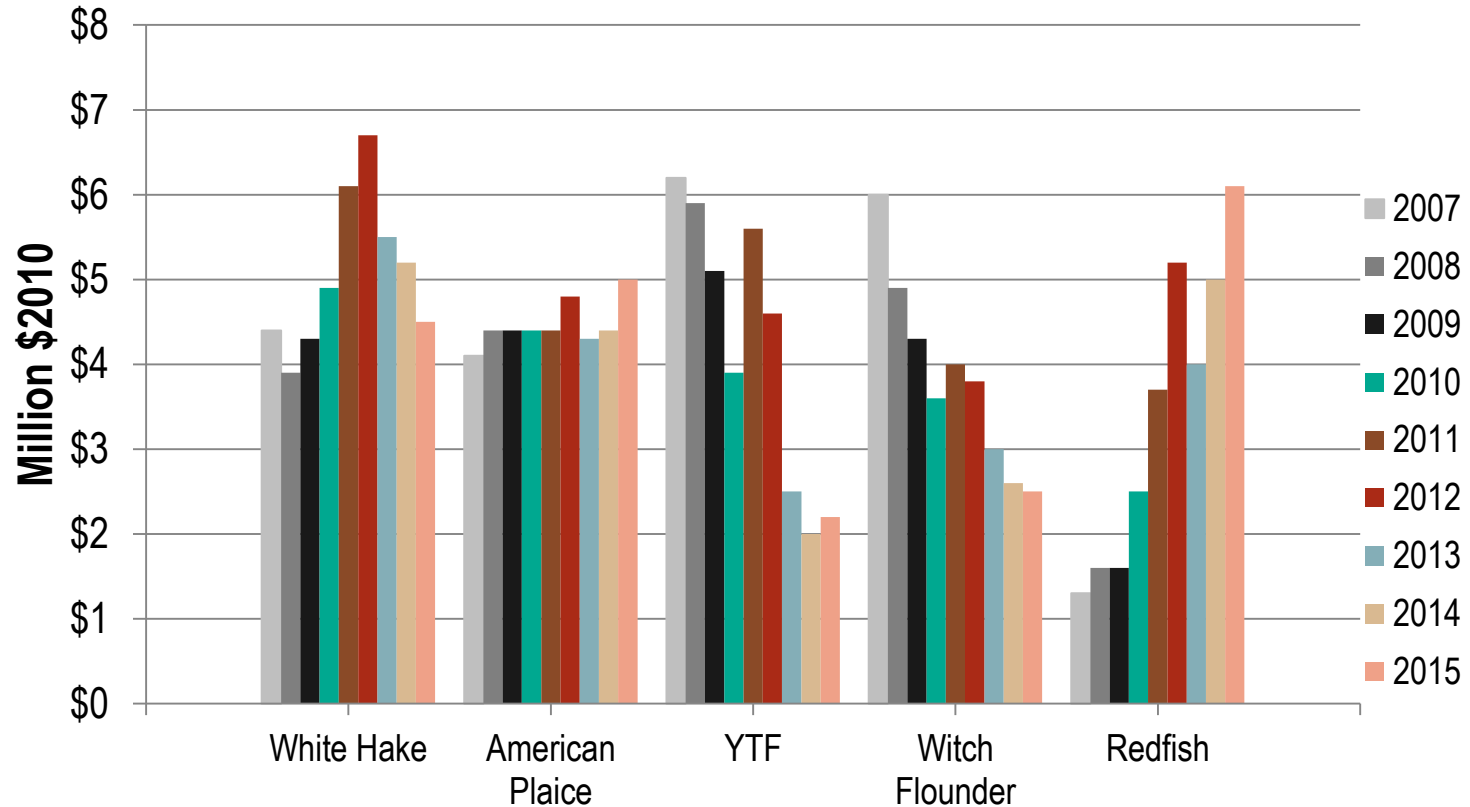
## Value of Allocated GF Species all trips, million \$2010, May-April



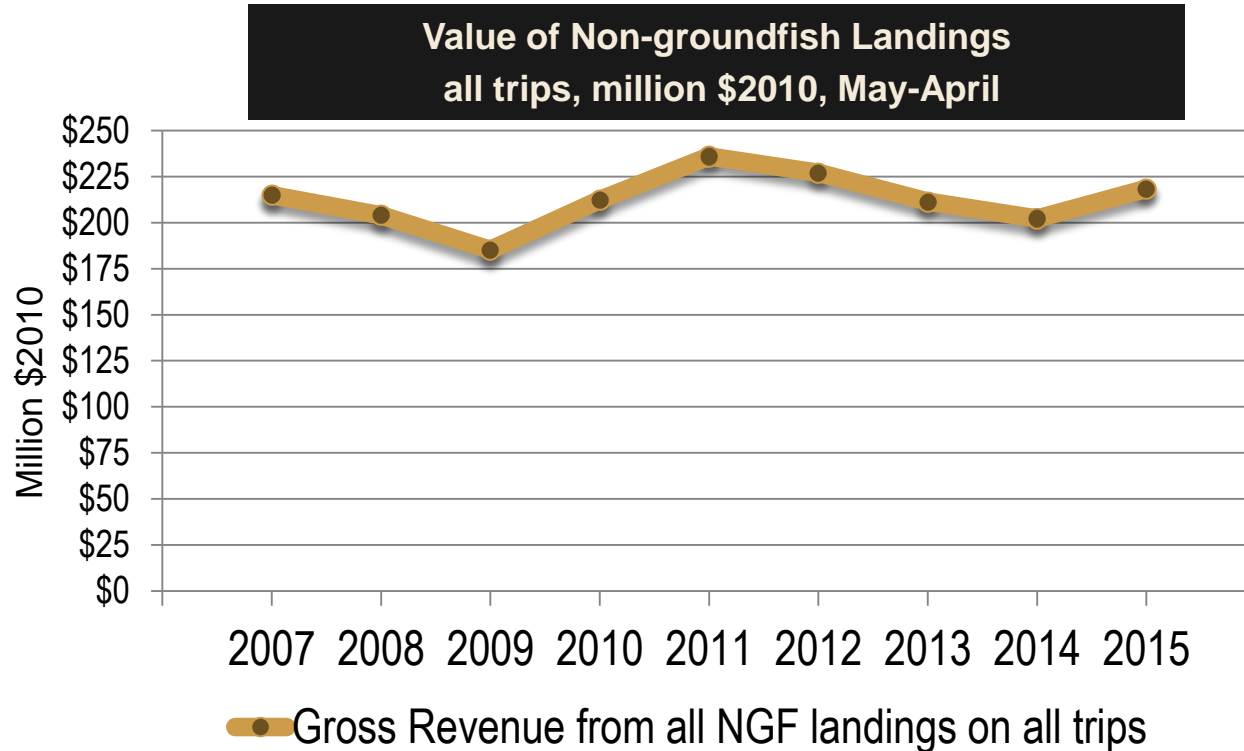
In 2015, 12.3% of GF revenue was from cod, compared to >30% in 2007-2011. Cod revenues fell 79.6% overall from 2007-2015.



**Value of Allocated GF Species (continued)**  
**all trips, million \$2010, May-April**



NGF revenues increased 1.6% overall from 2007-2015.  
NGF revenues were at their 3<sup>rd</sup> highest value in the 9 yr.  
period in 2015 (\$218.4M), up 8% from 2014.

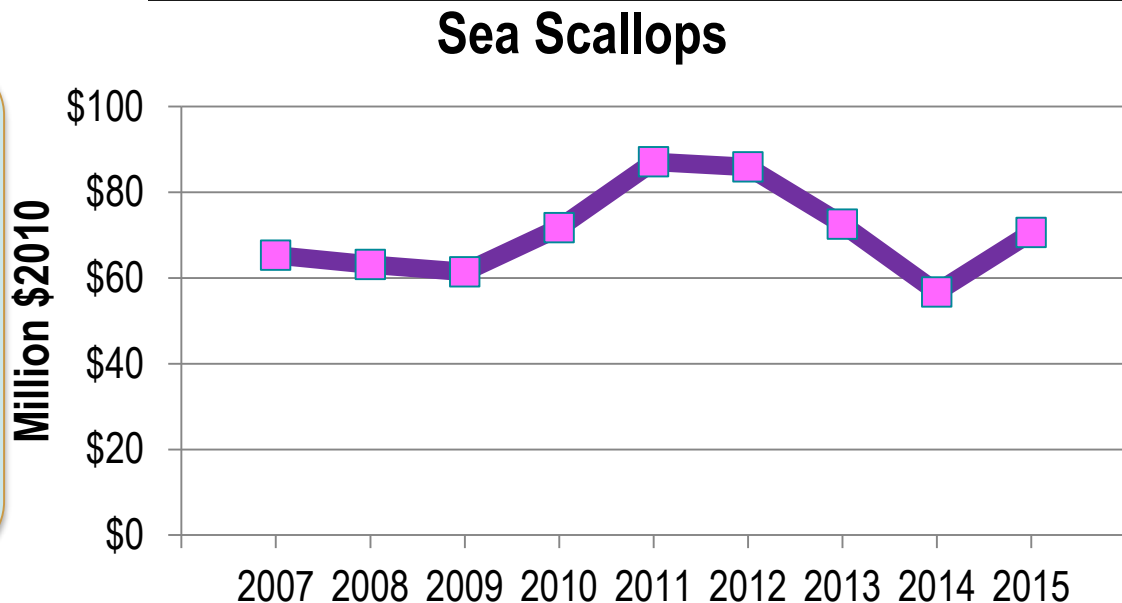




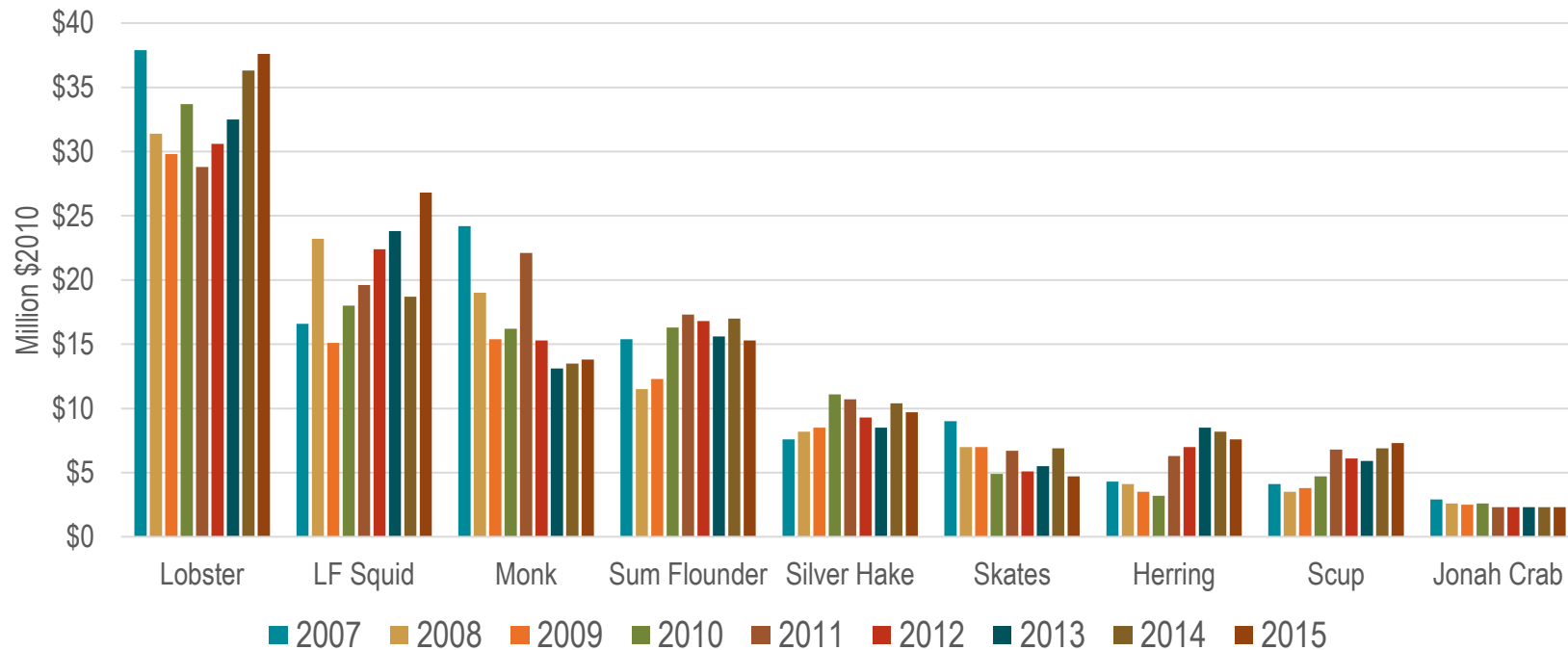
**Scallop revenue earned by the fleet was up 8.1% overall from 2007-2015, with landings down 34.4% and average price up 64.9%.**

**Top NGF Species landed by the limited access GF Fleet, by value  
Sea Scallops  
all trips, million \$2010, May-April**

Between 2007-2015, the percentage of NGF revenue from scallops ranged from 28.0% (2014) to 37.8% (2012). In 2015, 32.3% of NGF revenue earned by the fleet was from scallops.



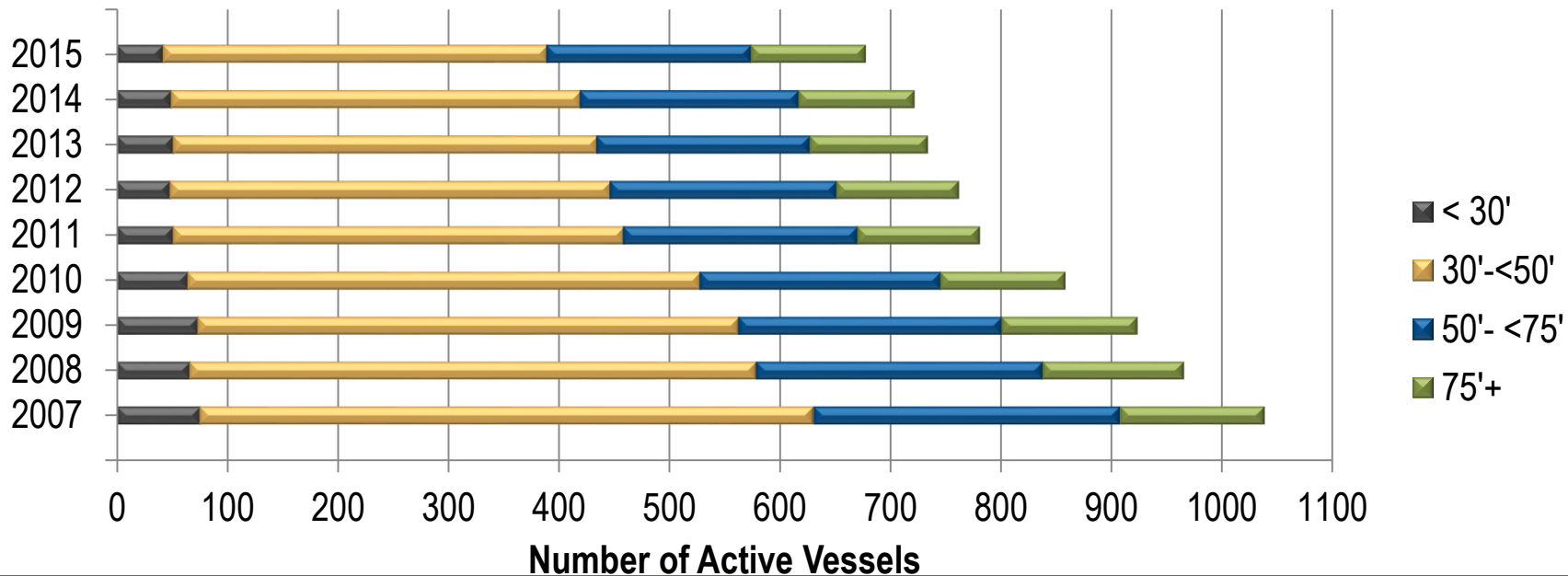
**Top NGF Species landed by limited access GF fleet, by value  
(excluding scallops)  
all trips, million \$2010, May-April**



## Fewer active vessels across all vessel length classes

Down 6.1% (-44 vessels) from 2014, down 34.7% (-361 vessels) from 2007

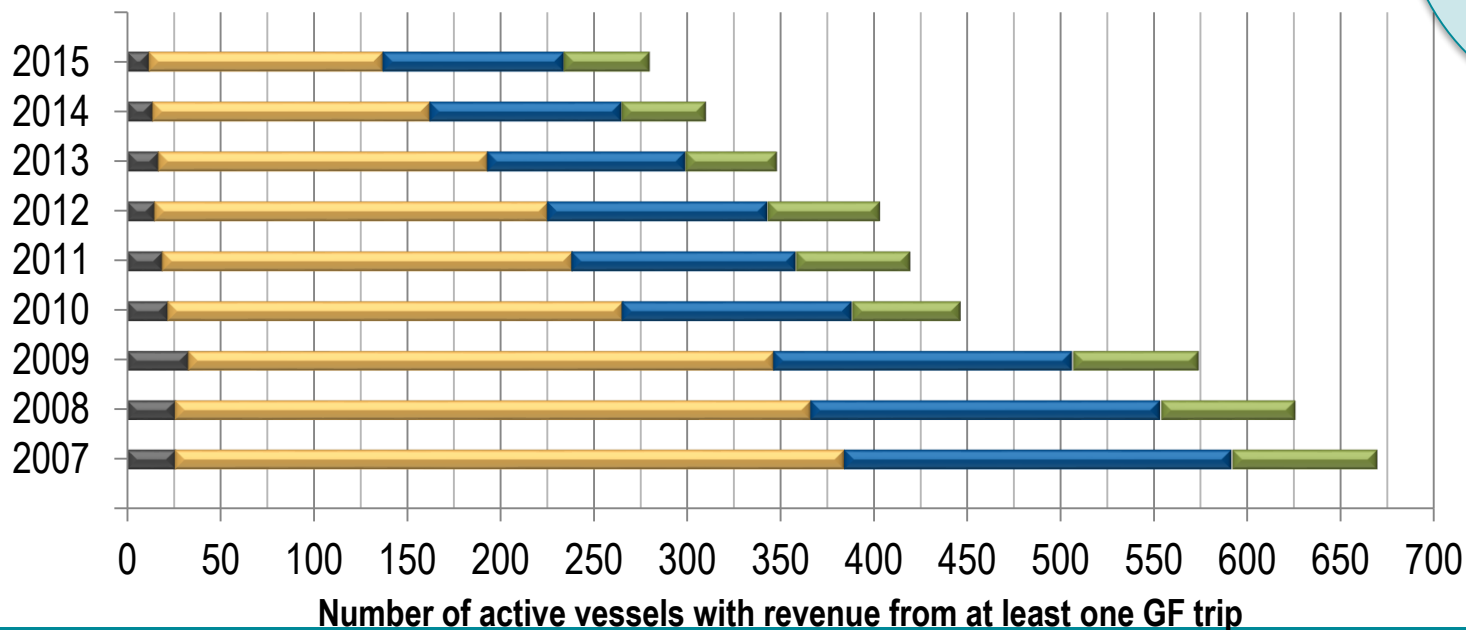
Number of limited access groundfish vessels  
with revenue from any species, May-April



## Fewer active vessels targeting GF across all vessel length classes

Down 9.7% (-30 vessels) from 2014, down 58.1% (-389 vessels) from 2007

### Number of active limited access groundfish vessels with revenue from at least one GF trip, May-April



The % of the fleet earning revenue from GF trips has fallen overall, from 64.4% in 2007 to 41.3% in 2015.

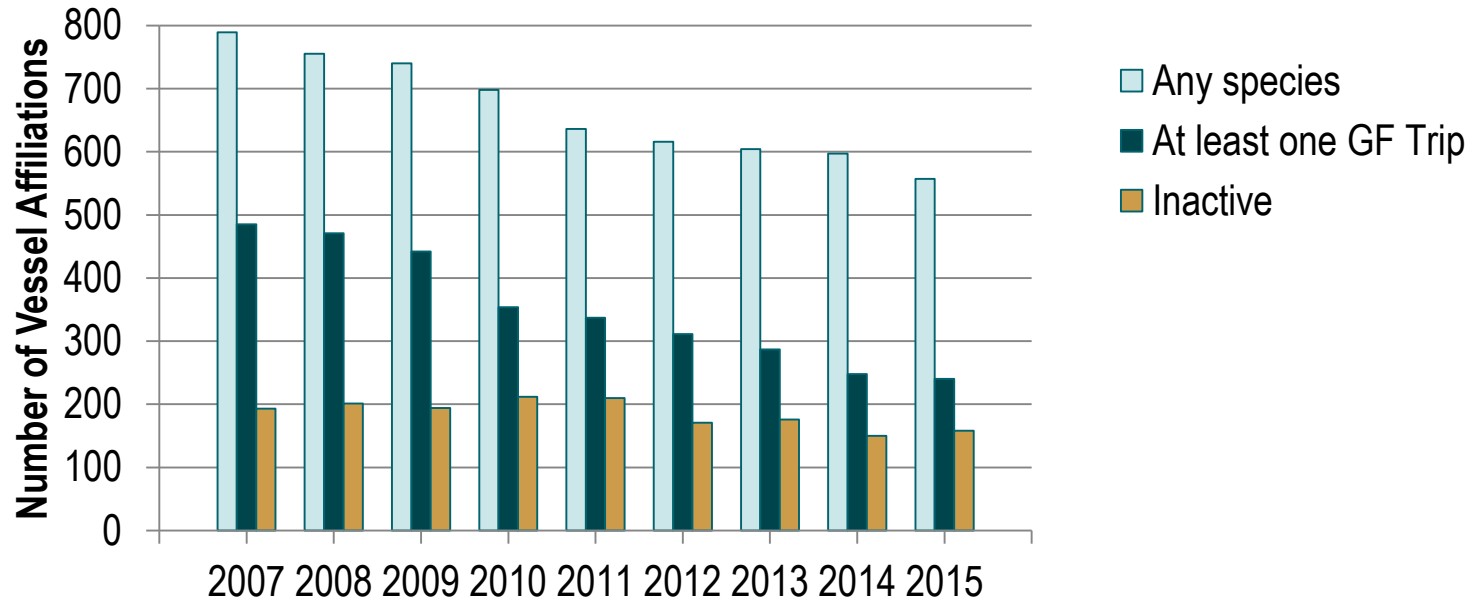
## Fewer Active Vessel Affiliations

Affiliations with revenue from any species down 29.4% (-232 affiliations) in 2015 from 2007.

Affiliations with revenue from GF trips down 50.5% (-245 affiliations) in 2015 from 2007.

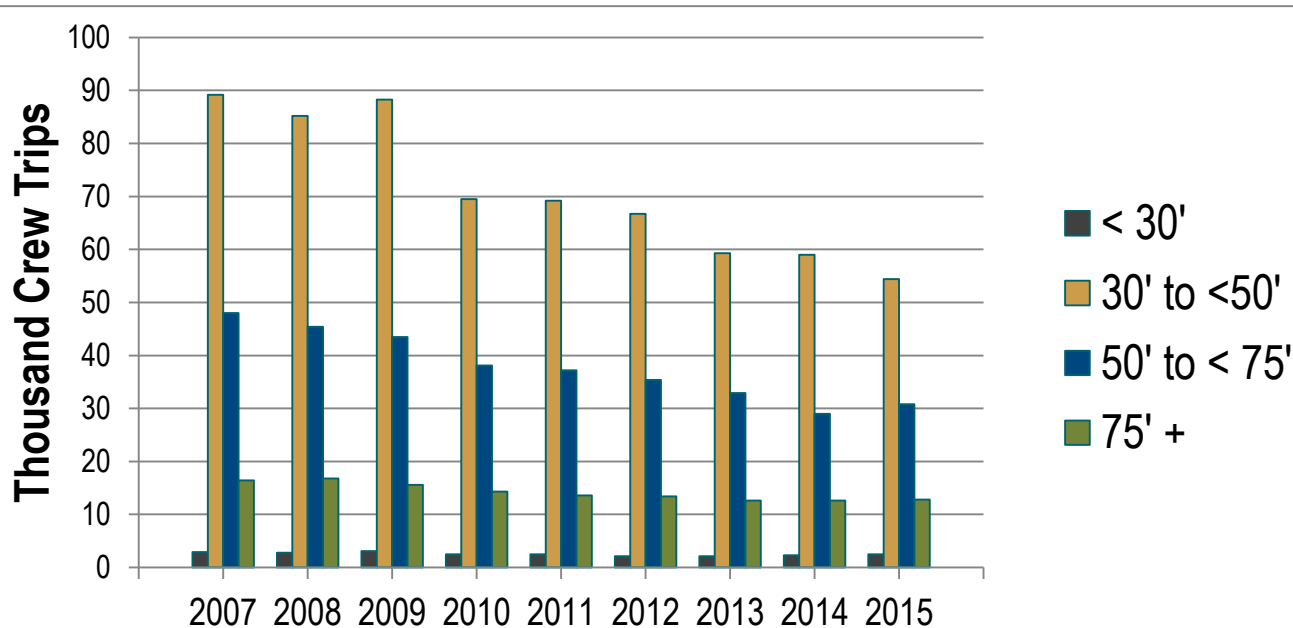
### Number of Vessel Affiliations

(with revenue from any species, with revenue from at least one GF trip, and inactive)



The number of crew trips fell over 2007-2015 across all vessel length categories and was down 35.8% in 2015 from 2007 for all vessels combined. Decreases over 2007-2015 ranged from -14.5% for <30' to -39.0% for 30' to <50' vessels.

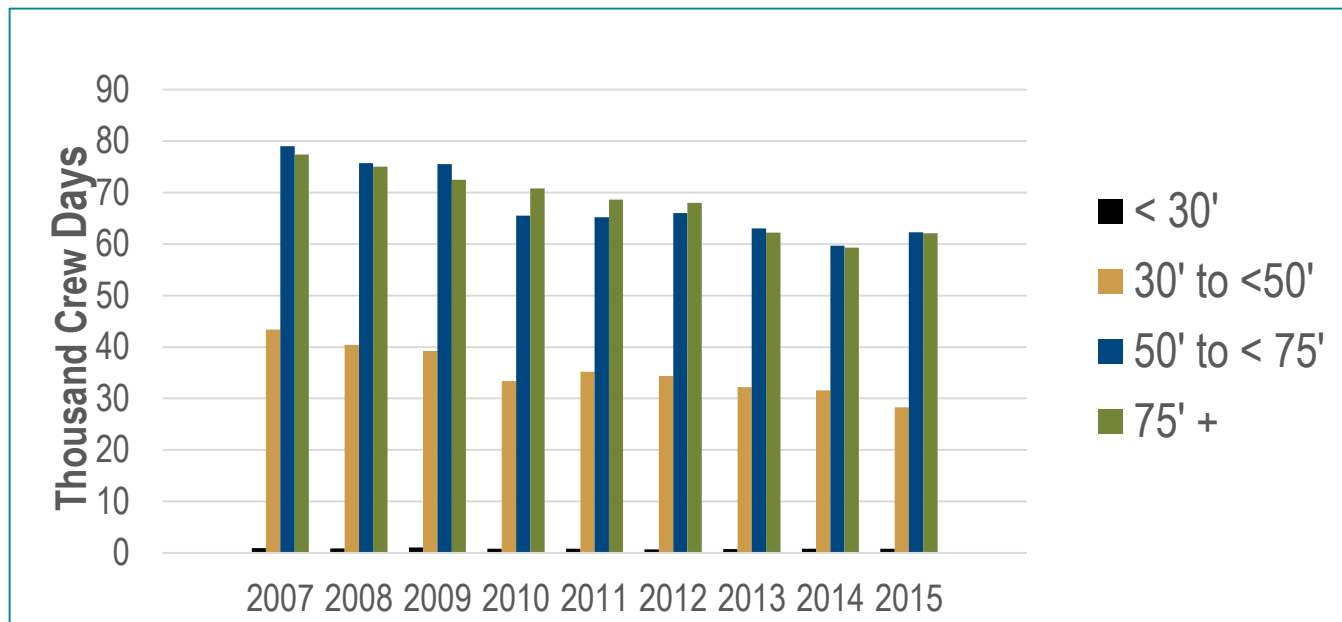
### Number of Crew Trips by Vessel Length Category (thousand trips, all trips, May-April)



All home ports saw declines in the number of crew trips over 2007-2015.

The number of crew days for all vessels combined was down 23.5% from 2007-2015. Decreases over 2007-2015 ranged from -13.4% for <30' to -34.8% for 30' to <50' vessels.

### Number of Crew Days by Vessel Size Category (thousand days, all trips, May-April)



All home ports saw declines in the number of crew days over 2007-2015.

# More on Crew Employment

- Crew positions for all trips by all limited access GF vessels were at a 9 yr. low in 2015, with a 29.0% overall decrease from 2007 .
- Most home ports have seen declines in crew positions over 2007-2015; these declines range from -7.7% (-13 positions) in NJ to -54.0% (-67 positions) for NH. MA lost the greatest number of crew positions in absolute terms (-463 crew positions).
- For all vessels combined, crew days on all trips generally declined over 2007 (200,622 crew days) to 2015 (153,550 crew days), but crew days were slightly higher in 2015 than in 2014 (151,479 crew days).
- Crew trips decreased more rapidly than crew days. The ratio of crew days to crew trips increased from 2007 (1.28) to 2015 (1.53), which means that crew are spending more time per earning opportunity.



# Measuring Economic Performance

## ■ Estimation of Net Revenue

- Net Revenue = Gross Revenue – Trip Costs
  - Trip costs included: fuel, oil, ice, bait, food, water, damages, lumpers fees and sector membership fees. Communication and trucking costs not accounted for.

## ■ Limitations

- Does not account for quota leasing costs incurred or leasing revenues received.
- Does not reflect fixed costs.
- Net revenue is not a measure of profitability.

# Net Revenue Estimation

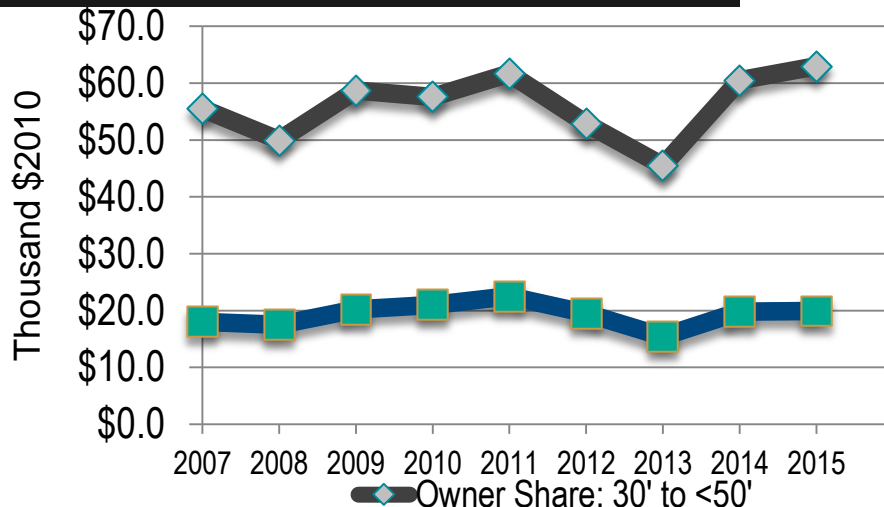
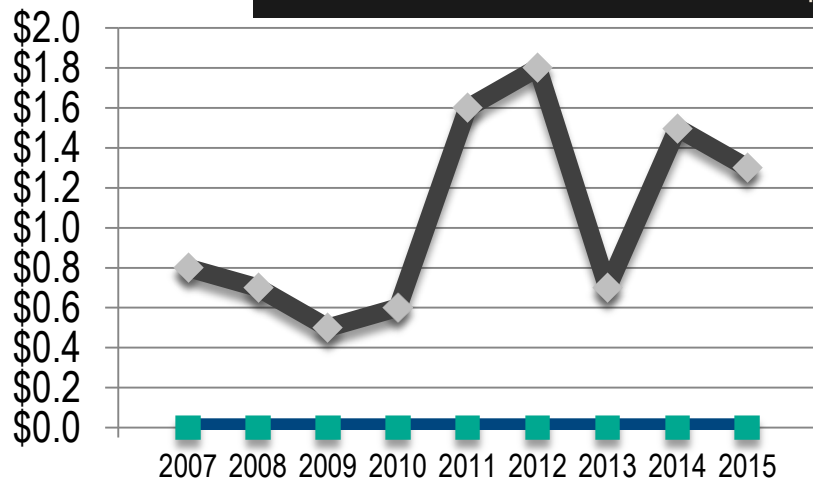
## ■ Methodology and Assumptions

- Trip costs for all trips were estimated using cost information from observed trips. Average costs per day were estimated for 184 vessel types (based on gear, vessel length, trip duration and fishing year).
- Assumptions about whether the vessel is operated by the owner or a hired captain (based on data from cost survey):
  - Vessels < 75':
    - Crew of <3: operator is owner.
    - Crew of 3+: operator is a hired captain.
  - Vessels 75'+: operator is assumed to be a hired captain.

Median Per Vessel Owner Share of Net Revenue increased overall from 2007-2015 for <30' vessels (+62.5%, +\$0.5 thousand) and for 30' to <50' vessels (+13.5%, +\$7.5 thousand).

Median Per Vessel Crew Share of Net Revenue also increased from 2007-2015 for 30' to <50' vessels (+10.6%, +\$1.9 thousand). These estimates are not adjusted for leasing.

**Median owner and crew shares of net revenue per vessel for  
<30' and 30' to <50' vessels  
thousand \$2010, all trips, May-April**



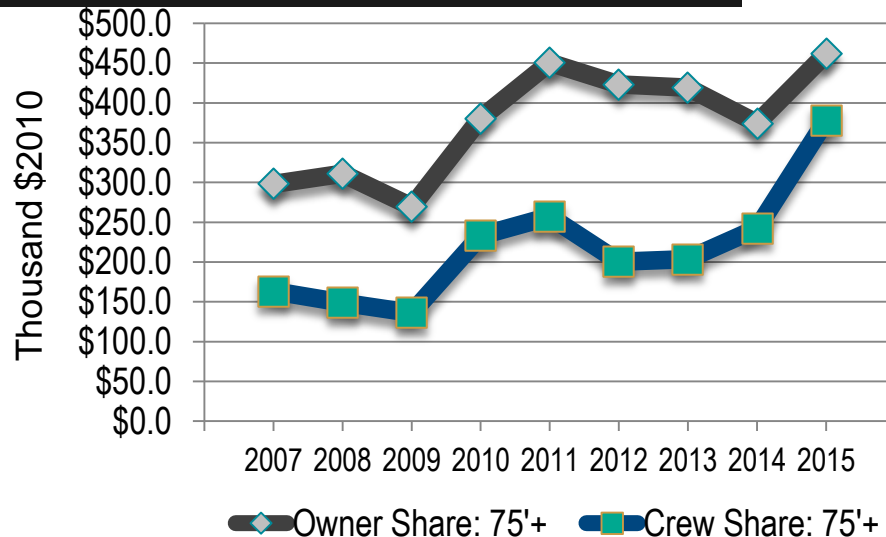
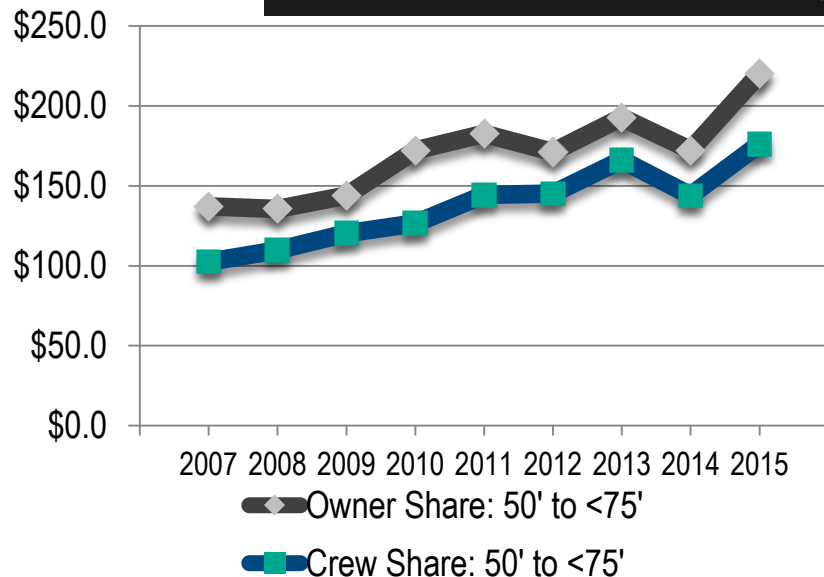
Owner Share: <30' Crew Share: <30'

Owner Share: 30' to <50'  
Crew Share: 30' to <50'

Median Per Vessel Owner Share of Net Revenue increased overall from 2007-2015 for 50' to <75' vessels (+60.7%, +\$83.2 thousand) and for 75'+ vessels (+54.8%, +\$163.4 thousand).

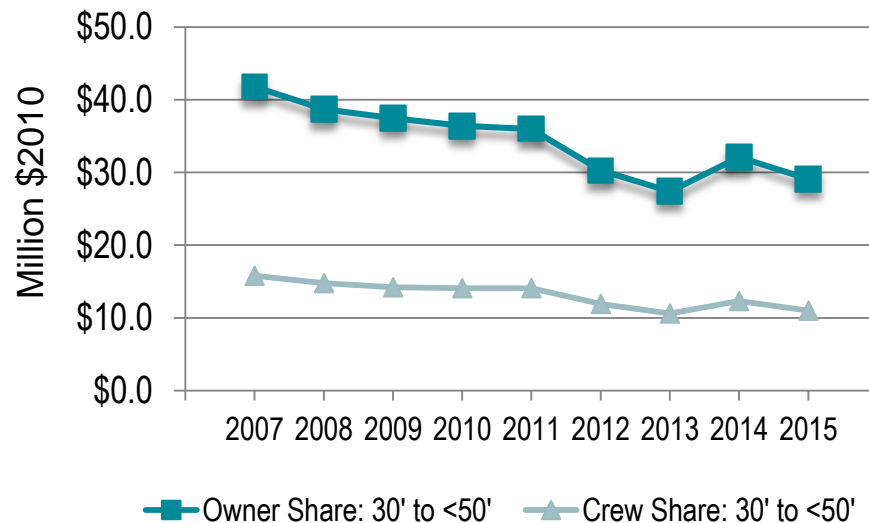
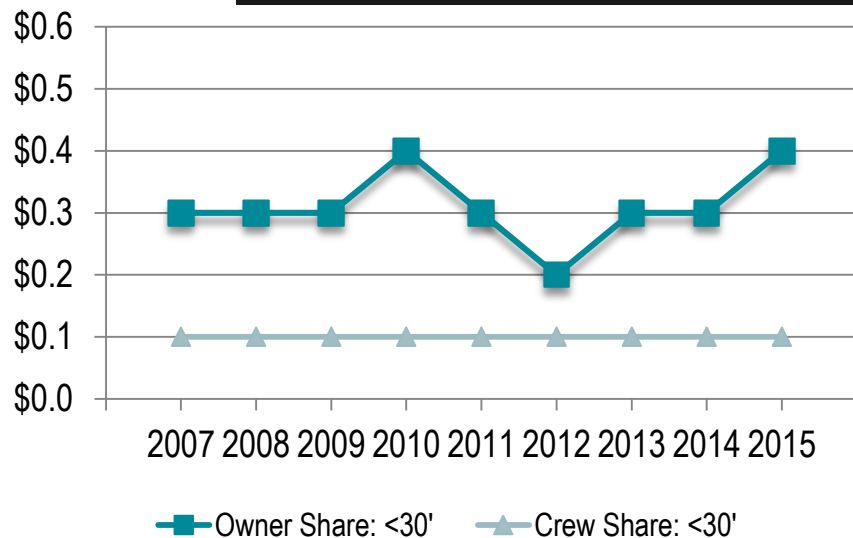
Median Per Vessel Crew Share of Net Revenue also increased from 2007-2015 for 50' to <75' vessels (+71.8%, +\$73.7 thousand) and for 75'+ vessels (+131.5%, +\$214.9 thousand). These estimates are not adjusted for leasing.

**Median owner and crew shares of net revenue per vessel for  
50' to <75' and 75'+ vessels  
thousand \$2010, all trips, May-April**



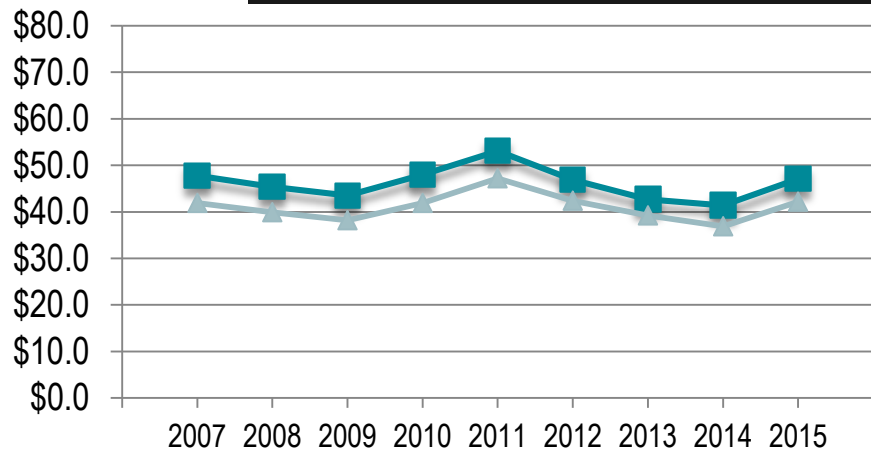
Fleet Level Owner Share of Net Revenue increased overall from 2007-2015 for <30' vessels (+33.3%, +\$100,000).  
 Fleet Level Owner and Crew Shares of Net Revenues for 30' to <50' vessels decreased 30.4% from 2007-2015,  
 in part b/c of the decline in active vessels in this category (-37.5%).  
 These estimates are not adjusted for leasing.

**Fleet Level Owner and Shares of Net Revenue for  
 <30' and 30' to <50' vessels  
 million \$2010, all trips, May-April**

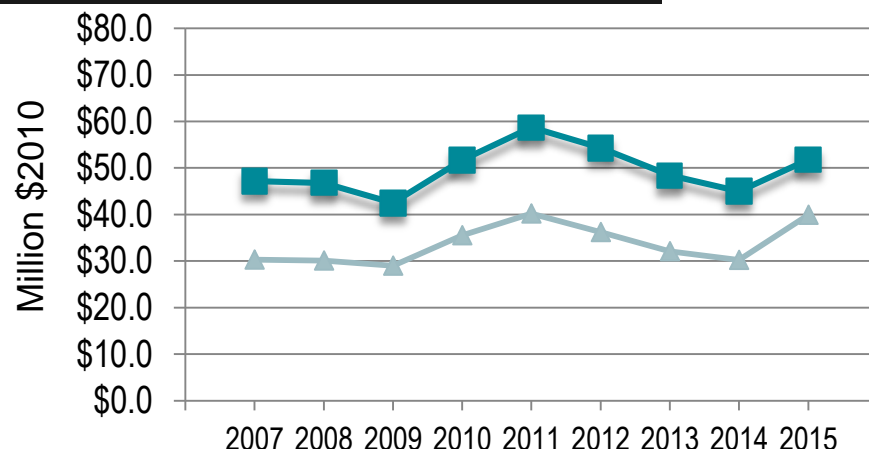


Fleet Level Owner and Crew Shares of Net Revenue for 50' to <75' fluctuated slightly during 2007-2015, with a 1.5% decrease overall for owner share and a 0.7% increase overall for crew share. Fleet Level Owner and Crew Shares of Net Revenue for 75'+ vessels increased overall from 2007-2015, by 9.7% and 31.7%, respectively. These estimates are not adjusted for leasing.

### Fleet Level Owner and Crew Shares of Net Revenue for 50' to <75' and 75'+ vessels million \$2010, all trips, May-April



Owner Share: 50' to <75' Crew Share: 50' to <75'



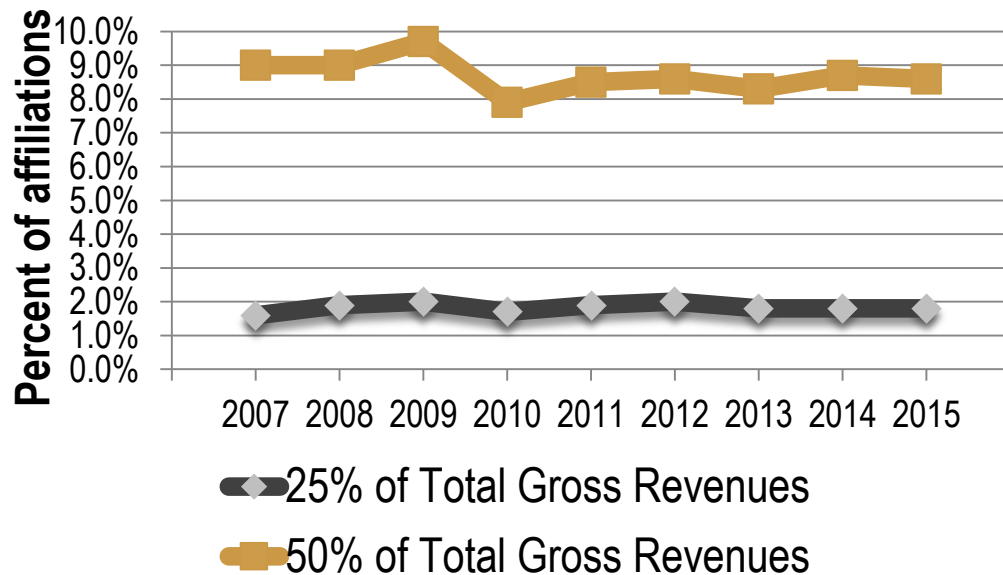
Owner Share: 75'+ Crew Share: 75'+

# **Consolidation and Distribution of Revenues from Landings by the Active Limited Access GF Fleet**

- Consolidation of revenues:
  - A shift in the GF fishery towards fewer active vessels or fewer active vessel affiliations earning from GF and all species.
  
- Distribution of revenues:
  - The distribution of GF revenues and total gross revenues among the remaining active vessels and vessels affiliations in the fishery.

**Total Gross Revenues  
(GF + NGF species combined)**

**Percent of vessel affiliations  
earning top 25% and 50% of total gross revenues  
from all species landed**

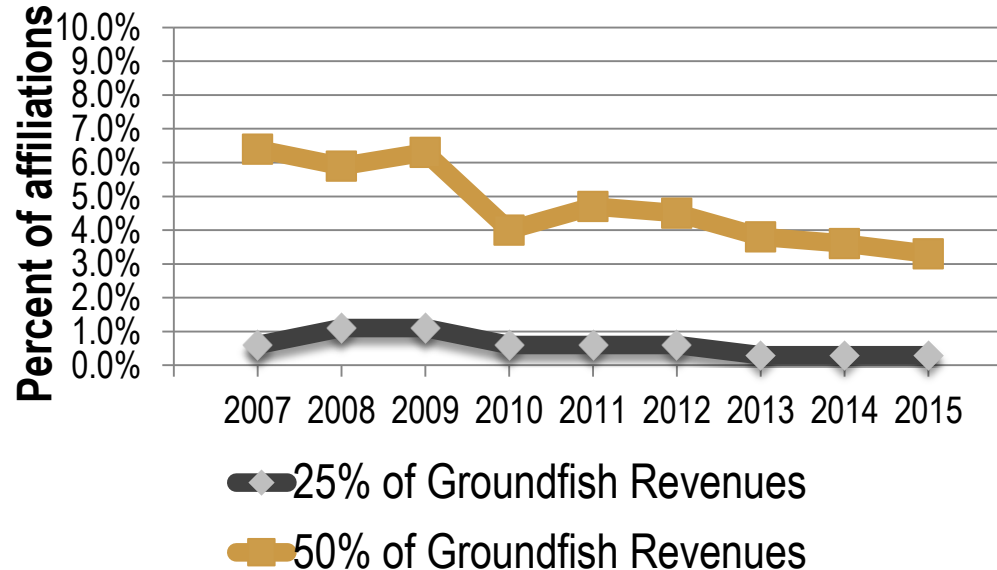




## Groundfish Revenues

GF Revenues are more consolidated than Total Gross Revenues

**Percent of vessel affiliations  
earning top 25% and 50% of groundfish revenues from landed GF**

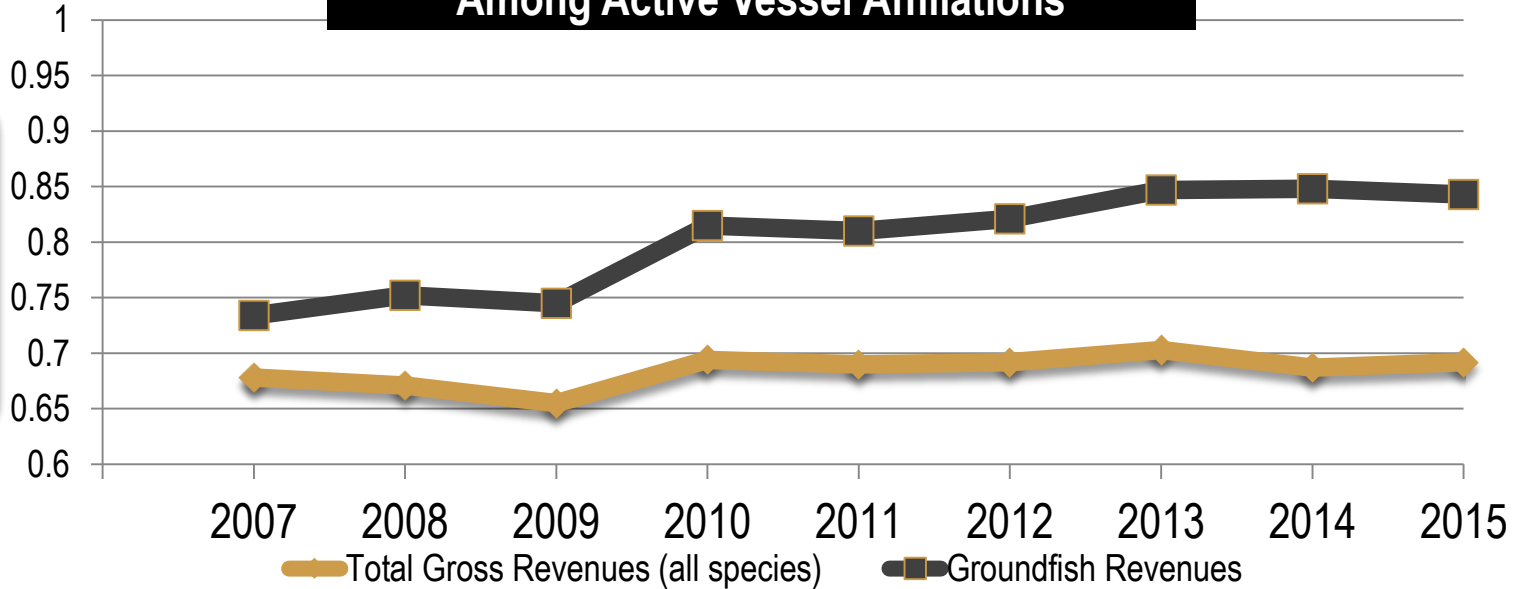


Both total gross revenues and groundfish revenues were not equally distributed among active vessel affiliations at any point during 2007-2015.

GF revenues are more concentrated (or less equally distributed) than total gross revenues, and there has been an increase in the concentration of GF revenues during 2007-2015.

### Gini Coefficients for Distribution of Revenues Among Active Vessel Affiliations

Gini  
Coefficient  
1 = Perfect  
Inequality  
0 = Perfect  
Equality

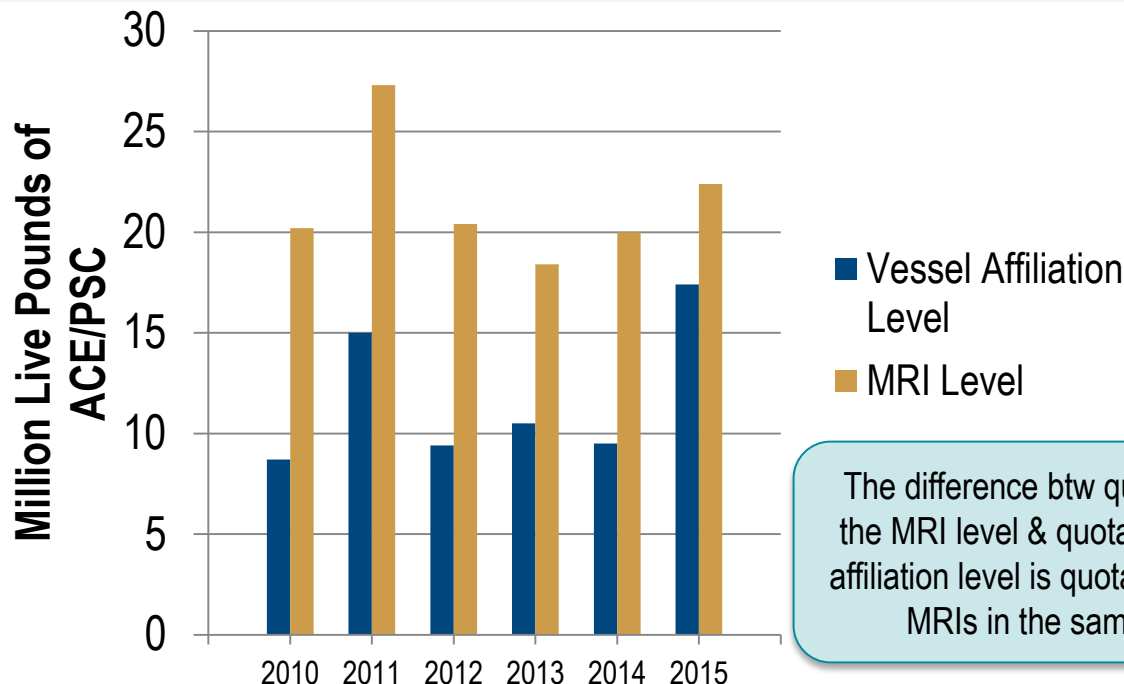


# Leasing Activity

The no. of MRIs leasing in quota fell each yr. from 2010-2015, for an overall 35.1% decrease (-68 MRIs), while quota volume leased in increased 10.9% overall from 2010-2015.

The no. of vessel affiliations leasing in quota also fell over 2010-2015 (-22.7%, - 44 affiliations). The volume of quota leased in by vessel affiliations fluctuated from yr. to yr., with 2015 representing a 6 yr. high.

Overall ACE utilization rate has ranged from 32% in 2012 to 42% in 2011, and was 35% in 2015.

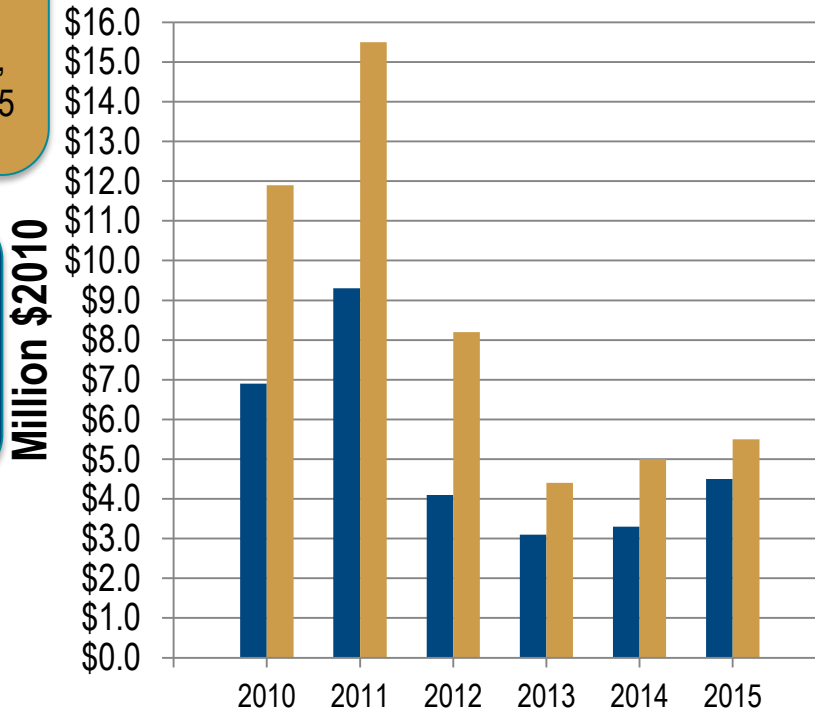


The difference btw quota leased in at the MRI level & quota leased in at the affiliation level is quota leased between MRIs in the same affiliation.

# Value of ACE/PSC Leasing (million \$2010, May-April)

MRI level: the total value of quota leased in decreased 53.8% (-\$6.4M) since 2010, but was higher in 2015 than 2014.

Affiliation level: the total value of quota leased in decreased -34.8% (-\$2.4M) from 2010.



- Transfers Between Vessel Affiliations
- Transfers Between MRIs

In each yr. from 2010-2015, vessels in the 30' to <50' length class account for the largest percentage of vessels that lease in quota.

# More on leasing activity

- At the stock level, utilization rates in 2015 ranged from 6.0% (GB East Haddock) to 100% (GOM Cod).
- GOM Cod had the highest lease price (\$2.29/live lb.) of any allocated stock in 2015; GOM Cod's lease price exceeded its average ex-vessel price in 2015 (\$2.12/live lb.).
- For the other allocated GF stocks for which a lease price could be determined in 2015, the ratio of lease price to ex-vessel price ranged from 11% (GB West Cod) to 69% (SNE/MA Winter Flounder).

# Summary

- GF revenue was at a nine yr. low in 2015 due to both decreases in landings and in average ex-vessel price (aggregated over all GF stocks).
- Due to declining GF revenue and the relative stability of NGF revenue, the limited access GF fleet must increasingly rely on NGF.
- The size of the active limited access GF fleet continued to decline, with the decline more marked in vessels that target GF.
- Fishing effort in the fleet declined overall, and declines in effort on GF trips were more marked than those on NGF trips.

# Summary (continued)

- Opportunities for crew on limited access GF vessels generally declined over 2007-2015. Total crew positions, crew trips and crew days were at 9 year lows in 2015.
- While the number of MRIs and Vessel Affiliations leasing in quota fell over 2010-2015, the volume of the quota market (total live pounds) generally increased.
- For those remaining in the active fleet, net revenue trends vary depending on vessel size and trip type. Net revenue estimates do not account for leasing activity.
- Both total gross revenues from all species and revenues from groundfish were concentrated in 2007 and remained so during the 9 year time span. Concentration in GF revenues increased during 2007-2015.

# Thank you!

For more information about the 2015 Final Report  
on the Performance of the Northeast Groundfish Fishery,  
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