

BC Individual Vessel Quota Experience:

What Can We Learn?

Why Look To the North?

- BC trawl fishery similar to west coast
 - Similar species, gear, markets
- Prior to IVQs, fishery faced many of the same problems now plaguing west coast fishery
 - Overcapitalization
 - Bycatch/discard concerns
 - Unprofitable fishery
 - Poor data collection and monitoring
 - Market concerns
 - Uncertain future

Why Now?

- Moratorium on IFQs has been lifted so individual quota management now a viable option for US fisheries
- Council has identified IFQ management as intermediate to long-term strategic goal
- Recent Sacramento Bee article indicated that IVQs have improved sustainability and economic viability of BC fishery
- Industry interest in IFQs increasing

The BC Meeting

Who

West Coast Participants:

- Trawl vessel owners from 3 states
- Environmental Defense staff/consultant
- Council economist

BC Participants:

- Vessel Owners
- Processor
- Government Managers
- Union Rep
- Industry Organization Leaders
- Quota Brokers

The BC Meeting

What: Meeting to learn about IVQ program
and lessons for west coast groundfish
fishery

Where: New Westminster, BC

When: June 24, 2003

Pre-IVQ Management



- Monthly trip limits
- Individual groundfish species TACs managed on coastwise basis
- 12 month season, broken into 4 periods
- Vessel and gear restrictions
- Closed areas
- 100% dockside monitoring

What Was Wrong?

From a Conservation Perspective

- Stock-specific management not possible
- Entire coastwide TAC could be taken out of single area
- Declining trip limits led to higher levels of unreported or misreported catch by area
- Stock assessment capabilities reduced
- TACs being exceeded

What Was Wrong

From an Industry Perspective

- Costs increasing
- Landed value of catch decreasing
- Fishing time decreasing
- TACs declining
- Increasingly restrictive regulations
- Markets being lost
- Long-term planning impossible
- Instability and risk increasing
- Poor earnings for vessel and crew

IVQ Program Development

Key Elements

- Government provided strong leadership
- All interest groups involved in designing program
- System designed specifically for needs of BC trawl groundfish fishery

Common IFQ Concerns To Be Addressed

Concern: Excessive consolidation of quota

BC solution:

Each trawl license subject to:

- total holdings cap
- individual species caps ranging from 4%-10% of coastwide TACs

Common IFQ concerns to be addressed

Concern: Quota transferred away from working fishermen

BC solution:

- Quota can only be transferred among trawl licensed vessels
- Transferability rules reviewed every 3 years
- Transferability viewed as critical for operational flexibility

Common IFQ concerns to be addressed

Concern: Duration of program

BC solution:

- No sunset, but government has the right to terminate
- Program reviewed every 3 years and modified to improve the program

Common IFQ concerns to be addressed

Concern: Bycatch

BC solution:

- Allocate IVQs for all TAC species, including bycatch species
- Monitor at-sea catch/mortality
- Individual accountability: All vessels must have IVQ to cover bycatch
- If IVQ exceeded for any species, vessel restricted to mid-water fishing until following season or until more IVQ obtained

Common IFQ concerns to be addressed

Concern: Monitoring

BC solution:

- All trawl vessels required to carry observers on every trip, except when fishing midwater trawl for whiting
- 100% dock-side monitoring
- Hail in and out requirements and designated off-loading locations
- Comprehensive data mgmt program provides quota data on a timely basis

Common IFQ concerns to be addressed

Concern: Effect of IFQs on processing sector and coastal communities

BC solution:

- Reserve 10% of IVQs to be allocated annually as Groundfish Development Quota (GDQ)
- Provide process where processors and vessel owners jointly submit proposals for GDQ
- Amount of GDQ allocated based on amount of fish committed in the proposal, processor production history and proposal rating by Groundfish Development Authority.

GDQ rating criteria

- Market stabilization
- Maintenance of existing processing capability
- Employment stabilization
- Economic development/benefits in coastal communities
- Increased value of groundfish production
- Industry training opportunities
- Sustainable fishing practices

How have things changed?



“When I first saw my quota, I almost puked. I thought I was finished....

Now, my revenues are higher than they’ve ever been..

But what is most interesting to me is when I’m out trawling and I see a school of fish I’m thinking, ‘I know your parents..they did me well..now do me well...Be productive..’”

--Brian Mose

F/V Frosti

How have things changed?

From a conservation perspective

	<i>Before IVQs</i>	<i>After IVQs</i>
Individual Stock Management	Poor: Unable to manage on stock specific basis; many over-harvested	Good: Management of most species on a stock-specific basis; all harvest within TACs

How have things changed?

From a conservation perspective

<p>Data Collection and Information for Management and Science</p>	<p><i>Before IVQs</i></p> <p>Poor</p> <ul style="list-style-type: none">• No stock specific catch data or at-sea discard info• Stock assessment capabilities eroded	<p><i>After IVQs</i></p> <p>Improved</p> <ul style="list-style-type: none">• Reliable stock specific catch, discard and mortality info• Increased research through co-management
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How have things changed?

From a conservation perspective

	<i>Before IVQs</i>	<i>After IVQs</i>
At-sea discards and mortality	Increasing levels of unrecorded discards and mortality as trip limits declined (halibut bycatch 2million lbs)	Reduced discards and mortality due to individual accountability and at-sea observation (halibut bycatch 300,000lb)

How have things changed?

From a conservation perspective

<p>Sustainable Fishing Practices</p>	<p><i>Before IVQs</i></p> <p>Poor</p> <p>“Race for fish” works against sustainable practices</p>	<p><i>After IVQs</i></p> <p>More Evident</p> <ul style="list-style-type: none">• Shorter tows• More selective gear• Avoidance of high bycatch areas
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How have things changed?

From a conservation perspective

<p>Stewardship of the Resource</p>	<p><i>Before IVQs</i></p> <p>Poor</p> <ul style="list-style-type: none">•Attitude: conservation someone else's problem	<p><i>After IVQs</i></p> <p>Improved</p> <ul style="list-style-type: none">•Attitude: Desire to improve health of stock
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How have things changed?

From an industry perspective

	<i>Before IVQs</i>	<i>After IVQs</i>
Active Fleet	120-135 vessels	60-80 vessels
Fishing Strategy	Maximize catch each trip	Maximize value of catch for year
Efficient and effective fleet operations	Poor: Most vessel fished coastwide for all trip limits available	Improved: Increased specialization and regionalization

How have things changed?

From an industry perspective

	<i>Before IVQs</i>	<i>After IVQs</i>
Landed Value of Catch	<p>Declining due to poor quality, supply gluts, lost markets</p> <p>In 1996, 29,000mt worth Can\$21 million landed by bottom trawl gear</p>	<p>Increasing due to improved quality, better servicing of market</p> <p>In 2000, 26,000mt worth Can \$34 million landed by bottom trawl gear</p>

How have things changed?

From an industry perspective

	<i>Before IVQs</i>	<i>After IVQs</i>
Ex-vessel prices	<p>Poor and declining</p> <p>1994</p> <ul style="list-style-type: none">•POP avg. price=Can\$0.20/lb•Lingcod avg price=Can\$0.39/lb	<p>Improved and increasing</p> <p>2001</p> <ul style="list-style-type: none">•POP avg. price=Can\$0.61/lb•Lingcod avg price=Can\$0.76/lb

How have things changed?

From an industry perspective

	<i>Before IVQs</i>	<i>After IVQS</i>
Costs of Operation	Increasing while fishing time decreasing	Increased incremental costs associated with at-sea observers and acquiring quota Other costs related to race for fish decreased

How have things changed?

From an industry perspective

	<i>Before IVQs</i>	<i>After IVQs</i>
Vessel and Crew Earnings	Declining	Increased (over and above increased incremental costs)
Number of processors	12 companies buying and processing	15 companies submitted proposals to GDA this year

How have things changed?

From an industry perspective

	<i>Before IVQs</i>	<i>After IVQs</i>
Servicing Market Needs	Poor: Markets being lost due to volatile landing patterns and closures	Improved: Vessels and processors work together so fish is landed when market needs it; reduced processing and handling costs

How have things changed?



“...DFO managers follow precautionary principles ...and substantially reduced the longspine thornyhead quota...Before the IVQ system, this action would have caused ill feelings in the industry; however, a collaborative spirit among stakeholders, managers and scientists has motivated a search for new information...”

Rowan Haigh and John T. Shute. *North American Journal of Fisheries Management* 23:120-140. 2003

Lessons Learned

- IFQs can provide real conservation and economic benefits in a multi-species fishery
- In developing an IFQ program it is important to:
 - Design it to meet needs of specific fishery
 - Include all stakeholder groups
 - Have strong leadership

Lessons Learned

- The IVQ program isn't perfect but it is a significant improvement
- Overall, fishermen, processors and managers all have a positive, long-range view of the fishery.....a far different situation than before IVQs....or our west coast fishery right now

Lessons Learned

What are we waiting for? It is time to appoint an IFQ committee to consider the potential for and design of an IFQ program for the west coast trawl groundfish fishery