Results From the
National Marine Fisheries Service

2016 GULF OF MEXICO GROUPER/TILEFISH IFQ SURVEY

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Introduction

An IFQ program for the Gulf of Mexico grouper/tilefish fishery was implemented on January 1, 2010. As part of a five-year review of this program, a questionnaire was developed and sent to grouper/tilefish dealers and processors (based on those holding the appropriate license for buying and selling product) to elicit information regarding their opinions on various aspects of the program as well as other information that would allow for examination of changes that may have transpired during the 2010-2014 period as a result of the program. It was administered with a combination of in-persons surveys and mail. Results of the survey are contained herein.[1]

Section 1: Background Information

In general, this section of the questionnaire elicited information pertaining to business operations and opinions regarding the grouper/tilefish Individual Fishing Quota program (GT-IFQ) established in 2010.

Year of current ownership: Of the 61 respondents, 58 answered the question "What year did this business at this address start handling seafood under the current ownership?" (i.e., Question 1).[2] On average, businesses came under current ownership in 1995 with a range from 1940 to 2015. Seventeen of the 58 firms, or about 30%, came under present ownership since the beginning of the GT-IFQ program (i.e., 2010) with another 14 firms, or about 25%, coming under current ownership during the 2000-2009 period. Almost 40% of the respondents (22 firms) indicated that operations under current ownership were initiated prior to 1995.

Primary activity of the business: Interviewees were also queried as to what they considered to be the PRIMARY activity of the business (Question 2). Choices from which they could select included: (a) commercial fishing (operating commercial fishing vessels to harvest seafood), (b) dealer/distributor activities (buying and reselling seafood), (c) processor activities (transforming seafood into new products and reselling the products), (d) retailer activities (transforming seafood into new products and reselling the products, and (e) "Other". Of the 61 respondents, 15, or 25%, considered commercial fishing to be their primary activity. Twenty-eight, or about 45%, considered their primary activity to be that of dealing/distributing seafood. Six of the respondents (10%) considered their primary activity to be that of processing while another six respondents (10%) considered themselves to be primarily retailers. Only one firm responded "other" as being its primary

[1] The complete survey is attached at the end of this document. Note that while the survey was taken in 2016, most questions asked for relevant information in 2009 (i.e., prior to implementation of the IFQ program) and 2014. It is likely, however, that much of the information provided in the later period reflects 2015 and, in some cases, even 2016.

[2] Presumably, three of the establishments did not know the answer to this question.

activity. Finally, while interviewees were asked to select only one primary activity, five selected more than one activity (not totally unexpected given the complexity and vertical integration nature of the industry).

Opinion regarding the GT-IFQ program prior to its implementation (2009) and post-implementation (2014): Interviewees were queried as to their opinion of the GT-IFQ program prior to its implementation (Question 3) and post-implementation (Question 4) in both cases, they were asked to select either: (a) strongly opposed, (b) opposed, (c) neutral, (d) supported, (e) strongly supported, and (f) no opinion.

As indicated by the information in Table 1.1, opinions regarding the GT-IFQ program varied strongly among respondents. Prior to its implementation, almost 40% of the respondents indicated opposition to the program (either 'strongly opposed' or 'opposed') while 30% voiced support (either 'strongly supported' or 'supported') for the program. Finally, 30% of the respondents stated they were either 'neutral' or had 'no opinion' regarding the program prior it its implementation.[3]

Table 1.1. Opinions on GT-IFQ Program at the Time of Implementation (January 2010) and 2014

	Pre-IFQ		Post-IFQ	
	Number	Percent	Number	Percent
Strongly Opposed	11	18	15	25
Opposed	12	20	8	13
Neutral	9	15	7	11
Supported	11	18	14	23
Strongly Supported	9	15	16	26
No Opinion	9	15	1	2
TOTAL	61	100	61	100

Approximately five years after implementation of the GT-IFQ program (i.e., in 2014 when the survey was conducted), almost 40% of the respondents continued to voice opposition to the program (i.e., either 'strongly opposed' or 'opposed') while support for the program (i.e., either 'support' or 'strongly support') increased to almost 50%. Much of this increase may reflect a change among those who expressed 'no opinion' of the program prior to its implementation; potentially because they were not involved in the fishery prior to the GT-IFQ implementation.

To investigate this issue in some greater detail, those operations expressing 'no opinion' either prior to implementation of the GT-IFQ program or after its implementation were deleted from consideration leaving 52 observations (Table 1.2). Based on this smaller sample, approximately 20% of the respondents were 'strongly opposed' to the GT-IFQ

[3] Of those expressing 'no opinion' of the program prior to its implementation, more than one-half (5 out of the 9) indicated that they had entered the business before implementation of the GT-IFQ program in 2010 (Question 1).

program at the time of its implementation with the percentage increasing only marginally (from 21% to 23% approximately five years later). The proportion 'opposed' to the program, by comparison, fell from 23% to 15%. Those expressing 'strong support' for the program increased from 17% to 29% while those expressing 'support' for the program equaled 21% both at the implementation of the program and approximately five years after the program was implemented.

Table 1.2. Opinions on GT-IFQ Program at the Time of Implementation (January 2010) and 2014

	Pre-IFQ		Post-IFQ	
	Number	Percent	Number	Percent
Strongly Opposed	11	21	12	23
Opposed	12	23	8	15
Neutral	9	17	6	12
Supported	11	21	11	21
Strongly Supported	9	17	15	29
TOTAL	52	100	52	100

Among those respondents considering their operation to be primarily that of commercial fishing (15 in total), almost one-half of them indicated that they were opposed to the program (either 'strongly opposed' or 'opposed') prior to its implementation compared to one-third of them who expressed support (either 'supported' or 'strongly supported') for the program. At the time the survey was conducted in 2016, the proportion among this type of operation who expressed support for the GT-IFQ program had increased to two-thirds (i.e., 10 out of 15) while those expressing opposition had fallen to a third. Only one respondent considering his operation to be primarily that of commercial fishing had 'no opinion' with respect to the program prior to its implementation and none of them had 'no opinion' at the time the survey was conducted in 2016.

Among those respondents considering their operation to be primarily that of a dealer/distributor, nine of the twenty-eight (or about a third of the total) were expressed opposition to the program prior to its implementation while 11 of the 28 (about 40%) expressed support for the program. In 2016, more than one-half of the dealers/distributors (15 of 28) voiced support for the GT-IFQ program while ten of the twenty-eight dealers/distributors expressed opposition to the program. A large number of dealers/distributors (5 of the 28) expressed 'no opinion' with respect to the GT-IFQ program prior to its implementation in 2010 and this number fell to zero in 2016.

Arrangements with fishermen: In order to examine whether the GT-IFQ program resulted in any significant changes in arrangements with fishermen, the following question was asked to survey participants: "Have your arrangements with fishermen from whom you purchased grouper/tilefish changed significantly as a result of the GT-IFQ program?" (Question 5). Out of the 54 applicable responses (seven respondents indicated

that this question was not applicable to them; presumably because they were not operating prior to implementation of the GT-IFQ program), 25 (46%) indicated 'yes' while the remaining 29 indicated 'no'. Those that answered in the affirmative were then asked "What were the primary changes in your arrangements with fishermen from whom you purchased grouper/tilefish?" (Question 5.a) Reasons cited are numerous and varying to such an extent that no generalizations can be made. As such, they are given verbatim in the Appendix to this Section of the report.

Section 2: Pre- and Post-GT-IFQ Operations

Gross sales of grouper/tilefish: To ascertain whether implementation of the GT-IFQ program culminated in significant changes in in grouper/tilefish sales, interviewees were queried as to their pre-GT-IFQ grouper/tilefish sales as well as to their post-GT-IFQ grouper/tilefish sales (Question 6). Given that much of the study emphasis is to compare pre-and-post IFQ activities, only those firms that reported grouper/tilefish sales in both periods were considered for analysis. This procedure resulted in only 25 observations being used in the analysis[4] with the mean grouper/tilefish sales pre-IFQ equaling $1.01 million per firm compared to $1.24 million per firm post-IFQ; representing an increase of approximately 22% inflation between the two periods (based on the standard Consumer Price Index) was approximately 10% suggesting that the inflation-adjusted difference is only about 12% which would, undoubtedly, be within any margin of error (statistical or other).[5]

Providing only means tends to obfuscate some of the important aspects associated with the data. As such, the analysis is also presented on a discrete basis and related to the primary activity of the business (i.e., Question 2). This analysis is presented in Table 2.1. As indicated, those respondents who consider their business to be primarily commercial fishing (7 in total) tend to exhibit smaller grouper/tilefish sales do those respondents considering themselves to be primarily processors. Overall, one of the seven commercial fishing businesses appears to have expanded into the >$1 million range while two of the 13 dealer/distributors appear to have moved to the >$1 million category (i.e., from 4 to 6).

Table 2.1. Number of Firms (by Type) and Reported Grouper/tilefish Sales (pre-and-post GT-IFQ)

Grouper/tilefish sales	Commercial		Dealer/Dist.		Processor		Retailer	
	Pre-IFQ	Post-IFQ	Pre-IFQ	Post-IFQ	Pre-IFQ	Post-IFQ	Pre-IFQ	Post-IFQ
< $100,000	3	3	5	3	0	0	1	1

[4] In total, 19 observations were deleted due to missing BOTH pre-and-post IFQ values. Another 14 were deleted due to missing pre-IFQ values. Three observations were deleted due to missing post-IFQ values,
[5] Estimates based on those reporting positive sales for either period are provided in the Appendix to this section of the report (i.e., Section 2).

$100,000 - $1 million	4	3	4	4	0	0	1	1
> $1 million	0	1	4	6	3	3	0	0
Total	7	7	13	13	3	3	2	2

Overall, about 62% of these firms were of the opinion that the GT-IFQ program contributed to the change in grouper tilefish sales pre-and-post GT-IFQ implementation (Question 6.a) with a wide range of explanations. These explanations are too varied to discuss here but are presented in the Appendix to this section.

Survey participants were also queried as to their respective gross sales of other finfish and shellfish species pre-and-post GT-IFQ (Question 7). Based on 20 firms who provided relevant information for both periods, pre GT-IFQ sales averaged $375 thousand per responding firm versus $515,000 post GT-IFQ. Caution in using these numbers is warranted, however, given that (a) the sample is relatively small and (b) a few firms with apparently very large sales skews the averages for both periods.

Supply Sources: There are a number of alternative sources which can be used by grouper/tilefish dealers/processors to secure product for further value-added activities or for final sale and these sources may have changed as a result of the GT-IFQ program. To examine this issue, interviewees were asked the question "What percentage (%) of the grouper/tilefish purchased or obtained pre –and post GT-IFQ by this seafood business, by weight, came from the following sources?" (Question 8) with available sources including (a) U.S. based fishermen who operate vessels owned by this business, (b) U.S. based fishermen who operate vessels not owned by this business, (c) U.S. based seafood dealers/distributors/processors, (d) outside the U.S., and (e) other.

Relevant information related to pre-and-post GT-IFQ sources of grouper/tilefish (Question 8 on survey) can be calculated in a number of ways. One method is by including only those firms that reported their respective sources in both periods (though not necessarily of the same sources). This information is presented in Table 2.2. In total, 33 establishments reported sources in both periods of analysis (for which data appear to be valid).[6] Of these 33 firms, 13, or 39% of the total, reported that U.S. based fishermen who operate vessels owned by their respective businesses represented a source of their grouper/tilefish supply prior to implementation of the IFQ program and this source represented about one-half of the total grouper/tilefish purchased or obtained by this group. By comparison, 14 firms also reported this supply source post-IFQ and this source represented 60% of their product procured from the various sources. Similarly, 28 firms, or 85% of the total, reported procurement from 'U.S. based fishermen who operate

[6] Overall, 12 observations were deleted because they provided no information was provided for either the pre GT-IFQ period or the post GT-IFQ period. Another 10 were deleted because no pre GT-IFQ information was provided while three were deleted because, while pre GT-IFQ information was provided, post GT-IFQ information was not provided. Three other firms were deleted due to information that did not appear to be valid (i.e., numbers did not sum to 100%). Relevant information on more complete samples (i.e., those reporting in either period) can be found in Appendix to this section.

vessels not owned by this business' and this supply source represented almost two-thirds (65.7%) of the product purchased or obtained by these 28 firms. The number of firms reporting procurement from 'U.S. based fishermen who operate vessels not owned by this business' post GT-IFQ period also equaled 27 and this supply source represented about 54% of the product purchased or secured by these 27 establishments. While only 8 of the respondents (24% of the total) indicated that 'outside the United States' represented a supply source prior to implementation of the GT-IFQ (7 in 2014), this supply source represented a significant portion of the supply purchased or obtained by this group of firms.

Table 2.2. Estimated Unweighted Sources of Grouper/Tilefish Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Source	Number	Pre-IFQ (2009)	Std. Dev	Number	Post-IFQ (2014)	Std. Dev
U.S. based fishermen who operate vessels owned by this business	13	54.5%	35.7	14	60.2 %	39.6
U.S. based fishermen who operate vessels not owned by this business	28	65.7%	29.8	27	53.6%	38.0
U.S. based seafood dealers/distributors or processors	18	23.8%	21.9	18	32.8%	31.1
Outside the United States	8	38.8%	29.0	7	54.0%	26.1
Other	0	NA	NA	1	50%	.

Based on the same group of firms used to generate the information in Table 2.2, one can also evaluate the weighted supply sources. The estimated weighted supply by source are presented in Table 2.3. As indicated, while the source 'U.S. based fishermen who operate vessels not owned by this business' dominates purchases (or procurement by other means) of grouper/tilefish, its share fell considerably between 2009 (i.e., pre GT-IFQ) and 2014 (i.e., post GT-IFQ).[7] By comparison, sources including 'U.S. based fishermen who operate vessels owned by this business' and 'U.S. based seafood dealers/distributors or processors' increased between the pre GT-IFQ and the post GT-IFQ (though the increases would not be statistically significant).

Table 2.3. Estimated Weighted Sources of Grouper/Tilefish Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Source	Number	Pre-IFQ (2009)	Number	Post-IFQ (2014)
U.S. based fishermen who operate vessels owned by this business	13	21.9%	14	25.5%
U.S. based fishermen who operate vessels not owned by this business	28	55.8%	27	43.9%

[7] While the share fell by a relatively large amount, it is safe to say that there is no statistical difference between the two estimates.

U.S. based seafood dealers/distributors or processors	18	13.0%	18	17.6%
Outside the United States	8	9.4%	7	11.5%
Other	0	NA	1	1.5%

Of the 33 firms included in the 'sources of supply' analysis, 12 establishments, or about 36% of the total, secured their grouper/tilefish supplies from only one source, both pre-and-post GT-IFQ. Twelve (about 36%) secured their respective grouper/tilefish supplies from two sources in 2009 compared to 11 in 2014. Seven of the 33 establishments reported that they procured their grouper/tilefish supplies from three sources prior to implementation of the GT-IFQ program compared to 9 in 2014. Finally, only two firms reported that four or more supply sources were utilized prior to implementation of the GT-IFQ program and only one firm reported using four or more supply sources post GT-IFQ.

When queried as to whether the GT-IFQ program contributed to the change in grouper/tilefish sources (Question 8.a), 13 of the 33 respondents replied affirmatively while 15 indicated that the program did not result in a change in supply sources. The remaining five firms had no opinion or indicated that the question was not applicable to their respective operations.

Employment: To examine whether implementation of the GT-IFQ program resulted in any significant changes in employment among dealers, survey participants were asked the following question: "Approximately how many people were employed at this seafood business pre –and post GT-IFQ (excluding captains and crew on vessels)?" (Question 9). Thirty-seven firms reported both pre-and-post employment information and these 37 observations were used to generate the estimates provided in Table 2.4.[8] The number of employees, as indicated, is, in general, relatively small with 33 of the 37 firms (about 90%) reporting less than 50 employees pre GT-IFQ compared to 31 firms (84%) post GT-IFQ (Table 2.4).[9] The number of full-time employees, based on these 37 firms, averaged 13 prior to implementation of the GT-IFQ program compared to 19 post GT-IFQ program (i.e., 2014). The number of part-time employees averaged only three in both periods.

Table 2.4. Estimated Number of Employees (by range) Pre-IFQ (2009) and Post-IFQ (2014)

Number (range)	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
1-10	23	21
11-50	10	10
>50	4	6

[8] A total of 9 observations were deleted because neither pre-or-post IFQ employment estimates were provided. Another 12 observations were deleted due to the fact that employment estimates prior to implementation of the GT-IFQ program were not provided.

[9] While not shown, the larger firms (in terms of employees) generally identified themselves as processors.

Thirteen of the 37 establishments (40%) used to generate the information in Table 2.4 were of the opinion that implementation of the GT-IFQ program contributed to a change in employment while about 45% of the firms were of the opinion that it did not result in a change in employment activities.

Prices of Grouper/Tilefish Bought and Sold: To examine whether the GT-IFQ program resulted in changes in the markup (i.e., the difference between the sales price and the price of the raw product), survey participants were asked to report the raw costs (finished weight) for the different grouper/tilefish species and the sales prices for both pre-and-post GT-IFQ (i.e., 2009 and 2014) (Question 10). For purposes of analysis, only those who reported the cost (or the sales price) for both periods were included in the analysis. As indicated in Table 2.5, for example, 27 establishments reported the raw cost of gag grouper in both 2009 and 2014 while 24 firms reported the sales price of this species for both periods. Similarly, 28 firms reported the raw cost (finished weight) for red grouper in both periods while 25 firms reported the sales price for this species in both periods.[10]

As indicated by the information in Table 2.5, gag grouper, red grouper, and scamp appear to be the species most frequently handled, subject to the sample that is being used for analysis. The raw fish cost (finished weight) for gag grouper in 2009 among the 27 firms averaged $4.39 per pound while the sales price averaged $6.78 per pound. By 2014, the gag grouper raw fish cost (finished weight) had increased to $5.75 per pound while the sales price had increased to $8.53 per pound. The estimated markup for this species between 2009 and 2014 increased from $2.39 per pound to $2.78 per pound.

Overall, the raw fish cost (finished weight), sales price, and markups between 2009 and 2014 were observed in all seven species considered. Increases in the markup ranged from a low of $0.04 per pound (blue tilefish) to $0.61 (red grouper). Expressed on a percentage basis, the estimated markup for each species is as follows: gag grouper, 16.3%; red grouper, 28.5%, black grouper, 3%; scamp 16.1%; yellowedge grouper, 8.0%; golden tilefish, 5.4%; and blueline tilefish, 5.9%.

Whether the increased markups are related in any manner to the GT-IFQ program are a matter of speculation. Inflation from 2009 to 2014 equaled about 10% (based on the Consumer Price Index) which would suggest that increases in the markup for four of the seven species did not even equal that of inflation.

[10] Analysis including all firms providing positive prices for either period is presented in the Appendix to this section.

Table 2.5. Raw Fish Cost ($/Lb.), Sales Price ($/Lb.), and Estimated Markup ($/Lb.) Pre-and-Post GT-IFQ (unconverted)

Species	Number (raw fish)	Raw fish cost in 2009	Raw fish cost in 2014	Number (sales price)	Sales price in 2009	Sales price in 2014	Markup (2009)	Markup (2014)
Gag grouper	27	$4.39	$5.75	24	$6.78	$8.53	$2.39	$2.78
Red grouper	28	$3.64	$4.81	25	$5.78	$7.56	$2.14	$2.75
Black grouper	17	$4.03	$5.10	14	$5.63	$6.75	$1.60	$1.65
Scamp	28	$4.46	$5.66	26	$6.69	$8.25	$2.23	$2.59
Yellowedge grouper	16	$4.70	$5.67	15	$6.57	$7.69	$1.87	$2.02
Golden tilefish	13	$3.05	$3.78	12	$4.69	$5.51	$1.64	$1.73
Blueline tilefish	7	$1.44	$2.20	6	$2.12	$2.92	$0.68	$0.72

One problem with estimating appropriate markups for seafood products relates to the fact that the raw product can be purchased (secured) many different forms; including fillets which are then resold. Changes in the product form changes both the weight and the cost of the raw product (or sales price). In an attempt to adjust for this issue, all raw costs in excess of $10 per pound and sales prices in excess of $10 per pound were converted by taking multiplying the respective cost or price by 0.40 (i.e., changing from a fillet price to a whole/gutted price per pound). Estimated raw fish costs, sales prices, and markups based on this conversion of some observations resulted in the information presented in Table 2.6. As indicated the raw fish cost for many of the species were reduced by some amount and the sales prices for all species fell by a larger amount.[11] The converted raw fish costs for most species increased by about $0.80 to $1.00 between 2009 and 2014. The estimated markups on a converted basis are as follows: gag grouper, 27.1%; red grouper, -3.6%; black grouper 3.5%; scamp, 30.1%; yellowedge grouper, 9.1%; golden tilefish, 4.9%; and blueline tilefish, 5.9%. As was the case when considering the unconverted prices, there is little evidence that markups increased as a result of the GT-IFQ program.

Participants were also queried as to their opinion as to whether the GT-IFQ program contributed to changes in the raw fish cost (Question 10.a). Thirty of the 53 individuals

[11] Note that the raw fish cost for some species did not change at all (e.g., golden tilefish). This is because there were no reported raw fish costs in excess of $10 per pound. The sales price, as one would expect, fell by a much higher percentage than the raw cost because a large portion of the product sold (versus being bought) was on a filet basis.

responding to this question answered in the affirmative while 7 answered 'no'.[12] Of those who had an opinion one way or another (i.e., 'yes' or 'no'), almost three-quarters (30 of 41) were of the opinion that the GT-IFQ program did contribute to a change in costs. A near similar proportion expressed the same belief with respect to the sales price (Question 10.c). The full list of comments concerning reasons for the increase in raw fish costs and sales prices are provided in the appendix to this section with the one prevailing comment being that the cost of allocation/share is added to cost or price of the fish.

Table 2.6. Raw Fish Cost ($/Lb.), Sales Price ($/Lb.), and Estimated Markup ($/Lb.) Pre-and-Post GT-IFQ (converted)

Species	Number (raw fish)	Raw fish cost in 2009	Raw fish cost in 2014	Number (sales price)	Sales price in 2009	Sales price in 2014	Markup (2009)	Markup (2014)
Gag grouper	27	$4.10	$5.10	24	$5.10	$6.32	$0.96	$1.22
Red grouper	28	$3.38	$4.24	25	$4.50	$5.58	$1.12	$1.08
Black grouper	17	$4.03	$5.10	14	$4.89	$5.99	$0.86	$0.89
Scamp	28	$4.16	$5.03	26	$5.04	$6.18	$0.88	$1.15
Yellowedge grouper	16	$4.21	$5.14	15	$5.20	$6.22	$0.99	$1.08
Golden tilefish	13	$3.05	$3.78	12	$3.86	$4.63	$0.81	$0.85
Blueline tilefish	7	$1.44	$2.20	6	$2.12	$2.92	$0.68	$0.72

Sales by Product Form: Relevant information related to pre-and-post GT-IFQ sales by product form (Question 11 on survey) can be calculated in a number of ways. One method is by including only those firms that reported sales in both periods (though not necessarily of the same product forms).[13] [14] In total, 31 establishments reported sales by

[12] Included in this 53 were four who checked more than one box, 1 who indicated that it was not applicable to his operation, and 6 who had 'no opinion'.

[13] These estimates are based only on those respondents who indicated activities in both periods. In other words, if an establishment provided information on sales by product form Post-GT-IFQ but not Pre-GT-IFQ (or vice versa), information from this establishment was not included in the analysis. In total, 14 observations were deleted due to non-reporting in both periods. Another 10 observations were deleted due to non-reporting in the pre-IFQ period while 2 observations were deleted because of no post-IFQ reporting. Finally, 4 observations were deleted due to significant errors in the data (i.e., the sum across product types was less than or greater than 100%).

[14] Additional information for the full sample (regardless of whether they reported information in both periods) is presented in the appendix to this section. In general, changes in estimates appear to be relatively minor.

product form in both periods of analysis (for which data appear to be valid). Of these 31 firms, 30 reported selling fresh whole (or gutted) product prior to implementation of the IFQ program and sales of this product contributed more than two-thirds of the total grouper/tilefish sales among this group Table 2.7). By comparison, 30 firms also reported sales of fresh whole (or gutted) product in the post-IFQ period with sales of this product among these 30 establishments representing 65% of their total sales. Similarly, 16 firms reported sales of fresh fillets in the pre-IFQ period and sales of this product among these 16 firms averaged 59% of their total grouper/tilefish sales. The number of firms reporting sales of fresh grouper/tilefish fillets in the post GT-IFQ period also equaled 16 and sales of this product by these 16 firms represented about 63% of their total grouper/tilefish sales.

Table 2.7. Estimated Unweighted Sales by Product Form Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Product Form	Number	Pre-IFQ (2009)	Std. Dev	Number	Post-IFQ (2014)	Std. Dev
Fresh whole or gutted	30	67.6%	39.1	30	65.0%	40.3
Frozen whole or gutted	1	5.0%	.	1	3.0%	.
Fresh fillets	16	59.3%	32.2	16	63.3%	29.7
Frozen fillets	7	9.8%	5.4	7	9.7%	9.4
Other	2	24.0%	22.6	2	32.0%	33.9

Evaluating the 31 firms that reported sales by product form in both periods of analysis (i.e., 2009 and 2014) suggests that 17, or one-half of the total, reported sales of only one product. Another 9 firms (or about one-third) reported sales of two products. Only 4 firms reported sales in three of the categories while the remaining 2 firms reported sales in either 4 categories or all five categories.

Based on the same 31 establishments used to generate the same information presented in Table 2.7, one can also evaluate the weighted sales by product form. The estimated weighted sales by product form are presented in Table 2.8.

Table 2.8. Estimated Weighted Sales by Product Form Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Product Form	Number	Pre-IFQ (2009)	Number	Post IFQ (2014)
Fresh whole or gutted	30	62.5%	30	62.9%
Frozen whole or gutted	1	0.2%	1	0.1%
Fresh fillets	16	30.6%	16	32.7%
Frozen fillets	7	2.2%	7	2.2%
Other	2	1.6%	2	2.1%

In general, two features are highlighted by the information presented in Tables 2.7 and 2.8. The first feature is that sales are dominated by fresh product (either fresh whole or fresh fillet) with the weighted average indicating that more than 90% of the product is

sold fresh (either whole or fillet). The second feature is that there appears to be little change in the preparation by product form pre-and-post implementation of the GT-IFQ program.

Sales to Alternative Outlets: Information related to grouper/tilefish sales to alternative outlets is presented in Tables 2.9 and 2.10. The information in these two tables are calculated in a manner analogous to those associated with "Sales by Product Form" (i.e., Tables 2.7 and 2.8). A total of 32 establishments provided information on outlet sales in both the pre-and-post IFQ periods. Of these 32 establishments, 24 sold product to restaurants prior to the implementation of the GT-IFQ and sales to this outlet accounted for one-half of their total sales. While the number of firms reporting the sale of grouper/tilefish to restaurants decreased marginally after the IFQ (to 23) sales remained at one-half among these firms. Nineteen of the 31 firms reported the sale of grouper/tilefish to wholesalers pre-IFQ with the number marginally declining to 18 post GT-IFQ. The percentage, however, remained consistent at about 45%. Sales to other dealers/processors were also common with 18 of the 32 establishments reporting such sales both pre-and-post GT-IFQ. Finally, more than third of the 32 firms reported sales directly to consumers both pre-and-post the GT-IFQ and sales to consumers among this group of firms represented a 'surprisingly' large percentage (about 21%) of their sales to the alternative outlets.

Table 2.9. Estimated Unweighted Grouper/Tilefish Sales to Alternative Outlets Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Outlet	Number	Pre-IFQ (2009)	Std. Dev	Number	Post-IFQ (2014)	Std. Dev
Other dealers/proc.	18	32.1%	33.0	18	32.9%	32.6
Wholesalers	19	45.6%	28.1	18	44.4%	30.4
Retailers	12	18.8%	15.4	14	21.4%	16.2
Restaurants	24	49.9%	31.0	23	49.5%	30.8
Consumers	13	21.2%	24.0	14	21.7%	26.8
Other outlets	1	10.0%	.	1	20.0%	.

The weighted sales among these 32 firms to the alternative outlets, presented in Table 2.10, indicates that more that the sales to restaurants represent the largest proportion of sales (39% prior to the implementation of the GT-IFQ program and 37% post GT-IFQ program) followed by sales to wholesalers (27% in 2009 and 25% in 2014) and other dealers/processors (20% in 2009 and 21% in 2014). While a large percentage of the firms reported sales directly to consumers, the weighted proportion of these sales was less than 10% in both periods.

Table 2.10. Estimated Weighted Grouper/Tilefish Sales to Alternative Outlets Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Outlet	Number	Pre IFQ (2009)	Number	Post-IFQ (2014)

Other dealers/proc.	18	20.1%	18	20.6%
Wholesalers	19	27.1%	18	25.0%
Retailers	12	7.0%	14	9.4%
Restaurants	24	37.4%	23	35.6%
Consumers	13	8.0%	14	8.8%
Other outlets	1	0.3%	1	0.6%

In total, 11 of the 32 firms used in the analysis of 'sales to alternative outlets' reported that they sold to three different outlets. This was the situation both pre-and-post GT-IFQ. Ten reported sales to two outlets prior to the GT-IFQ compared to 11 post GT-IFQ. Five reported sales to four outlets both before and after the implementation of the GT-IFQ while 2 reported sales to five outlets (both before and after the GT-IFQ). Finally, four of the 32 firms reported sales to only one outlet in 2009 compared to 3 in 2014.

Overall, analysis of outlet sales pre-and-post implementation of the GT-IFQ program suggests little change in outlet sales.

Section 3: Pre – and Post GT-IFQ Infrastructure and Equipment

Vessels: The question "Has this business, or you personally, ever owned any vessels used in the harvesting of grouper/tilefish in the Gulf of Mexico?" (question 13), was answered by 54 of the 61 respondents. Thirty-five of the 54 (65%) responded affirmatively to this question. Of those that responded affirmatively, about 45% (16 of 35) also indicated that implementation of the GT-IFQ program led to no changes in the number or size of vessels owned (Question 13.a). One-third of those that responded affirmatively to the question "Has this business, or you personally, ever owned any vessels used in the harvesting of grouper/tilefish in the Gulf of Mexico?" indicated that the program allowed them to decrease the number or size of vessels. About 20% (8) reported that that they had increased the number or size of vessels as a result of the implementation of the GT-IFQ program. With respect to future plans among this group (i.e., those reporting affirmatively to Question 13 (Has this business, or you personally, ever owned any vessels used in the harvesting of grouper/tilefish in the Gulf of Mexico), approximately 60% indicated that they had no future plans to either increase or decrease the number or size of vessels owned over the next five years. By comparison, about 15% indicated that they did plan to increase the number or size of vessels owned over the next five years while slightly less than 10% indicated a desire to decrease the number/size of vessels over the next five years (Question 13.b).

Among those establishments who considered commercial fishing to be their primary activity (i.e., Question 2) and answered affirmatively to Question 13 (i.e., "Has this business, or you personally, ever owned any vessels used in the harvesting of grouper/tilefish in the Gulf of Mexico?"), one-half indicated that implementation of the GT-IFQ program did not result them increasing the number or size of vessels since its

implementation (i.e., Question 13.a) while 70% of this group indicated that they had no future plans (in the next five years) to increase their respective number (size) of vessels as a result of the GT-IFQ program.

Other Major Investments/Disinvestments: In addition to soliciting information on changes in vessels (size of vessels) associated with implementation of the GT-IFQ program, the question "Excluding vessels and GT-IFQ shares, have you made MAJOR INVESTMENTS or DISINVESTMENTS in your seafood business that you attribute to the implementation of the GT-IFQ program?" was also asked of interviewees (Question 14). Fifty-four of the 61 survey respondents completed this question and 18 of the 54, or one-third of the total, responded 'yes' while 36, or two-thirds of the total, responded 'no'. Investments commonly cited were purchasing additional quota (cited by five individuals).[15] Purchasing quota or the leasing of allocation was cited by an additional three individuals. Long-term infrastructure improvements (e.g., trucks, freezers, purchasing on water facility to offload boats) was cited relatively infrequently.

Current Market Value: The question "Excluding real estate, vessels, and any GT-IFQ shares owned by the business, what would you estimate as the CURRENT MARKET VALUE of this seafood business?" was also queried from the survey participants. Thirty-seven individuals completed this question with approximately one-half (19) reporting the current market value to be less than $1 million and another 13 (about 35%) reporting a value of between $1 million and $7million. Five individuals (15%) indicated a value in excess of $7 million.

While only 37 individuals responded to the question regarding current market value, 52 provided an opinion regarding whether or not implementation of the GT-IFQ program resulted in a change in the current market value of the seafood business. Of the 52 respondents, 65% (i.e., 34 individuals) were of the opinion that implementation of the GT-IFQ program resulted in no change in the current value of their respective businesses. By comparison 14 individuals, or about one-quarter of the total, were of the opinion that implementation of the GT-IFQ program resulted in an increase in the current market value of their respective businesses while 4 individuals (about 8%) opined that the current market value of their respective businesses declined as a result of the GT-IFQ program. Among those respondents who considered the

Among those who considered commercial fishing to be the primary activity of the business (Question 2), 10 of 14 (about 70%) were of the opinion that implementation of the GT-IFQ program resulted in no change in the current market value of their respective seafood businesses while the remaining four were of the opinion that the GT-IFQ program resulted in an increase in the current market value of their business. Among 23 firms who

[15] The question specifically stated 'excluding vessels and ITQ shares' but some appear to have neglected to consider this qualification to the question. Also, some mentioned the purchasing of quota while other mentioned the purchasing of shares.

considered their primary activity to be that of a dealer/distributor, 12, or slightly more than one-half, were of the opinion that implementation of the GT-IFQ program had no impact on the current market value of their respective businesses. Seven of the 23, however, were of the belief that implementation of the GT-IFQ program increased the current market value of their business while 4 (17%) suggested that implementation of the GT-IFQ program culminated in a loss in the current market value of their respective businesses. Based on small samples, 80% of both processors (4 out of 5) and retailers (4 out of 5) were of the opinion that implementation of the GT-IFQ program had no impact on the current market value of their businesses while the other 20% among both groups opined that implementation of the program increased the current market value of their businesses.

Section 4: GT-IFQ Share in Business Operations

Acquiring GT-IFQ shares: This section of the report attempts to establish the importance of IFQ shares in business operations and how these shares are used. To do so, it is first important to establish the prevalence of these businesses holding GT-IFQ shares. As such, interviewees were first asked the question "Do you or your business currently hold any GT-IFQ shares?" (Question 17). Fifty-five individuals answered this question with 29 (53%) indicating that they did currently hold GT-IFQ shares and 26 (47%) responding that they did not.

Those responding affirmatively to currently holding GT-IFQ shares were then asked the proportion of their 2014 post-GT-IFQ gross sales of grouper and tilefish was represented by GT shares that they held (Question 17.a). Twenty-five of the 29 firms answered this question with 9 of the 25 (36%) reporting that the proportion of their 2014 gross grouper/tilefish gross sales represented by GT shares that they held was less than or equal to 10%. Another five firms (20%) reported the proportion from 11% to 25%. Seven firms (28%) indicated a proportion approximating or equaling 100%.

All were queried as to whether "…you or your business plan to acquire shares in the future?" (Question 18). Fifty-four firms responded to this question. Of these 54 responses, 17 (31%) replied 'yes' while 21 replied 'no'. The remaining 30% (16) were undecided. Those responding affirmatively to the question "Do you or your business plan to acquire shares in the future?" were then queried as to primary reasons (Question 18.a). A list of reasons from which to select included: (a) Increased GT-IFQ shares would allow me to expand my dealer/processor operations, (b) I would like to increase and/or change the product mix of GT-IFQ species that I am currently allowed to harvest with my existing GT-IFQ shares, and (c) 'Other'.[16] Fourteen of the 17 indicated that a primary

[16] The interviewees were allowed to select more than one option in this section. Hence, the number of reasons given exceeds the relevant number that answered either 'yes' or 'no' to question 18.

reason for acquiring additional shares would be to allow expansion of their dealer/processor operations. Seven of the 17 (41%) indicated that a primary reason for acquiring additional shares would be to increase and/or change the product mix of GT-IFQ species. Four of the 17 stated 'other' with reasons provided including it being a good investment, the preference of owning shares to buying allocation, the need to generate income to cover operating costs.

Interviewees replying 'no' to question 18 (i.e., Do you or your business plan to acquire shares in the future?) were queried as to primary reasons for not acquiring additional GT-IFQ shares (Question 18.b). Reasons provided on the questionnaire included: (a) The cost of acquiring GT-IFQ shares is high relative to any expected benefits I might receive from additional GT-IFQ shares, (b) My business is currently at an 'optimal' size and therefore I need no additional grouper/tilefish product, (c) I can buy all the raw product I need at a reasonable price from local fishermen or other sources, (d) Buying GT-IFQ allocation better suits my business, and (e) "Other". Nine of the 21 (100%) who replied 'no' to question 18 indicated the relative high cost as being a primary reason for answering in the negative. One of the 21 indicated that 'my business is currently at an 'optimal size' and therefor I do not need additional grouper/tilefish product' as a primary reason for not acquiring additional shares in the future. Four of the 21 who indicated that they were not interested in acquiring additional share gave as a primary reason "I can buy all the raw product I need at a reasonable price from local fishermen or other sources" while "Buying GT-IFQ allocation better suits my business" was cited by one of the 21. Seven of the 21 cited "Other" reasons including: (a) the investment would never give a sufficient return, (b) the business was for sale and, as such the owner did not wish to make any additional investments, (c) leasing allocation is preferable, and (d) have excessive shares that could satisfy an additional boat without purchasing more.

IFQ allocation to vessels: To ascertain the use of the GT-IFQ shares, survey participants were asked the question "Do you provide allocation to vessels not owned by you or your business?" (Question 19) This question was answered by 55 participants with 31 (56%) replying affirmatively with the remaining 24 responding in the negative.[17] Only 2 of the 31, or less than 10%, indicated that such an arrangement (i.e., providing GT allocation to vessels not owned by you or your business) called for the fishermen given allocation to sell his/her catch (associated with the GT-IFQ allocation) to the business with no payment for the GT-IFQ allocation being required.[18] Twenty-one of the 31 (68%), however, indicated that the arrangement called for the fishermen given allocation to sell their catch

[17] While only 29 firms responded affirmatively to the question "Do you or your business currently hold any GT-IFQ shares? (i.e., Question 17), 31 firms answered affirmatively to the question "Do you provide GT allocation to vessels not owned by you or your business?". The reason why the second question received more affirmative responses than the first question is a matter of speculation. It may be that the firm purchased allocation to give to fishermen.

[18] See question 19.a for a detailed description of options.

to the firm with payment for GT-IFQ allocation subtracted from payment for the catch. Eight of the 31 (26%) checked the box "Fishermen must pay 'up front' for the GT-IFQ allocation provided but are not required to sell their catch to my business." Finally, three of the 31 (10%) listed "Other arrangements" which included trading allocation for red snapper, gathering allocation to distribute to anyone that needs it and are willing to help restore stability in the industry, and fishermen given allocation sell part of their catch to the firm in return for being given the allocation. [19]

Survey participants were also asked the question "Of the GT-IFQ allocation you held on an annual basis, what percentage on average was: (a) used for vessels owned by you or your business, (b) provided to fishermen who own their vessels with the stipulation that they sell their catch to your business, (c) provided to fishermen with no requirement regarding sales (d) sold (leased), and (e) "other" (Question 20). Summary statistics related to this question and based on 41 firms responding to this question are provided in Table 4.1.[20] As indicated, almost 40% of the allocation was used by vessels owned by the business with much of the remaining use being attached to vessels being required to sell their respective catches to the business providing the allocation.

Table 4.1. Use of GT-IFQ Allocation

Purpose	Percent	St. Dev.
Used by vessels owned by this business	38.3%	40.2
Provided to fishermen who own their own vessels with the stipulation that they sell their catch to business	42.1%	43.4
Provided to fishermen with no requirements on sales	8.4%	22.9
Sold (leased)	4.3%	16.2
Other	6.8%	22.8

Section 5: Opinions Regarding the IFQ Program

In general, survey participants appear to be supportive of the GT-IFQ program. With respect to the question "How satisfied are you with the IFQ Online System for managing and completing the landing transactions (i.e., Question 21), about two-thirds of the 56 respondents indicated that they were either 'Satisfied' or 'Highly Satisfied' (Table 5.1). By comparison, less than 10% reported being 'Unsatisfied' or 'Highly Unsatisfied.' One-quarter of the respondents reported being 'Neutral.' Suggested improvements in the System are provided in the Appendix to Section 5.

[19] Note that the summation of percentages exceed 100% because the establishments were permitted to select more than one category.

[20] Nineteen observations that had no information to this question were deleted as well as one observation in which the sum across alternatives did not sum to 100. The 41 establishments that answered this question brings up the issue of how is allocation was acquired given that significantly fewer firms reported holding share (Question 17).

Table 5.1. Satisfaction with the IFQ Online System

	Number	Percent
Highly Unsatisfied	2	3.6%
Unsatisfied	3	5.4%
Neutral	14	25.0%
Satisfied	22	39.3%
Highly Satisfied	14	25.0%
No Opinion	1	1.8%

Respondents were also, in general, satisfied with customer service when contacting NOAA Fisheries Service regarding questions about the IFQ program. Specifically, almost 85% of the respondents indicated that they were either 'Satisfied' or 'Highly Satisfied' with customer service compared to only 10% who were 'Highly Unsatisfied' or 'Unsatisfied' (Table 5.2). Suggested improvements in the IFQ customer service are provided in the Appendix to Section 5.

Table 5.2. Satisfaction with Customer Service Received

	Number	Percent
Highly Unsatisfied	3	5.4%
Unsatisfied	3	5.4%
Neutral	2	3.6%
Satisfied	22	39.3%
Highly Satisfied	25	44.6%
No Opinion	1	1.8%

Interviewees were also queried regarding their satisfaction with respect to enforcement of the IFQ program Question 23). Responses to this question, based on 55 observations, are presented in Table 5.3. Overall, about 20% of the respondents indicated that they were either 'Unsatisfied' or 'Highly Unsatisfied' with the program compared to slightly less than 50% responding that they were either 'Satisfied' or 'Highly Satisfied' with the program.

Table 5.3. Satisfaction with Customer Service Received

	Number	Percent
Highly Unsatisfied	5	9.0%
Unsatisfied	6	10.9%
Neutral	13	23.6%
Satisfied	15	27.3%
Highly Satisfied	11	20.0%
No Opinion	5	9.1%

Discussion and Conclusions

Gulf of Mexico grouper/tilefish dealers and processors were surveyed in 2014 in an attempt to establish whether implementation of the GT-IFQ program resulted in any significant operations associated with their respective business operations. The main survey instrument was comprised of five components. The first component elicited some basic information on the background of the business and opinions regarding the establishment of the GT-IFQ program. The second component of the survey instrument elicited information on business operations both before and after implementation of the GT-IFQ program. The third section of the survey instrument elicited from the businesses information on infrastructure and equipment with an emphasis on changes that occurred as a result of the GT-IFQ program. Then, in section 4 of the survey instrument, information was requested that would allow for examination of the use of shares held by the business in its operations. Finally, some questions regarding the level of satisfaction associated with different aspects of the GT-IFQ program were considered (e.g., the online system and enforcement of the GT-IFQ program).

Based on survey results, there appears to have been significant opposition to the GT-IFQ program at the time it was implemented, and while lessened somewhat over time, remains significant (see Table 1.2). Having made this comment, however, it should also be noted that there appears to be a higher proportion of dealers/processors who are now strongly supportive of the program than at the time it was implemented.

With respect to pre-and-post GT-IFQ operations, employment in the dealer/processor sector of the grouper/tilefish appears stable though the number of full-time employees show a modest increase. Attribution of this increase to the GT-IFQ program, however, is tenuous. Reported grouper/tilefish raw costs increased for each of the seven species considered as did the sales prices. While a large percentage of the dealers/processors, in their comments, relate these increases to the GT-IFQ program, analysis by Keithly and Tabarastani (as a separate component of the review) calls this assertion into question. Markups (the difference between the sales price and raw costs), while increasing for some species pre-and-post GT-IFQ are generally in line with inflation and assertion that increased markups are in any way related to the introduction of the IFQ program is tenuous given that there appears to be little consistency among species. Also, there appears to be little if any change related to product form and marketing outlets pre-and-post GT-IFQ.

APPENDIX A: COMMENTS WITH RESPECT TO QUESTION 5A (CHANGES IN ARRANGEMENTS WITH FISHERMEN AS A RESULT OF THE GT-IFQ PROGRAM

MOST OF THEM GAVE UP OR LOST THEIR LICENSES. THE BOOK WORK INVOLVED FOR ONLY THE ONE LEFT, WAS TOO COMLPICATED, SO I BUY FROM WHOLESALER NOW.
ALL CHANGED-MUST NOW CHARGE FISHMAN TO GO FISHING
FISHERMAN HAVE LEFT COMMERCIAL FISHING DUE TO EXORBITANT COST OF AQUIRING QUOTA TO BE ABLE TO FISH. IT HAS A HORRIBLY UNFAIR SYSTEM. COSTS OF FISH TO CONSUMER INCREASED DRAMATICALLY WHILE FAT CAT QUOTA OWNERS WIN BIG. I HAVE ALOT MORE TO SAY.
STOPPED DOING BUSINESS WITH THEM.
CAN GO WHEN THEY WANT - NOT BAD WEATHER.
CAN'T ALWAYS BUY WHAT THEY BRING IN - DUE TO QUOTAS!
I COULDN'T GET FRESH PRODUCT
LOST A LOT OF BOATS
WE HAVE LOST SIGNIFICANT VOLUME, DUE TO NO IFQ. SHAREHOLDERS ARE IN CONTROL (PRICE AND WHO GETS TO FISH IFQ). BUSINESS WITHIN A BUSINESS
I DON'T BUY FROM FISHERMEN WE CATCH OUR FISH. IT HURTS US BECAUSE WE CAN'T ALWAYS (NO AVAILABLE) LEASE THE FISH READILY
WE HAD FISHERMAN WHO FISHED FOR 20 YEARS AND THEY QUIT FISHING AND STARTED LEASING ALLOCATION-LOST A LOT OF OUR SUPPLIERS THAT WE HAD BUILT A RELATIONSHIP WITH.
HOOK & LINE FISHERMEN IN KEY WEST ENDED UP WITH NO CATCH SHARES

WE LOST ALL OF OUR FISHERMEN BECAUSE WE HAD NO LOADING AND UNLOADING DOCK. ON THE WATER
CAN'T GET THEM
IT HAS ENABLED US TO DO MORE BUSINESS
WE HAD TO LOCATE QUOTA TO KEEP THE FISHERMAN FISHING - MOST FISHERMAN DID NOT HAVE THEIR OWN QUOTA-SO WE BOUGHT OR LEASED QUOTA FOR THEM.
LESS BOATS - THEY DID NOT DO THE QUOTA RIGHT - NOT ENOUGH $ TO DO A STUDY & THEY HAVEN'T DONE NOTHING TOWARDS TILEFISH & YELLOW EDGE - I HAD TO BUY A BUNCH OF QUOTA TO BASE OUT TO THE FISHERMEN.
NOW I HAVE TO SPECULATE AND BUY QUOTA OR ALLOCATION FOR THE BOATS AND THEY MAY OR MAY NOT USE THEM. ALSO, THE COST OF THE QUOTA HAS INCREASED THE COST OF THE FISH.
I HAVE TO LEASE ALLOCATIONS AND PROVIDE THOSE TO MY FISHERMAN
LEASING ALLOCATION
HAVING SHARES ON HAND TO KEEP LONGTIME FISHERMEN
ALOT MORE PAPERWORK
ALL VESSELS THAT FISHED FOR ME WERE "POLE BOATS" COMBINED THEY DIDN'T HAVE 10,000 LBS OF GROUPER COMBINED. MOST WENT TO WORK FOR COMPANIES HOLDING SHARES THEY COULD LEASE. OTHERS LEFT THE INDUSTRY ALTOGETHER.
TREMENDOUS INCREASE TO FINANCIAL LIABILITY TO THE FISH HOUSE.
I DO NOT HAVE ENOUGH FISHERMEN LEFT TO ACCURATELY FILL THIS SURVEY OUT. I PROCESS, RETAIL, WHOLESALE AND FISH SO I CAN NOT JUST CHECK ONE! THE BIG CORP ARE THE ONLY ONES BENEFITTING-UNFORTUNATELY

APPENDIX B: COMMENTS WITH RESPECT TO QUESTION 6A (CONTRIBUTION OF GT-IFQ TO GROUPER/TILEFISH GROSS SALES)

IT INCREASED THE PRICE.
WE AS A DEALER MAKE LESS ALL.
YEAR ROUND OPEN FISHERY, STABILITY IN ALL ACCTS. IT HAS GIVEN ME STABILITY TO IMPROVE RELATIONSHIPS WITH PROCESSORS BECAUSE PRODUCT AVAILABLE YEAR ROUND.
STABILIZED MARKET
SHARES AND ALLOTMENTS MADE THE PRICE GO UP!
THE REASON THERE IS NOT CHANGE IS B/C FISH IS SOURCED FROM MANY AREAS, NOT JUST GULF.
ONLY THE POEPLE INVOLVED IN MAKIGN THE IFQ PROGRAM KNEW TO BUY UP ALL THE LITTLE GUYS SHARES SO THEY COULD CONTROL THE MARKET.
DECIDE TO SELL MORE GROUPER.
DURING THE DERBY I HAD VERY LITTLE TIME TO FISH FOR DEEP H2O GROUPER-SINCE IMPLEMENTATION-THE FISHERY IS BETTER AND IVE TAKEN THE PLACE/QUOTA OF RETIRED FISHERMEN. ALSO YOU COULDNT FISH IN DEEP WATER DURING THE DERBY-SO YOU GOT THE YOUNG.
TI STABILIZED THE PRCING. SALES WENT UP AND PRICES WENT UP.
WE STARTED ON SEAFOOD MARKET IN 2008, WE DID APROX. $XXXX, NOW OUR BUSINESS HAS GROWN TO OVER YYYY GROSS PER YEAR THAT INCLUDES WHOLESALE AND RETAIL, ZZ IS IFQ FISH (note: numbers deleted for purposes of confidentiality)
BECAUSE WE DIDN'T HAVE FISH
SAME EXPLANATION IN 5A. FISH POPULATION ISNT OWNED BY GOVERNMENT OR ANYONE ELSE.

IT CONTRIBUTES NEGATIVELY BECAUSE WE NOW HAD TO PAY FOR FISH WE HAVEN'T CAUGHT YET.
SOME FISHERMEN DIDN’T HAVE ENOUGH ALLOCATION TO FISH ALL YEAR.
BECAUSE I DON'T HAVE THE SUPPLY ANYMORE, THE PEOPLE I HAD FISHING HAD ALL RETURNED & ARE LEASING THEIR ALLOCATION.
CHANGED THE SOURCE OF WHERE ON FISH CAME FROM AND ADDED MORE FGT AND COGS
THOSE BOATS DON'T HAVE IFQ OR LITTLE QUOTA ONLY
INCENTIVE STRUCTURE CANGED; ELIMINATED OVERSUPPLY RATIONALIZED EFFORT - ELIMINATED DERBY FISHING. ABILITY TO TIME DIRECTED EFFORT LED TO INCREASE IN PRICE/LB LED TO INCREASE IN $
VOLUME WENT UP DUE TO DEMAND FROM OUR RESTAURANT. PRICES WENT UP AND THE MARGINS GREW SMALLER
LESS BOATS FISHING IN DEEP WATER & LESS QUOTA OR ALLOCATION TO GO AROUND.
SALES HAVE GONE DOWN FOR SURE-10-15%-SINCE THE IMPLEMENTATION FO THE IFQ-ITS BECAUSE THE COST TO THE FISHERMAN. THEY TARGET OTHER SPECIES INSTEAD OR CHOOSE NOT TO FISH
I DON'T SALE FISH NO CHANGE
ATTRACTED MORE FISHERMEN WITH LOW LEASE FEES
VESSELS WITHOUT QUOTA WERE CONTROLLED BY QUOTA HOLDERS.
BECAUSE THE IFQ STARTED THE FISHERY REBUILDING
AS STATED IN 5(A), THE VESSELS HAD TO FIND ALLOCATIONS TO LEASE. FLEET CONSISTED OF (6) SIX VESSELS.
INFLATIONARY NATURE OF THE PROGRAM

APPENDIX C: COMMENTS ASSOCIATED WITH QUESTION 10B (CONTRIBUTION OF GT-IFQ TO RAW FISH COST)

LESS AVAILABLE
RED GROUPER WENT UP DIRECTLY IN PROPORTION TO THE COST OF ALLOCATION. IT IS ALSO THE STABILITY-BECAUSE WE HAVE THE FISH-THE STABILITY IN SUPPLY HAS HELPED STABILIZE THE DEMAND
FISHERMAN HAVE MORE INVESTED IN THE FISH THEREFORE HAVE TO SELL FOR MORE MONEY.
STABLE MARKET
MADE VALUE STRONGER.
FISHERMEN NEED TO MAKE SOMETHING ON PRODUCT
COST TO OBTAIN QUOTA
THE COST OF THE IFQ SHARE FROM THE SHAREHOLDER.
FISH YEAR AROUND - HAVE MORE FISH - BOUGHT SHARES
IT MADE THE FISH AVAILABLE YEAR ROUND WHICH CREATED A MARKET AND DEMAND AND A HIGHER PRICE. WHEN THE FISH WASNT AVAILABLE-WE COULDNT SELL TO STORES-IT WASNT A STABLE MENU ITEM.
NOW A STABLE MARKET.
IT MADE FISH MORE VALUABLE.
LESS SUPPLY
COULDN'T BUY ENOUGH FROM FISHMEN
THE COST OF LEASING SHARES HELPED RAISE PRICES
INCREASED IT BECAUSE WE HAD TO PAY MORE FOR THE FISH-PUT MORE OF A DEMAND ON IT AND THOSE THAT CAUGHT IT HAD TO PAY FOR THE ALLOCATION

FISHERMAN PAYS NOAA 37, FISHERMAN HAVE TO LEASE ON PURCHASE SHARES TO FISH, TOO MANY RULES FOR BOATS/FISHERMAN EQUIPMENT NEEDED.
DIFFERENCES IN DEALING WITH FRIGHT COST & ALSO HAVING TO BUY FISH THROUGH ANOTHER DEALER.
ELIMINATED OVERSUPPLY; DECISION TO FISH RE: WEATHER
I HAVE TO BUY ALLOCATION
COST OF SALES INCREASED. BUYERS COULD ONLY ABSORB SO MUCH EXTRA. DEALERS MARGINS DECREASED
LESS PRODUCTION-SUPPLY AND DEMAND-LESS PRODUCT ON THE MARKET EQUALED A HIGHER PRICE
IT INCREASED COSTS DUE TO BUYING THE QUOTA-IF PEOPLE HAVE QUOTA ISSUED TO THEM-IT DOESN'T COST THEM-IF THEY HAVE TO BUY IT-THEY HAVE MONEY AND $1 OR MORE A POUND INTO IT BEFORE THEY CAN EVEN FISH. A $1 OR MORE PER FISH IS PAID FOR QUOTA.
BUSINESS HAVING TO ACCOUNT FOR COST RECOVERY FEE
PRODUCT QUALITY WAS HIGHER, CREATING INCREASED DEMAND, RESULTING IN HIGHER PRICES TO FISHERMAN.
COST OF LEASING ALLOCATION PUSHED PRICES UP
COST OF SHARES ADDED WHOLE LAYER OF PROFIT TO COST OF FISH
IT REALLY CONTRIBUTED TO THE SUSTAINED PROFITABILITY-PEOPLE KNOW THERE WOULD BE PRODUCT ALL THE TIME-SO RESTAURANTS AND GROCERY STORES WOULD CARRY OUR FISH -> NOW WE DONT COMPETE NEAR AGAINST THE FOREIGN ENTITY
THE FISHERMAN NOW CONTROLLED HIS EX-VESSEL PRICE, THE FISH HOUSES DID NOT DICTATE THE PRICE. ALSO!! AVAILABILITY WAS NOW YEAR AROUND - NO MORE CLOSURES.
LEASE PRICE

APPENDIX D: COMMENTS ASSOCIATED WITH QUESTION 10D (CONTRIBUTION OF GT-IFQ SALES PRICE)

IF YOU PAY MORE, YOU HAVE TO CHARGE MORE IF YOU WANT TO MAKE THE SAME PROFIT.
YES BUT NOT AS CLOSELY CORILATED. WHAT I SELL FOR WENT UP-MORE ABOUT THE ALLOCATION AND THE CONSISTENCY OF SUPPLY-THIS DROVE THE PRICE UP.
SAME AS ABOVE
STABLE MARKET
SAME REASON
FISHERMEN NEED TO MAKE SOMETHING ON THEIR FISH-TO COVER THEIR COSTS
DUH, RAW COST GOES UP SO DOES SALE PRICE
IF THE RAW PRODUCT GOES UP SO DOES THE FINISHED PRODUCT.
YES. 1.-/LB ACROSS THE BOARD
THIS MADE THE FISH MORE AVAILABLE YEAR ROUND AND IT STABILIZES THE MARKET BECAUSE THEN THE RESTAURANTS CAN PUT IT ON THEIR MENU. BEFORE IFQS THAT WAS NOT AN OPTION.
ALSO A STABLE MARKET. PRODUCT FOR AN ENTIRE YEAR.
RAW FISH PRICE WENT
HIGH COSTS
FOLLOW THE RAW COST
TIGHTENED UP SUPPLY (AVAILABILITY)
WE HAD TO INCREASE IT BECAUSE OUR COSTS FOR THE FISH INCREASED. THIS COSTS JUST GET PASSED ONTO THE CONSUMER.

PRICES INCREASE, RESTAURANT INCREASE, WHICH MAKE A FAMILY OR ANYONE DINING PAY MORE FOR FISH.
MADE THE COST TO US GO UP SO HAVE TO PASS ON AND FOLLOW MKT. EVEN AT HIGHER COST BECAUSE OF FGT.
ELIMIATED OVERSUPPLY; ALLOWED OPPORTUNITY TO INCREASE THE BASIS - PERCENT OF PRICE
I HAVE TO BUY ALLOCATION
PRICES INCREASED DUE TO ADDED EXPENSES
SUPPLY AND DEMAND-LESS FISH=MORE MONEY FOR THE FISH
IT INCREASED OUR SALES PRICE BECAUSE OUR COSTS TO PURCHASE THE FISH WENT UP AND IT REDUCED OUR SUPPLY. LESS SUPPLY EQUALS HIGHER PRICE. LESS SUPPLY BECAUSE OF LESS FISHERMAN FISHING GT.
COST RECOVERY FEE HAS TO BE ADDED TO OVERALL PRICE
THE FINAL PRICE OF FINISHED FILLET PRODUCT ROSE DUE TO ITS HIGHER QUALITY, MORE PUBLIC DEMAND - MARKET SHOWED THIS QUALITY WILL COMMAND A HIGHER PRICE IN THE MARKET.
SAME AS ABOVE
DUE TO THE COST OF LEASING SHARES. THE COST HAS TO BE ADDED TO COST OF FISH
FOR THE SAME REASON-CONSISTENT-SUPPLY AT A TIME WHEN IMPORTS WERE TAILING BECAUSE THEY HAD OVERFISHED THEIR STOCKS
FOR THE SAME REASON
IFQ COST
IT SEEMS LIKE THERE HAS BEEN LESS GROUPER AROUND-I DONT KNOW IF THAT IS SUPPLY AND DEMAND. FOR THE IFQ-I COULDNT SAY

APPENDIX E: INFORMATION ON SUPPLY SOURCES (FULL SAMPLES FOR BOTH PERIODS)

Table E.1. Estimated Unweighted Sources of Grouper/Tilefish Pre-and-Post GT-IFQ (i.e., 2009 and 2014) for All Providing Valid Information

Source	Number	Pre-IFQ (2009)	Std. Dev	Number	Post-IFQ (2014)	Std. Dev
U.S. based fishermen who operate vessels owned by this business	13	55.4%	35.7	19	67.3%	38.3
U.S. based fishermen who operate vessels not owned by this business	31	69.0%	30.1	33	61.0%	38.2
U.S. based seafood dealers/distributors or processors	18	23.8%	21.9	18	32.3%	31.1
Outside the United States	8	38.8%	29.0	7	54.0%	26.1
Other	0	NA	NA	1	50%	.

Notes: The pre-IFQ estimates for this Appendix are based on reports by 36 establishments while the post-IFQ estimates are based on reports by 43 establishments. A total of 46 establishments were used to generate pre-IFQ and/or post-IFQ estimates.

Table E.2. Estimated Weighted Sources of Grouper/Tilefish Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Source	Number	Pre-IFQ (2009)	Number	Post-IFQ (2014)
U.S. based fishermen who operate vessels owned by this business	13	20.0%	19	29.7%

U.S. based fishermen who operate vessels not owned by this business	31	59.4%	33	46.7%
U.S. based seafood dealers/distributors or processors	18	11.9%	18	13.5%
Outside the United States	8	8.6%	7	8.8%
Other	0	NA	1	1.2%

APPENDIX F: INFORMATION ON RAW FISH COST AND SALE PRICE (FULL SAMPLES FOR BOTH PERIODS)

Table F.1. Raw Fish Cost ($/Lb.), Sales Price ($/Lb.), and Estimated Markup ($/Lb.) Pre-and-Post GT-IFQ (unconverted)

Species	Number (raw fish)	Raw fish cost in 2009	Raw fish cost in 2014	Number (sales price)	Sales price in 2009	Sales price in 2014	Markup (2009)	Markup (2014)
Gag grouper	28/35	$4.52	$5.48	25/31	$6.99	$8.36	$2.47	$2.88
Red grouper	30/36	$3.75	$4.68	27/33	$5.91	$7.83	$2.16	$3.15
Black grouper	19/24	$4.37	$5.04	16/21	$6.21	$7.93	$1.84	$2.89
Scamp	29/35	$4.66	$5.63	27/32	$7.00	$8.23	$2.34	$2.60
Yellowedge grouper	16/20	$4.70	$5.36	15/18	$6.57	$7.28	$1.87	$1.92
Golden tilefish	13/16	$3.05	$3.63	12/14	$4.69	$5.26	$1.64	$1.63
Blueline tilefish	8/11	$1.45	$1.94	7/9	$2.17	$2.73	$0.72	$0.79

Table F.2. Raw Fish Cost ($/Lb.), Sales Price ($/Lb.), and Estimated Markup ($/Lb.) Pre-and-Post GT-IFQ (converted)

Species	Number (raw fish)	Raw fish cost in 2009	Raw fish cost in 2014	Number (sales price)	Sales price in 2009	Sales price in 2014	Markup (2009)	Markup (2014)
Gag grouper	28/35	$4.24	$4.99	25/31	$5.05	$6.19	$0.81	$1.20
Red grouper	30/36	$3.51	$4.24	27/33	$4.50	$5.62	$0.99	$1.38
Black grouper	19/24	$4.06	$5.04	16/21	$5.00	$6.16	$0.94	$1.12
Scamp	29/35	$4.15	$4.96	27/32	$5.07	$6.10	$0.92	$1.14
Yellowedge grouper	16/20	$4.21	$4.94	15/18	$5.20	$6.06	$0.99	$1.12
Golden tilefish	13/16	$3.05	$3.63	12/14	$3.86	$4.53	$0.81	$0.90
Blueline tilefish	8/11	$1.45	$1.94	7/9	$2.17	$2.73	$0.72	$0.79

APPENDIX G: INFORMATION ON SALES BY PRODUCT FORM (FULL SAMPLES FOR BOTH PERIODS)

Table G.1. Estimated Unweighted Sales by Product Form Pre-and-Post GT-IFQ (i.e., 2009 and 2014) for All Providing Valid Information

Product Form	Number	Pre-IFQ (2009)	Std. Dev	Number	Post-IFQ (2014)	Std. Dev
Fresh whole or gutted	31	66.5%	38.9	40	68.5%	38.9
Frozen whole or gutted	1	5.0%	.	1	3.0%	.
Fresh fillets	18	62.0%	31.8	19	64.4%	27.4
Frozen fillets	7	9.8%	5.4	7	9.7%	9.4
Other	2	24.0%	22.6	2	32.0%	33.9

Notes: The pre-IFQ estimates for this Appendix are based on reports by 33 establishments while the post-IFQ estimates are based on reports by 41 establishments.

Table G.2. Estimated Weighted Sales by Product Form Pre-and-Post GT-IFQ (i.e., 2009 and 2014) for all Those Providing Valid Information

Product Form:	Number	Pre-IFQ (2009)	Number	Post IFQ (2014)
Fresh whole or gutted	31	62.5%	40	66.8%
Frozen whole or gutted	1	0.2%	1	0.1%
Fresh fillets	18	33.8%	19	29.9%
Frozen fillets	7	2.1%	7	1.7%
Other	2	1.5%	2	1.6%

APPENDIX H: INFORMATION ON SALES TO ALTERNATIVE OUTLETS (FULL SAMPLES FOR BOTH PERIODS)

Table H.1. Estimated Unweighted Grouper/Tilefish Sales to Alternative Outlets Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Outlet	Number	Pre-IFQ (2009)	Std. Dev	Number	Post-IFQ (2014)	Std. Dev
Other dealers/proc	18	35.8%	35.7	22	46.8%	38.8
Wholesalers	20	48.4%	29.9	24	47.1%	34.2
Retailers	13	19.8%	15.3	17	19.0%	15.7
Restaurants	25	50.6%	30.5	29	46.9%	33.2
Consumers	13	19.7%	23.6	17	25.6%	30.5
Other outlets	1	10.0%	.	1	20.0%	.

Notes: The pre-IFQ estimates for this Appendix are based on reports by 34 establishments while the post-IFQ estimates are based on reports by 43 establishments.

Table H.2. Estimated Weighted Grouper/Tilefish Sales to Alternative Outlets Pre-and-Post GT-IFQ (i.e., 2009 and 2014)

Outlet	Number	Pre IFQ (2009)	Number	Post-IFQ (2014)
Other dealers/proc.	18	18.9%	22	23.9%
Wholesalers	20	28.4%	24	26.3%
Retailers	13	7.6%	17	7.5%
Restaurants	25	37.2%	29	31.7%

Consumers	13	7.5%	17	10.1%
Other outlets	1	0.3%	1	0.5%

APPENDIX I: SUGGESTED IMPROVEMENTS TO THE IFQ ONLINE SYSTEM (QUESTION 21A)

ENABLE TO USE PHONES-MORE USER FRIENDLY
MORE MOBILE DEVICE FRIENDLY (DOESNT WORK ON ANDROID OR APPLE). NEED TO UPDATE AND MAKE MOBILE APPLICATION FASTER.
SO FAR THE SYSTEM SEEMS TO BE FINELY TUNED. TECH SUPPORT HAS BEEN SUPERB
BUYER SHOULD BE ABLE TO SEE HOW MUCH ALLOCATION THE OWNER HAS. (NOT OK, TELLS NOTHING HOW SHORT?)
- GOVT SPONSORED "ESCROW" SYSTEM TO FACILITATE SELLING/BUYING SHARES AND ALLOC.
MAKE SURE YOU HAVE A HUMAN TO TALK TO 24 HRS A DAY AND ON WEEKENDS-FISHERMEN WORK 24/7 AND QUESTIONS AND PROBLEMS ARISE WITH YOUR SYSTEM.
REMOTE ACCESS, CANNOT GET IT ON ANDROID FORMAT
SOMEONE TO ANSWER AFTER HR'S IF YOU HAVE A PROBLEM
ENFORCE THE RECREATIONAL FISHING LAWS-MAKE SURE THE STATES ARE PAID, WHICH THEY ARE, AND ACTUALLY USE THE $ FOR ENFORCEMENT-TX DOESNT, TX WONT ENFORCE ANY FEDERAL REC. FISHING LAWS
VERY GOOD!
NONE

MORE STREAMLINE PROCESS
USER FRIENDLY
MORE TIME TO WRITE FISH OFF! (BUY THEM OFF THE BOAT AND SELL TO SHOP)
ALLOW DEALERS TO PAY COST RECOVERY FEES AT TIME OF LANDING TRANSACTION OR ON A MONTHLY BASIS. PLEASE!!
STOP MAKING US CHANGE THE PASSWORD SO MUCH.
STOP LOCKING PEOPLE OUT & IF SOMEONE COULD ACTUALLY ANSWER THE PHONE AT ALL HOURS - AN ACTUAL HUMAN - I CAN'T ALWAYS LEAVE A MESSAGE.
CHANGE PASSWORDS ONCE A YEAR, NOT EVERY SIX MONTHS.
CREATING AN APP FOR ANDROID PHONES
IF YOU DON'T HAVE PURCHASE "LANDINGS" SHOULD NOT BE REQUIRED TO MAKE A REPORT!
TOO COMPLICATED ON START UP. ALL THE OVERSITE IS NOT NEEDED.
MAKE AVAILABLE TO APPLE IPHONE
NO OPINION
BETTER DIVISIONS OF ALLOCATIONS PER SHARE
SOME PEOPLE MIGHT LIKE TO ACCESS ON SMARTPHONE
NONE AT THE MOMENT
IF A BOAT COMES IN WITH SOME OUR GAG & THEIR GAG - THEN HAVE TO DO 2 LANDING TRANSACTION - IF THERE WERE 2 AREAS TO PUT INFO IT WOULD MAKE IT EASIER.
NONE

APPENDIX J: SUGGESTED IMPROVEMENTS TO THE IFQ CUSTOMER SERVICE (QUESTION 22A)

KEEP UP THE GOOD WORK!
NOT GOOD-NO PEOPLE TO TALK TO NIGHTS AND WEEKENDS = NOT ACCEPTABLE
A LOT OF TIMES THEY DON'T ANSWER
THERE IS A WEIRD BEEP EVERY 5 SECONDS WHEN YOU CALL NOAA ACCORDING TO ANNA WHO CALLS IN. ANNA IS PREGNANT AND THE BEEP DRIVES HER CRAZY.
NONE
MORE + BETTER CUST. SERVICE
EVERYONE IS PRETTY GOOD AT IFQ SUPPORT (EVEN VERY GOOD)
NONE
THE NOAA POEPLE ARE GREAT - THEY GO THE EXTRA MILE - BUT THE STATE PEOPLE ARE IDIOTS.
THEY SEEM COMPETENT TO ADVISE LAYMEN IN WHAT IS A VERY COMPLICATED SYSTEM.
NO WEEKEND COVERAGE, MOST QUESTIONS ARE NOT READILY ANSWERED
NO OPINION
N/A
NONE AT THE MOMENT

NOTHING - NO ISSUES.
CANT GET A REAL PERSON ON THE PHONE ALWAYS-THEY HAVE TO CALL YOU BACK.
N/A
NONE AT ALL - GOOD JOB
I HAVE ALWAYS FOUND IFQ REPS. WERE VERY HELPFUL AND COURTEOUS WHEN DEALING WITH IFQ QUESTIONS - VERY GOOD SERVICE.
0
A LIVE PERSON IS ALWAYS A PLUS
NONE
NONE
WE NEED TO HAVE A REAL HUMAN HERE IN THE US TO TALK TO ON THE WEEKENDS-SO IF THEY GAME WARDENS HAVE QUESTIONS-YOU CAN ANSWER THEM

APPENDIX K: SUGGESTED IMPROVEMENTS TO ENFORCEMENT OF IFQ PROGRAM (QUESTION 23A)

TO NOT PENALIZE US WITH YOUR SYSTEM IS DOWN.
MANDATE ALL REEF FISH BELANDED AT ONLY APPROVE LANDING SITES. AND ALL MUST BE 3 HR NOTICE - IFQ SPECIES OR NOT - NEED MORE ENFORCEMENT - SPECIFICALLY ON NON IFQ REEF TRIPS.
SURE WISH REC. FISHING HAD MORE ACCOUNTABLE ENFORCEMENT
REQUIRE A 3 HOUR NOTIFICATION TO UNLOAD FISH FROM YOUR VESSEL. THEYLL WAIT TO UNLOAD UNTIL THE GAME WARDEN LEAVES. NEED TO BE FORCED TO UNLOAD WHEN THEY SAY THEY ALL ARE GOING TO UNLOAD. OTHERWISE THEY ARE HIDING FISH
NONE
DEALERS SHOULD NOT BE REQUIRED TO ENFORCE THE LAW.
FINES ARE EXCESSIVE & IT CREATES A LAW ENFORCEMENT (OR COMPLIANCE) PROBLEM BECAUSE IT IS NOW MORE DIFFICULT TO COMPLY. FOR EXAMPLE; VMS, CALLING IN. 3 HOUR NOTIF. ETC.
MORE LANDING NOTIFICATION (3 HOUR) OFFICE INSPECTIONS. I FISH IN LOUSIANA AND NEVER SEE ENFORCEMENT OFFICERS TO WATCH AN OFFLOAD.
A LITTLE MORE UNDERSTANDING - THEY ALWAYS ASSUME YOU'RE A CRIMINAL - THERE ARE A COUPLE THAT WILL WORK WITH YOU. THERE WAS ONE GUY WHO WAS REALLY A JERK - BUT I THINK HE RETIRED.

NEED TO COME OUT MORE OFTEN.
FWC DOESN'T UNDERSTAND WHAT FISH LOOK LIKE AND KNOW ABOUT ALL THE REGULATIONS
FOR ENFORCEMENT TO NOT THINK EVERYONE IN THE FISHING BUS. IS A CROOK. LESS BEAURACRACY. DISBANDING THE IFQ PROGRAM WOULD HELP.
NO OPINION
BUDGET COSTS HAVE HURT THE LAW ENFORCEMENT FROM DOING THEIR JOB.
KEEP THE PENALITIES PUNATIVE - MAKE EXAMPLES OF OFFENDERS
MORE LANDING INSPECTION. INVESTIGATION TO BUYERS THAT USE NONPERMITTED FISHERMAN.
PEOPLE THAT DONT FISH SHOULDNT BE ALLOWED TO INVEST IN SHARES AND LEASE TO FISHERMEN
SPORTS FISHERMEN / RECREATIONAL FISHERMEN NEED TO BE REGULATED MORE BECAUSE THEY JUST RAPE & PILLAGE.
NONE
N/A
NONE
ELIMINATE THE OBSERVER PROGRAM BY INSTALLING CAMERAS AND REAL TIME ELECTRONICS LOG BOOKS ON ALL VESSELS IN THE IFQ FISHERY.
0
IFQS SHOULD NOT BE A TOOL FOR MANAGING ENFORCEMENT. IT WAS SUPPOSED TO MANAGE STOCKS. TICKETING DEALERS FOR SIMPLE MISTAKES THAT DO NOT RESULT IN HARM TO FISH STOCKS IS WRONG.
VERY DISSATISFIED WITH THE TEXAS EFFORT-THERE IS NO EFFORT TO ENFORCE IT THERE-THERE IS ENFORCEMENT IN FLORIDA-NEED TO ENFORCE ALL AROUND-NOT JUST REGIONALLY
NONE
I KNOW ONE THING I DIDNT LIKE AND IT IS THE BOATS HAVING TWO ACCOUNTS-THERE ISNT A REAL NEED FOR THE BOATS TO HAVE 2 ACCOUNTS-IT JUST CREATED MORE HEADACHES

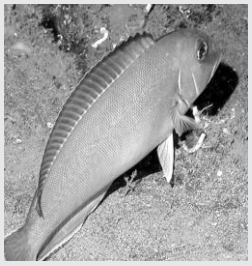
APPENDIX L: 2016 GULF OF MEXICO GROUPER/TILEFISH IFQ DEALER SURVEY

National Marine Fisheries Service

2016 GULF OF MEXICO GROUPER/TILEFISH IFQ DEALER SURVEY







Please return questionnaire to:

QuanTech, Inc.
6110 Executive Blvd Suite 480
Rockville, MD 20852

The business at this address has been identified as a Gulf of Mexico grouper/tilefish dealer. This survey has been developed to evaluate the impacts of the grouper/tilefish IFQ (GT-IFQ) program on those Gulf of Mexico businesses whose activities involve the buying, processing and selling of grouper and tilefish.

Section 1: Background Information

1. What year did this business at this address start handling seafood under current ownership?

2. What do you consider to be the PRIMARY activity of this business? **(CHECK ONLY ONE)**

- ☐ Commercial fishing (operating commercial fishing vessels to harvest seafood)
- ☐ Dealer / distributor activities (buying and reselling seafood)
- ☐ Processor activities (transforming seafood into new products and reselling the products)
- ☐ Retailer activities (selling seafood products directly to the consumer)
- ☐ Other (Specify):

3. What was your opinion of the GT-IFQ program at the time of its implementation on January 1, 2010?

Strongly Opposed	Opposed	Neutral	Supported	Strongly Supported	No Opinion

4. What is your opinion of the GT-IFQ program NOW?

Strongly Oppose	Oppose	Neutral	Support	Strongly Support	No Opinion

5. Have your arrangements with fishermen from whom you purchased grouper/tilefish changed significantly as a result of the GT-IFQ program?

- ☐ Yes
- ☐ No → **GO TO # 6**
- ☐ NA - I was not a dealer/processor prior to implementation of the GT-IFQ program. → **GO TO # 6**

5(a). What were the primary changes in your arrangements with fishermen from whom you purchased grouper/tilefish?

Section 2: Pre- and Post-GT-IFQ Operations

This section of the survey asks for information specific to your operations pre- and post-implementation of the GT-IFQ program. **PLEASE COMPLETE THE POST-IFQ PORTION OF THE QUESTIONS in this section of the questionnaire even if you did not buy, process or sell grouper/tileftsh prior to implementation of the program. In such cases, write "NA" for 2009 Pre-GT-IFQ data.** Furthermore, we realize that you may not have access to 2009 records. Please give your 'best estimate' of 2009 activities (i.e., pre-GT-IFQ) if the information is not readily available.

6. For this seafood business, what were the estimated GROSS SALES for **grouper/tilefish** pre- and post-GT-IFQ implementation? **All responses are treated as confidential data.**

2009 Pre-GT-IFQ: $

2014 Post-GT-IFQ: $

6(a). Did the implementation of the GT-IFQ program contribute to the change in **grouper/tilefish** GROSS SALES reported in Question 6? If you wrote "NA" for 2009 above or there was no change in GROSS SALES for **grouper/tilefish** pre- vs. post-GT-IFQ, go to Question 7.

- ☐ Yes
- ☐ No
- ☐ No Opinion

→ **GO TO # 7**

6(b). Please explain why you believe the GT-IFQ program contributed to the change in **grouper/tilefish** GROSS SALES.

7. For this seafood business, what were the estimated GROSS SALES of **other finfish and shellfish species** pre- and post-GT-IFQ implementation?

2009 Pre-GT-IFQ: $

2014 Post-GT-IFQ: $

8. What percentage (%) of the **grouper/tilefish** purchased or obtained pre- and post-GT-IFQ by this seafood business, by weight, came from the following sources?

Sources of Grouper/Tilefish for This Business

Source	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
U.S. based fishermen who operate vessels owned by this business (including yourself)	%	%
U.S. based fishermen who operate vessels not owned by this business	%	%
U.S. based seafood dealers/distributors/processors	%	%
Outside the U.S.	%	%
Other (Specify):_____	_____%	_____%
TOTAL	100%	100%

Note: Total for each year should sum to 100%.

8(a). Did the GT-IFQ program contribute to the change in **grouper/tilefish** SOURCES reported in Question 8?

- ☐ Yes
- ☐ No
- ☐ No Opinion
- ☐ No Change
- ☐ NA

→ **GO TO # 9**

8(b). Please explain why you believe the GT-IFQ program contributed to the change in **grouper/tilefish** SOURCES.

9. Approximately how many people were employed at this seafood business pre- and post-GT-IFQ? Please limit your response to only those employees directly involved in the dealer/processor component of this business (i.e., exclude hired captains and crew). If the owner works at this seafood business, please include him/her among the total number of workers.

Number of Employees at This Business

	Pre-GT-IFQ (2009)	**Post-GT-IFQ (2014)**
Full Time (≥40 hours per week)		
Part Time (<40 hours per week)		

9(a). Did the GT-IFQ program contribute to the change in EMPLOYMENT reported in Question 9? If there was no change in EMPLOYMENT, go to Question 10.

- ☐ Yes
- ☐ No
- ☐ No Opinion
- ☐ NA

→ **GO TO # 10**

9(b). Please explain why you believe the GT-IFQ program contributed to the change in EMPLOYMENT.

10. With respect to the **grouper/tilefish** component of this seafood business, please provide an estimate of the cost of the raw product (expressed on a finished-weight basis) and the final product sales price pre- and post-GT-IFQ implementation. Please write "NA" if the species shown is not purchased or sold. **All responses are treated as confidential data.**

Gag

	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Raw Fish Cost (Finished Weight)	$/lb.	$/lb.
Sales Price	$/lb.	$/lb.

Red Grouper

	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Raw Fish Cost (Finished Weight)	$/lb.	$/lb.
Sales Price	$/lb.	$/lb.

Black Grouper

	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Raw Fish Cost (Finished Weight)	$/lb.	$/lb.
Sales Price	$/lb.	$/lb.

Scamp

	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Raw Fish Cost (Finished Weight)	$/lb.	$/lb.
Sales Price	$/lb.	$/lb.

Yellowedge Grouper

	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Raw Fish Cost (Finished Weight)	$/lb.	$/lb.
Sales Price	$/lb.	$/lb.

Golden Tilefish

	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Raw Fish Cost (Finished Weight)	$/lb.	$/lb.
Sales Price	$/lb.	$/lb.

Blueline Tilefish

	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Raw Fish Cost (Finished Weight)	$/lb.	$/lb.
Sales Price	$/lb.	$/lb.

10(a). Did the GT-IFQ program contribute to the change in RAW FISH COST reported in Question 10?

- ☐ Yes
- ☐ No
- ☐ No Opinion
- ☐ No Change
- ☐ NA

→ **GO TO # 10(c)**

10(b). Please explain why you believe the GT-IFQ program contributed to the change in RAW FISH COST.

10(c). Did the GT-IFQ program contribute to the change in SALES PRICE reported in Question 10?

- ☐ Yes
- ☐ No
- ☐ No Opinion
- ☐ No Change
- ☐ NA

→ **GO TO # 11**

10(d). Please explain why you believe the GT-IFQ program contributed to the change in SALES PRICE.

11. With respect to the **grouper/tilefish component** of your seafood business, please provide an estimate of sales, by product form, on a percentage basis (%) pre- and post-GT-IFQ.

Sales by Product Form

Type of Product	Pre-GT-IFQ (2009)	Post-GT-IFQ (2014)
Fresh whole or gutted fish	%	%
Frozen whole or gutted fish	%	%
Fresh fillets	%	%
Frozen fillets	%	%
Other (Specify):_____	_____%	_____%
TOTAL	100%	100%

Note: Total for each year should sum to 100%.

12. What percentage (%) of the **grouper/tilefish** sales by this seafood business pre- and post-GT IFQ went to the following outlets?

Sales to Various Outlets

Outlet	Pre-IFQ (2009)	Post-IFQ (2014)
Other dealers/processors	%	%
Wholesalers	%	%
Retailers	%	%
Restaurants	%	%
Consumers	%	%
Other outlets (Specify):_____	_____%	_____%
TOTAL	100%	100%

Note: Total for each year should sum to 100%.

Section 3: Pre- and Post-GT-IFQ Intrafructure and Equipment

13. Has this business, or you personally, ever owned any vessels used in the harvesting of **grouper/tilefish** in the Gulf of Mexico?

- ☐ Yes
- ☐ No → **GO TO # 13(c)**

13(a). Have you increased or decreased the number of vessels or size of vessels owned as a result of the GT-IFQ program?

- ☐ Yes, I have INCREASED the number of vessels or size of vessels owned.
- ☐ Yes, I have DECREASED the number of vessels or size of vessels owned.
- ☐ No, I have not INCREASED or DECREASED the number of vessels or size of vessels owned.

13(b). Do you have any plans to increase or decrease the number of vessels or size of vessels in the next 5 years as a result of the GT-IFQ program?

- ☐ Yes, I plan to INCREASE the number of vessels or size of vessels owned.
- ☐ Yes, I plan to DECREASE the number of vessels or size of vessels owned.
- ☐ No, I have no plans to INCREASE or DECREASE the number of vessels or size of vessels owned.
- ☐ Undecided

→ **GO TO # 14**

13(c). Do you have any plans to increase the number of vessels or size of vessels owned as a result of the GT-IFQ program?

- ☐ Yes
- ☐ No
- ☐ Undecided

14. Excluding vessels and GT-IFQ shares, have you made MAJOR INVESTMENTS or DISINVESTMENTS in this seafood business that you attribute to the implementation of the GT-IFQ program?

- ☐ Yes
- ☐ No → **GO TO # 15**

14(a). Please briefly describe what INVESTMENTS or DISINVESTMENTS attributed to the GT-IFQ program that you have made in this seafood business.

15. Excluding real estate, vessels and any GT-IFQ shares owned by the business, what would you estimate as the CURRENT MARKET VALUE of this seafood business?

$

16. Has implementation of the GT-IFQ program resulted in any change in the CURRENT MARKET VALUE of this seafood business?

- ☐ Yes, it has led to an increase in the value of the business.
- ☐ Yes, it has led to a decrease in the value of the business.
- ☐ No, there has been no change in the value of the business as a result of the implementation of the GT-IFQ program. → **GO TO # 17**

16(a). Please explain what aspects of the program led to the change in CURRENT MARKET VALUE.

Section 4: GT- IFQ Share in Business Operations

17. Do you or your business currently hold any GT-IFQ shares?

- ☐ Yes
- ☐ No → **GO TO # 18**

17(a). What proportion of the "2014 Post-GT-IFQ" GROSS SALES given in Question 6 is represented by your shares?

%

18. Do you or your business plan to acquire shares in the future?

- ☐ Yes → **GO TO # 18(a)**
- ☐ No → **GO TO # 18(b)**
- ☐ Undecided → **GO TO # 19**

18(a). What would be the primary reasons for acquiring additional GT-IFQ shares? (check all that apply):

- ☐ Increased GT-IFQ shares would allow me to expand my dealer/processor operations.
- ☐ I would like to increase and/or change the product mix of GT-IFQ species that I am currently allowed to harvest with my existing GT-IFQ shares.
- ☐ Other (Specify):

18(b). What would be the primary reasons for not acquiring additional GT-IFQ shares? (check all that apply):

- ☐ The cost of acquiring GT-IFQ shares is high relative to any expected benefits I might receive from additional GT-IFQ shares.
- ☐ My business is currently at an 'optimal' size and therefore I need no additional grouper/tilefish product.
- ☐ I can buy all of the raw product I need at a reasonable price from local fishermen or other sources.
- ☐ Buying GT-IFQ allocation better suits my business.
- ☐ Other (Specify):

19. Do you provide GT-IFQ allocation to vessels not owned by you or your business?

- ☐ Yes
- ☐ No → **GO TO # 20**

19(a). What arrangements does your business have with fishermen to whom it provides allocation? (check all that apply):

- ☐ Fishermen must sell their catch (associated with GT-IFQ allocation) to my business. No payment for the GT-IFQ allocation is required.
- ☐ Fishermen must sell their catch (associated with GT-IFQ allocation) to my business. Payment for GT-IFQ allocation is subtracted from payment for their catch.
- ☐ Fishermen must pay 'up front' for the GT- IFQ allocation provided but are not required to sell their catch to my business.
- ☐ Other (Specify):

20. Of the GT-IFQ allocation you held on an annual basis, what percent on average was:

used for vessels owned by you or your business?	%
provided to fishermen who own their own vessels with the stipulation that they sell their catch to your business?	%
provided to fishermen with no requirement regarding sales?	%
sold (leased)?	%
Other(Specify):_____	_____%
TOTAL	100%

Note: Total should sum to 100%.

Section 5: Opinions Regarding the IFQ Program

21. How satisfied are you with the IFQ Online System for managing and completing landing transactions?

Highly Unsatisfied	Unsatisfied	Neutral	Satisfied	Highly Satisfied	No Opinion

21(a). What improvements would you suggest to the IFQ Online System?

22. How satisfied are you with the customer service you receive when contacting NOAA Fisheries Service regarding questions about the IFQ Program (e.g. help with an account, making a landing transaction)?

Highly Unsatisfied	Unsatisfied	Neutral	Satisfied	Highly Satisfied	No Opinion

22(a). What improvements would you suggest to IFQ customer service?

23. How satisfied are you with enforcement of the IFQ Program?

Highly Unsatisfied	Unsatisfied	Neutral	Satisfied	Highly Satisfied	No Opinion

23(a). What improvements would you suggest to the enforcement of the IFQ Program?

24. What do you consider to be the most POSITIVE impacts of the GT-IFQ program on your seafood dealer/processing operations?

25. What do you consider to be the most NEGATIVE impacts of the GT-IFQ program on your seafood dealer/processing operations?

THANK YOU FOR COMPLETING THE SURVEY

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