



GULF OF MEXICO IFQ PRICING REPORT

JANUARY 2024



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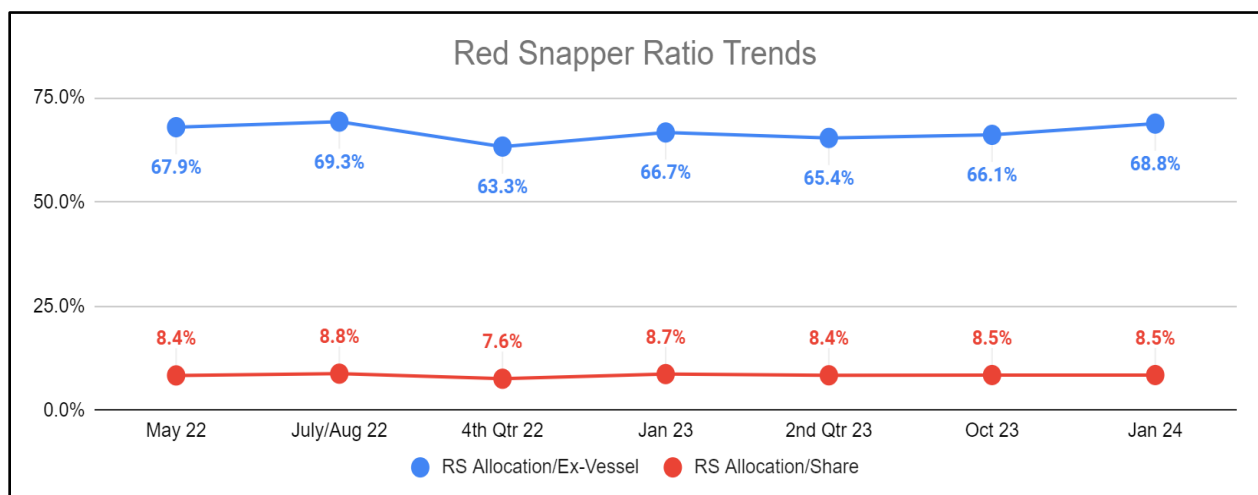
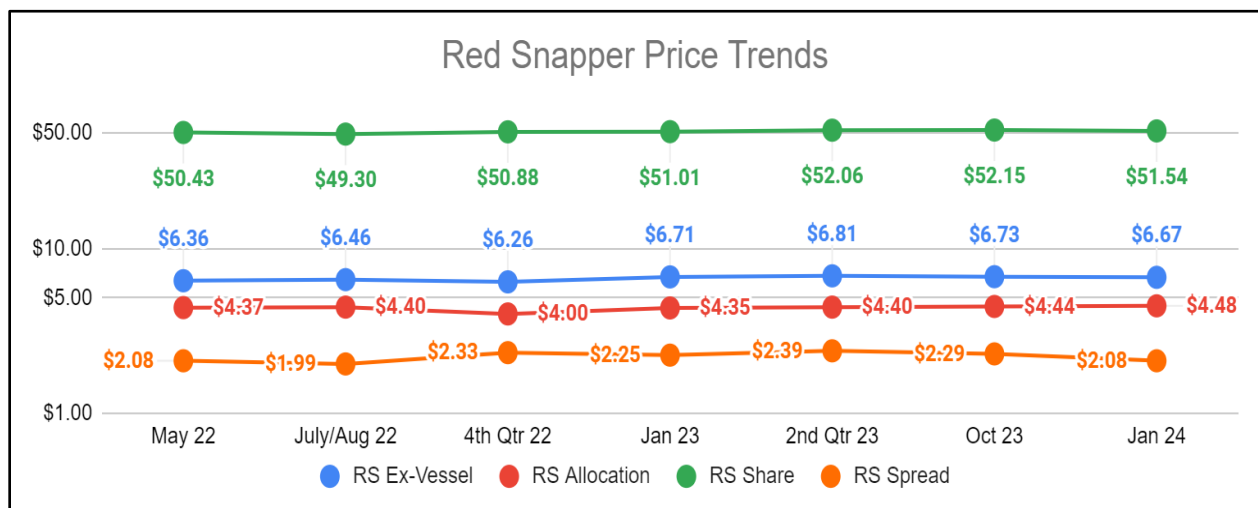
REPORT NOTES

- The objective of this report is to provide Gulf of Mexico IFQ fishermen and dealers with timely data on red snapper and grouper-tilefish ex-vessel (fish), allocation (lease), and quota share prices. The prices reported are based on a survey of IFQ participants. The survey was sent to 243 IFQ participants and 22 provided pricing information for the survey (9% response rate). The survey was released on January 30, 2024, and responses were collected until February 29, 2024.
- This version of the survey measured prices in January 2024.
- Quota share prices provided are estimates of the price **with the current year's allocation included**. For survey responses for share purchased or sold without the current year's allocation included we add the respondent's estimate of the allocation price to their share price. This change allowed for an apples-to-apples comparison of share prices across responses.
- Average prices, price ranges, and number of observations are shown with outliers removed. Responses were deemed to be outliers if they were more than two standard deviations from the average. The charts showing all responses, including outliers, were moved to the back of the document to allow for the new trend charts. **I encourage those using this document to examine both the averages and trends presented in each section and the column charts showing all responses presented at the end of the document.**
- **The report now includes two additional measures – the allocation/ex-vessel ratio and the allocation/share ratio. For each respondent that provided both an ex-vessel price and an allocation price we calculated the allocation price as percentage of the ex-vessel price (allocation/ex-vessel ratio). Allocation/ex-vessel indicates how much of a fisher's revenue goes toward paying for allocation. For each respondent that provides both an allocation and share price we calculated the allocation price as a percentage of the share price (allocation/share ratio). Allocation/share indicates the dividend yield on the purchase of a pound of share – similar to the measure used for stock investments.**
- **Thank you to all IFQ participants who took the survey and made this report possible.** If you are interested in providing input for future surveys, please fill out the sign up form on the Florida Sea Grant webpage – [CLICK HERE](#).
- **If you would like to provide feedback on the report, how it could be made more useful, and any additional information you would like to see included please feel free to do so by [CLICKING HERE](#) or contact me directly at aropicki@ufl.edu or 352-294-7667. Thanks!**

Red Snapper (RS)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The charts show that pricing has been relatively stable for red snapper (ex-vessel, allocation, and share) with a decrease in the spread (ex-vessel less allocation) for January 2023.

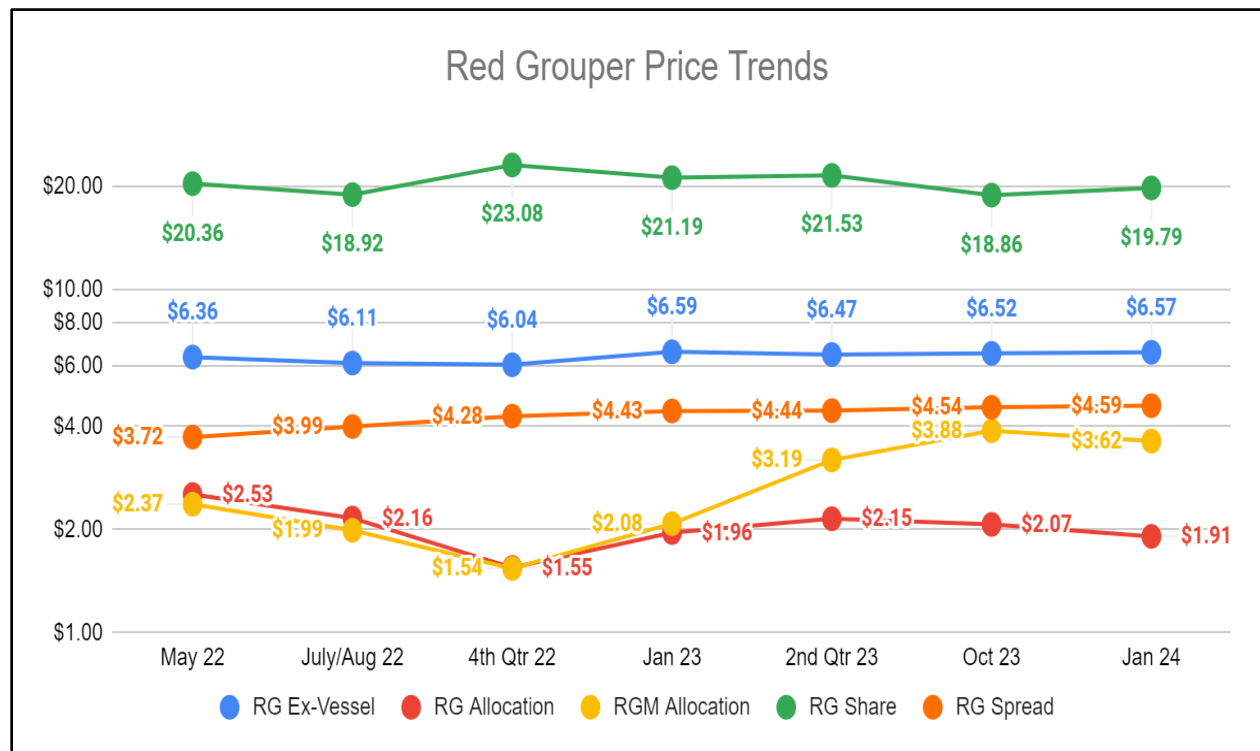
Red Snapper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$6.67	\$6.00 - \$7.00	15
Allocation Price	\$4.48	\$3.75 - \$5.00	20
Share Price	\$51.54	\$47.50 - \$57.00	13
Spread (Ex-vessel – Allocation)	\$2.08	\$1.75 - \$2.40	11
Allocation/Ex-vessel Ratio	68.8%	66% - 72%	11
Allocation/Share Ratio	8.5%	7.1% - 9.6%	11



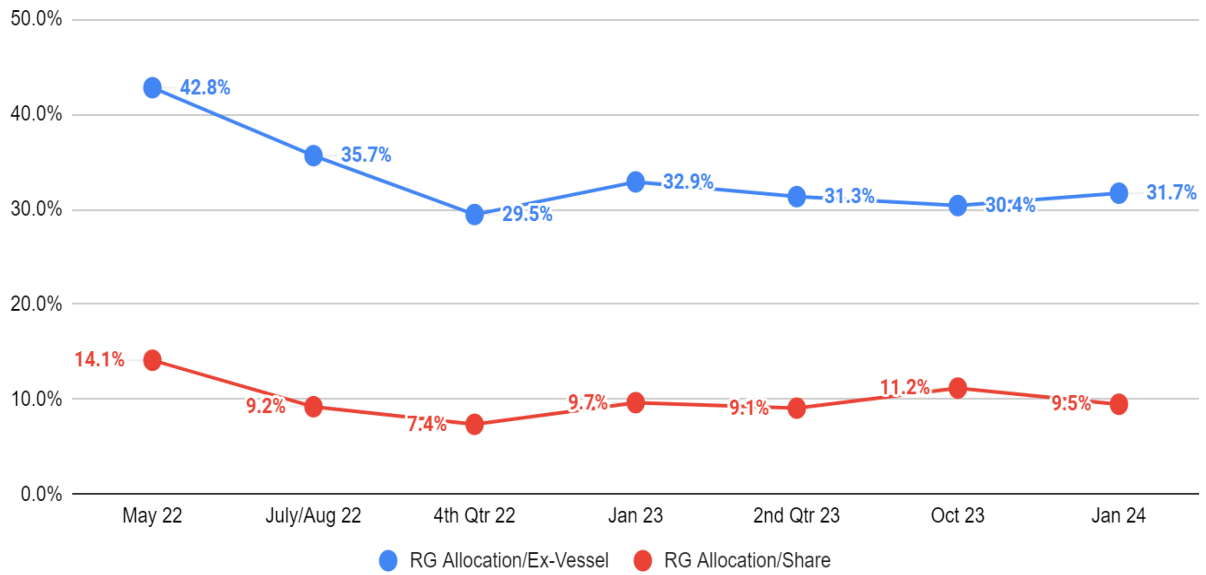
Red Grouper (RG) and Red Grouper Multiuse (RGM)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The charts show decreasing red grouper allocation prices since mid-2022 which has led to a decrease in the allocation to ex-vessel ratio and increasing red grouper multiuse allocation prices in 2023 associated with the decrease in the gag grouper quota.

Red Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$6.57	\$6.00 - \$7.00	9
Small (18-20 in. or 4 down)	\$6.05	\$5.75 - \$6.35	2
Large (20+ in or 4 up)	\$6.43	\$6.25 - \$6.60	2
Allocation Price (RG)	\$1.91	\$0.75 - \$3.00	14
Share Price	\$19.79	\$17.25 - \$25.00	6
Spread (Ex-vessel – Allocation)	\$4.59	\$3.50 - \$5.75	9
Allocation/Ex-vessel Ratio	31.7%	18% - 42%	9
Allocation/Share Ratio	9.5%	5% - 12%	5
Allocation Price (RG Multiuse)	\$3.62	\$0.75 - \$7.00	8



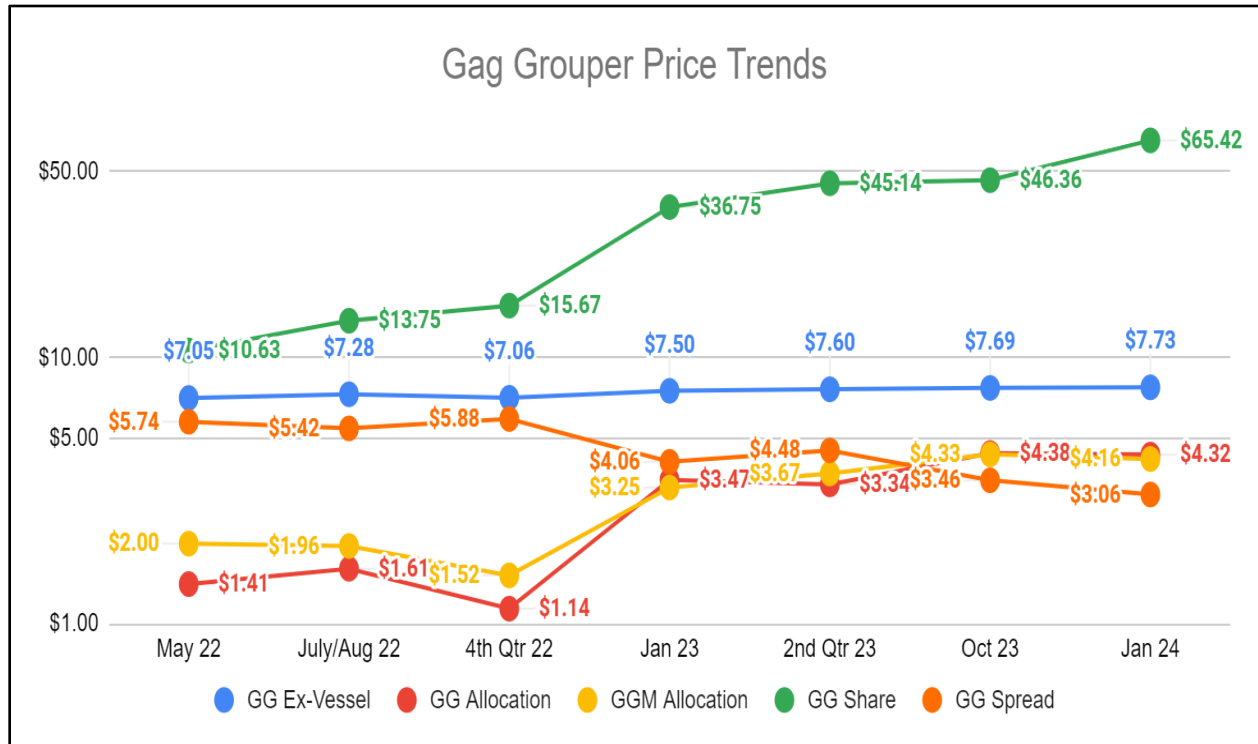
Red Grouper Ratio Trends



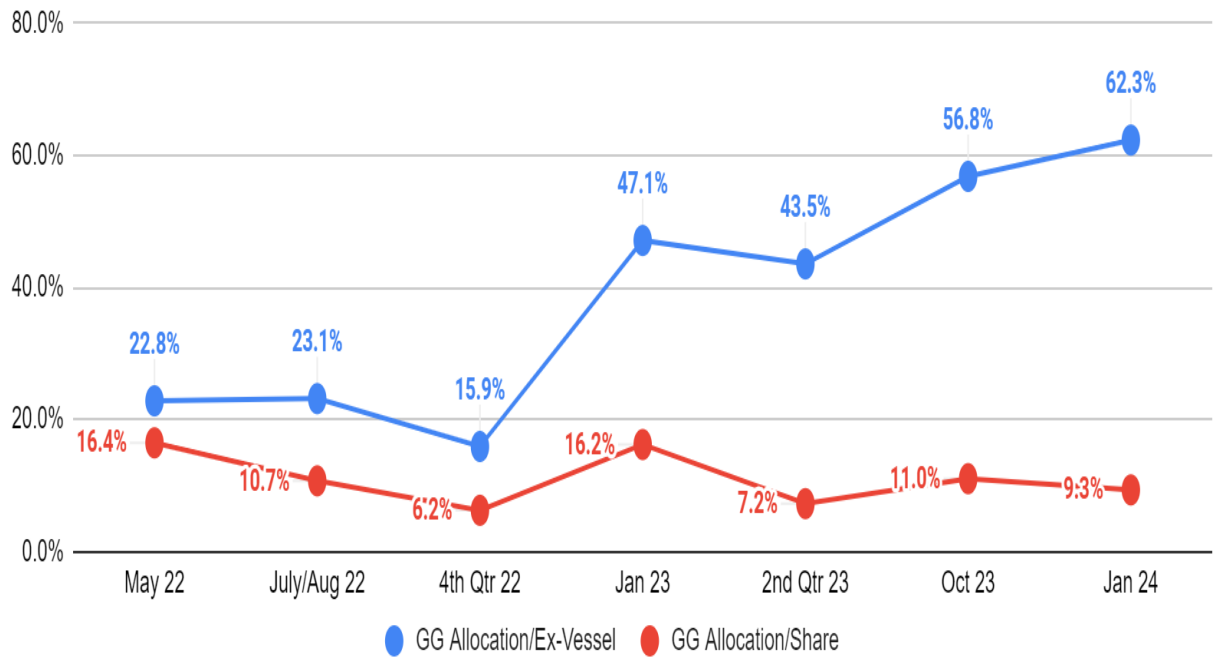
Gag Grouper (GG) and Gag Grouper Multiuse (GGM)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The table shows wide variation in allocation and share pricing (see price ranges), based on this lack of consensus around market prices and the small number of respondents none of the responses were outliers. While the allocation prices are similar to the October 2023 survey, the average share price increased 41% relative to the last report and was higher than the average for red snapper quota for the first time. It is important to note that the average share price is based on a limited number of responses. The smaller gag grouper quota has pushed the allocation to ex-vessel and allocation to share ratios to levels similar to red snapper.

Gag Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price	\$7.73	\$7.00 - \$9.00	9
Allocation Price (GG)	\$4.32	\$0.75 - \$8.00	11
Share Price	\$65.42	\$32.50 - \$100.00	6
Spread (Ex-vessel – Allocation)	\$3.06	\$2.00 - \$4.00	6
Allocation/Ex-vessel Ratio	62.3%	50% - 80%	6
Allocation/Share Ratio	9.30%	4.0% - 18%	4
Allocation Price (GG Multiuse)	\$4.16	\$0.75 - \$8.00	11



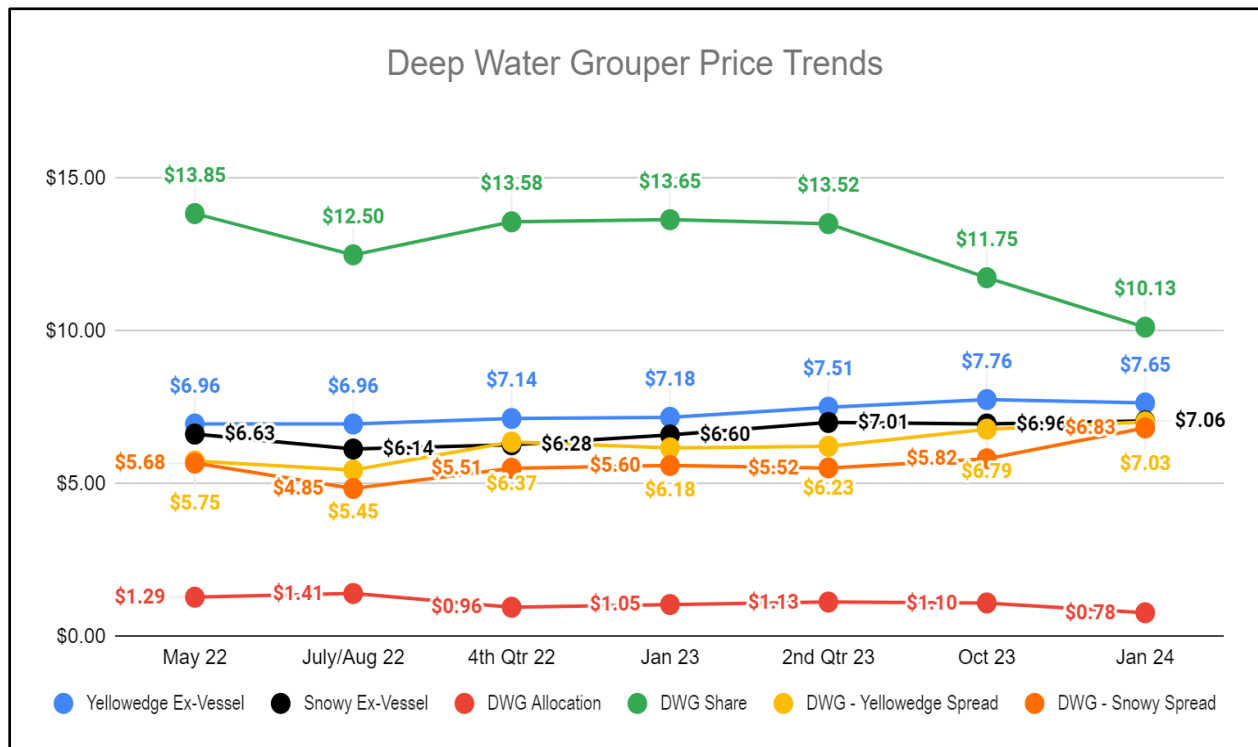
Gag Grouper Ratio Trends



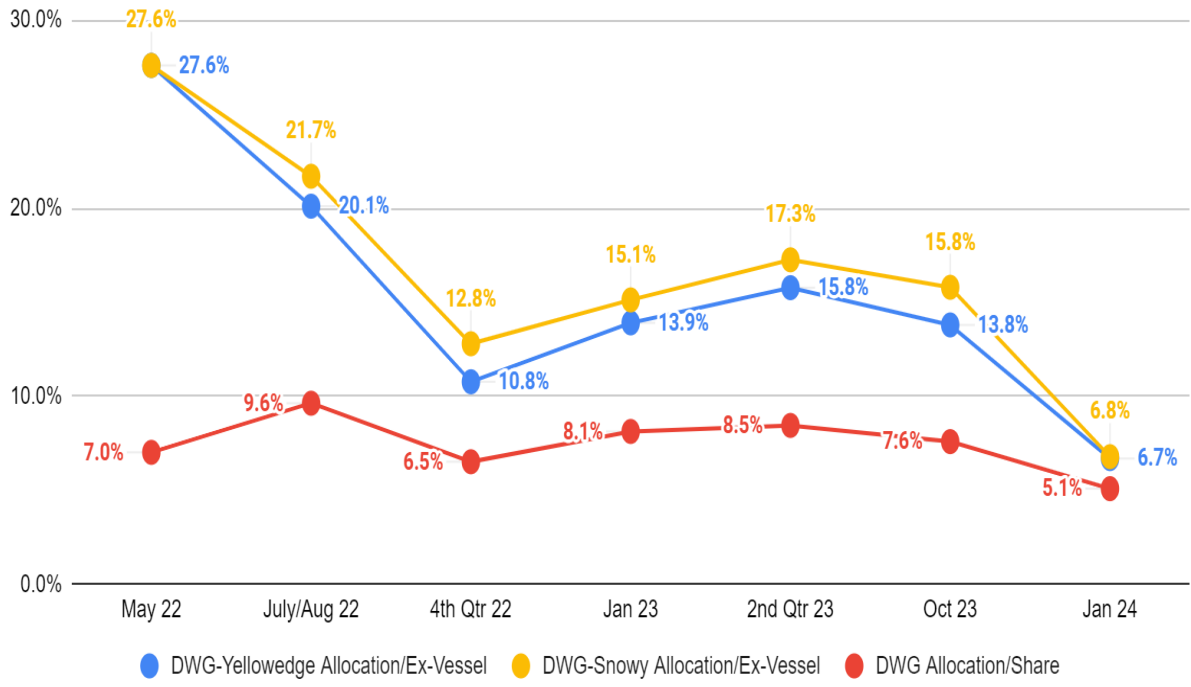
Deep Water Grouper (DWG)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The allocation to ex-vessel ratios continued to fall as the average allocation price was 29% lower than October 2023. However, it is important to note that these figures are based on a very small number of responses.

Deep Water Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price (Yellowedge - YE)	\$7.65	\$7.00 - \$8.10	4
4 down, < 3 lbs.	\$5.55	\$4.10 - \$7.00	2
4-7, > 3 lbs.	\$7.80	\$7.50 - \$8.10	2
7+	\$8.05	\$8.00 - \$8.10	2
Ex-vessel Price (Snowy Grouper - SG)	\$7.06	\$6.25 - \$8.00	4
Allocation Price	\$0.78	\$0.50 - \$1.75	10
Share Price	\$10.13	\$7.00 - \$12.50	4
YE Spread (Ex-vessel – Allocation)	\$7.03	\$6.50 - \$7.60	3
SG Spread (Ex-vessel – Allocation)	\$6.83	\$6.50 - \$7.50	3
YE Allocation/Ex-vessel Ratio	6.7%	6% - 7%	3
SG Allocation/Ex-vessel Ratio	6.8%	6% - 7%	3
Allocation/Share Ratio	5.1%	4% - 7%	3



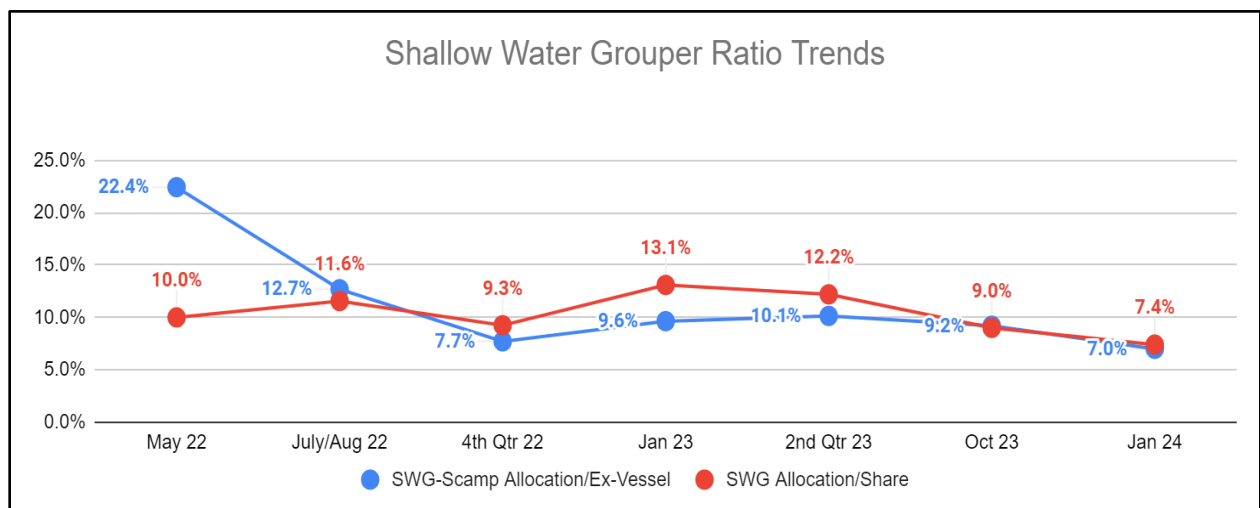
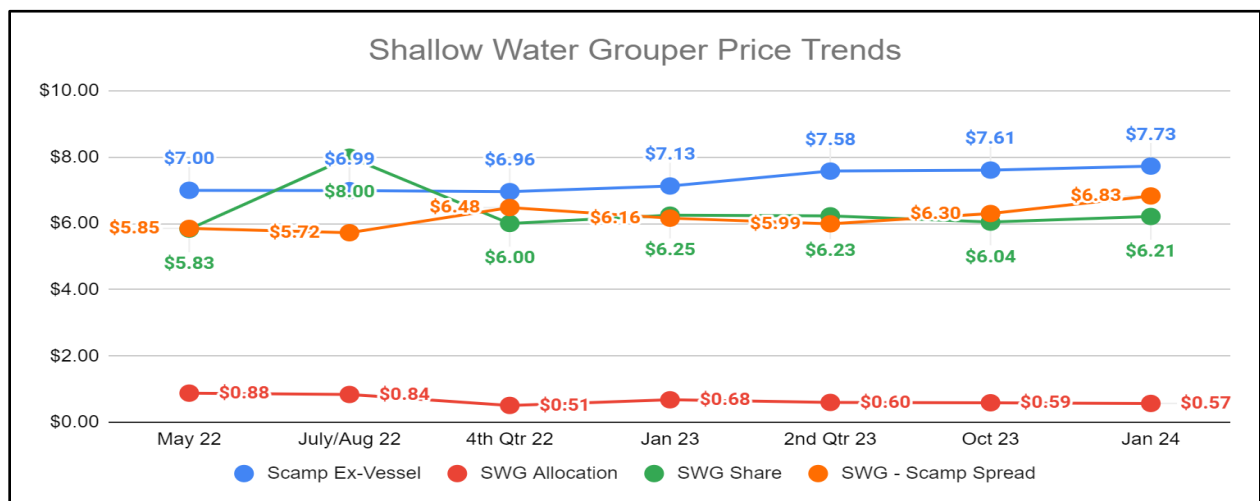
Deep Water Grouper Ratio Trends



Shallow Water Grouper (SWG)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). Scamp ex-vessel prices continued to increase while allocation prices fell slightly.

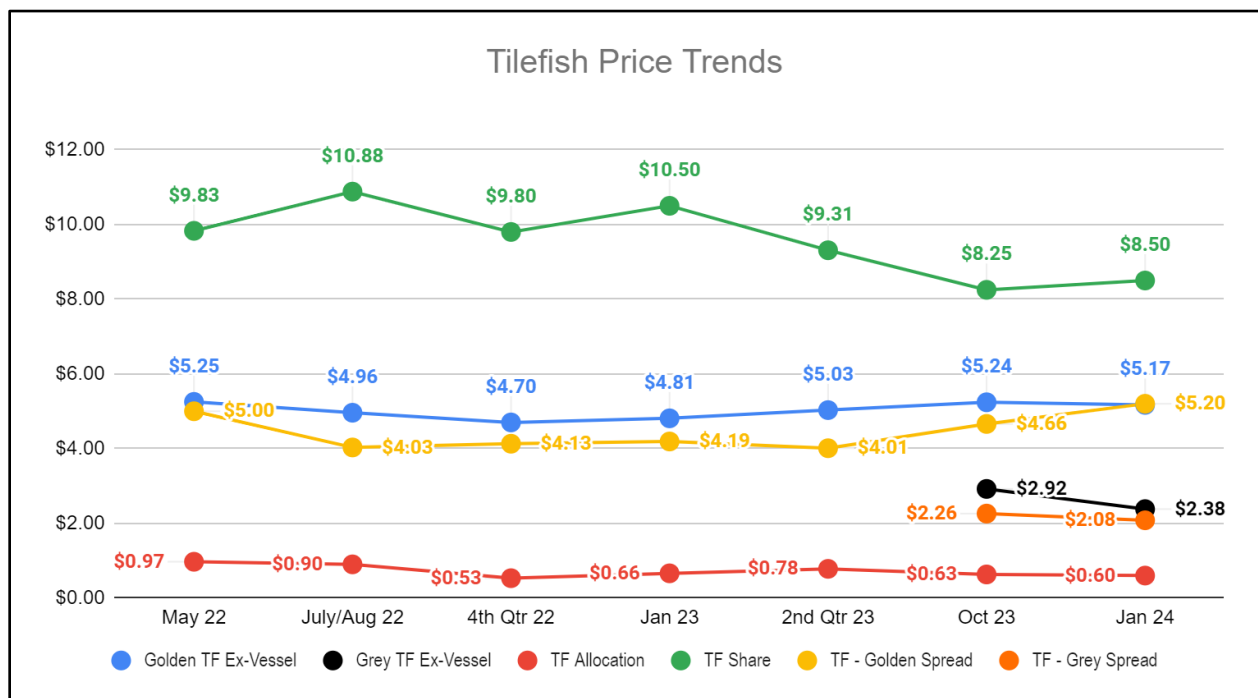
Shallow Water Grouper			
	Average	Price Range	# of Responses
Ex-vessel Price (Scamp)	\$7.73	\$7.00 - \$9.00	9
Allocation Price	\$0.57	\$0.25 - \$1.00	12
Share Price	\$6.21	\$5.00 - \$8.00	6
Spread (Ex-vessel – Allocation)	\$6.83	\$6.50 - \$7.50	3
Allocation/Ex-vessel Ratio	7.0%	3% - 13%	8
Allocation/Share Ratio	7.4%	4% - 13%	5



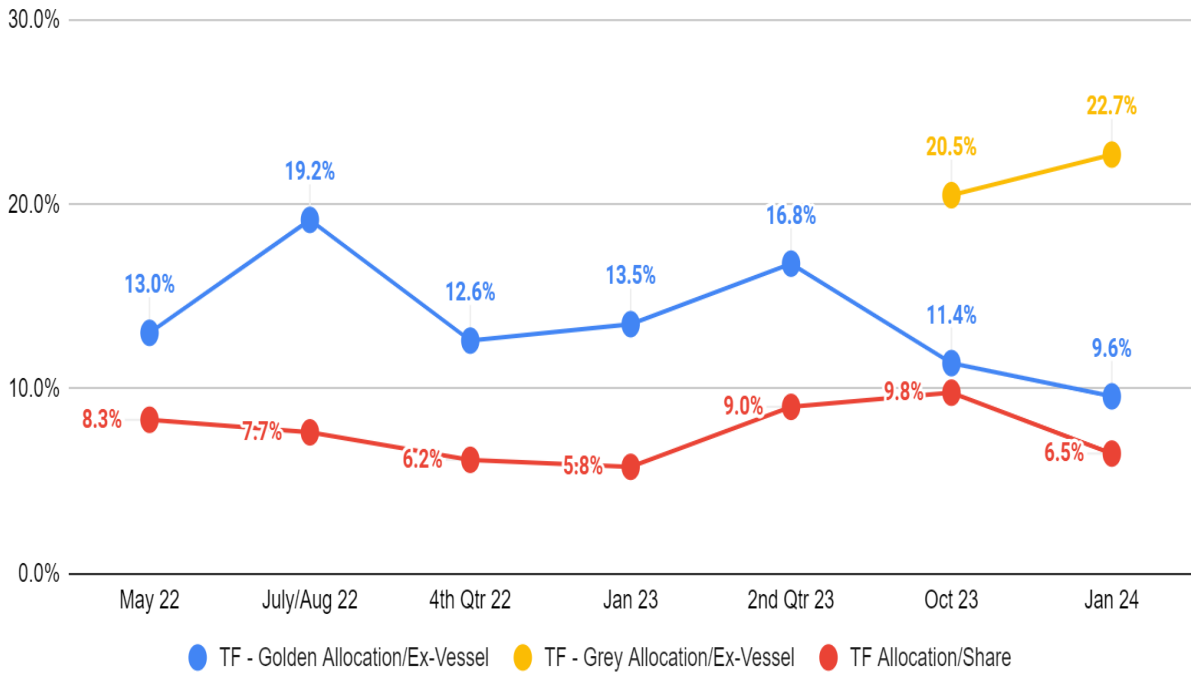
Tilefish (TF)

The table below shows the averages, ranges, and number of responses (**all with outliers removed**) for ex-vessel, allocation, share, spread, allocation/ex-vessel ratio, and allocation/share ratio. The charts show the average values of these measures across all of the IFQ pricing reports (**also with outliers removed**). The charts show a general downward trend in allocation prices. Additionally, the Golden Tilefish allocation to ex-vessel ratio has continued its decreasing trend. Please realize that these averages are based on a small number of responses and might not be indicative of market conditions.

Tilefish			
	Average	Price Range	# of Responses
Ex-vessel Price (Golden TF)	\$5.17	\$4.00 - \$6.00	3
4 down or 10 down	\$3.17	\$3.00 - \$3.50	3
4-7, 10 down	\$4.50	\$3.50 - \$5.50	3
7+, 10+	\$5.17	\$4.00 - \$6.00	3
Ex-vessel Price (Grey TF)	\$2.38	\$2.00 - \$3.25	4
7 down	\$2.00	\$2.00	1
7+	\$2.25	\$2.25	1
Allocation Price	\$0.60	\$0.50 - \$0.75	6
Share Price	\$8.50	\$5.00 - \$12.00	4
Golden Spread (Ex-vessel – Allocation)	\$5.20	\$4.90 - \$5.50	3
Grey Spread (Ex-vessel - Allocation)	\$2.08	\$1.40 - \$2.75	3
Golden Allocation/Ex-vessel Ratio	9.6%	8% - 11%	2
Grey Allocation/Ex-vessel Ratio	22.7%	15% - 30%	2
Allocation/Share Ratio	6.5%	6% - 7%	3



Tilefish Ratio Trends

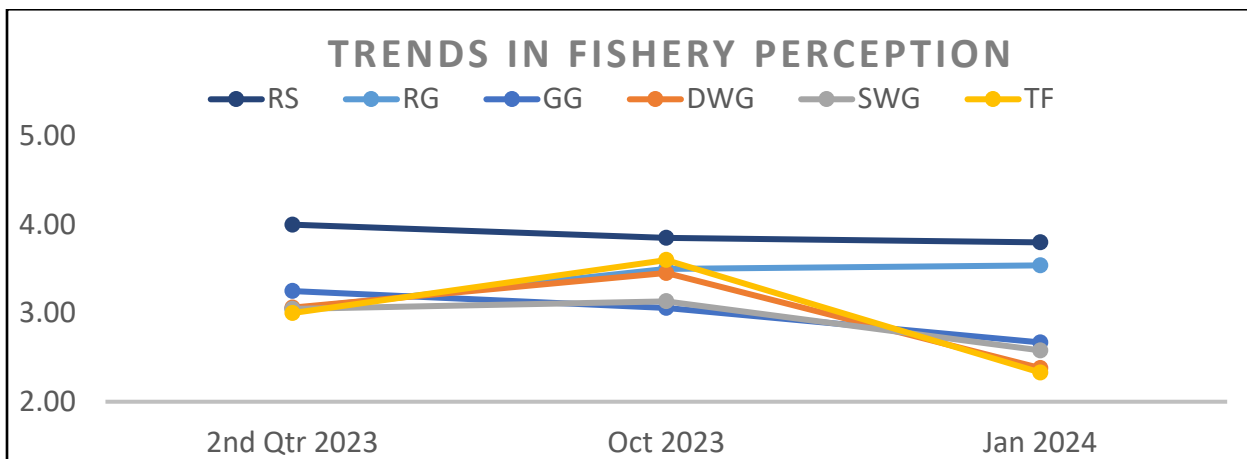
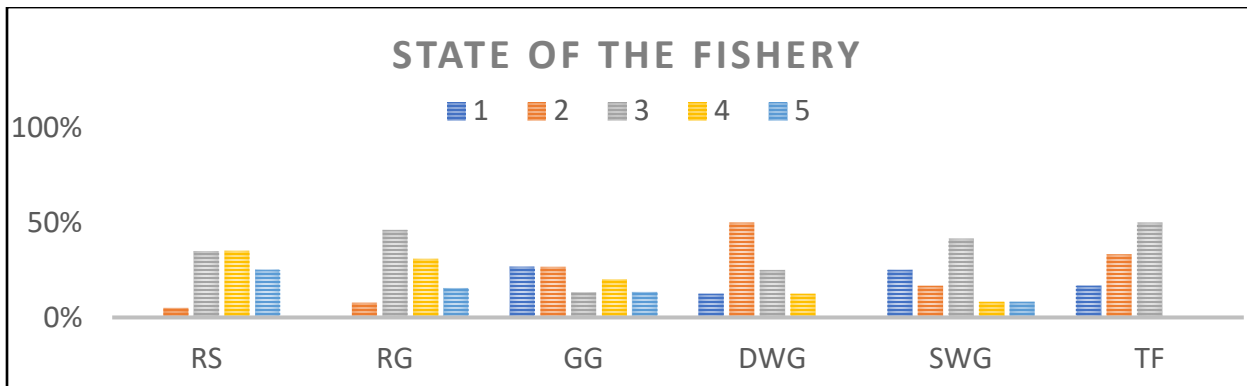


State of the Fishery

Respondents were asked to rate the current state of each fishery with regards to the difficulty or ease of harvesting the fish and their beliefs on the stock status. The question asked them to rate the state of the fishery on a 1 to 5 scale with a 1 indicating the fishery is in bad shape and a 5 indicating the fishery is in great shape. The results are shown in the table and chart below.

On average, the red snapper fishery was seen as in the best shape among the different IFQ species/species groups with 60% of respondents scoring it a 4 or 5. Four of the five IFQ species categories saw a decrease in the average rating of the state of the fishery with only red grouper increasing. While the number of responses was low there were significant drops (more than 30%) in opinions regarding the state of the deep water grouper and tilefish fisheries.

State of the Fishery						
	RS	RG	GG	DWG	SWG	TF
Average	3.80	3.54	2.67	2.38	2.58	2.33
# of Responses	20	13	15	8	12	6

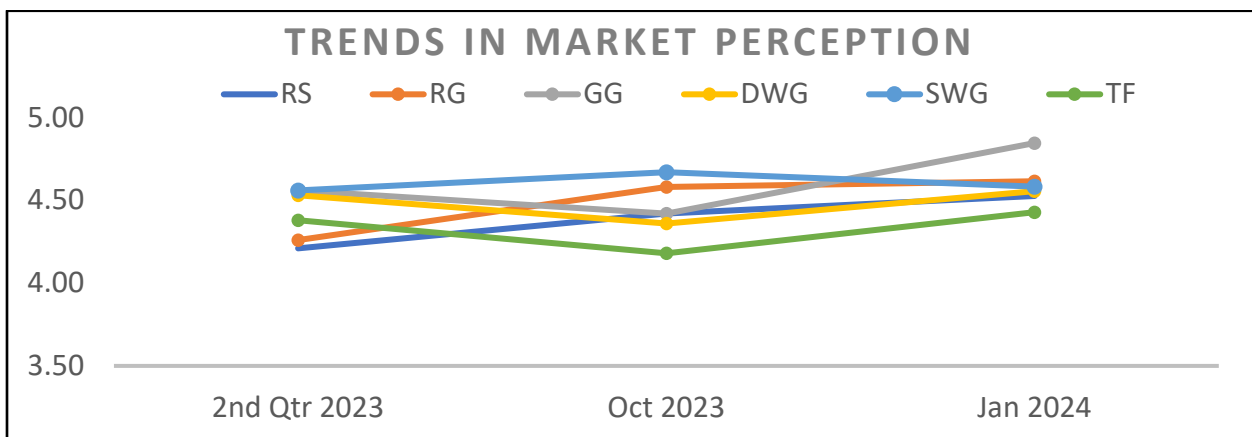
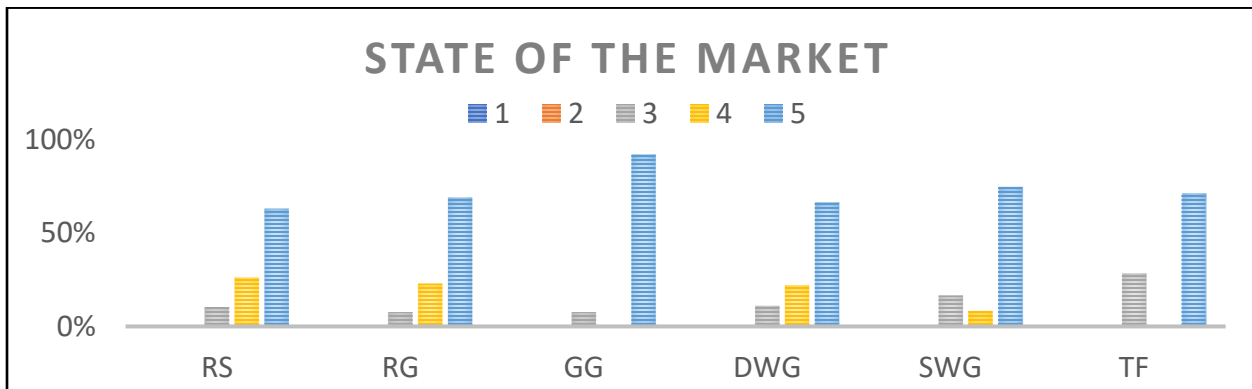


State of the Market

Respondents were asked to rate the current state of each market with regards to the difficulty or ease of selling the fish and how they feel the market is moving (are prices rising or falling). The question asked them to rate the state of the market on a 1 to 5 scale with a 1 indicating demand and prices for the IFQ species group are low and/or falling and a 5 indicating demand and prices are high and/or rising. The results are shown in the table and charts below with a comparison to previous surveys included.

For all species groups the average rating given was above 4 and most respondents rated the state of the market a 5 (the highest score). Shallow water grouper was the only species group where the average market sentiment fell relative to the last survey and the drop was not large. While not all respondents indicated they felt the markets were strong the general sentiment was that market demand and prices are high and/or increasing for all IFQ species groups.

State of the Market						
	RS	RG	GG	DWG	SWG	TF
Average	4.53	4.62	4.85	4.56	4.58	4.43
# of Responses	19	13	13	9	12	7



Survey Comments

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

- Indicated that imported red snapper appeared in the New England markets in the last week of January at \$1.50 to \$2.00 per pound less than domestically produced fish.
- Concerned about grandfather fishermen who hold IFQ shares without a permit.
- Stated concerns that the regulation is far behind on gag grouper and believes the stock is 10 times better than the science shows. The discards due to a reduced quota are seen as sad and ridiculous.
- Believes the “CCA council members” actions are purposely designed to disrupt the IFQ system, those that are calling for a level playing field are trying to disrupt a system that works but needs some adjustments. The key word is “some” such as permit requirement and minimum landings with allocation caps. A cap on lease prices would be great if it was enforceable.
- Stated that fish prices and boat prices (paid to fishermen) are higher than ever. However, prices to fishermen for leased fish after quota leases are deducted from boat prices have stayed low. As an example, fishermen are getting \$2.00 to \$2.50 for snapper after quota which are similar to prices from 5 to 20 years ago. Fishermen using leased quota are struggling to maintain their businesses unless they work on high volume either longlining (E or W Gulf) or fishing west of Mississippi River high volume snapper fishing to overcome lease fees. RG volume on longline boats is ok but not great and RG volumes on rod/reel and bandit boats are below average from Oct-Feb. Snapper volumes per trip in E. Gulf are decreasing and seeing more smaller fish (under 4lbs.), boats we buy/sell from Louisiana are going 80-150 miles west to find better volumes of fish. Fish out front of Louisiana have been decreasing due to increased pressure from east of Mississippi River boats fishing to the west.
- Stated that Texas closed the state waters Nov. 20 for recreational anglers. Not sure how this was determined based on the method used to track private angler catch. Suggests NOAA use their very accurate commercial and for hire recreational red snapper catch for Texas vs other states to get a ratio of Texas vs other states for these 2 categories. Apply this ratio against private angler catches for each state and produce a most likely catch profile for Texas with the following known information.
 1. Other than maybe Florida, Texas has the largest and most advanced private angler fleet.
 2. Red snapper in Texas and maybe Louisiana have less competition for habitat than other states. (no red grouper and very few other shallow water grouper which can be verified by looking at the red snapper to SWG ratios for commercial fishermen in Texas vs other states)
 3. Figure out a plan to get the private angler ACL for Texas to a level where a robust system to measure catch is feasible. The current 241,000 lbs. is absurd in my opinion!
 4. So with the current system TPWD is NOT going to spend much (or any) resources to monitor and enforce the ACL! They make better headlines and get political support catching Mexican fishermen with 250 lbs. of snapper caught in Texas waters than they would stopping hundreds of expensive boats coming out of Federal waters with too many or filleted fish!
- Indicated it is hard to find quota – IFQ needs to be fixed.
- Stated recreational discards are significantly higher than commercial discards. Recreational sector components regularly exceed their quotas while commercial fishermen generally do

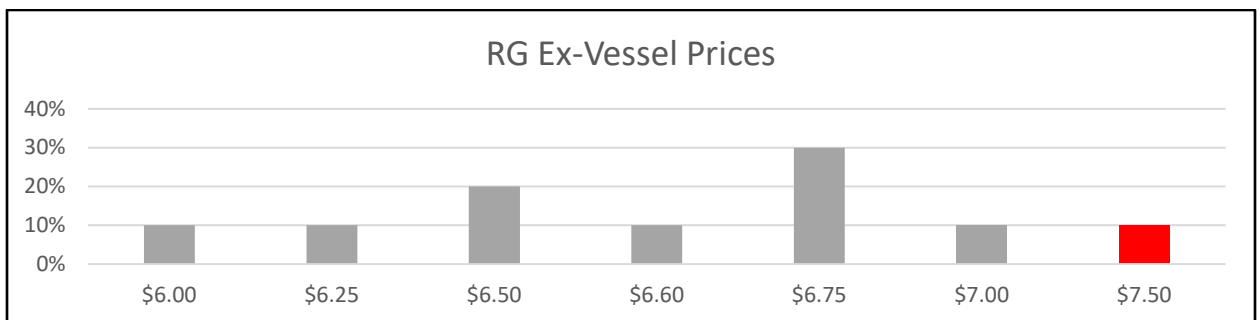
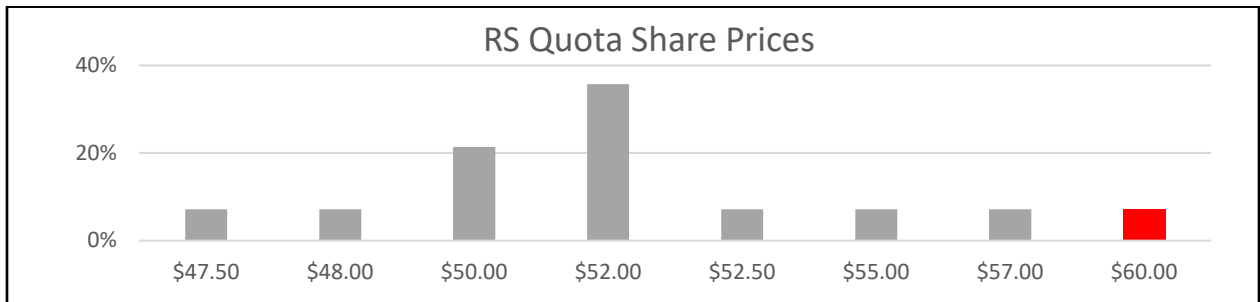
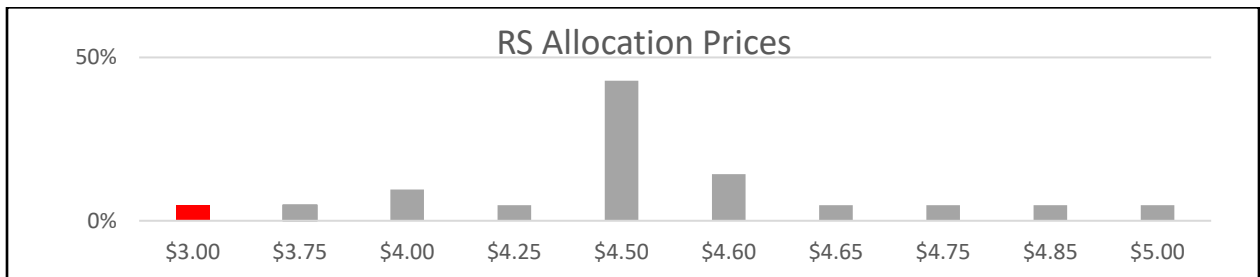
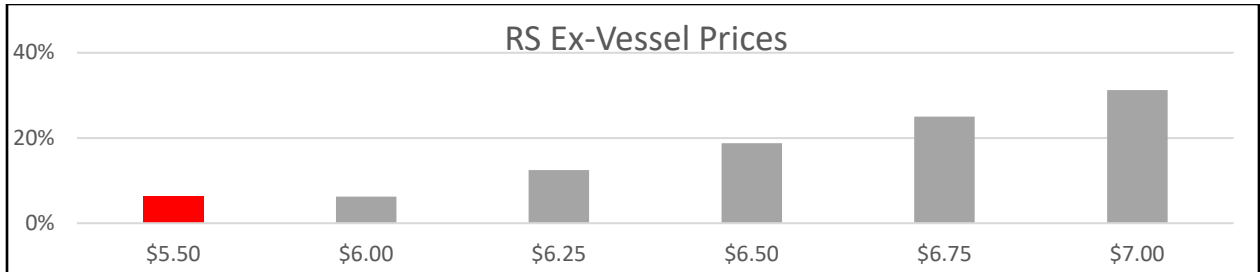
not. Quotas are being reduced because stock productivity is declining, which is likely largely driven by recreational dead discards.

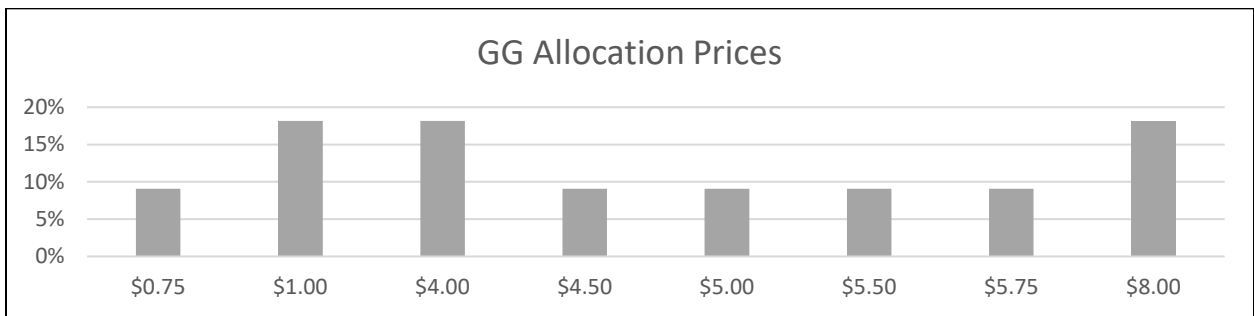
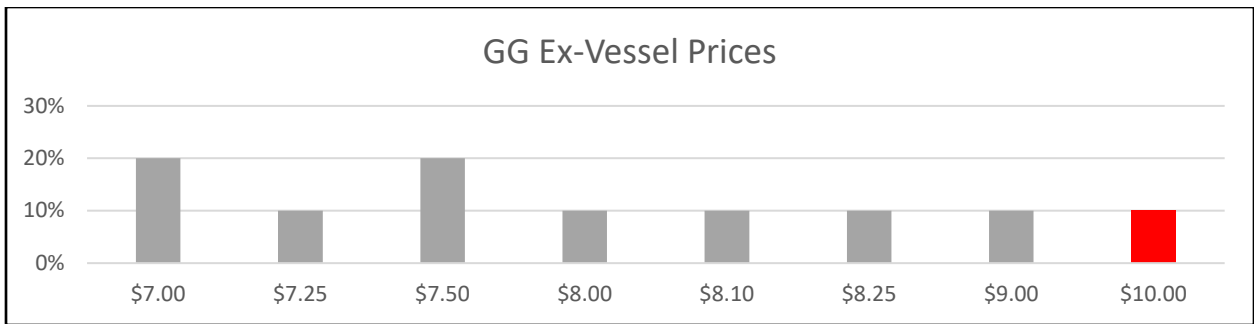
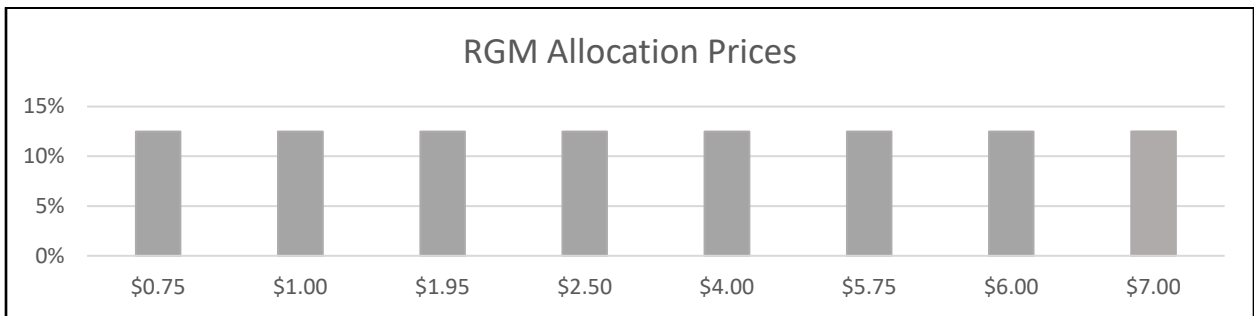
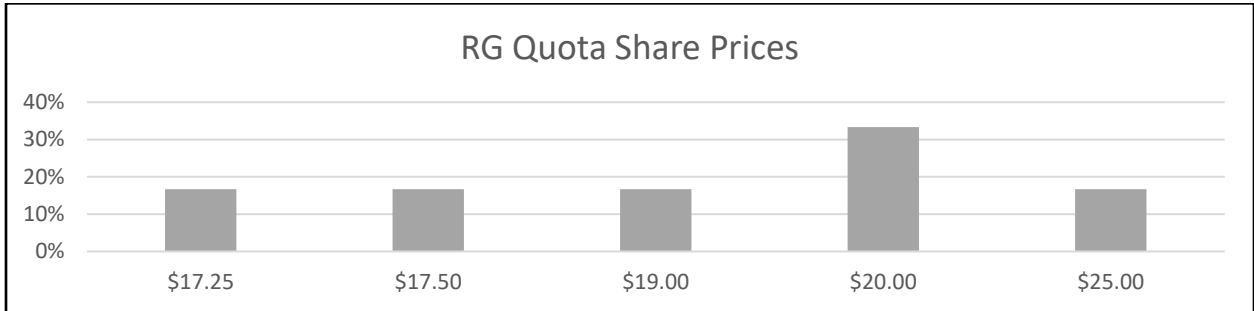
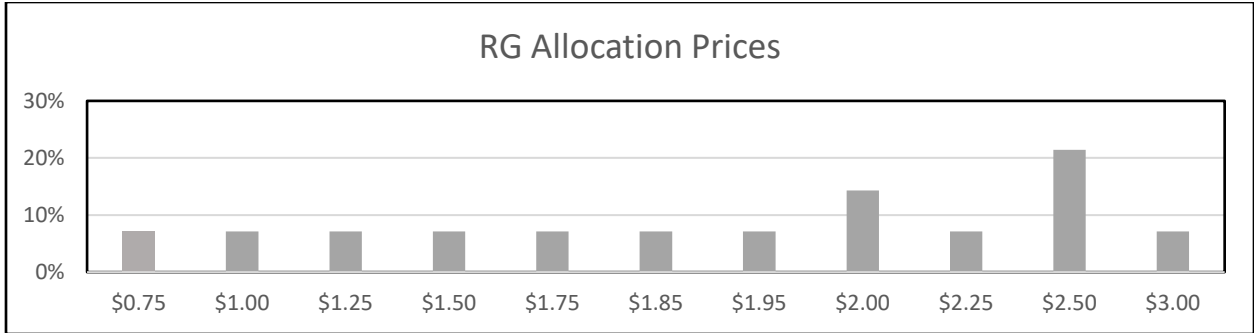
- Believes there is not enough margin for the fishermen with the high lease fees. The fishermen do all the work, and all the shareholder does is click the mouse. Indicated they were saying this as a quota shareholder and a fisherman.
- Stated concerns with a recreational fishing bias in Gulf Council decision making. Believes the members are illegally appointed and have no accountability.
- Is worried about effort shifting and overfishing of the other stocks by the recreational sector. Does not believe the gag grouper fishery is in peril like management is stating. Thinks that the over-estimation of the recreational sectors fishery is causing a lot of the commercial fisheries shortcomings. Indicates they are discarding 300-600 lbs. per trip now because of lack of allocation. Believes it is time for harvest tags for the private recreational sector and charter/for-hire that catch reef fish.
- Is not sure about the state of the industry. Indicated that red snapper is everywhere and ends up killing and throwing back snapper to get to grouper below them. Feels the allocation system is terrible and is set up for fishermen to lose and share owners to win. Indicated fishermen make \$1.00/lb on gag, \$3.50/lb on red snapper, and \$4.50/lb on red grouper.
- Indicated that lease prices are out of control, and something needs to be done. Indicated the lease price directly affects the ex-vessel prices of harvested fish. Believes that if NOAA would put a price cap on the amount that can be charged it will help everyone involved in the process and the fisheries themselves. Also, believes that a fee charged to shareholders for leasing their allocation, similar to a fisherman's cost recovery fee, may reduce the share/allocation cost to a fisherman.
- Is glad to have history long enough to lease some shares from their buyer and can stay alive by having some of their own shares. Believes that no young fishermen can survive with overhead so high, feels it is impossible to make a living as a new fisher which is sad to them. Believes the government is killing the commercial fishing industry.
- Indicated that as a third-generation fisherman that saw the red snapper fishery almost collapse during the 90's and rebuilding it to where it is now shows how a well-managed fishery can be resilient. Unfortunately, believes the Gulf Council's current mismanagement has put the red snapper stock back in dire straits.
- Feels the red snapper population is out of control and they should allocate more shares to help balance out the stock. Red grouper are struggling to keep up with the snapper. Indicated small fishermen that can barely stay in business paying super high lease fees could really benefit from granted shares of RS so they don't come back to the dock light because they didn't have any RS share available and ended up through 800 lbs. of snapper back while trying to catch red grouper.

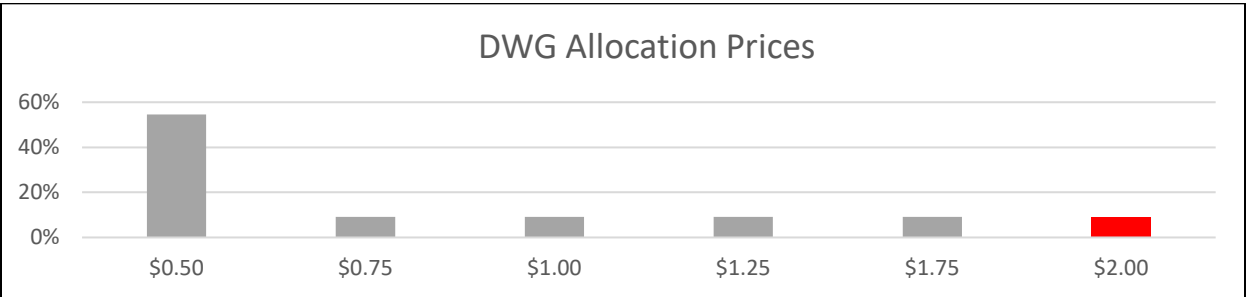
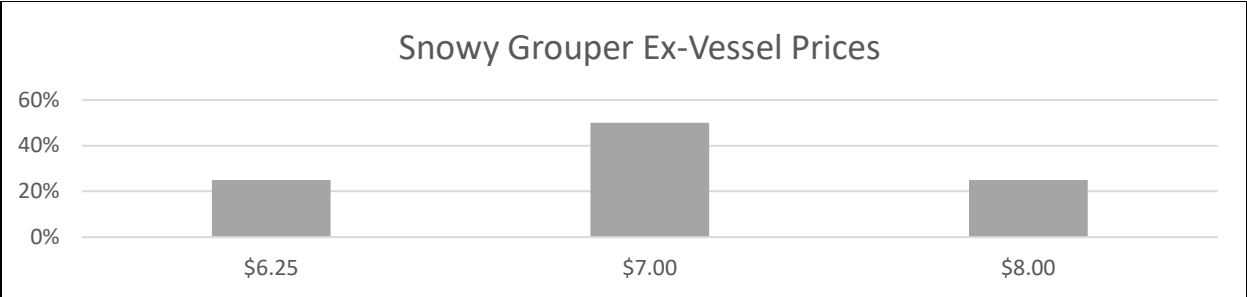
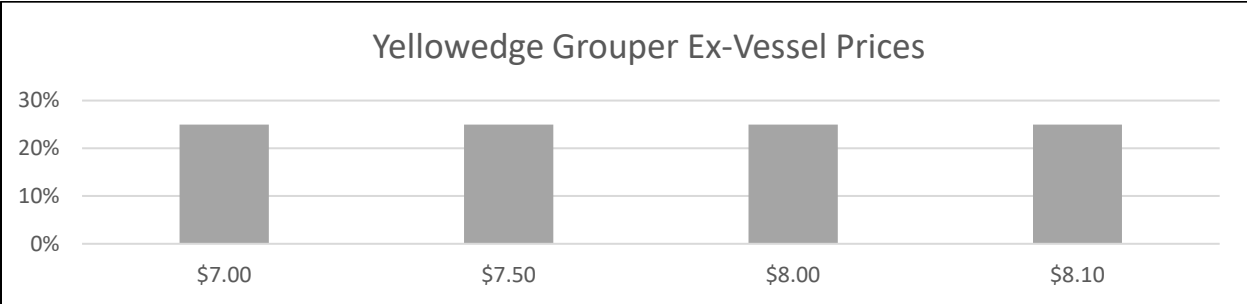
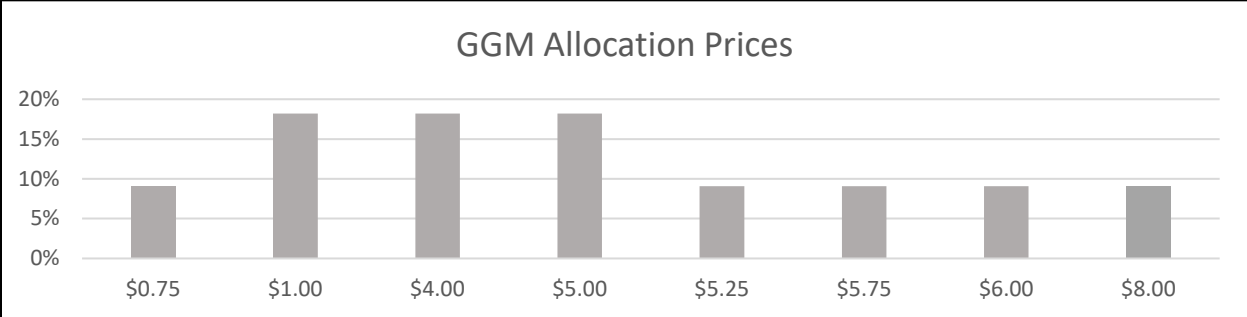
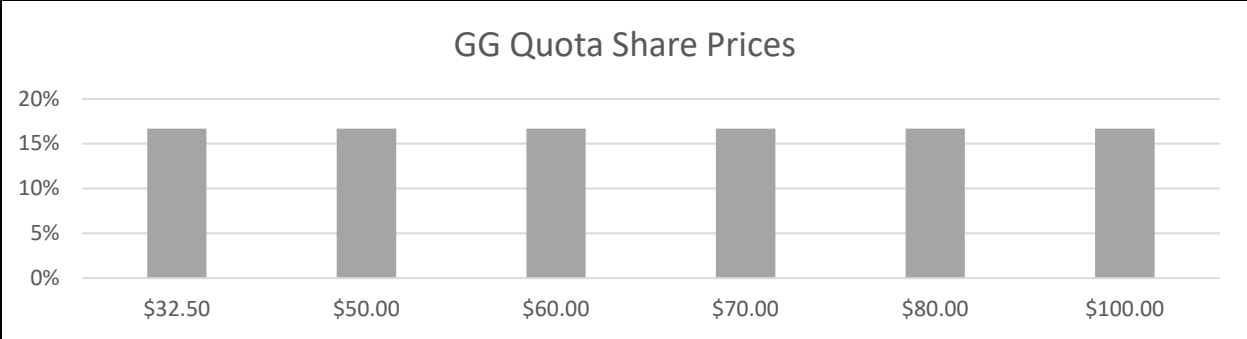
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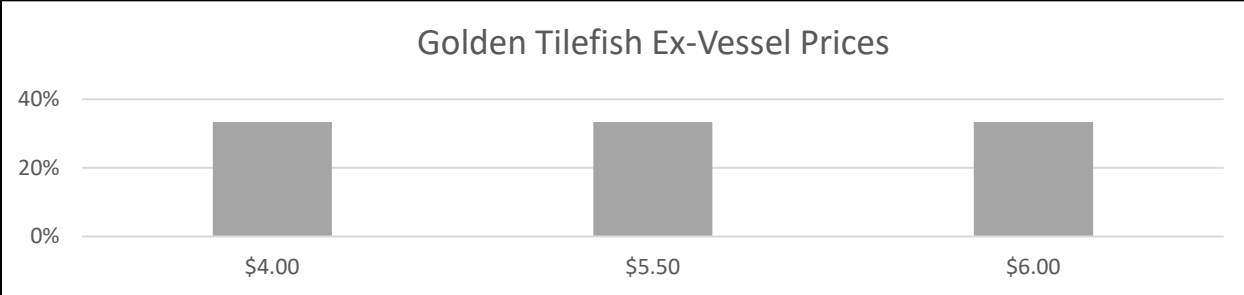
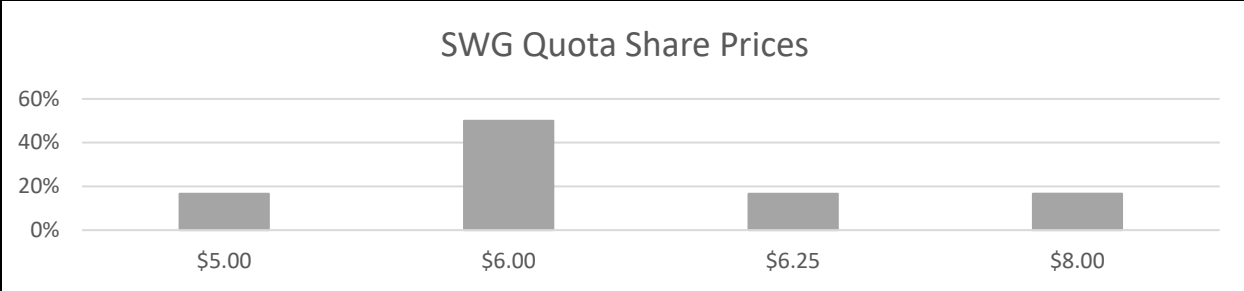
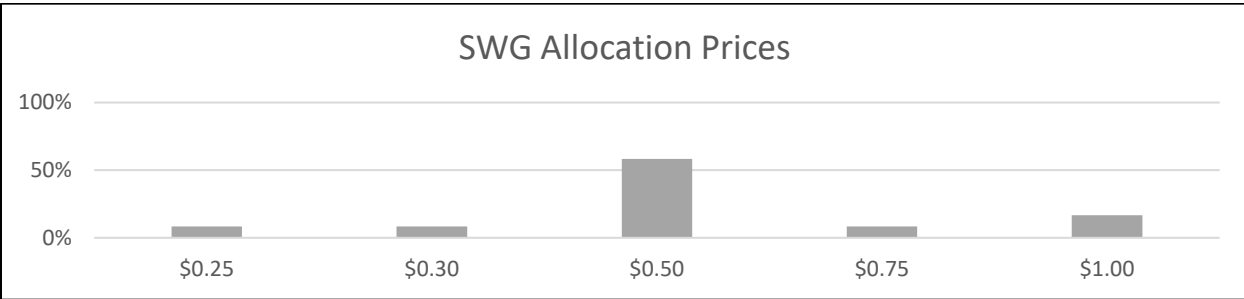
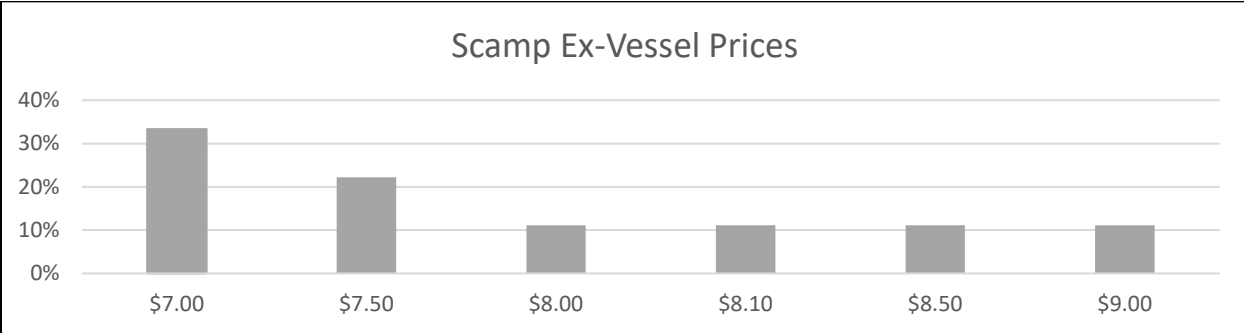
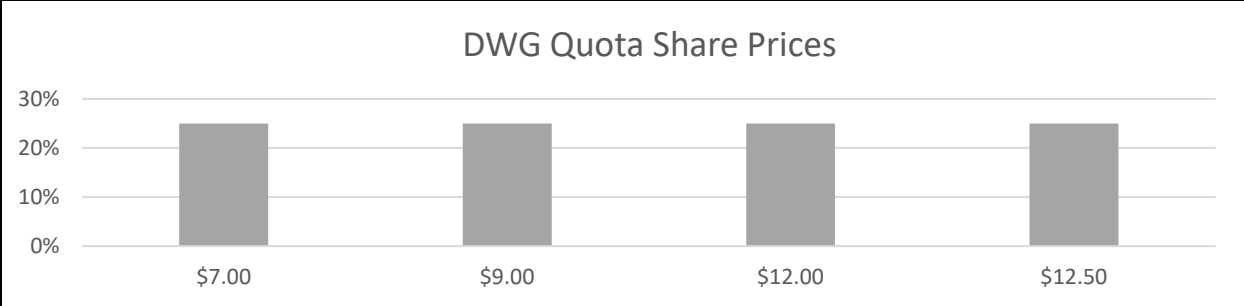
All Survey Responses

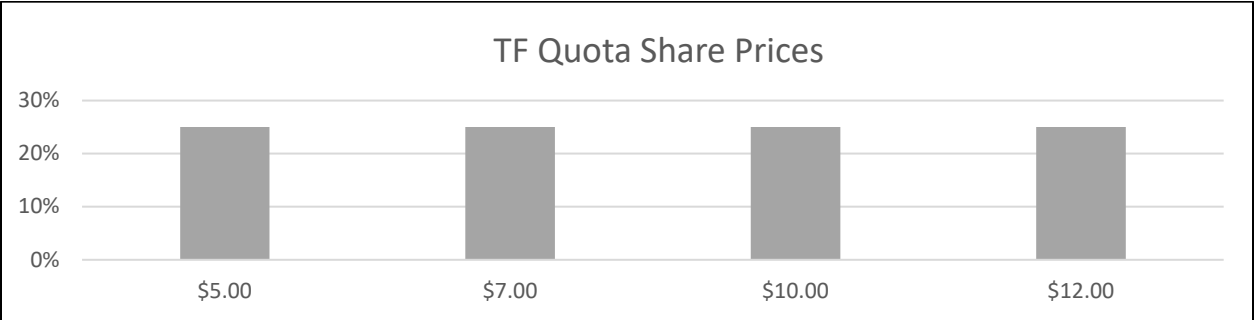
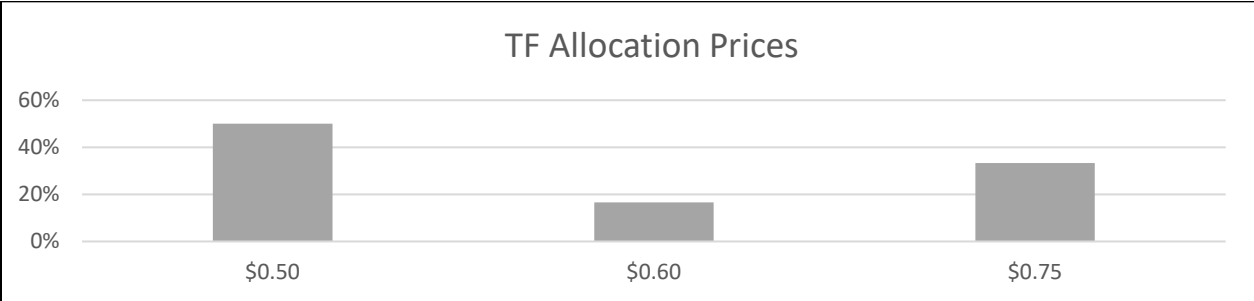
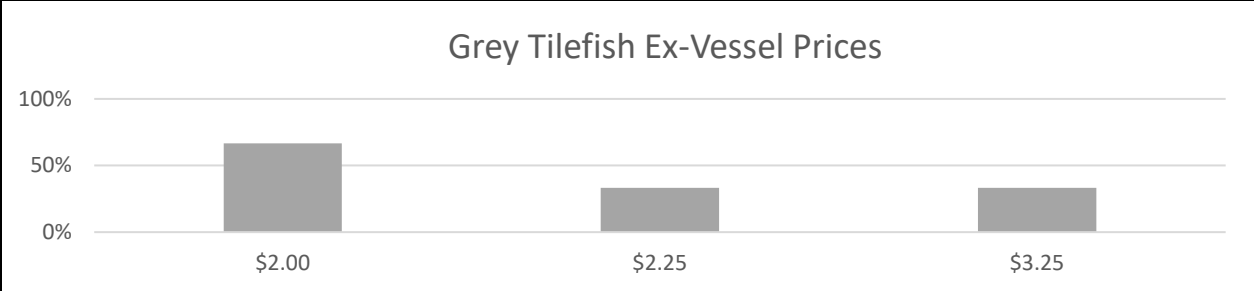
This section provides histograms of all responses to ex-vessel, allocation, and share prices. Responses shaded red were removed from the analysis presented earlier as outliers as described in the Report Notes. One slight change is that I have stopped categorizing responses based on personal transactions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











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***PLEASE REACH OUT IF YOU HAVE QUESTIONS/COMMENTS
OR WOULD LIKE TO BE INCLUDED IN THE SURVEY
FOR THE NEXT PRICING REPORT***

