

Tab B, No. 5(a)



IFQ Focus Group Meeting Summary November 2022

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An underwater scene featuring several large striped fish, likely sergeant majors, swimming in clear, greenish water. The fish are positioned in the upper half of the frame, with a white, wavy graphic element separating them from the text below.

MEETING OVERVIEW

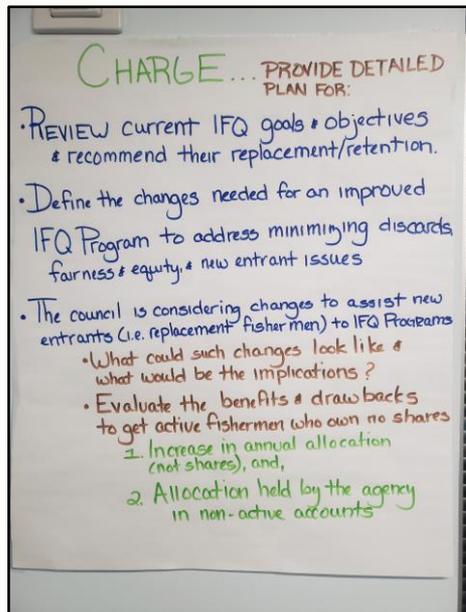
Nov 30 – Dec 1, 2022

Tampa, FL

8 Members

- **Dealer**
- **Crew**
- **Permit holder who leases**
- **3 Shareholders**
- **New entrant**
- **Knowledgeable person**

MEETING CHARGE



Review the current IFQ programs' goals and objectives and recommend their replacement/retention. These revised goals and objectives shall serve as the basis for the Focus Group recommendations.

Define the changes needed for an improved Red Snapper and Grouper-Tilefish IFQ Program to specifically address minimizing discards, fairness and equity, and new entrants' issues.

The Council is considering changes to assist new entrants (i.e., replacement fishermen) to the IFQ programs.

- **What could such program changes look like and what would be the implications of those changes?**
- **Evaluate the benefits and drawbacks to get to active fishermen who own no shares:**
 - **Increases in annual allocation (not shares), and**
 - **Allocation held by the agency in non-active accounts**

An underwater scene showing a school of striped fish swimming in clear, greenish water. The fish are the primary focus of the top half of the slide.

SCENARIO 1

EXERCISE

Envision the IFQ Fisheries 5 years in the future

- Easier for replacement and/or active fishermen to obtain shares and allocation

An underwater scene featuring several large striped fish, likely groupers, swimming in clear, shallow water. The fish are positioned in the upper half of the frame, with a white, wavy graphic element separating them from the text below.

SCENARIO 1 RESULTS

GROUP 1

Quota increased 70,000 lbs
Adaptive management cycle
Fishermen control shares
and allocation

An underwater scene featuring several large striped fish swimming in clear, greenish water. The fish are positioned in the upper half of the frame, above a white, wavy graphic element that separates the image from the text below.

SCENARIO 1 RESULTS

GROUP 2

**Public participants are
required to divest their
shares or acquire a permit**

An underwater scene featuring several large striped fish, possibly groupers, swimming in clear, greenish water. The fish are positioned in the upper half of the frame, with a white, wavy graphic element separating them from the text below.

SCENARIO 1 DISCUSSION

Commonalities

- **Permit requirement**
- **Minimal landing requirement**

Challenges

- **May not change program in meaningful way**
- **What is the minimal landing requirement?**

An underwater scene showing a school of striped fish swimming in clear, greenish water. The fish are the primary focus, with their bodies showing distinct dark vertical stripes on a lighter background. The water is slightly hazy, suggesting an underwater environment.

SCENARIO 2 EXERCISE

Envision the IFQ Fisheries 5 years in the future

- The IFQ system has not changed. Rules and structures are the same as they were in 2022

An underwater scene showing a school of striped fish swimming in clear, greenish water. The fish are the primary focus, with some in the foreground and others in the background. The water is bright and clear, suggesting a healthy marine environment.

SCENARIO 2 RESULTS

GROUP 1

No independent owner operators.

Corporate owns vast majority of fisheries

An underwater scene featuring several large striped fish, possibly surgeonfish, swimming in clear, greenish water. The fish are positioned in the upper half of the frame, above a white, wavy graphic element that separates the image from the text below.

SCENARIO 2 RESULTS

GROUP 2

Outstanding question: Is there stability or no stability in the marketplace?

- **Stable – banks will secure loans/cheaper than leasing**

Discussion on defining the next gen to include landings requirement and what that might look like



BENEFITS

**SHAREHOLDERS
REQUIRED TO LAND
10% OF ALLOCATION**

Runway to divest

Inheritance

Unlikely leasing market would lock up

The fish will be caught

Step in right direction

Have skin in the game

Best stability that we can bring with
change

Limits pure speculators

Opens up more shares to buy

We are in the right direction



DRAWBACKS

**SHAREHOLDERS
REQUIRED TO LAND
10% OF ALLOCATION**

How quickly will it get share opportunities to allocation dependent fishers?

Less allocation available for lease

Does not address discards

Increase cost of permits

Disrupt leasing

Speed

10% too low of landing requirement

Time to be implemented



**IF INCREASES IN
ANNUAL ALLOCATION
WERE NOT
DISTRIBUTED TO
EXISTING
SHAREHOLDERS?**

And instead was distributed evenly among active fishermen:

Drawbacks

- Shareholders don't get the same increase as current system.
- Don't know if people using it for direct catch vs. discards

Benefits: If a % of a future quota increase is set-aside and used for

- Research to curb discards
- New entrants
- Access to fish,
- To reduce the race for fish,
- The financial benefit for active fishermen

An underwater scene featuring several large striped fish, possibly groupers, swimming in clear, greenish-blue water. The fish are positioned in the upper half of the frame, with a white, wavy graphic element separating them from the text below.

**IF INCREASES IN
ANNUAL ALLOCATION
WERE NOT
DISTRIBUTED TO
EXISTING
SHAREHOLDERS?**

**Many Questions to Answer with Different
Implications:**

- **If distributed to new entrants, how would that be defined?**
- **Idea of “lease-dependent” fisherman rather than new entrant?**
- **Latent permits – should they be addressed?**
- **What about crew working their way up?**

An underwater scene showing a school of striped fish swimming in clear, greenish water. The fish are the primary focus of the top half of the slide.

FINAL THOUGHTS

PERMIT REQUIREMENT

No speculators

**Owner-operators would be
in control, make more
money**

- 1. Permit requirement**
- 2. Adaptive catch shares**

Drawbacks and benefits

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FINAL THOUGHTS

THEMES

Defining “new entrants” – many ways to think about a new entrant. It was suggested to think about ‘lease-dependent fishermen,’ those who rely on buying allocation to access the fishery. you could do it. People participate in so many different ways.

So many outstanding questions that would need to be answered.

What is a benefit to one participant may be a drawback to another.

General support for a permit requirement to hold shares, potentially coupled with a minimum landings requirement. A value of 10% did not have full consensus.

Buyback of shares, permits frequently mentioned.