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Catch and Trade Catastrophes
Failures in Fishery Quota Programs

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Catch-and-trade programs, officially called catch shares or individual fishing quotas (IFQs), are a means of fisheries management that is spreading rapidly throughout the coastal regions of the United States. Rather than solving our nation's fishery management problems, these programs are only creating a host of new ones.

Catch-and-trade programs, similar to cap-and-trade programs, first cap the total amount of fish that can be caught in a given fishery and then distribute portions of this total allowed catch to individual fishermen and fishing companies. "Shares" of fish, known as quota, are given away, often effectively forever, creating a small elite group that has access to and control over fish — a public resource. Effectively, this amounts to privatization, and hurts consumers, fishermen and our oceans.

Catch-and-trade leads to consolidation.

Fishing quotas are given to a select group of companies and individuals, usually with no controls on consolidation or trading. In the Alaskan halibut-sable program, 40 recipients received an average quota of $2.5 million, while the remaining 4,000 recipients received quota averaging only $10,000.[1] The surf clam and ocean quahog fishery in the mid-Atlantic became so consolidated that one firm controlled 27 percent of the available quota.[2]

Catch-and-trade programs cause massive job losses

As a result of consolidation, fisheries have lost well over half their fishing fleets **(add in side box – from main report). Smaller-scale boats and fishermen are the first to go, often leaving a fishery dominated by larger-scale, more industrialized fishing.

… cripple the fishermen that remain

Quotas are often leased or sold for exorbitantly high prices, upwards of 75 percent of the landed value in some fisheries,[3] making quota leasing the single largest operating cost for fishermen. For example, of the 182 active vessels in the Canadian halibut fishery in 2006, 37 of them leased 90 percent or more of their quota, 67 leased 70 percent or more, and 91 leased 50 percent or more of their quota.[4] As a result, fishing captains pass on less profit to their crews.

Fleet Reduction Means Job Losses

"Fleet reduction" — meaning fishermen being cut out of fishing — is often highlighted as a success of catch-and-trade programs.* But every time a boat stops fishing, there are fewer jobs, resulting in struggling coastal communities.

Catch-and-trade program	Boats in fishery prior to catch-and-trade program	Boats in Fishery after catch-and-trade program
Alaska Halibut	3450 boats in 1994	1156 boats in 2008
Alaska Sablefish	1404 boats in 1994	362 boats in 2008
Bering Sea and Aleutian Islands Pollock	100 catcher and 20 catcher-processors in 1998	90 catchers and 21 catcher-processors in 2005
Bering Sea and Aleutian Islands red king crab	251 boats in 2004	74 boats in 2007-2008
Bering Sea and Aleutian Islands snow crab	189 boats in 2004	78 boats in 2007-2008
Pacific Sablefish	328 boats prior to 2002	87 boats in 2008
Gulf of Mexico Red Snapper	546 permits in 2007	466 permits in 2008
Wreckfish	91 boats in 1990	10 boats in 2009
Surf clam	128 boats in 1990	50 boats in 2005
Ocean Quahog	92 permits in 1991	47 permits in 2005

* All from NOAA Fisheries Office of Sustainable Fisheries. Current Catch Share Program Spotlights. Available at http://www.nmfs.noaa.gov/sfa/domes_fish/catch-share/index.htm except for Surf clam, from NOAA's Status of Fishery Resources off the Northeastern US: Atlantic Surfclam. http://www.nefsc.noaa.gov/sos/spsyn/iv/surfclam/ and Ocean Quahog, from NOAA's Status of Fishery Resources off the Northeastern US: Ocean Quahog, http://www.nefsc.noaa.gov/sos/spsyn/iv/quahog/

Crews' shares in the Canadian halibut fishery dropped from 10 to 20 percent of catch value prior to a quota program to just 1 to 5 percent after;[5] likewise, crews' shares in some Alaskan crab fisheries dropped from 5 to 6 percent to less than 1 percent.[6]

… and prevent new fishermen from entering the fishery.

High quota costs prevent new fishermen from joining the fishery. One study estimated that it could cost between $250,000 to $500,000 for a new entrant to acquire enough quota for a single fishing trip in Alaska's halibut fishery. Fishermen just starting out have to use personal assets, such as their homes, for the required down payment (typically between $62,500 and $250,000) before they can even begin to catch any fish.[7]

Catch-and-trade programs hurt coastal communities.

Smaller-scale processors and ports and many smaller coastal and fishing communities rely on income from fishing, and are devastated by catch-and-trade programs. In Alaska's catch-and-trade program, a handful of major processors ended up with exclusive buying rights to a percentage of most crab deliveries. As a result, some processors were guaranteed an astounding 90 percent of crab deliveries, leaving fishermen with only 10 percent to deliver where they wanted.[8]

Catch–and-trade programs fail to protect our oceans.

Consolidation can lead to more industrial "factory fish" boats which can damage the ocean floor and unnecessarily kill other wildlife. Catch-and-trade programs also create incentives to discard smaller fish (called "high grading") and unwanted fish and other wildlife (called "bycatch"). In the Gulf of Mexico red snapper catch-and-trade program, discarded red snapper accounted for over a third of the total red snapper catch in 2006 and 2007.[9] And overall, fish stocks are not improving. After 20 years of catch-and-trade programs, 81 percent of New Zealand's fisheries were still considered to be below the targeted range or having an unknown population status.[10] In Norway, cod stocks dropped to their lowest quota ever available in 2006 after 15 years of catch-and-trade management.[11]

Catch-and-trade programs violate laws protecting fishermen.

Catch-and-trade programs appear to violate the Magnuson-Stevens Fishery Conservation and Management Act, which requires conservation and management measures to minimize adverse effects and provide for the sustained participation of fishing communities.[12]

The United Nations Human Rights Committee ruled in 2007 that Iceland's catch-and-trade program violated international law and the human rights of fishermen by forcing fishermen without quotas to pay money to a privileged group of citizens (the quota owners), essentially privatizing the fishery.[13]

Fishermen in the United States are being excluded from the design and implementation of these systems. In the Gulf of Mexico, the grouper and tilefish IFQ was passed by a vote of fishermen participating in the fishery, but approximately 70 percent of fishermen holding fishing permits were not allowed to vote.[14] A survey by Food & Water Watch found that nearly 90 percent of the respondents would have voted against the plan if they had been included in the referendum.

Catch-and-trade programs privatize our nation's fisheries. There is a better way.

Rather than subsidizing privatization and job loss in fishing communities by giving away shares to the biggest participants, our fishery managers should maintain public control of fish and allocate access to fish in the public interest and on fair terms, so fishermen receive fair shares. To learn more and become involved in our Fair Fish campaign, go to www.foodandwaterwatch.org/fish.

Endnotes

1 Dorry, Niaz. Testimony for Greenpeace before the Committee to Review Individual Fishing Quotas of the Ocean Studies Board of the National Research Council on the Environmental Impacts of ITQs. July 8, 1998.

2 Government Accountability Office. Individual Fishing Quotas: Management Costs Varied and Were Not Recovered As Required. March 2005.

3 Ecotrust Canada. Briefing: A cautionary tale about ITQs in BC fisheries. Issue 8, 2009.

4 Pinkerton, Evelyn et.al. "The elephant in the room: The hidden costs of leasing individual transferable fishing quota." Marine Policy 2009.

5 Pinkerton, Evelyn et.al. "The elephant in the room: The hidden costs of leasing individual transferable fishing quota." Marine Policy 2009.

6 Jensen, Andrew. Owners profit, but crew feel the pinch of crab catch shares. Alaska Journal of Commerce. June 4, 2010. http://www.alaskajournal.com/stories/060410/fis_img8_001.shtml

7 Dory Associates. "Access Restrictions in Alaska's Commercial Fisheries: Trends and Considerations." Prepared for the Alaska Marine Conservation Council and Gulf of Alaska Coastal Communities Coalition. January 2009 at page 21.

8 Alaska Journal of Commerce. "High Pressure Tactics Were in Place at Dutch Harbor." Web posted June 5, 2009. Available at http://www.alaskajournal.com/stories/060509/fis_img37_001.shtml

9 National Marine Fisheries Service. "2007 Annual Red Snapper IFQ Program Report." Aug 5, 2008. http://ifq.sero.nmfs.noaa.gov

10 Wallace, Catherine. "Tradable quota in practice: decisions making, institutions and outcomes – the New Zealand experience over 11 years." Paper for the School of Business and Public Management, Victoria University of Wellington, New Zealand. 1998. Calculations based on statistics from Beddington, Agnew, and Clark. "Current Problems in the Management of Marine Fisheries." *Science* 22 June 2007: Vol. 316. No 5832, pp. 1713 -1716.

11 Ministry of Fisheries and Coastal Affairs. "Norway and EU agree fish quotas for 2006." Press release No 86/2005. Feb 12, 2005.

12 Magnuson-Stevens Fishery Conservation and Management Act. Sect 301 (a) (8).

13 United Nations, Human Rights Committee, International Convenant on Civil and Political Rights, (91st session). *Communication No. 1306/2004.* CCPR/C/91/D/1306/2004. December 2007, at 20.

14 Letter from Tom McIlwain, Council Chairman, Gulf of Mexico Fishery Management Council, to Roy Crabtree, Regional Administrator, National Marine Fisheries Service 8. Aug. 18, 2008.

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