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Preliminary Results of the General Category Cost Earnings Study

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HMS Fall Advisory Panel Meeting
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Presentation Outline

- Cost-earnings logbook study purpose
- General category fishery trends
- Survey basics and response
- Trip catch statistics
- General category trip economics
- Annual expenditures



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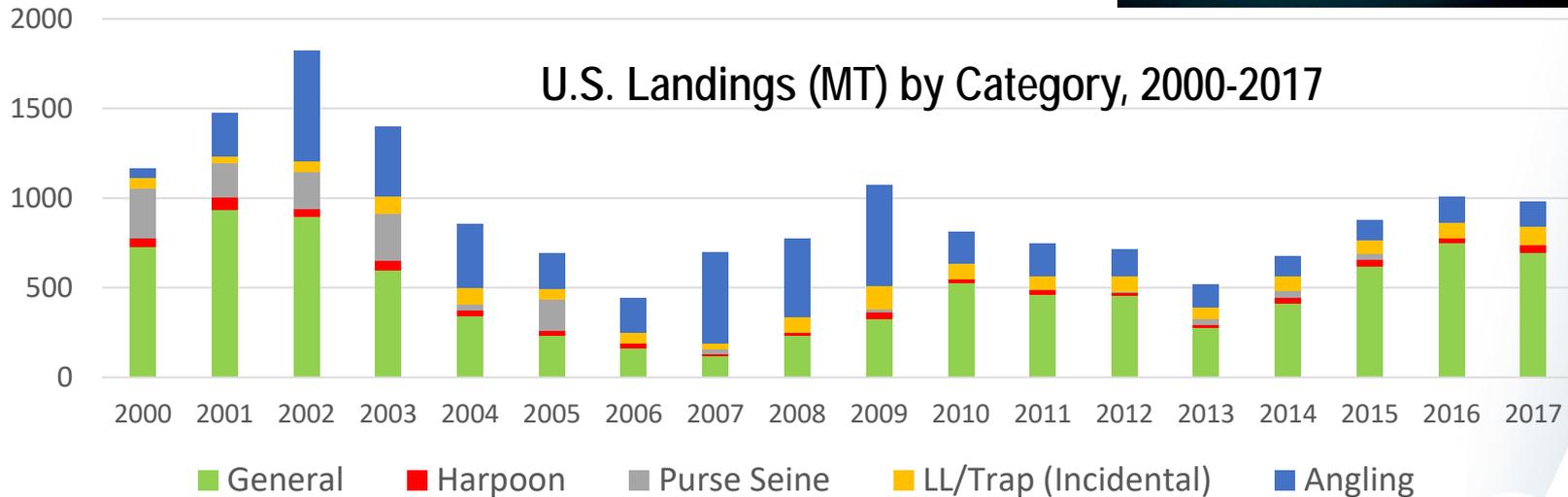
Cost-Earnings Logbook Study

- Purpose: Estimate economic activity of HMS fishing under Atlantic Tunas General category quota annually and by sub-quota period
- Cost-earnings logbook study: Jan-Dec 2018
 - Trip data collected for each trip targeting HMS
 - Effort, catch, harvest, and costs/earnings for each trip
 - Annualized expenditures (boats, equipment, insurance, etc.) at the end of the year



U.S. Atlantic Bluefin Tuna (BFT) Fishery Trends

Current western stock TAC = 2,350 mt
US quota = 1,247.9 mt (2018)



Trends in Tuna Permits and Landings

	2014	2015	2016	2017	2018
Tuna General Category Permits	3,396	3,230	2,910	2,940	2,942
No. Permits Landing BFT	301	373	432	553	576
No. BFT Landed	1,237	1,794	2,362	2,540	2,526
% Permits Landings BFT	8.9	11.5	14.8	18.8	19.6
HMS Charter/Headboat Permits	3,742	3,596	3,594	3,618	3,635
No. Permits Landing BFT	169	265	261	317	357
No. BFT Landed	811	1,287	1,815	1,626	1,713
% Permits Landings BFT	4.5	7.4	7.3	8.8	9.8



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General Category Trip Summary Form

GENERAL CATEGORY LOGBOOK TRIP SUMMARY FORM OMB Control No. 0648-0071
Expiration Date 3/31/2018
NOAA Form BE-351 (Rev. 04/06/07)

Vessel Name: _____ USCG or State Registration No.: _____ Permit No.: _____ Operator Name: _____ Phone No.: _____

Trip Start Date: ____/____/201____
Trip End Date: ____/____/201____
Tournament Trip: Yes No
For-Hire Trip: Yes No
Number of Crew: ____

LANDING INFORMATION:
County: _____ State: _____ Dealer Name: _____ VTR or State Trip Ticket Number: _____

FISHING ACTIVITY SECTION:
GEAR: Rod & reel (incl. downriggers) Handline Harpoon Bandit gear
 Green-stick Other gear (list): _____
Bait Used: Squid Mackerel Herring Artificial Other bait (list): _____
Number of lines fished: ____ Number of hooks per line: ____ Total hours fished: ____
Fishing location(s): Primary: ____°N ____°W Secondary: ____°N ____°W

CATCH SECTION:

	No. Kept		No. Released		Est. Lbs. Kept		No. Kept		No. Released		Est. Lbs. Kept
	Sold	Not Sold	Alive	Dead			Sold	Not Sold	Alive	Dead	
Bluefin Tuna						Haddock*					
Bigeye Tuna						Atlantic Cod*					
Albacore Tuna						Dolphin (Mahi)*					
Yellowfin Tuna						Pollock*					
Skipjack Tuna						Monkfish*					
Blackfin Tuna						Striped Bass*					
Swordfish*						Fluke*					
Shortfin Mako*						Tilefish*					
Blue Shark*						Mackerel*					
Thresher*						Other: _____					
Other: _____						Other: _____					

TRIP REVENUE SECTION: Total Gross Receipts \$ _____

TRIP EXPENSE SECTION:

Fuel Used on Trip (gallons) _____ gal. Fuel Price per Gallon \$ _____

Bait Expense \$ _____.00 Grocery Expense \$ _____.00 Other Trip Expenses \$ _____.00

Ice Expense \$ _____.00 Tackle/Fishing Supplies \$ _____.00 Describe: _____

Payment to HIRED Captain \$ _____ Total Payment to HIRED Crew \$ _____ Owner Operated? Yes No

* Other permits may be required for retention.
Please fax to: 1-272-554-2222 or scan and email: desiredema@fishingsurvey.com or mail to: Quantech, Inc., 6119 Executive Blvd., Suite 429, Rockville, MD 20852

- Selected 682 vessels with history of commercial bluefin tuna landings in 2016 & 2017 for reporting
 - 587 renewed their permits for 2018
- Mailed copies of the following:
 - Trip Summary Form
 - "No Fishing" Reports
 - Annual Expenditure Form
- Participant also provided a web link and PIN number to complete the forms online



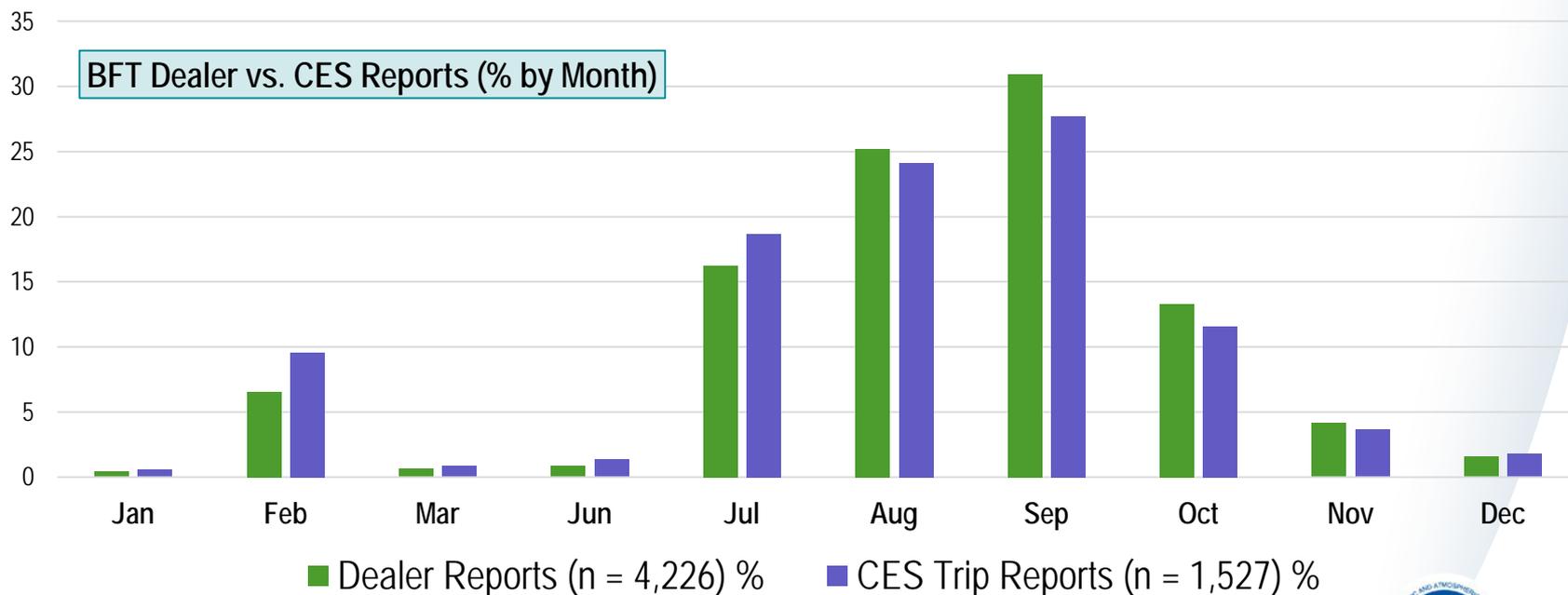
Survey Response

- Of the 587 permit holders selected, 457 returned Trip or No Fishing Reports
- **78% response rate**
- 334 permit holders provided trip reports
- 123 permit holders just submitted No Fishing reports
- 184 completed the Annual Expenditures form



Trip Report Statistics

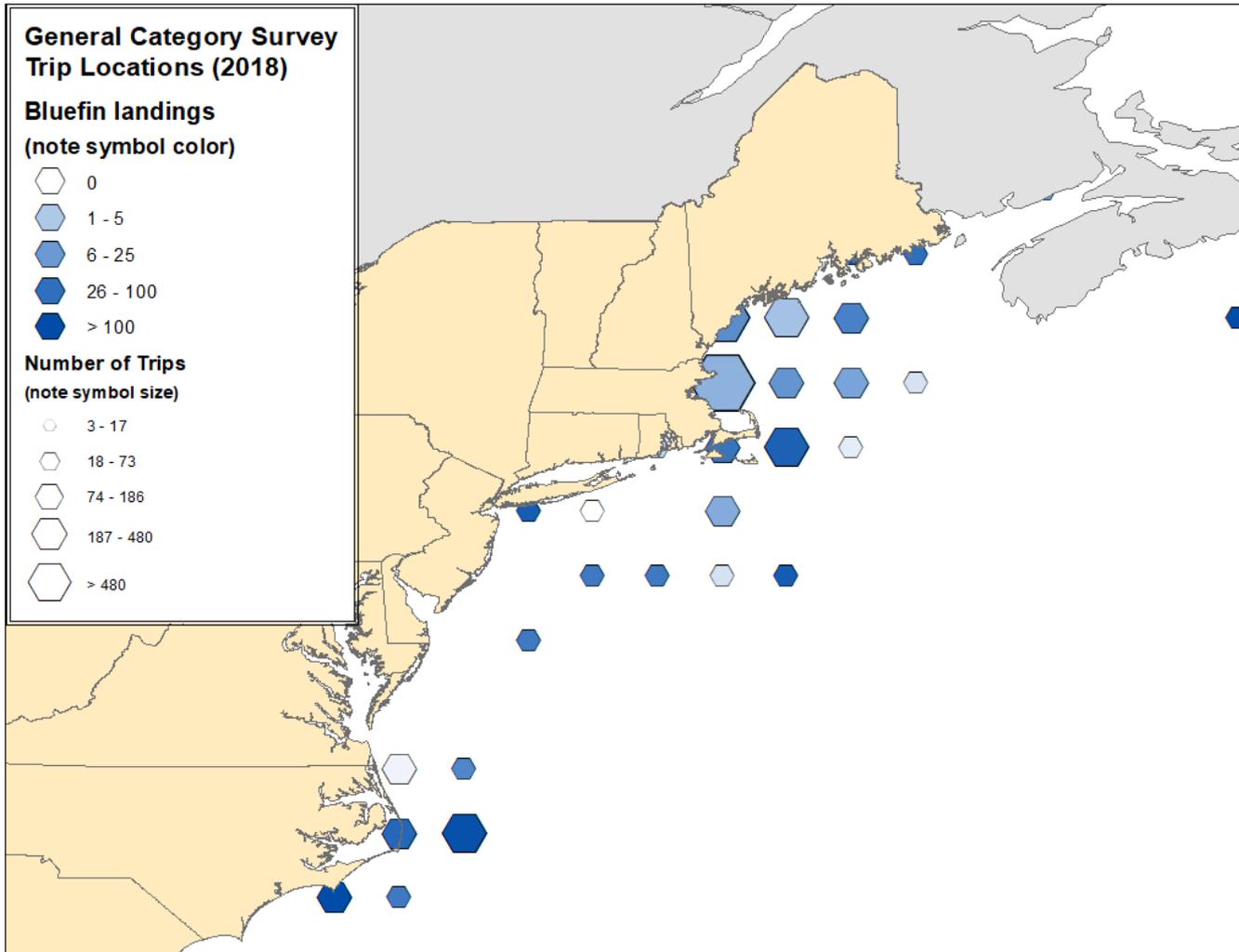
- 4,239 BFT landed in 2018 under General category quota
 - 2,918 by vessels selected for reporting in this survey
 - Trip reports received for 1,705 BFT (58%) across 1,561 trips



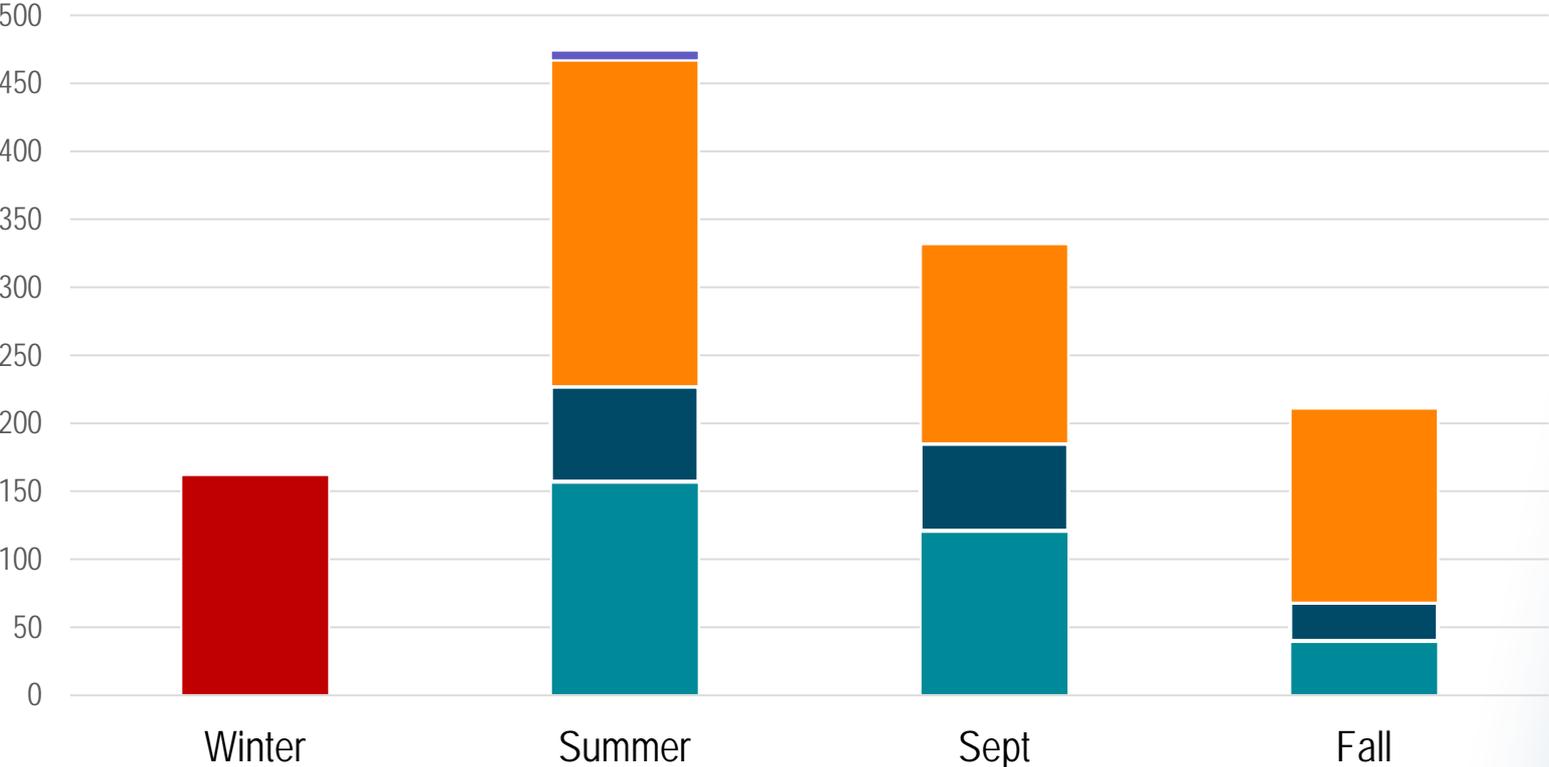
Types of Trips Reported

- 61 trips reported being in a tournament
 - 30 of those trips also sold fish
 - 5 of those also reported being a for-hire trip
- 237 trips reported as being for-hire trips
 - 83 of these trips sold fish
 - For-hire trips that did not sell fish were excluded from further analysis for this study
- 93% owner operated trips





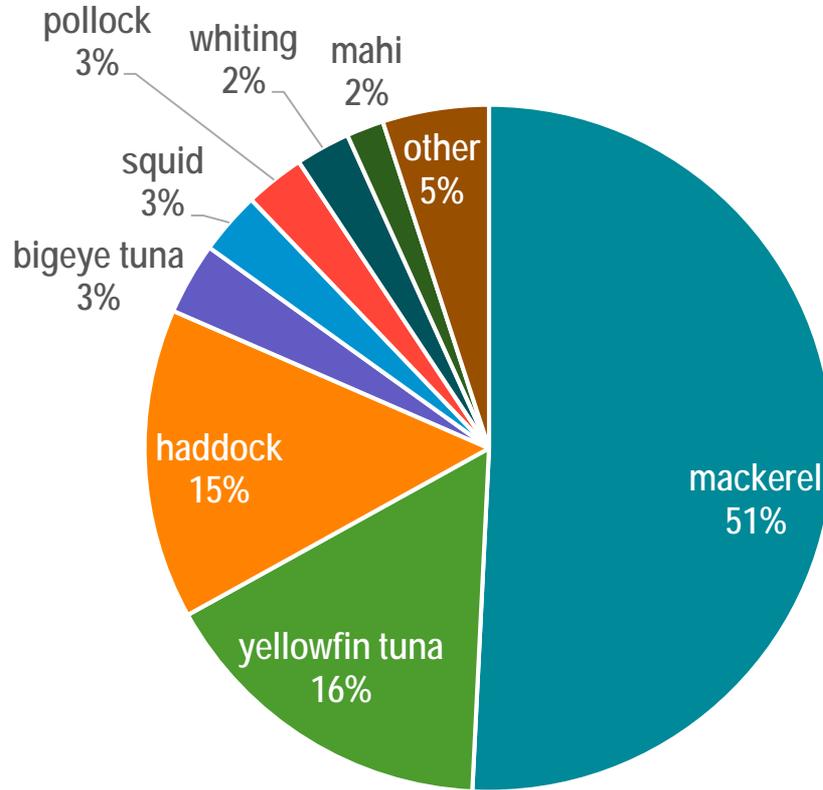
BFT Landings by State and Sub-quota Period



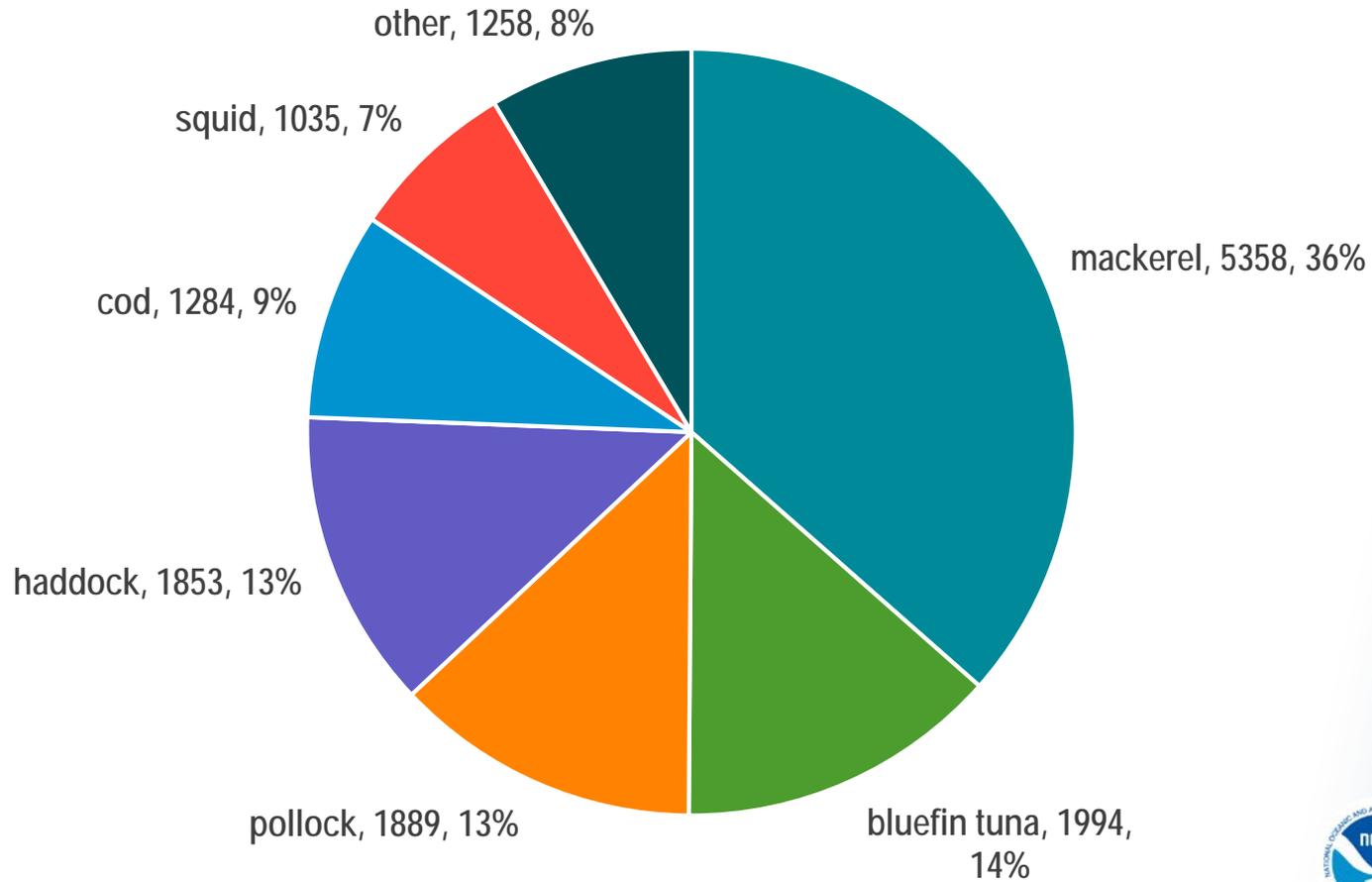
■ Maine ■ New Hampshire ■ Massachusetts ■ RI/NY ■ North Carolina



Non-Bluefin General Category Landings (by number)



General Category Discards (by number)



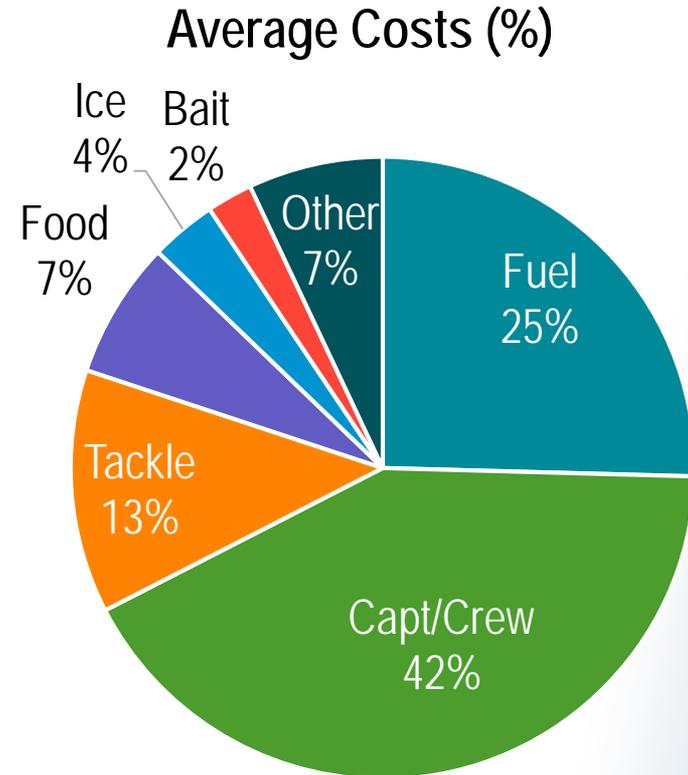
Trip Costs Statistics for All Trips

Expense Category	Mean	Median
Fuel	\$183	\$130
Bait	\$13	\$0
Grocery	\$46	\$0
Ice	\$24	\$15
Tackle	\$74	\$40
Other expenses	\$47	\$0
Payment to hired captain	\$28	\$0
Payment to hired crew	\$128	\$0

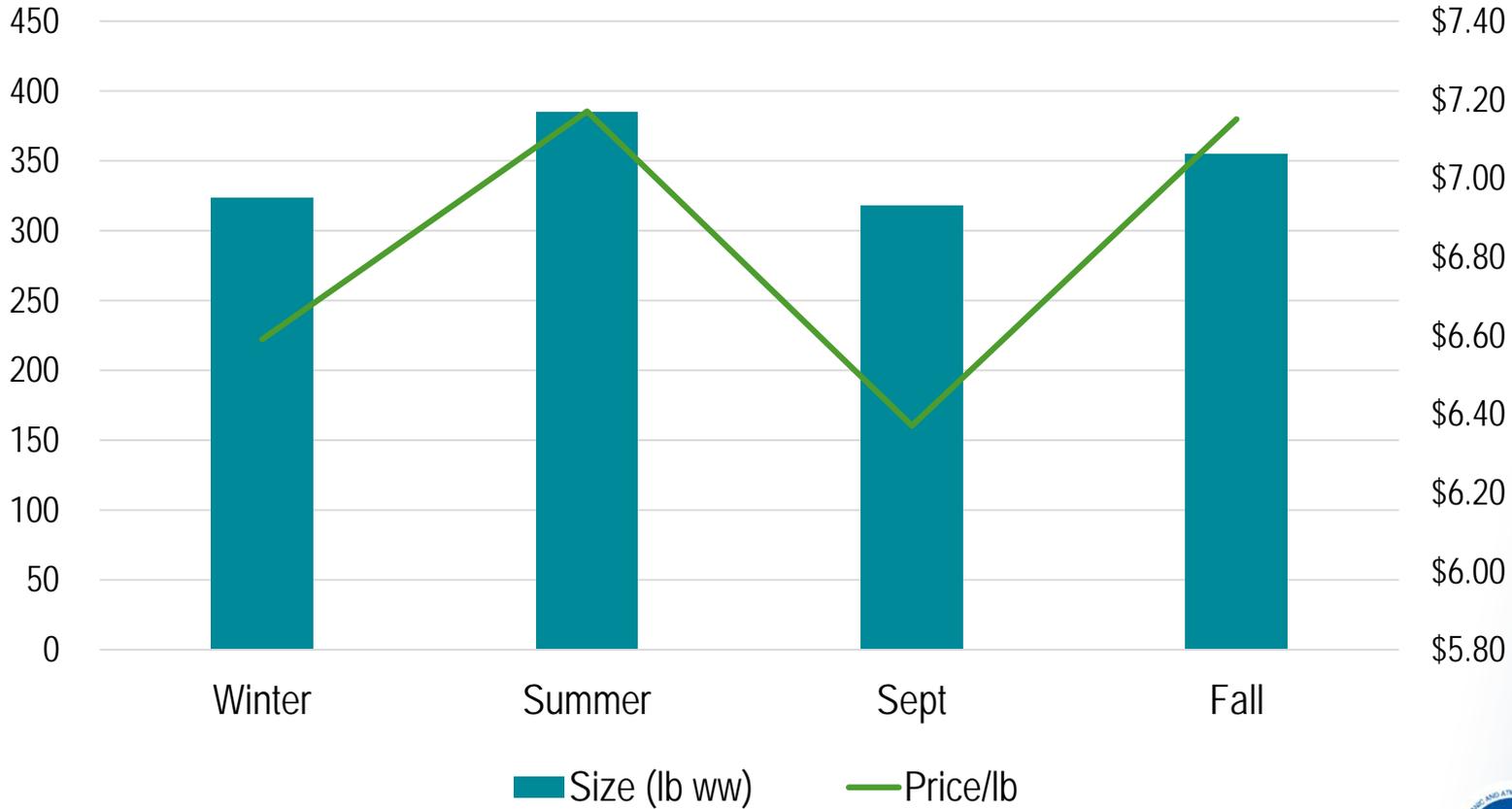
Average Cost-Earnings of Successful Trips

- Based on 1,337 trip reports with BFT landings and full data
- Average across all months and states
- 92% of trips only land 1 BFT
- Average price = \$2,306/BFT or \$6.86/lb
- Data suggests 1 BFT every 3 trips will cover trip costs

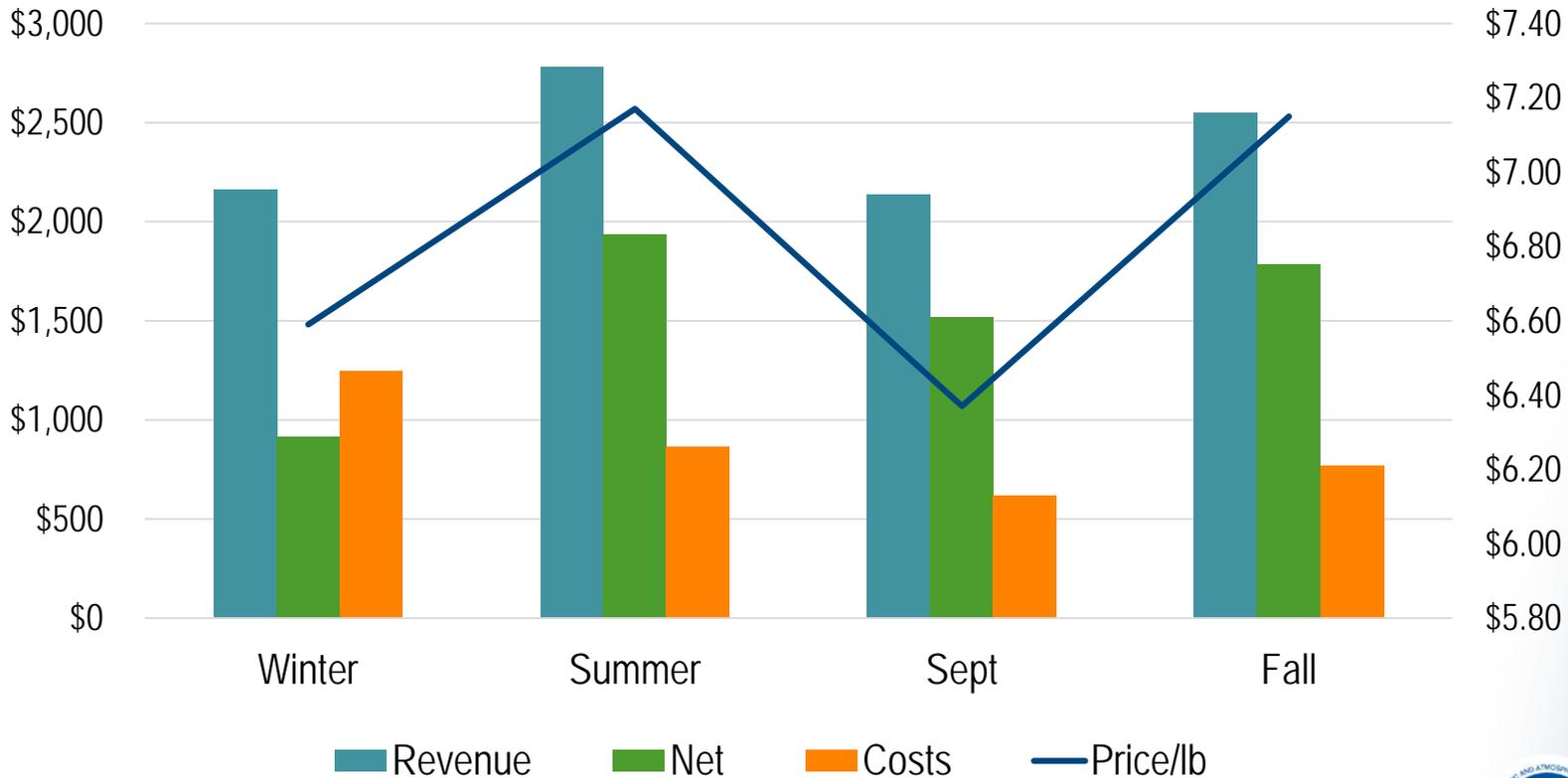
Category	Average
BFT Revenue	\$2,485
Trip Costs	\$823
Net Return	\$1,662



Avg. Size and Price by Sub-quota Period

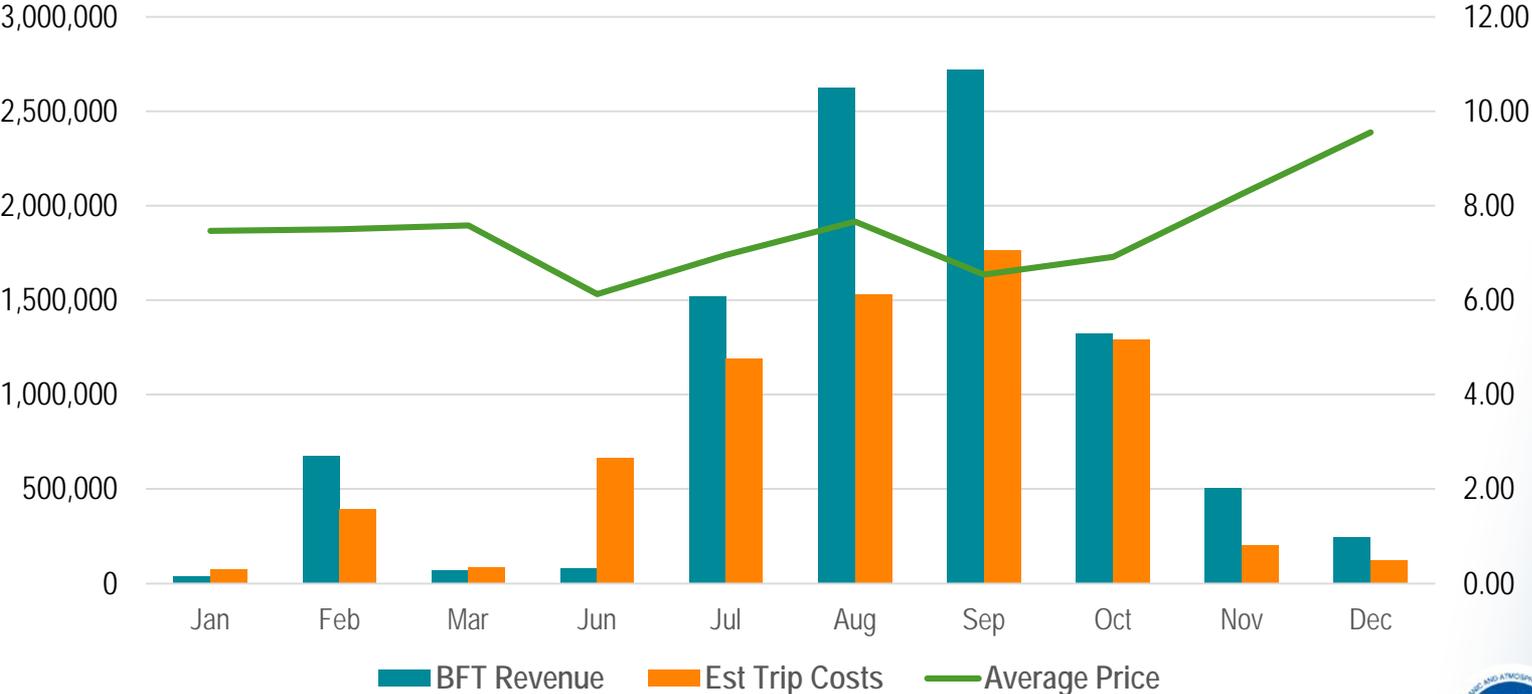


Trip Costs and Earnings of Successful Trips



Total BFT Revenue vs. Total Trip Costs

Total BFT Revenue = \$9,803,092 Est. Total Trip Costs = \$7,333,000 Est. Net Trip Revenue = \$2,480,324



General Category Annual Expenditures

- 184 annual expenditure forms returned
 - 31% response rate
- Online versus paper:
 - 72% responded via the web form
 - 28% responded via the paper form

OMB 0648-0371 Expires 12/31/2020

2018 Atlantic Highly Migratory Species ANNUAL EXPENDITURES Form

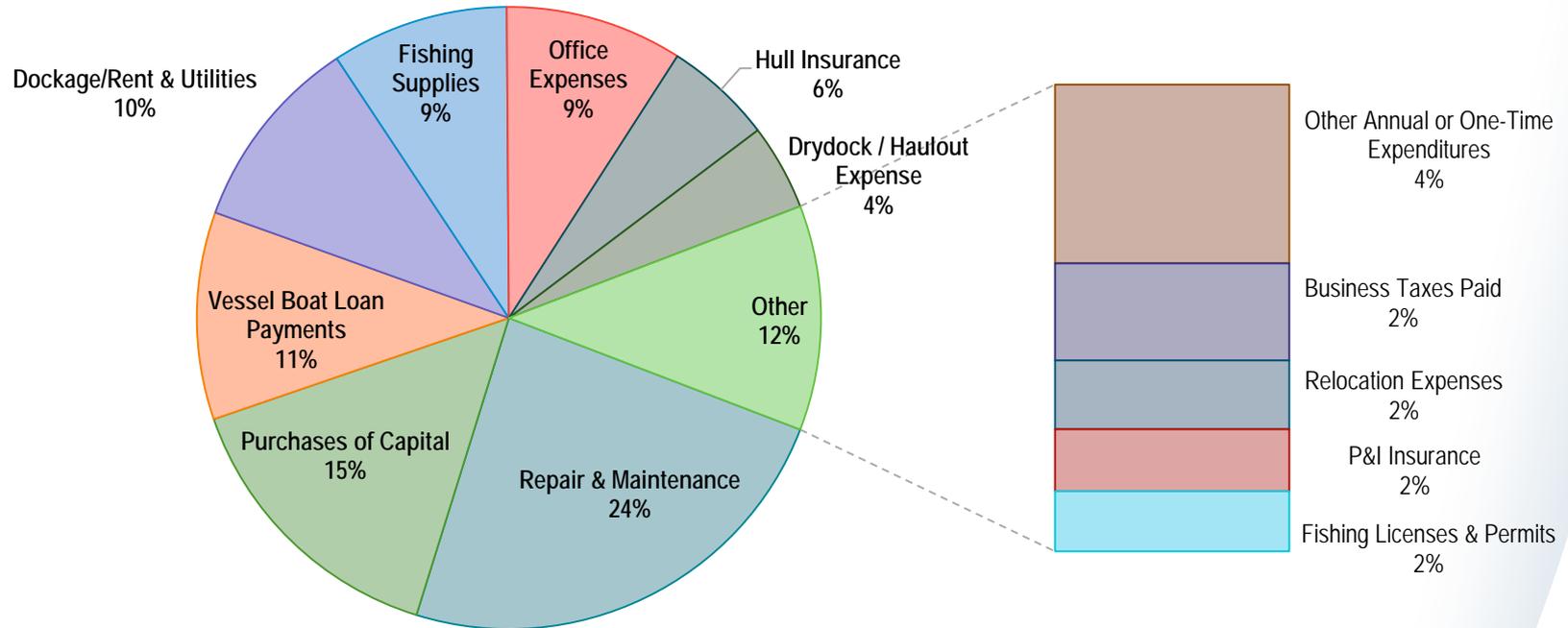
Boat Registration or Vessel Documentation Number:

HMS Permit Number:

ANNUAL FISHING EXPENDITURES	
Repair & Maintenance Expenses (include gear, engine, electronics, etc.)	\$ <input type="text"/>
Fishing Supplies	\$ <input type="text"/>
Drydock / Haulout Expense	\$ <input type="text"/>
Purchases of Capital (including engine, electronics, hydraulic reel, etc.)	\$ <input type="text"/>
Insurance: Hull	\$ <input type="text"/>
P&I	\$ <input type="text"/>
Boat Dockage/Rent and Utility Expenses	\$ <input type="text"/>
Commercial Fishing Licenses & Permits	\$ <input type="text"/>
Vessel Boat Loan Payments	\$ <input type="text"/>
Relocation Expenses	\$ <input type="text"/>
OTHER BUSINESS EXPENSES PAID BY VESSEL	
Business taxes paid by vessel (include property and income taxes)	\$ <input type="text"/>
Office Expenses (rent, accounting, legal, phone, etc.)	\$ <input type="text"/>
Other annual or one-time-only expenditures paid by vessel (include business travel expenses, health insurance, vehicle loan/lease payments, etc.)	\$ <input type="text"/>



Annual Expenditures



Annual Fishing Expenditure Statistics

Expense Category	Mean	Median	% Reporting
Repair & Maintenance	\$7,319	\$3,024	97.7%
Purchases of Capital	\$4,564	\$350	53.1%
Dockage/Rent & Utilities	\$3,117	\$2,000	80.6%
Fishing Supplies	\$2,807	\$1,500	92.6%
Hull Insurance	\$1,716	\$1,300	88.0%
Drydock / Haulout Expense	\$1,366	\$700	71.4%
Fishing Licenses & Permits	\$460	\$300	100%



Other Business Expense Statistics

Expense Category	Mean	% Reporting
Vessel Boat Loan Payments	\$3,294	29.1%
Other Annual or One-Time Expenditures	\$1,691	28.0%
Business Taxes Paid	\$1,280	48.0%
Office Expenses	\$744	42.9%
Relocation Expenses	\$525	14.3%
P&I Insurance	\$473	41.1%



Total Annual Expenditures

- Average annual expenditures: \$29,354
- Median annual expenditures: \$15,746
- Total annual expenditures: \$14,675,272
 - Based on 932 General category and Charter/Headboat category vessels that landed bluefin in 2018

Revenue and Expenditures Summary

Total BFT Revenue	\$9,803,092
Est. Total Trip Costs	\$7,322,768
Annual Expenditures	\$14,675,272
Total General Category Costs	\$21,998,040
BFT Revenue Net of Total Costs	-\$12,194,948

- Note that revenue here only includes bluefin tuna revenue, and does not account for any other activities the vessel may participate in (e.g., other commercial fisheries, charter fishing).



Next Steps

- Estimate the economic impact of these expenditures on local economies
- Discover further insights from this data
- Incorporate feedback from this meeting
- Publish report on our findings





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Comments and Questions

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