New fisheries system will save about $20 million, researchers find

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Quinn Weninger is a researcher with Iowa State University. Credit: ISU photo by Bob Elbert

Some fisheries in the United States are poised to undergo major changes in the regulations used to protect fish stocks, and Iowa State University researchers have estimated that the new system will be an economic boon to the fishing industry.

Quinn Weninger and Rajesh Singh, both associate professors in economics, estimated harvesting costs under the old system and compared that to the newly proposed fishing regulations that lift many restrictions that cause inefficiency while still limiting amounts to be harvested.

Their analysis focused on the Pacific Groundfish fishery, which manages fishing in waters off the Northwest coast of the United States, and found the Groundfish fleet could save between $18 million and $22 million annually under the new regulatory system.

Pacific Groundfish fishery is one of several fisheries around the country that monitors fish harvest by location and types of fish. Similar economic conclusions would apply to other areas and other fish types, according to Weninger.

"What we've tried to do is come up with the cost savings that would be involved when we change from the old to the new system," he said.

The new system controls catch amounts through a system of tradable fishing permits and allocates a certain amount of fish to be harvested by each fisherman each year, said Weninger. The amount of each fisherman's total harvest is determined by the total number of permits he holds.

Fisheries managers, who are National Marine Fisheries Service employees, monitor fish stocks and calculate the total harvest that will allow fish numbers to remain at sustainable levels while letting fishermen survive economically.

Under the new system, for example, if a fisherman owns 1 percent of the permits, that fisherman can harvest 1 percent of the total amount of fish, which is chosen annually by the manager.

The new regulations begin by allocating permits to active fishermen based on that fisherman's past annual haul of fish. A key feature is that the permits can be bought and sold, allowing more flexibility for fishermen.

Under the old system, fishermen faced a host of regulations designed to ensure the fleet did not overfish the resource.

These regulations included imposing gear restrictions, seasonal closures, area closures, limits on the number of boats, bimonthly catch limits and other regulations that make harvesting fish less and less efficient and more costly.

"Prior to the new system, an entire years' halibut was harvested in two, six-hour openings," said Weninger. "We're talking about thousands of boats going out there and filling their boats to the point of sinking on the way home with all of these fish."

While the new system has gained popularity in recent years, little was known about how much money would be saved industry-wide.

Weninger and Singh answered that question.

The $18 million to $22 million savings for the Pacific Groundfish fishery will result mainly from reducing the size of the fishing fleet from around 117 vessels, to around 40 to 60 that will be required to catch the government-set limit. That is a reduction of more than 50 percent.

"Basically the revenues stay the same [under the new system], but you're able to harvest those fish at a fraction of the cost," Weninger said.

The old systems had too many redundant boats providing the same service, he added.

The findings are published in the journal Marine Resource Economics.

Weninger said the cost savings could eventually lower prices at the supermarket.

Another benefit for consumers is the availability of fresh fish. In the past, since all the halibut had to be harvested in just a few hours, consumers had to settle for frozen fish for much of the year. Now, with the expanded time window to catch fish, there will be fresh halibut available for more of the year, he said.

Another benefit is safety. Since fishermen won't be required to fish during a time preset by the government regulations regardless of weather conditions, they can fish when conditions are favorable and fishing is safer.

Provided by Iowa State University