Limited Access Privilege Programs

Scott Crosson, Ph.D.
Socioeconomics Program Manager
What is a LAPP?

• Fishery management program that allows each fishermen to catch a specific percentage of the Total Allowable Catch (TAC)
• Also known as an Individual Fishing Quota (IFQ) or Dedicated Access Privilege (DAP)
• SAMFC is using Limited Access Privilege Program (LAPP) so will use that here
How it works

• Each fishermen allocated a “quota share”, usually based on historical landings

• Quota share $\times$ TAC = LAP holder’s allowable poundage for the year

• LAP holder may sell quota share or buy additional ones from other fishermen
Benefits

• Increased flexibility for fishermen: seasons can be extended or eliminated, gear restrictions can be lessened
• More stable prices for product; the market drives the harvest
• Simplifies regulations for managers (in theory)
• Reduced bycatch
• More profitable fishermen = increased chance they will be a permanent fixture on our coasts
Drawbacks

• Fewer fishermen and crew in the water
• Difficult for new entrants to afford LAPs
• Consolidation can result in quota concentration in hands of a very few absentee owners, aka “corporate fishing”
• Fishermen can’t “hit it big”
2006 Magnuson-Stevens

- Sec 106 sets forth goals of LAPPS, they
  - are revocable permits to engage in fishing and not a “property right” to any fish,
  - must assist in rebuilding stocks and other conservation goals,
  - must contribute to reducing capacity in the fleet, and must contain provisions for monitoring and reviewing the program periodically.
Summer Flounder Case

• Currently majority of commercial harvest caught by holders of License to Land Flounder license
• Non license-holders have a per-trip limit of 100 lbs, generally bycatch from shrimp and croaker
• LLF holders must wait for windows to open and close to prevent exceeding North Carolina’s portion of the TAC
Summer LLF Stats

• LLF in use have declined from 92 in 2001 to 72 in 2006
• 2,683 trips taken from 2001-2006, resulting in 22.1M lbs caught
• Most trips taken by any boat in any single year was 13.
If trips were maximized...

- Average landings/trip were $8,236.
- If each boat had caught its maximum on every trip, would only have needed 1,893 trips, 30% fewer than actually took place.
  - Ex-vessel value per trip would have been $11,672. Equates to a 41% increase in efficiency.
and LLF quotas traded…

• No one is forced to leave under a LAP program. Quota holders can sell or lease their shares.
• 20%-50% reductions in fleets are not uncommon, further increasing profits per boat.
• Seasons can be extended, preventing markets from flooding and driving down prices.
More profitable trips

![Chart showing the increase in average trip cost from 2001 to 2006. The chart includes a line for average trip cost (current), average trip cost (maxed), and average profit per trip (maxed).]
More profitable owners

![Graph showing the increase in profit for participants over time. The graph includes different lines for different categories, with labels indicating the profit levels. The x-axis represents the years from 2001 to 2006, and the y-axis represents the profit levels from $0.00 to $250,000.00.]
Parameters for LAPP

The MFC would:

• still have to deal with allocation issues of recreational vs commercial
• still have to set TAC, including addressing needs of different groups of fishermen (small and large)
• need to decide the penalty for overages
More parameters

• Need to design a transfer system for exchanging quotas, short-term and permanent
• Market efficiency versus “family fisheries”
• Benefits of underharvesting—carry LAP into next year?
Discussion