EXECUTIVE SUMMARY

This report provides an evaluation of the economic and social performance of active limited access Northeast groundfish vessels for the 2013 fishing year (May 2013 through April 2014). Table 1 contains a summary of major trends for the fishery for the period 2010-2013. The report focuses on trends from 2010 onward and on changes that occurred between 2012 and 2013. An important difference in this year's report from previous reports is that all monetary metrics are presented in constant dollars that have been adjusted for inflation, using 2010 as the base year, rather than in nominal terms. Revenue and price metrics for the 2013 fishing year in Table 1, Table 2, and Table 3 have been presented in nominal terms (in addition to real, or constant, terms).

Fishing Year 2013 saw a continuation of the mostly negative trends seen for the limited access groundfish fleet in Fishing Year 2012 compared with the landings and revenues seen in the fishery from 2010 to 2011. The total amount of Annual Catch Entitlement (ACE) for all the allocated groundfish species declined 13% from 2012 to 2013, which is a 27.5% reduction from 2010.

Annual Catch Limits (ACLs) for 12 of the 17 allocated stocks were cut from 2012 to 2013: all three cod stocks, all three haddock stocks, all three yellowtail flounder stocks, plaice, witch flounder, and GOM winter flounder. ACLs increased from their 2012 levels for five stocks: Georges Bank and Southern New England (allocated for the first time in 2013) winter flounder, redfish, white hake, and pollock.

Groundfish fishermen could not offset a substantial loss of $28 million in groundfish revenues (in *real* dollars) between 2010 and 2013 with increases in non-groundfish revenues. Revenue is determined by both landings and price, and groundfish landings in 2013 continued the decline that the limited access groundfish fleet experienced in 2012. Declining groundfish landings were coupled with little growth in non-groundfish landings for the fleet in 2013. Total landings of all species on all trips were 256.4 million pounds in 2013, a 1.6% decrease from 2012 (260.5 million pounds). Total groundfish landings on all trips decreased to a four-year low of 42.2 million pounds in 2013, compared with 58.7 million pounds in 2010.

Both average groundfish price and average non-groundfish prices received by the fleet fell in 2013 to four-year lows. In 2010 dollars, average groundfish price was $1.31 per pound in 2013 (from $1.42 in 2010) and average non-groundfish price was $1.00 per pound (from $1.21 in 2010). The fall in average groundfish price is especially notable given that groundfish landings also decreased to a four-year low of 42.2 million pounds in 2013. This does not mean that there were both price and quantity declines in all groundfish species; this only occurred with cod, plaice, and redfish. There was also a change in the mix of quantities of groundfish landed with decreases in shares of cod (and a concurrent drop in price) and pollock (small increase in price) and increases in the shares of winter flounder and haddock (with decreases in prices in both of these species).

The result of these landings and price changes is that total groundfish revenue was at a four-year low of $55.2 million in 2013. Total revenue from both groundfish and non-groundfish species declined from $293.3 million in 2010 to $269.9 million (8%) in 2013.

The active limited access groundfish fleet decreased by 120 vessels over 2010-2013, to a four-year low of 735 active vessels. The number of vessels with revenue earned from taking at least one groundfish trip also decreased to a four-year low of 327 vessels in 2013, with 119 fewer vessels taking groundfish trips in 2013 than in 2010. Effort on groundfish trips generally decreased in 2013. The fleet is taking fewer groundfish trips, with fewer total days absent on these trips. However, when a groundfish trip is taken, most vessels are taking lengthier trips than in prior years.

Measured from a somewhat longer time frame of 2007-2013, productivity for the Northeast Multispecies Fishery peaked in 2009 and has since slowly declined. In 2013 productivity was 4% lower than it was in 2007.

Aggregate owner shares of net revenue (gross revenue adjusted by fishing trip costs) were at a four-year low in 2013 at $122.2 million. This is an 11% decline from $136.9 million in 2010. Aggregate crew shares of net revenues also declined by 11% from $80.5 million to $71.6 million.

Opportunities to crew on groundfish vessels (measured in positions, days, or trips) declined over the period 2010-2013. For example, total crew trips declined by 15% between 2010 and 2013.

Both all species and groundfish revenues were unequally distributed in 2010, and they remained so through 2013. The distributions of both all species and groundfish revenues are more concentrated at the vessel affiliation (ownership) level than at the vessel level. The concentration of revenues among top earning vessel affiliations was marked in 2010-2013, and this level of concentration persisted and slightly increased in the top 1% in 2013. Groundfish revenue is more concentrated than all species revenue among the top earning vessel affiliations, as was the case at the vessel level.

At the vessel level, the total value of ACE/PSC lease market transfers in 2013 is estimated at 4.4 million dollars, down 46% from 2012 and 62% from 2010 (Table 28). When ownership groups are considered, the total transfer payment due to leasing is estimated at just over three million dollars, down 25% from 2012 and 53% from 2010, and implying that roughly 30% of all leasing (by value) is occurring within ownership groups.

Table 1. Summary of major trends (May through April, includes all vessels with a valid limited access multispecies permit).

	2010			2011		
	Total	Sector vessels	Common pool	Total	Sector vessels	Common pool
Groundfish gross revenue (in 2010 dollars)	$83,212,207	$81,165,969	$2,046,238	$88,821,349	$87,982,963	$838,386
Non-groundfish gross revenue (in 2010 dollars)	$210,068,225	$115,537,375	$94,530,850	$235,565,188	$141,895,314	$93,669,874
Total gross revenue (in 2010 dollars)	$293,280,432	$196,703,344	$96,577,088	$324,386,537	$229,878,277	$94,508,260
Groundfish average price (in 2010 dollars)	$1.42	$1.41	$1.58	$1.43	$1.42	$1.58
Non-groundfish average price (in 2010 dollars)	$1.21	$1.18	$1.24	$1.11	$1.11	$1.11
Number of active vessels*	855	437	418	777	443	334
Number of active vessels that took a GF trip**	446	304	142	418	302	116
Number of groundfish trips	13,859	11,575	2,284	16,138	13,858	2,280
Number of non-groundfish trips	38,507	16,547	21,960	33,727	16,814	16,913
Number of days absent on groundfish trips	18,737	17,131	1,605	21,895	20,393	1,503
Number of days absent on non-groundfish trips	31,354	16,023	15,331	28,032	15,485	12,547
Total crew positions	2,268			2,166		
Total crew trips	125,033			122,785		
Total crew days	171,278			171,342		

Throughout this report "trips" refer to commercial trips in the northeast Exclusive Economic Zone (EEZ). Past reports included party/charter trips.
*Note sector plus common pool vessel counts may exceed the total vessel count because vessels may switch between sector and common pool eligibilities during the fishing year.
**This refers to vessels that have revenue from at least one groundfish trip.

Table 1 (continued). Summary of major trends (May through April, includes all vessels with a valid limited access multispecies permit).

	2012			2013		
	Total	Sector vessels	Common pool	Total	Sector vessels	Common pool
Groundfish gross revenue (in 2010 dollars)	$67,815,297	$67,209,195	$606,102	$55,220,469 ($58,662,972)***	$54,211,824 ($57,592,187)***	$1,008,645 ($1,070,784)***
Non-groundfish gross revenue (in 2010 dollars)	$228,136,612	$135,359,399	$92,777,213	$214,665,116 ($227,826,279)***	$129,680,139 ($137,623,316)***	$84,984,976 ($90,202,963)***
Total gross revenue (in 2010 dollars)	$295,951,909	$202,568,594	$93,383,315	$269,885,585 ($286,489,251)***	$183,891,963 ($195,215,504)***	$85,993,622 ($91,273,747)***
Groundfish average price (in 2010 dollars)	$1.43	$1.43	$1.71	$1.31 ($1.39)****	$1.30 ($1.38)****	$1.59 ($1.68)****
Non-groundfish average price (in 2010 dollars)	$1.07	$1.03	$1.13	$1.00 ($1.06)****	$0.95 ($1.00)****	$1.10 ($1.17)****
Number of active vessels*	763	445	318	735	419	316
Number of active vessels that took a GF trip**	400	303	97	327	245	82
Number of groundfish trips	14,328	12,990	1,338	10,056	9,125	911
Number of non-groundfish trips	33,024	17,172	15,852	33,317	17,900	15,417
Number of days absent on groundfish trips	19,839	18,998	842	17,013	16,356	657
Number of days absent on non-groundfish trips	29,151	16,341	12,811	29,439	16,916	12,523
Total crew positions	2,135			2,039		
Total crew trips	117,118			106,700		
Total crew days	169,129			157,600		

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*Note sector plus common pool vessel counts may exceed the total vessel count because vessels may switch between sector and common pool eligibilities during the fishing year.
**This refers to vessels that have revenue from at least one groundfish trip.
***Nominal gross revenue observed during Fishing Year 2013.
****Nominal average price during Fishing Year 2013.