Groundfish Port Recovery and Revitalization Plan for the Port of New Bedford/Fairhaven

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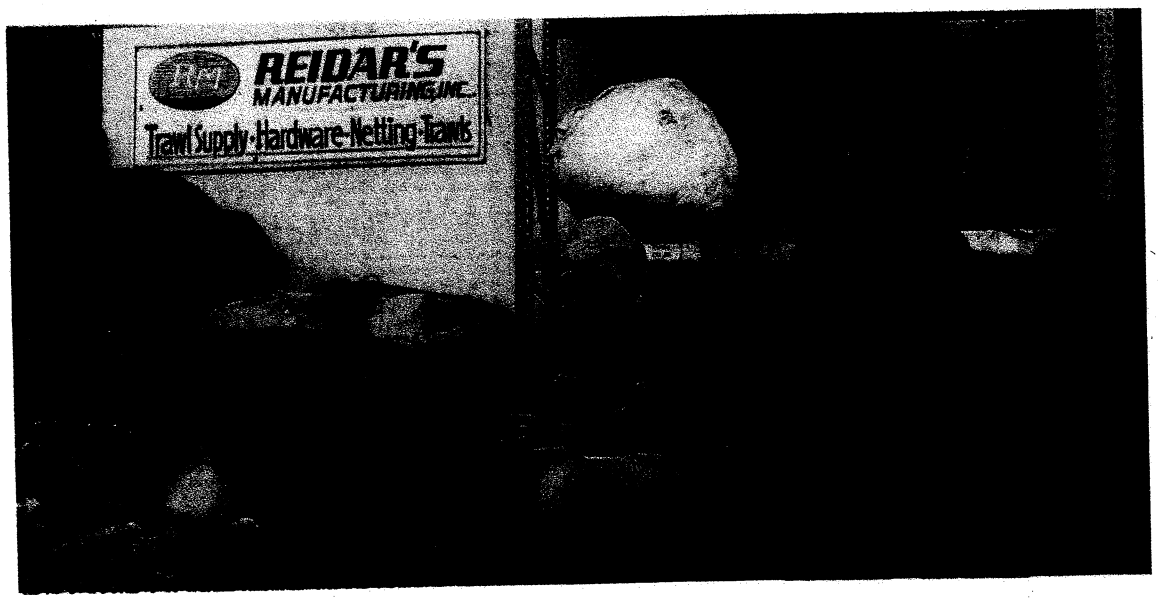
All errors, omitted or committed, are the responsibility of the authors.



Peter Pereira Standard-Times

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EXECUTIVE SUMMARY

The Port of New Bedford, which includes Fairhaven, has led the nation in value of seafood landings since 1999. Scallop landings accounted for the majority of increased value landed in the Port due to increased catch and successful marketing of scallops. The groundfish fishery in the Port contributed a large share of the port's value, however, until recently, when the value of landings from groundfish vessels dropped sharply from 2011 to 2013.

The Port of New Bedford is also the Commonwealth's second most valuable commercial port. In addition to fisheries, the main commercial activity in the Port, New Bedford offers commercial opportunities in break bulk cargo, marine service to off-shore wind farms, ship repair and other shoreside marine support services, ferries to Martha's Vineyard and Cuttyhunk islands, cruise vessels, excursion vessels, and a growing recreational fishing and boating industry

This report documents the recent decline of the groundfish industry in the Port of New Bedford, estimates its effect on shoreside businesses and makes recommendation for the recovery of this fishery and improvements in the Port. We used data from the Massachusetts Division of Marine Fisheries (MA DMF) on landings in the Port of New Bedford and Fairhaven by vessel from both federal and state waters from 2006-2013 to document the recent decline in revenue landed by New Bedford groundfish vessels. We interviewed 47 business owners and managers to estimate the effect of the decline in landings on businesses that service the fishing industry in the Port.

Major Findings on the Decline of Value Landed from Groundfish Vessels

- Value of groundfish landed in New Bedford by all vessels declined from $31 million in 2011 to $19 million in 2013.
- Value of landings from all species by groundfish vessels (defined as vessels that land the majority of their value in groundfish) decreased from $33 million in 2011 to $22 million in 2013, with most of this decline from groundfish species.
- Average price per live pound for groundfish increased from 2009 through 2012 but dropped in 2013. The decline in average price per live pound of groundfish in 2013 reflects both declining prices for some species and a change in the composition of groundfish landings, with an increasing share generated by lower-value species. The actual average price per live pound of groundfish was roughly the same in 2012 and 2013 as it was in 2006 and 2007, but the average price adjusted for inflation declined over this period from $2.15 per pound in 2006 (in 2013 dollars) to $1.41 in 2013.
- The number of groundfish vessels actively landing in New Bedford declined from 97 vessels in 2006 to 47 vessels in 2013.
- Groundfish sector vessels actively landing in New Bedford declined from 72 vessels in 2010 to 39 vessels in 2013. Groundfish non-sector vessels declined from 13 to 5 over the same period with their average landings per vessel from all species less than $1,000 in 2013.
- The average value landed per trip and the average annual value landed from vessels 75 feet and longer increased significantly in 2010 through 2012 relative to years before sectors. Following the drop in landings in 2013, average annual value landed by these vessels in 2013 was not

significantly different from the years before sector management. There were no significant differences before and after sectors for average annual value landed from vessels between 50 feet and 75 feet.

- Data on trips costs were not available to us. The 2012 Final Performance of the Multispecies (Groundfish) Fishery estimated trips costs from observer data for groundfish trips. That analysis estimated that average costs for groundfish trips on vessels 75 feet and longer increased from $9,833 in FY2009 to $29,714 in FY2012 (Tables 15 and 46). Much of this increase in costs was due to fuel prices. These costs do not include leasing costs.
- The loss of 41 groundfish vessels landing in New Bedford from 2010 through 2013 implies a loss of 164 crew positions assuming a average crew size of four. The MA Office of Labor and Workforce Development estimates a loss of 116 employees in fishing from all fisheries from 2010 through 2012 in Bristol County, which includes New Bedford and Fairhaven.

Major Findings on the Effects of Declining Landings on Shoreside Businesses

- Fifty businesses that supplied products or purchased fish from New Bedford fishing vessels have gone out of business between 2004 and 2013. More than half of these businesses were in processing, wholesaling and retailing.
- The loss of 50 businesses, as well as reductions in employment in surviving businesses, translates to job loss. The MA Office of Labor and Workforce Development estimates a loss of 227 jobs between 2010 and 2012 in Seafood Product Preparation & Packaging in Bristol Country, which includes Fairhaven and New Bedford. The MA Office of Labor and Workforce Development does not estimate employment in other shoreside businesses because they are parts of much larger businesses categories.
- The decline in the vessels, trips, and landings in the groundfish industry has created more dependence in New Bedford on the scallop fishery, which landed 85% of the port's value in 2012.
- Despite these recent declines, the Port of New Bedford remains a full-service port with numerous businesses in every category of shoreside services with a total of 148 shoreside businesses whose main customers are the fishing industry.
- We interviewed 47 shoreside business owners or managers. Every business owner or manager that we interviewed was angry and frustrated by federal groundfish management. These business owners and managers said that they are at the mercy of federal government agencies with little knowledge of the way that the industry works, little consideration for fishing businesses, and almost no information on the fish available to be caught.
- Sector managers of the four sectors that operate from New Bedford told interviewers that estimating, finding and allocating quota for fishing trips are the most difficult parts of their job. They can't find quota to lease when they need quota on choke species at prices that make fishing trips profitable.
- Interviews showed that businesses in the Port of New Bedford that depend on the groundfish fishery now rely more on other fisheries, vessels from other ports, other products (such as frozen fish inputs for processing), and other industries (such as trucking).

RECOMMENDATIONS FOR REVITALIZING THE GROUNDFISH FISHERY

Develop a Video Groundfish Survey Process to Generate Data for Stock Assessment

SMAST is developing a new groundfish survey that combines traditional fishermen's knowledge with advanced video observations designed for nets and state-of-the art benthic imagery and sonar. The objective of the survey is to estimate the abundance, spatial distribution, size structure, and length-weight relationship of the Georges Bank yellowtail flounder stock on the southern flank of Georges Bank and also estimate these parameters for cod, haddock, monkfish, skate and other groundfish. Sampling protocol using video surveys has served to increase the examination of the data supporting the yellowtail flounder stock assessments.

Change Magnuson-Stevens Act

There is widespread agreement that the current fisheries management system needs improvement because it is not producing the maximum benefit to the nation. Much of the problem stems from ambiguities in the language of the law and a focus on one phrase: "preventing overfishing" which does not take into account benefits to the nation including economic stability or growth for ports like New Bedford. To achieve a balance between conservation and economic growth within the Port, the often contradictory 10 National Standards for conservation and management measures require revisions to improve balance between biological, economic, and social goals, including safety at sea.

Improve Scientific Support for Annual Catch Limits

Recommendations for stock assessments to meet the needs of management:

- More accurate and frequent stock assessments and catch projections
- Greater consideration of alternative stock assessment approaches, including cooperative research with the fishing industry
- More timely and transparent catch monitoring, including collaborations with fishing vessels for data sharing
- Greater consideration of environmental change in stock assessments and overfishing definitions
- A more open, inclusive and transparent stock assessment process.

Examine the Effects of Individual Species Quotas on Commercial Landings

In 2012, only 32 percent of the Northeast groundfish quota was caught, down from 41 percent in 2011. What has caused this low and declining percentage of total groundfish quotas that are caught? Answering this questions require a concerted effort of scientists using biological and economic models with data from a wide variety of sources, for example, a model that predicts apparent or available abundance as a function of costs, regulation, availability, catchability, and stock size. This type of research is well suited for cooperative research between scientists and fishermen. An experimental fishery using revenue from the catch could be used to underwrite data collection.

Use Conservation Engineering to Develop More Effect Fishing Gear

Both groundfish and scallop fisheries are severely challenged by the low quotas of yellowtail flounder and winter flounder, and more recently, windowpane flounder. Developing fishing gear that avoids capture of these species will allow the groundfish and scallop fisheries to harvest relatively healthy stocks and allow these flounder stocks to recover quickly. SMAST and MA DMF scientists, commercial

fishermen and gear suppliers are developing trawl gear for haddock, pollock, hake and redfish that will fish more effectively. This new gear can reduce flounder bycatch, reduce impact to fish escapees, lower intrusiveness on the seabed, and save fuel.

Provide Funds to Fishermen for Licensing in Other Marine Activities

Licenses and training for Master/Mate, Able Body Seaman, Operating Engineer, and other trades are available for other maritime trades, but these are expensive for fishermen. Schools and institutes in this area offer training for licenses that cost from $2700 for the top license to about $1600 for the least license and take from 6-8 weeks of intense training.

RECOMMENDATIONS FOR IMPROVING THE PORT

Capital Project Recommendations Specific to the Fishing Industry

1. Structural repairs to New Bedford municipal fishing piers.
2. Expansion of New Bedford municipal fishing piers -Steamship, Homer's and Leonard's.
3. Phase V dredging of New Bedford municipal and private berths.
4. Develop and implement plan for fleet use of shoreside power installed at New Bedford municipal fishing piers.

Recommendations to Increase Overall Economic Activity in the Port

1. Repair of the north side of the State Pier.
2. Maintenance dredging of the Federal Channel.
3. Bulk heading of State Pier.
4. State Pier Refrigeration Project.
5. Route 6 Replacement Study.
6. South Coast Rail.
7. South Terminal Rail Connection.
8. Offshore Wind Business Development.
9. Excursion/public access hub at Fisherman's Wharf/State Pier and land use planning for State Pier and adjacent properties.
10. Recreational Vessel Dockage and Survey Study.
11. Buildout of Harbor Development Commission Offices and Regional Command Center.