

# **Commercial-Recreational Allocation Practice in Canadian Fisheries**

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Presentation to:

Fisheries Leadership & Sustainability Forum  
Stanford University

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September 2010

# The Context for Commercial-Recreational Allocation Decisions

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- Allocation is contentious
  - allocation is form of property rights & people fight over property
  - allocation has financial repercussions
- Commercial & recreational sectors very different
  - food business vs recreation
  - fish as output vs the experience as output

# "Why We Should Get More Fish"

## Commercial Sector

1. Angling is a leisure activity and therefore has no value.
2. We need access to a variety of fish species to be financially viable.
3. The recreational fishery does not have the capacity to harvest all the fish presently caught by the commercial fleet.
4. The dollars from angling are not "new" dollars; people would be golfing if they couldn't fish. But most of the commercial catch is exported.
5. We were here first.
6. If we give anglers more fish, they won't spend much more money.
7. We pay for monitoring at ports and at sea but the sport sector does not.
8. We fish to a quota or allocation. The recreational sector doesn't and won't.

## Recreational Sector

1. We spend more money per fish caught than the retail price of fish.
2. We pay a lot of sales taxes on our purchases, but the commercial fishery doesn't.
3. The commercial fishery is heavily subsidized.
4. We catch only a small amount of the TAC, yet we pay the same amount of licence fees as the commercial fleet.
5. Angling creates jobs in the retail and service sectors.
6. The commercial fleet is not viable.
7. There is opportunity for growth in the recreational fishery.
8. Fish are a public resource, we are the public, and we should have ready access.

# Two Different Fisheries Sectors

	<u>Commercial Fishery</u>	<u>Recreational Fishery</u>
<b>Activity</b>	<ul style="list-style-type: none"><li>• Renewable Resource Extraction</li><li>• Processing</li><li>• Marketing</li></ul>	Outdoor Recreation
<b>Product</b>	Fish	Angling Experience <ul style="list-style-type: none"><li>• Catching Fish</li><li>• Harvesting Fish</li><li>• Aesthetics</li></ul>
<b>Output Measure</b>	Tonnes	Angler-days
<b>Producing Sector</b>	<ul style="list-style-type: none"><li>• Commercial Fishermen</li><li>• Processors</li><li>• Distributors</li></ul>	<ul style="list-style-type: none"><li>• Independent Anglers</li><li>• Lodges</li><li>• Charters</li></ul>
<b>Consumers</b>	Seafood Consumers	Anglers

# Commercial vs Recreational Allocation in Canada

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- Allocation decision-making
  - federal responsibility & policy
  - Minister of Fisheries & Oceans makes the decision
- Three pillars of federal fisheries policy
  - environmental
  - economic
  - social
- Underlying premise of fairness & equitable treatment
- Various forms of commercial-recreational allocation
  - “exclusive use” e.g., Atlantic lobster
  - “set aside” e.g., Pacific herring
  - “weak allocation” e.g., Pacific salmon
  - “formal allocation” e.g., Pacific halibut

# CDN Practice – Atlantic Lobster “exclusive use”

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- Fisheries management
  - recreational : closed
  - commercial : limited entry but no ITQs
  - : seasons, size limits etc. but no TAC
- Allocation process (since “forever”)
  - shares : 100% to commercial, 0% to recreational
  - transferability between sectors: none
- Performance review
  - broad public support in Atlantic Canada
  - commercial fishery still strong & viable
  - easy to purchase lobster from commercial sector
  - difficult/impossible to monitor a sport lobster fishery

# CDN Practice – Pacific Herring “set aside”

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- Fisheries management
  - TAC management
  - recreational : ITQs for food & sport bait suppliers  
: open access for individuals (very small)
  - commercial : ITQs
- Allocation process (since “for decades”)
  - recreational : fixed 1,250 tonnes for food & sport bait
  - commercial : residual of TAC
  - transferability between sectors : none
- Performance review
  - sport bait has priority allocation
  - not controversial as sport is small & capped
  - but may become controversial as TAC declines

# CDN Practice – Pacific Salmon “weak allocation”

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- Fisheries management
  - managed to escapement not TACs
  - recreational : open access
    - : bag limits, closed areas, salmon stamps
  - commercial : limited entry but no ITQs
- Allocation process (since 1999)
  - recreational : priority for chinook & coho
    - : 5% cap for sockeye, pink, chum
  - commercial : 95%+ for sockeye, pink, chum
    - : access to chinook & coho when abundant
  - transferability between sectors : none
- Performance review
  - appear to be working in general
  - sport has marketed “priority access”
  - commercial has access to chinook & coho at higher abundance
  - but 5% sockeye sport limit difficult to achieve

# CDN Practice – Pacific Halibut “formal allocation”

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- Fisheries management
  - CDN TAC set by Int’l Pacific Halibut Commission (IPHC)
  - recreational : open access, bag limits
  - commercial : ITQs for landings & discard mortality
- Allocation process (since 2003)
  - shares : 12% recreational (sport) & 88% commercial
    - : 12% supposed to allow for some growth in sport from 9% share in 2001
  - transferability : possible based on market transactions
- Performance review
  - paid transfers : early years – from sport to commercial (~\$2 million sport “kitty”)
    - : later years – from commercial to sport (“kitty” now exhausted)
  - sport challenges : monitoring, legal entity, earmarking licence fees
  - sport has difficulty adjusting to fixed share of a lower overall TAC
  - allocation process still a “work in progress”, uncertainty for 2011

# Lessons Learned from Canada

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1. Formal allocation requires improved catch monitoring.
2. Relative to commercial sector, sport sector faces several challenges:
  - catch monitoring (as identified above)
  - a legal entity to give effect to transfers
  - a revenue mechanism to pay for monitoring & transfers
3. Investigate fixed % share vs fixed weight amount for sport.
4. The push for intersectoral allocation is tied to strength of commercial sector access rights.
5. Leadership - from politicians, fisheries managers, industry - is required.