

# Gloucester Fishing Community Preservation Fund

## Who is this Organization?

The Gloucester Fishing Community Preservation Fund (or GFCPF) is a non-profit organization in Gloucester that supports the Gloucester fishing community. It was formed in 2007 and includes an Executive Director, and six members of the Board of Directors. It is also known locally as the Gloucester Permit Bank.

## What is this Project?

The GFCPF received a grant from the National Fish and Wildlife Foundation to host focus groups with a variety of relevant stakeholders and to develop a strategic plan. Questions concerning the role of a "fishing permit bank," innovative investment strategies, and creating shared value for fishermen and the community will be explored. This project comes at a critical time for Gloucester, but the implications for this project extend to all U.S. fishing ports.

## What is a Community Permit Bank?

A community permit bank pools or acquires money to buy fishing permits, then leases the rights to small-scale fishermen at significant discounts. Permit banks are allowed under federal and state fishing regulations.

## What is the Mission of the GFCPF?

The mission is to: (1) Aid fishermen by serving as a central repository and exchange (e.g., lease) of groundfish fishing permit privileges to fishing vessels operating out of Gloucester; (2) Protect and enhance the port of Gloucester, and its infrastructure, as a fishing port; and (3) Preserve and promote the past and present fishing heritage of Gloucester, the nation's oldest seaport.

## What Types of Fish Does the GFCPF Lease?

Groundfish, almost exclusively. Groundfish includes as many as 18 different types of fish, including cod, haddock, flounder, pollock, hake and redfish. Under the federal regulations, the New England groundfish stocks are managed collectively as the Northeast Multispecies Fishery.

## How Has GFCPF Supported the Gloucester Fishing Fleet and Community?

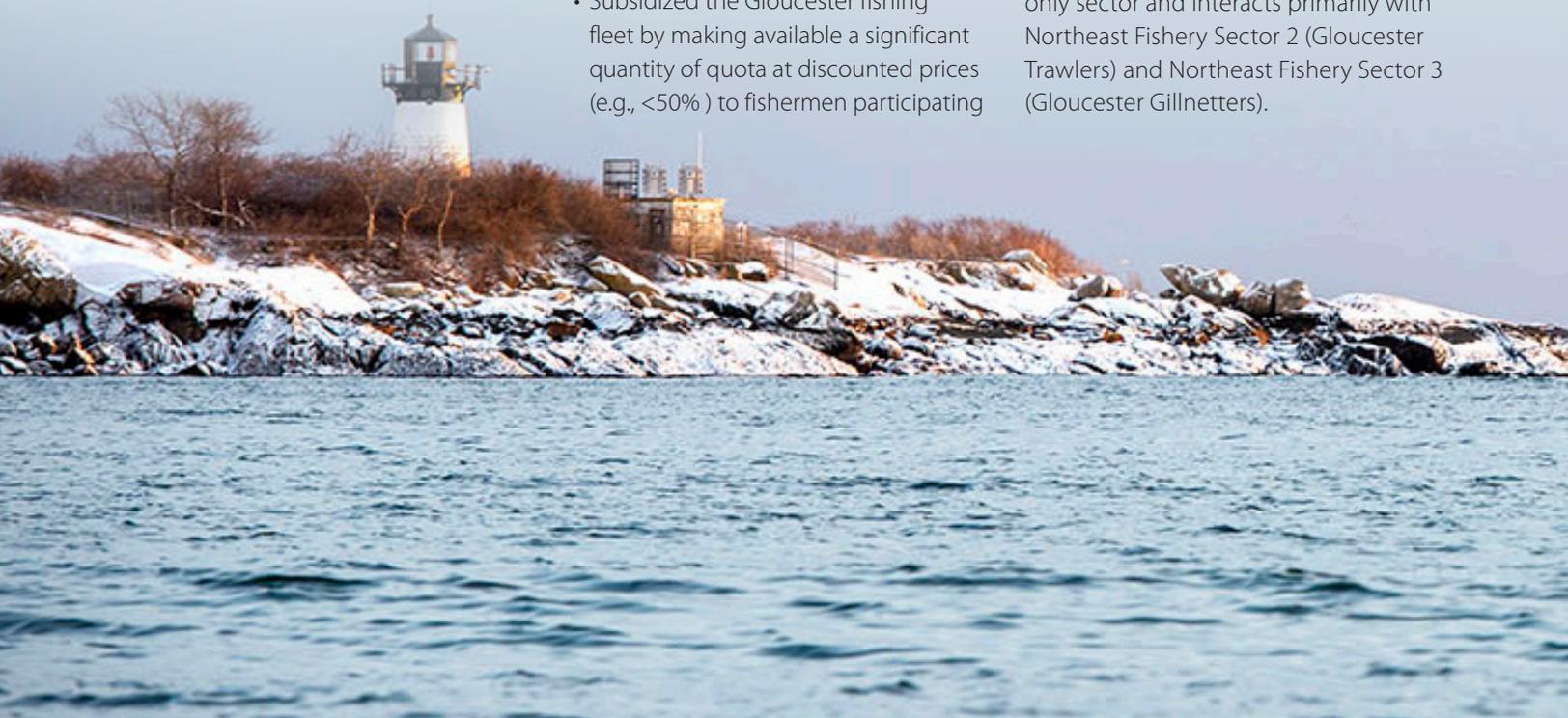
- Acquired permits that support a diverse fleet of vessels. Currently, the GFCPF has assets of 50 permits across the full spectrum of vessel sizes.
- Subsidized the Gloucester fishing fleet by making available a significant quantity of quota at discounted prices (e.g., <50% ) to fishermen participating

in the Gloucester groundfish sectors. Currently, the GFCPF's permits account for more than 17,000,000 pounds of fish and are valued at more than \$11 million.

Over its 12 year history, the GFCPF humbly estimates that their subsidy support to local fishermen has kept fish landings in Gloucester and contributed more than \$100 million to the local working waterfront economy, using a 3x multiplier of ex-vessel prices.

## How Does Fish Leasing Work?

Under the regulations, fishermen can band together to form "sectors" which are legal entities, under the federal regulations, that contractually agree to comply with certain fishing restrictions and conform to their sector's Operations Plan. The National Marine Fisheries Service allocates fishing privileges (e.g., quantity of fish that can be caught) for each fishermen, which then becomes part of the potential sector contribution that a fishermen brings to the sector. Sector management promotes a market-based approach and affords independent fishermen privileges and flexibility to trade and lease fish within sectors. There are currently 20 sectors. GFCPF is a lease-only sector and interacts primarily with Northeast Fishery Sector 2 (Gloucester Trawlers) and Northeast Fishery Sector 3 (Gloucester Gillnetters).



## **GFCPF Sustainable Business Model**

The GFCPF is designed and operated to generate revenue to cover all operating expenses, at a minimum. The non-profit generates revenue from the leasing of fish quota, thus preserving assets (the value of fishing permits and money in reserve) in the event that it seeks to purchase additional permits, or invest in a project that supports the collective Gloucester fishing community. The GFCPF's total net assets are now more than \$11 million.

## **What's Next for the GFCPF and the Gloucester Fishing Fleet?**

The Board of the Gloucester Fishing Community Preservation Fund will continue to play a pivotal role in leveraging the Fund's considerable assets to support the Gloucester fishing community. We are now looking out ten years and thinking strategically about how best to use our assets to support and sustain our fishing fleet and community. The grant from National Fish & Wildlife Foundation supports this work.

The GFCPF is particularly interested in exploring our potential role in workforce development and recruitment of new and younger fishermen; incentivizing fleet investment and upgrades; and supporting investments in waterfront infrastructure and the seafood cluster that directly supports the fleet.

## **Focus Groups and Schedule for this Project**

Key focus group advisors will come from these key stakeholders:

- Financial investment community
- Commercial fishing industry
- Working waterfront partners and Community and NGO representatives

Each focus group will include 12–16 participants, and focus on a particular theme. Through a series of questions, exercises and facilitated conversations, we hope to better understand the needs of key stakeholders, and identify traditional and innovative opportunities to use our assets to support the Gloucester fishing community. Focus group sessions will be held in October and early November. Each session will be approximately 3 hours, and include food/beverage.

The information and ideas from the Focus Groups will be incorporated into a draft Strategic Plan which will be further refined by the Board and select external advisors. Our goal is to have a new GFCPF Strategic Plan in place early in the 2020 fishing season.



## **For More Information**

We welcome your support for the Fishing it Forward project in the historic port of Gloucester, and hope you are interested and available to lend your expertise to one of the focus groups.

We have put together a more comprehensive document that provides further detail, explanation, and context. We hope you will review the full booklet which has been designed to assist current and future partners understand the regulatory framework within which Gloucester fishermen operate, the GFCPF's operations, investment strategies, its performance impact, and the changing fishing landscape of Gloucester. For further information about the Focus Groups or this initiative, please don't hesitate to contact:

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