

Lagniappe



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INTEREST IN OCEAN ENVIRONMENT RISING

Interest in the environmental health of oceans is rapidly increasing. In the year 2000, two new ocean commissions were established in the United States, both focused on America's oceans and their living marine resources. The Pew Foundation has contributed \$3.5 million to create the Pew Oceans Commission which will be chaired by Governor Christie Todd Whitman of New Jersey and former Clinton White House Chief of Staff Leon Panetta. This commission will deliver to Congress in 2002 reports on fishing impacts, pollution, coastal development, climate change, aquaculture, and non-native species.



In August, four months after the Pew Commission was established, President Clinton signed the Oceans Act of 2000 (Public Law 106-256) creating the Commission on Ocean Policy. This commission will have 16 members appointed by the President and will develop a report for Congress and the President on issues similar to the Pew Commission.

Also in November, the National Research Council released a several hundred page report strongly supporting the use of Marine Protected Areas (MPAs) as an approach to both protect ocean ecosystems and manage fisheries stocks. Similar to other scientific reports, this one supports making about 20% of U.S. marine waters into MPAs, where no fishing, recreational or commercial is allowed.

The establishment of MPA's is powerfully supported by national environmental organizations. Needless to say, support for MPAs has not been as strong from fishing interests. In fact, most national recreational fishing organizations have come out in strong opposition to MPA creation. On a national basis, commercial fishing organizations have so far been measured and cautious in their judgement of MPA's.

Sources: *Water Log*. Volume 20, November 3, 2000. Mississippi-Alabama Sea Grant Consortium. *Marine Protected Areas: Tools for Sustaining Ocean Ecosystems*. National Academy Press.

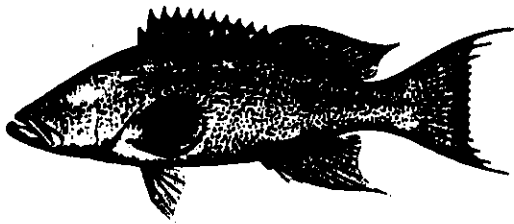


M.P.A. ACTION

A year and a half ago, hardly anyone outside of scientists had ever heard of marine protected areas or MPAs as they are often called. Now they are happening. On December 8, President Clinton signed a sweeping executive order banning fishing, including recreational, from approximately 4 million acres off of the northwest Hawaiian Islands and restricting the activity in another 80 million acres. How the quarter million strong recreational fishery of Hawaii reacts remains to be seen. Recreational fishing is estimated to contributed \$238 million to the Hawaiian economy.

LOUISIANA'S REEFS & M.P.A. MANAGEMENT

Very few people associate Louisiana with reefs, Florida — yes, the Caribbean — yes, but Louisiana — no, unless the thought of the thousands of offshore oil platforms serving as artificial reefs comes to mind. But waters offshore of Louisiana do have many natural reef habitats. Many miniature rock mountains, often called "lumps", exist near the 100-fathom curve off of our coast. The tops of some of these rise to near the water's surface. The most well-known of these are the Flower Gardens near the Texas/Louisiana border. These come to within 50 feet of the surface and are crowned with legitimate coral reefs.



Offshore water bottoms also have many rocky outcrops which attract and hold reef fish such as snappers and groupers. Finally, vast areas of "live bottom" exist off of the coast mostly between 60 and 110 fathoms. These firm bottoms are encrusted with coral-like animal growths such as sea fans and other interesting marine life.

Louisiana's landings of reef fish alone tell the story. The state easily leads the entire nation in red snapper landings, the most well known reef fish in the country. Its landings of other snappers, especially vermilion and gray (mangrove), are pretty good too.

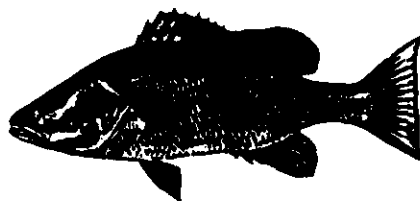
Its grouper landings aren't too shabby either, even though they are harder to target than snappers. Commercial fishermen land scamp, gag, yellowedge, and snowy groupers, as well as warsaw, black and two species of hinds. Recreational fishermen also pick up many groupers while targeting snappers.

Reef fish, here and elsewhere are notoriously hard to manage. After they grow to a few inches long, they move to and don't want to leave reef habitat, whether it is an oil platform, a sunken vessel, rocky outcrop, coral reef, or live bottom. Even when reef fish are severely overfished, the ones that remain can easily be targeted on their reefs using

GPS, LORAN and electronic depth and fish finders. More dependable and powerful boats put even the reefs furthest offshore within reach.

Reef fish are also easier than many fish to overfish because they are slow growing, slow to mature and long-lived. They tend to be easy to catch because of their aggressive behavior and many show little fear of spear-equipped scuba divers.

Reproduction in reef fish also tends to be very unpredictable. While adults hunker down on reef bottoms, their eggs and larvae are free-floating and can be swept many miles by tides and currents. Poor conditions in any given year may mean very poor contribution to the population by that year's spawn, no matter how many adult fish are present to spawn. Contrary to popular belief, these factors seem to limit reef fish populations far more than the amount of reef space available to the adults.



Finally, reef fish ecosystems tend to have many, many species mixed in a small area. Protecting an overfished species from harvest is therefore difficult. Fishermen fishing for other reef fish species catch the rare species as bycatch. Some bycatch always dies after release, especially if the fish are hauled up from deep waters.

The challenge of managing reef fish has led many scientists to believe that the use of marine fishery reserves, or as they are more commonly called marine protected areas (MPAs) are the management tool of the future. These MPAs are usually proposed to be closed to all forms of fishing, recreational and commercial. Many scientists view these areas as "insurance" against misjudgements in management and environmentally-caused years of poor spawning success. MPAs would allow reef fish protection to grow larger and produce more eggs.

Needless to say, MPAs have caused concern in some circles, especially in the recreational fishery. Most sports fishermen are accustomed to having the freedom to fish almost anywhere, even national parks, and the ocean has long been viewed as being huge and belonging to everyone. Often the privilege of fishing is viewed as a right. Commercial fishermen have learned that fishing is a privilege not a right the hard way, through gamefish and net debates. Interest in and the debate over the use of MPAs is sure to grow as public demands for resources grow.

Source: *Reef Fish Habitat Protection: The Forgotten Factor*. James A. Bohnsack. In *Stemming the Tide of Coastal Fish Habitat Loss*. Marine Recreational Fisheries 14:117-129. 1992.

UNDERWATER OBSTRUCTION LOCATIONS

The Louisiana Fishermen's Gear Compensation Fund has asked that we print the coordinates of sites for which damage has been claimed in the last two months. The coordinates are listed below:

<u>LORAN sites</u>			<u>Lat. & Long. Sites</u>		
27837	46865	Terrebonne	2937.058	8933.624	St. Bernard
28569	46893	Jefferson	2938.512	9010.036	Jefferson
29023	46912	Plaquemines	2938.867	9005.358	Jefferson
29037	46914	Plaquemines			

THE BIRD IS BACK !

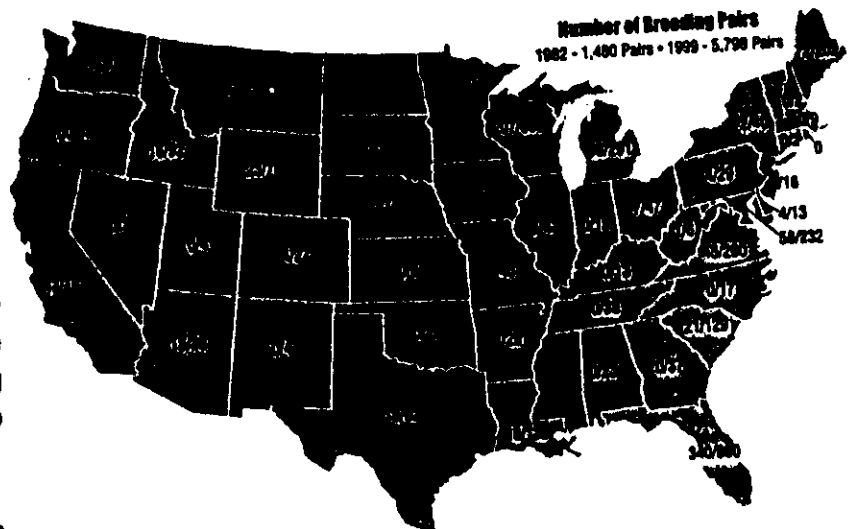
In spite of the fact that bald eagle numbers are higher now than ever in the memory of most people, the sight of one always rates a second look.

The mainstay of the eagle's diet is fish, so fishermen are more likely than others to see it in the wild. In 1963, only 417 breeding pairs of this bird were estimated to live in the lower 48 states.

Much of the blame for the decline in bald eagle numbers was given to DDT and other pesticides. Eagles accumulated large concentrations in their bodies from their diet of fish and other animals. The chemicals caused the eagles to produce eggs with shells so thin that they often broke before hatching. Their numbers have now recovered so well that the U.S. Fish and Wildlife Service has removed them from the Endangered Species List.



Bald eagles are large birds, with a wingspan up to 8 feet. Females are larger than males. Both sexes have white heads and tail feathers, but they do not develop them until they mature at age four or five. Scientists believe that they can live more than 30 years in the wild. Besides fish, bald eagles will eat almost anything they can catch including ducks, rats, snakes, and even dead animals. They aren't above stealing the catch of other predator birds either.

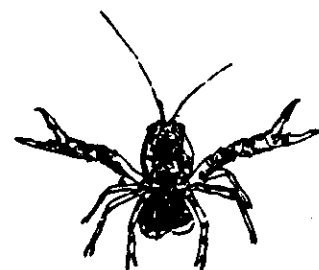


Bald eagles typically nest each year, laying two or three eggs. If all goes well, they hatch in about 35 days and the young eagles will fly within three months. Only about half of them will survive their first year on their own.

Source: *Flying High*. Bryan Hendricks. Outdoor Oklahoma, Volume 56, Number 4. Oklahoma Department of Wildlife Conservation.

CRAWFISH SEASON

After the holidays, the minds of most Louisianans turn to crawfish. Spring crawfish boils have become a strong Louisiana tradition. After a below average 1999 crawfish season and a terrible one in 2000, interest is high for the spring of this year. Just how poor crawfish production was last year is shown in a report by Greg Lutz, Aquaculture Specialist for the LSU AgCenter.



His report shows crawfish farm acreage was down 80,858 acres, a drop of 26% from 1999. The total number of crawfish farmers was down by 46%, which means that decline was especially strong among smaller producers. Worse yet, the actual harvest of crawfish from farms was down 61% from 1999, which was itself a poor year.

Wild crawfish harvest, most of which historically comes from the Atchafalaya Basin, was down 90% from the previous year, which again, was a bad year. The number of fishermen for wild crawfish was down 68%. What prevented an even larger decline in the number of fishermen was probably the very high price they received for what they did catch. While it is too early to accurately predict 2001 production, no one is even venturing a guess about the upcoming year.

ANOTHER VIEW ON OYSTER MARKETS

Last month, this newsletter contained an article summarizing research conducted at LSU on the negative affects of the publicity on *Vibrio vulnificus* on the prices received nationally for Gulf of Mexico oysters. Al Sunseri, president of the Louisiana Oyster Dealers and Growers Association, feels that results of the research were wrong. What follows is Sunseri's view of the current oyster market situation.

Oyster lovers are demanding oysters at restaurants all over the country while an unprecedented steady supply of oysters continue to be landed in the Gulf states. According to the National Marine Fisheries Service (NMFS) statistics, oysters are one of the top ten seafoods consumed by Americans. NMFS records also indicate that the Gulf has been producing better than half of the nation's oyster supply for almost ten years.

According to a recent article in the Washington Post, "oysters have always been linked with free-wheeling good times." Bill King, the culinary director at McCormick and Schmick's said, "The popularity of oysters, sushi, and sashimi has just exploded." One well

known restaurant consultant who specializes in resuscitating oyster bars said, "The people who like oysters, like them a lot. They have a gusto for living and order well off of restaurant menus, and the wine list. And they eat at restaurants a lot."

There has been a "changing of the guard" in respect to what area of the country is selling the most oysters consumed in America. Historically speaking through 1982, the Chesapeake Bay states, Maryland and Virginia, have produced the lion's share of oysters in the United States. Since that time, the Gulf States, Texas, Louisiana, Mississippi, Alabama, and Florida have held the title of being the most productive oyster region of the country, Louisiana being the number one oyster producing state, providing the U.S. with over one-third of the nation's supply.

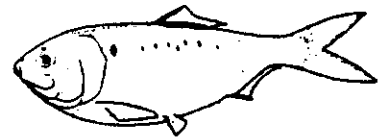
Before 1991, over 80% of the oysters landed and sold in Louisiana were cultivated by oyster farmers. Since that time, half of the oysters landed and sold in Louisiana have been harvested from Louisiana's public oyster reefs. Given that fact, fewer oyster farmers are planting on their private oyster leases and more fishery user groups are harvesting oysters from the public oyster reefs. Displaced gillnet fisherman, crab fisherman, and oilmen have found that oystering the public oyster reefs can keep cash coming into their household. Relative to oyster farming and cultivation, there is little or no expense in harvesting a wild oyster from the public oyster grounds. Whereas, oyster leaseholders who have customarily sold almost exclusively cultivated oysters are having a more difficult time competing with the lower prices offered by the part-time oyster fisherman. This is the reason that the complexion of the Louisiana oyster industry has changed.

Interestingly enough, during the same time period, Texas and Mississippi have produced record numbers of oysters. Texas oystermen have spent millions of dollars building their oyster farming program. Numerous Louisiana oyster farmers have moved their operations to Texas and have built an oyster farming business second only to Louisiana. And Mississippi's public oyster grounds have produced a record number of oysters for 5 consecutive years.

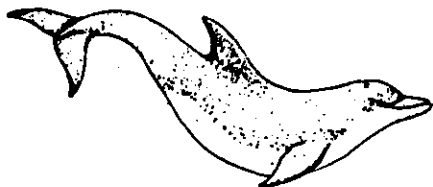
The bottom line is that the Gulf states' oyster fishermen, farmers and dealers are selling nearly 1.4 billion individual oysters per year, and have benefitted from the resurgence of oyster "raw bars" around the country. Oyster sales have never been better, but the nature of the oyster business has changed. Cultivated oysters have taken a "back seat" to the wild oysters being caught and sold.

MENHADEN RESEARCH

The gulf menhaden or "pogie" as it is usually called, is one of the most common coastal fish the Gulf of Mexico. While too boney and oily for direct human consumption, it supports the largest commercial fishery in the state. Some of the more than 912 million pounds landed in Louisiana in 1998 was marketed as bait, but most of the catch was processed into oil, meal and solubles. Menhaden are also a very important food fish for predator species. Almost any fish that eats other fish, eats menhaden. Because of its importance both as a prey species and as a commercial species, the fishery attracts a certain amount of attention.



In 1994 and 1995, scientists from LSU spent 51 weeks on board menhaden vessels studying the interaction of the fishery with sea birds and Atlantic bottlenose dolphins. During this period the scientists were present for 905 net sets.



Dolphins were present during 19% of the net sets. In all the sets over two years, only 4 bottlenose dolphins were captured, two in one set and one each in two others. Two were released alive, one was released seeming to be in a confused state, and one drowned in the net. During the spring and summer, dolphin presence at net sets was the same both east and west of the Mississippi River. However, during the fall, the odds of dolphins being at a net set were 17 times higher east of the river than west.

During spring and summer the odds of pelicans being present at a set were much higher when dolphins were present than when they weren't. During the spring, pelicans were 25 times more common east of the river than west and in the fall the odds were 6 times higher. Summer frequencies were the same for both sides of the river. Overall, pelicans were present at 23% of all net sets and were more common at shallow-water sets.

The researchers concluded that dolphins, pelicans and sea gulls all use menhaden fishing operations to improve their own fishing success. They saw dolphins swim into the purse seines, probably to feed on the catch, and then swim back out. They also seem to take advantage of the menhaden schools being broken up by the nets and boats. They stated that even though dolphins were common at sets, they were able to effectively avoid being captured. As low as mortality was, the researchers further stated that dolphin drownings could be reduced to zero with a few modifications to the fishery. The menhaden fishery is a healthy fishery which currently operates at about a 50% spawning stock biomass, and is not overfished.

Source: *Dolphin-Pelican-Fishery Associations in the U.S. Gulf Menhaden Fishery.* Jaraka A. deSilva, Richard E. Condrey, Jeffrey K. Rester. Coastal Fisheries Institute, Louisiana State University. 2000.

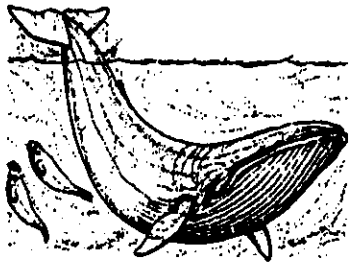
CONSERVATION NOMINATIONS BEING ACCEPTED

The Coalition to Restore Coastal Louisiana is accepting nominations for their 6th annual Coastal Stewardship Awards. These awards are given in recognition of outstanding efforts to restore and preserve Louisiana's coast. The eight categories are Citizen Advocate (adult), Citizen Advocate (youth), Professional, Media, Educator, Organization, Distinguished Achievement, and Director. For more information or a nomination form call the Coalition to Restore Coastal Louisiana at 225/344-6555 or 1-888-522-6278.

The Louisiana Wildlife Federation is now also accepting nominations for their Governor's Awards Program for Conservation Achievement. This is the 37th year that the federation has recognized individuals who make outstanding contributions to conservation of natural resources and environmental quality. The eight categories for which awards may be presented are professional, nonprofessional, business, education, youth, elected official, communication, and organization. Complete details and nomination forms are available from the Louisiana Wildlife Federation, 337 S. Acadian Thruway, Baton Rouge, LA 70806. 225/344-6707. E-mail, lawildfed@aol.com.

A WHALE OF A QUESTION!

Yes, the harvesting of whales is considered a fishery. But that's not the answer to the big question. The question is, should whales be harvested at all? In this country most people are likely to answer in horror, no! Americans have been the audience to an intense informational campaign on whales by environmental and animal rights groups. Whales are intelligent. Whales are beautiful. Whales are majestic and noble.



The international battle over the harvest of whales is about more than just whales. It concerns the future and justification of humankind's harvesting and use of other living creatures. The extent of the struggle over whale harvest was explained in detail in a recent article in *National Fisherman* magazine. Each year Japan is criticized for its harvest of 400 minke whales out of worldwide population of over 750,000. In spite of the harvest being perfectly legal, it is heavily condemned, especially by the United States.

This year, Japan has upped the stakes; they plan to harvest 50 Bryde's whales and 10 sperm whales. The population of Bryde's whales is about 90,000 and sperm whales are estimated at 100,000 to 2 million, depending on who is doing the counting.

Most experts agree that whale populations could safely handle a harvest several times larger than Japan's current harvest. If the International Whaling Commission (IWC) followed the guidelines laid down when it was formed in 1946, larger whale harvests would certainly occur. When the IWC was created by 14 nations in 1946, its primary focus was on managing whale oil quotas and secondarily on managing sustainable whale harvests.

Since, then, the IWC has grown to 41 members and become an anti-whaling organization. Canada, which allows a native hunt, quit the IWC in 1982, and Iceland, where support for whaling is growing, quit in 1992. Most of the growth in membership has occurred because the environmental organization Greenpeace has recruited non-whaling countries to the IWC. Greenpeace provides these countries instructions on how to vote and in some instances has paid their \$150,000 annual membership fees.

In turn, Japan has begun supplying foreign aid for fisheries development to some of these new IWC members. When Japan, with help of these new members, won an IWC vote that prevented the creation of a whale sanctuary the environmentalists' reaction was predictable. "This wasn't a vote, it was an auction and Japan was the winning bidder," said Patrick Ramage, director of public affairs for the International Fund for Animal Welfare.

The feelings on the issue are powerful. After members of the Sea Shepherd Society sank several Norwegian whaling vessels in the early 1990's, their leader, Paul Watson wrote to the Norwegian people. He said, "It is a certainty that the whales will talk about you in the same way as Jews talk of Nazis. For in the eyes of whalekind, there is little difference between the behavior of the monsters of the Reich and the monsters behind the harpoon."

Norway's representative on the IWC, O.G. Skagestad replies that it boils down to how much respect anti-whalers are willing to give other cultures. "In India, they have holy cows and I'm quite sure they're not too happy about people killing cows and eating steaks, but they don't attack us physically."

Skagestad adds that the anti-whaling position the U.S. holds towards other countries injures its credibility, since the United States permits two U.S. tribes to kill whales. The Makah tribe in Washington state is annually allowed to kill one gray whale. The Inuit of Alaska are allowed 60 bowhead whales a year, which with a worldwide population of 7,800, are far less numerous than any of the whales harvested by the Japanese.

Joji Morishita, deputy director for the Far Seas Fisheries Division of the Japanese Fisheries Agency adds that when the U.S. allows a harvest of 60 bowheads out of a population of 7,8000 while condemning Japan for taking 10 sperm whales out of two million, this is a double standard. He adds, "If your government continues to use double standards in the IWC, its credibility in resource protection issues will be gone. It's already gone. It's not a good choice."

Source: *To Whale or Not to Whale?* Dexter Van Zile. National Fisherman. December, 2000.

TRADING UP.....SAVING TAXES

Worries about the future of commercial fishing may be taking some of the hope out of fishing, but they haven't stopped some fishermen's dreams of buying a bigger boat or investing in another fishery. After years of planning and saving toward that end, many are shocked to learn that much of the proceeds from the sale of the old boat will be soaked up in taxes. In fact, as much as a third of the value of the item sold typically ends up in federal and state treasuries.

A perfectly legal way does exist to defer the income tax liability that results from the sale of business property through what is known as a "like-kind exchange". This is a transaction where items classified as business property are traded for similar items rather than being sold for cash.

Any time fishermen sell their vessels, gear, or other business property for more than the current adjusted value (purchase price plus improvements minus claimed depreciation), they incur a tax liability. For example, if Captain Fisher buys the vessel *Enterprise* for \$100,000 in 1992 and sells it in the year 2000 for \$150,000, he must pay taxes on the \$50,000 capital gain. If the vessel is fully depreciated, he would also be liable for taxes on the \$100,000 ordinary gain.

The salvation of the fisherman's investment equity resides in Internal Revenue Code Section 1031. This code section says that owners may defer the gain on the disposal of business property if rather than selling for cash, they trade it for another item of business property of a similar type. The tax liability is not eliminated; it is deferred until the sale of the newly acquired item. This means, for example, if Captain Fisher's original \$100,000 boat has a current value of \$150,000 and he trades it for another one, he can defer the payment of tax on the \$50,000 capital gain and \$100,000 ordinary gain (if fully depreciated) until he sells the new boat sometime in the future.

To qualify for a non-taxable exchange:

- ★ The property must be business or investment property.
- ★ The property must not be property held for sale (acquired specifically for resale).
- ★ There must be an exchange of property.
- ★ Tangible personal property can be either "like-kind" or "like-class".
- ★ Intangible personal property must be "like-kind".
- ★ You must identify the property to be received within 45 days after the date you transfer the property given up in the exchange.
- ★ The exchange must be completed within 180 days.

You must report the exchange of like-kind property on Form 8824. The instructions for the form explain how to report the details of the exchange. Report the exchange even though no gain or loss is recognized. This form and its instructions can be downloaded from the internet through www.irs.gov and then clicking forms and publications.

You can use a "qualified intermediary" to help you facilitate the transfer of property. This person enters into a written exchange agreement with you to acquire and transfer the property you give up and to acquire the replacement property and transfer it to you. Like-kind exchanges can be expensive with facilitator, attorney, escrow officer, and broker fees, but generally are much less than the tax bill would be.

Despite potential complications and costs, most fishermen will benefit from the tremendous savings offered by Internal Revenue Code Section 1031.

Source: *Fishing Information Newsletter*. Volume 2, Issue 5. May 2000. U.S. Department of Treasury, Internal Revenue Service.

THE GUMBO POT

Crusty Onion-Baked Fillets

This mildly seasoned dish brings out the best in the taste of any fish. You can use any white-fleshed saltwater or freshwater fish. Notice there is no added salt and pepper. The dressing mix provides enough. As a bonus to its good taste, it is marvelously easy to prepare.

½ cup sour cream

½ cup mayonnaise

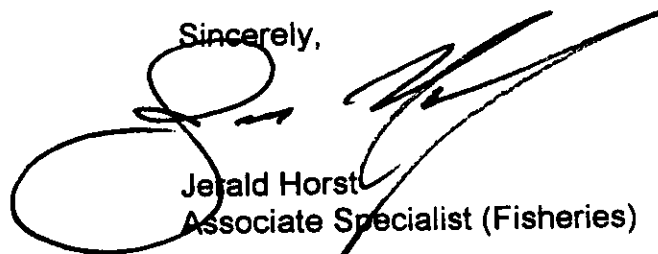
½ package ranch style dressing mix

2 three-oz cans French fried onion rings

1½ lb fish fillets

Combine sour cream, mayonnaise and salad dressing mix in a medium-sized bowl. Crush the onion rings in a food processor or in a plastic bag with a rolling pin. Dip the fillets in the dressing mix and then roll in the crushed onion rings. Place fillets in an ungreased baking dish in one layer. Bake in oven at 350°F for 20 to 25 minutes or until fish flakes easily with a fork. Serves 4

Sincerely,



Jerald Horst
Associate Specialist (Fisheries)