



# An Economic Baseline and Characterization of U.S. Gulf of Mexico Dockside Seafood Dealers

by Alexander Miller, Ebenezer Ogunyinka, and Jack Isaacs



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# EXECUTIVE SUMMARY



Little information is available from past studies concerning the economic performance and characterization of commercial dockside seafood dealers in the U.S. Gulf of Mexico (Gulf) region. Occasionally, limited information is provided by studies that quantify the economic impacts of disasters on the seafood industry. Additionally, information from state marine resource trip ticket programs quantify dockside revenue and volume of landed catch, but these efforts do not quantify the economic performance of the dockside seafood dealer business. In an attempt to bridge this gap, the Gulf States Marine Fisheries Commission (GSMFC) and the Louisiana Department of Wildlife and Fisheries (LDWF) designed a data collection effort to evaluate the economic status and performance of dockside seafood dealers throughout the Gulf.

The data collection effort employed an initial four page, and a secondary two page, self-administered mail survey structured to collect economic and financial information from dockside seafood dealers who operated seafood businesses located in the five Gulf states (Texas, Louisiana, Mississippi, Alabama and West Florida). The survey collected information regarding seafood business characteristics and economic data needed for various economic and financial analysis. Prior to the data being collected, the population was stratified by state, and 946 potential respondents were randomly selected from a population of 1,238 individuals who held a seafood dealer license for the baseline year of 2009. Four mail-outs, including reminder postcards, were distributed, resulting in 163 returned surveys, which represented a Gulf-wide response rate of 20 percent after adjusting for non-deliverable surveys. The data was recorded in a database, cleaned, and purged for inconsistencies in key information necessary for supply chain, economic, and financial analysis. This exercise yielded a total of 53 consistent and reasonable observations usable for financial analysis. A one-page non-response survey was administered to a subset of non-respondents in order to determine the reasons why they did not participate in the survey exercise.

Descriptive analysis was performed on various components of the data, which formed the basic components needed for representative financial statements that included a balance sheet, cash flow statement, and income statement. These components included seafood business activities, estimated values of seafood businesses, amount of indebtedness, revenues, and expenses. Results from the balance sheet indicated an average equity or net worth of approximately \$417,203 for all dockside seafood dealers who reported consistent information for the financial analysis. Over 90 percent of dealer respondents had positive equity. Findings from the cash flow statement indicated that the average cash inflow was about \$1.2 million, and the average cash outflow was about \$1.1 million, resulting in a net cash flow of approximately \$177,165. Net income before taxes averaged \$163,396, with approximately 85 percent of dealers having positive net income before taxes.

With the exception of a small sample size upon which the analysis was based off of, the financial and economic performance of Gulf seafood dealers appears to be healthy for the baseline year of 2009. Whether this is a true picture for the Gulf can only be further authenticated by additional research.

# I. INTRODUCTION





Past studies on commercial fisheries in the U.S. Gulf of Mexico (Gulf) have largely focused on the harvesting sector. The majority of these studies have been conducted in an effort to support effective fisheries management decisions, especially concerning ecological conditions such as stock biomass. Occasionally, the five Gulf states from Texas to West Florida have independently generated specific and sparse results related to dockside seafood dealers. To date, however, relatively little has been collected regionally about Gulf dockside seafood dealers in order to provide a link between commercial seafood harvesters and seafood processors or consumers, and the interactions between them. This report attempts to fill that void.

The Gulf seafood industry primarily consists of shrimp, crab, oyster, finfish, crawfish, and lobster fisheries. This study was developed to systematically collect economic data related to these types of seafood in an effort to generate descriptive results of dockside seafood dealers. Results from the data collection effort provide information on the economic performance and characteristics of dockside seafood dealers in the Gulf. Data was collected for the baseline year of 2009 and adjusted to 2012 dollars in an effort to create a baseline that was not biased by natural and manmade disasters. Subsequent years, 2010 and 2011, though closer chronologically to the data collection period were considered to be non-representative due to the disruptive events of the *Deepwater Horizon* oil disaster on April 20, 2010, the historically high levels of freshwater in portions of Louisiana following the oil disaster, and the landing of recent hurricanes.

The study originated as an initiative of the GSMFC's Economics Program, in collaboration with the Socioeconomic Research and Development Section of the LDWF. For this maiden economic data collection effort for Gulf dockside seafood dealers, a limited amount of information was collected using a mail survey in order to subsequently conduct financial and economic analysis. Contact information for Gulf seafood dealers was derived from license databases provided by the relevant marine resource agencies in each of the Gulf states.

The information collected included seafood purchases and sales by seafood type, seafood related operating expenses, assets and liabilities, and other revenues and costs for the baseline year of 2009. To ensure representative and independent samples, the sampling and sample designs used a stratified simple random sampling technique with each state treated as a distinct population. The survey was initially conducted in early 2012, and the respondents were compensated for participating. Several follow-up exercises were implemented in late 2012 and early 2013 to improve the response rate. Subsequently, a subset of non-respondents were contacted. The non-response survey was conducted to determine the reasons why non-responders did not participate in the survey and to assist in the development and administration of future surveys.

The report is organized in various sections. Section 2 reviews the accounting framework, design of the survey instrument, the population and sampling frame, and licensing requirements. The implementation of the survey, including the implementation process, response rate, data processing efforts, and the non-response survey is discussed in Section 3. Section 4 presents the findings and results pertaining to the business activities and the components of the financial statements. Section 5 presents the economic performance of respondents by market value divisions. Section 6 summarizes the findings and draws conclusions. Complete and detailed financial statements and a copy of the survey instruments can be found in the Appendices.







## II. DESIGN



This section illustrates the concepts of the financial statements and how they relate to dockside seafood dealers in the Gulf states. The illustration presents the various components of seafood related financial statements, which can be used to describe the economic health of a seafood business, region, or entire seafood industry within a period of time, usually a year. The statistical design for the survey effort is also presented in the second part of the section.

## **FINANCIAL STATEMENTS**

The three primary and interrelated financial statements that are of utmost importance, and are typically kept by a business at any given period of time, are the net worth statement (or balance sheet), cash flow statement, and income statement (or profit and loss statement). Individually, they supply different information intended for different purposes such as measuring financial progress, managing income taxes, obtaining credit, and conducting business analysis and planning.

For Gulf dockside seafood dealers, information pertaining to revenues, expenditures (or costs), and asset values can be collected and used to develop statistically valid financial statements. A financial statement can be representative or cumulative. A representative financial statement for an industry is based on average values and can be tailored to an industry possessing unique characteristics, such as handling only one type or product form of seafood or the nature of business (e.g. only purchasing seafood directly from commercial fishermen, or integrating purchasing and harvesting). Essentially, cumulative financial statements, based on total values, were developed to accomplish the goals of the research described herein by accounting for the heterogeneous nature of the Gulf seafood industry. For example, this might include dockside seafood dealers handling more than one type of seafood and operating at different roles in the supply chain such as fishing, transporting, processing, or a combination of two or more roles. The basic accounting framework used to create the individual financial statements is briefly discussed hereafter.

## Balance Sheet

A balance sheet (or net worth statement) is a snapshot of a company’s financial condition at a particular point in time. When data is available, the balance sheet is useful to illustrate how the financial condition may change or may have actually changed from year to year. A company’s balance sheet has three parts: assets (market value of the business), liabilities (loans and debts owed) and equity (net worth). The equity is the difference between the values of the assets and the liabilities. An example of a balance sheet is shown in Figure 1.

Balance Sheet (Point in Time)	
ASSETS	LIABILITIES
Facility Structures Facility Equipment Land	Loan Balance (Amount Owed)
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"></div> <div style="width: 45%; text-align: right;"><b><i>EQUITY (+/-)</i></b></div> </div>	

Figure 1. **BALANCE SHEET CONFIGURATION**

## Cash Flow Statement

The cash flow statement summarizes the flow of cash in and out of a business within a certain period such as a year. It contains all money accruing to the business (cash inflow) and all money leaving the business (cash outflow). It excludes any non-cash items such as depreciation. Figure 2 illustrates a hypothetical cash flow statement for a dockside seafood dealer or seafood business in the Gulf. Inflows consist of revenues from the sales of seafood as well as non-seafood sales and non-operating receipts or inflows such as government payments. Outflows consist of variable costs (purchasing seafood, utility costs, freight or shipping costs, repairs and maintenance costs, and other costs), labor costs (wages, salaries, benefits, payroll, taxes, etc.) and fixed cost payments (capital purchases, rental or lease payments, loan payments, property tax, and insurance costs).

Cash Flow Statement (Period of Time)	
INFLOWS/RECEIPTS	OUTFLOWS/PAYMENTS
<p><b>Operating Receipts or Inflows</b></p> <ul style="list-style-type: none"> <li>Revenues from Seafood Sales</li> <li>Revenues from Sales of other Products</li> </ul> <p><b>Non-Operating Receipts or Inflows</b></p> <ul style="list-style-type: none"> <li>Government Payments</li> </ul>	<p><b>Variable Costs Payments</b></p> <ul style="list-style-type: none"> <li>Cost of Seafood Purchased</li> <li>Utility Cost</li> <li>Freight or Shipping Costs</li> <li>Repairs and Maintenance</li> <li>Other Costs</li> </ul> <p><b>Labor Costs</b></p> <ul style="list-style-type: none"> <li>Wages, Salaries, Benefits, Payroll Taxes, etc.</li> </ul> <p><b>Fixed Costs Payments</b></p> <ul style="list-style-type: none"> <li>Capital Purchases</li> <li>Rental or Lease Payments</li> <li>Loan Payments (Interest and Principal)</li> <li>Property Tax</li> <li>Insurance Costs</li> </ul> <hr style="border-top: 1px dotted black;"/> <p><b>NET CASH FLOW (+/-)</b></p>

Figure 2. CASH FLOW STATEMENT CONFIGURATION

## Income Statement

The income statement, or profit and loss statement, is a summary of the receipts and expenditures for a period of time, usually a calendar year. The statement calculates net income or net loss to the business for the accounting period. Key components of an income statement that help a business determine the true economic performance of a business are net income from operations, and net income before taxes. The income statement can also include an estimate of gross margin, the difference between revenue from seafood sales and the cost of seafood purchases.

Net income from operations subtracts operating expenses (including non-cash costs such as depreciation) from operating revenues. Net income before taxes, a firm’s actual profit or loss, is calculated by subtracting financing costs (interest payments) from net income from operations and adding non-operating revenues or receipts, such as



government payments. For Gulf dockside seafood dealers, revenues generated from operations included revenues from the sales of seafood and other products (but not government payments). Operating expenditures included non-cash expenses, such as depreciation, and all expenditures included within the cash flow statement other than the cost of capital purchases, loan principal payments, and interest payments. An example of an income statement is shown in Figure 3.

<b>Income Statement (Period of Time)</b>	
<b>REVENUES</b>	<b>EXPENDITURES</b>
<p><b>Operating Revenues</b></p> <ul style="list-style-type: none"> <li>Revenues from Sales of Seafood</li> <li>Revenues from Sales of Other Products</li> </ul>	<p><b>Operating Expenses</b></p> <ul style="list-style-type: none"> <li>Cost of Seafood Purchased</li> <li>Utility Costs</li> <li>Freight or Shipping Costs</li> <li>Labor Costs</li> <li>Repairs and Maintenance</li> <li>Rental or Lease Payments</li> <li>Property Tax</li> <li>Insurance Costs</li> <li>Depreciation</li> </ul> <p><i>Net Income from Operations</i></p>
<p><b>Non-Operating Revenues</b></p> <ul style="list-style-type: none"> <li>Government Payments</li> </ul>	<p><b>Non-Operating Expenses</b></p> <ul style="list-style-type: none"> <li>Loan Interest Payments</li> </ul> <p><b>NET INCOME BEFORE TAXES (+/-)</b></p>

Figure 3. **INCOME STATEMENT CONFIGURATION**

## SURVEY INSTRUMENT

The survey was designed to collect economic data from dockside seafood dealers or first receivers who held a state-issued seafood dealer license throughout the Gulf. The data collection was limited to broad but meaningful financial variables and excluded demographic or social data. This section presents the survey design, including sampling techniques, data collection methodology, and seafood dealer licensing requirements in each Gulf state.

The initial survey instrument used for the collection of economic data and business characteristics was a self-administered questionnaire. The original questionnaire consisted of four pages, containing sixteen questions that were divided into three parts. The sections consisted of seafood dealer characteristics, seafood dealer costs, and seafood related characteristics for the baseline year of 2009. The follow-up, or second survey, containing a similar number of sections but fewer questions consisted of two pages. The questions pertained to the variables needed to construct the financial statements described in Section 2. All survey questions completed by individual participants were related to the seafood business activities at the location derived from the address database provided by the relevant state marine resource agencies. The initial and secondary survey instruments are contained in Appendix 3 and 4.

## POPULATION AND SAMPLING FRAME

The population included all individuals or businesses who held a seafood dealer’s license for handling (purchases and sales) seafood landed at docks located throughout the five Gulf states. The states included West Florida, Alabama, Mississippi, Louisiana, and Texas. The target population consisted of a total of 1,238 seafood dealers identified from records obtained from the relevant state marine resource agencies. Figure 4 presents the percentage distribution of the targeted population by state. Louisiana accounted for about 41 percent of the target population, followed by West Florida with 28 percent. The remaining 31 percent was distributed across Texas (14%), Mississippi (12%), and Alabama (5%).

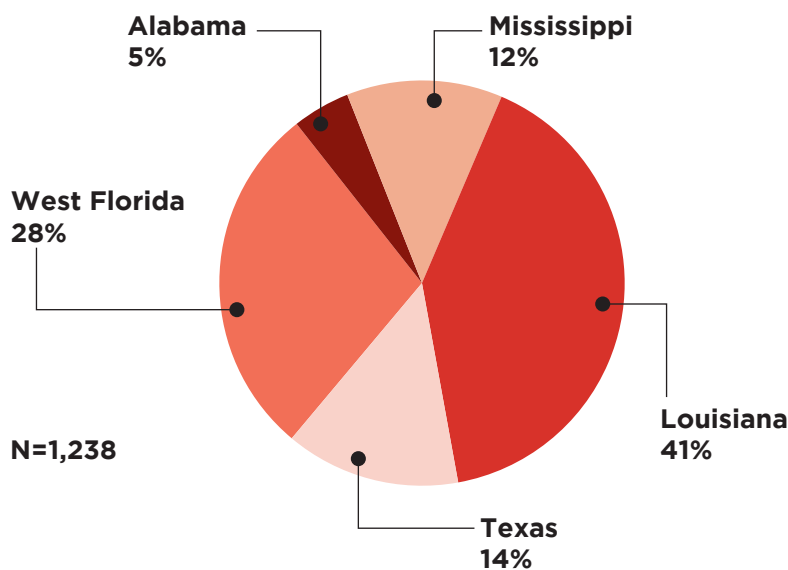


Figure 4. DISTRIBUTION OF TARGETED POPULATION

The sampling frame was heterogeneous from state to state as a result of different definitions and licensing requirements for seafood dealers, data availability, and other industry parameters. Hence, the states were treated as separate populations from which disproportional simple random samples were drawn (Table 1). A sufficiently large sample, shown in Table 1, was randomly drawn for individual state populations of dealers with the assumption of a 50% response rate, a normal distribution for the sample parameters, and a 3% margin of error at the 95% confidence level. Overall, 946 respondents were sampled for the Gulf with a collective selection probability of 76.4 percent.

*Table 1. TARGET POPULATION AND SAMPLE SIZE BY STATE*

<b>State</b>	<b>Target Population</b>	<b>Sample Size</b>	<b>Selection Probability</b>
West Florida	350	264	75.4%
Alabama	57	55	96.5%
Mississippi	154	135	87.7%
Louisiana	504	343	68.1%
Texas	173	149	86.1%
<b>Gulf</b>	<b>1,238</b>	<b>946</b>	<b>76.4%</b>

## LICENSING REQUIREMENTS

Each Gulf state requires some form of a dealer license that allows an individual or an entity to purchase seafood directly from properly licensed commercial fishermen and sell to other licensed persons, entities, or the public. The licensing requirements vary from state to state and are predominantly based on residency status in each state. A resident usually pays a reduced licensing fee from that paid by a non-resident. In some cases, seafood business owners or their representatives are required to show proof of relevant education or attend training courses that provide proper knowledge of seafood handling and food safety. Information concerning the licensing requirements specific to the individual Gulf states was derived from the GSMFC’s *Summary of Marine Fishing Laws & Regulations* for the Gulf states and from the individual state marine resource agencies responsible for the management, conservation, and protection of the fishery resources. The databases, from which contact and limited fisheries information about seafood dealers were obtained, were also supplied by the marine resource agencies of the five Gulf states. The licensing requirements for the states are presented hereafter.



## West Florida

The Florida Fish and Wildlife Conservation Commission (FWC) is charged with managing, conserving, and protecting Florida's fishery resources. Seafood dealers in Florida are classified as residents or non-residents, and can fall into two broad categories: wholesalers or retailers. Different dealer licenses are required to wholesale or retail freshwater and saltwater seafood. Holders of a resident freshwater fish dealer license are permitted to import, export, or sell freshwater fish or frogs, including live bait. In addition to the resident freshwater fish dealer license, a special permit is required to import restricted, tropical and non-native aquatic freshwater species. A resident or non-resident entity who purchases saltwater products (unprocessed marine fish and marine invertebrates or plants) from a producer and sells products to retail dealers or other wholesale dealers is required to possess a wholesale dealer's license. Unless the dealer is licensed by the Division of Hotels and Restaurants, a retail dealer's license is required in order for the dealer to purchase saltwater products from a wholesale dealer and sell to the consumer. The names and addresses of 350 licensed seafood dealers operating in West Florida was provided by the FWC. A simple random sample containing 264 individuals was selected for West Florida (Table 1).

## Alabama

The State of Alabama requires that any person, firm, or corporation selling, brokering, trading, bartering, or processing any fresh seafood must possess a seafood dealer license. Documents such as tax identification, proof of business license, and appropriate health permits must be presented at the time of purchasing a license. Alabama requires a separate license for each business location, which can be a permanent structure on land or a vehicle from which seafood is sold or purchased if the owner/operator does not have a licensed permanent structure. Fishery resources in Alabama are managed, conserved, and protected by the Alabama Marine Resources Division (AMRD). The AMRD supplied a list of business names and addresses for 57 seafood dealers in Alabama. A sample of 55 seafood dealers was randomly selected to participate in the survey using a simple random sampling process (Table 1).

## Mississippi

The State of Mississippi requires that any person purchasing, processing, or selling seafood must possess a seafood dealer/processor license. A dealer's permit is also required to deal in live bait shrimp. The Mississippi Department of Marine Resources (MDMR) oversees the role of managing, conserving, and protecting fishery resources in the State of Mississippi. The MDMR provided the contact information for 154 seafood dealers in its database, and a simple random sample of 135 individuals was obtained (Table 1).

## Louisiana

The State of Louisiana requires any individual person, firm, association, corporation, partnership, or any legal entity that buys or handles seafood of any species or form (fresh, frozen, processed, or unprocessed) in Louisiana for sale or resale to obtain a seafood dealer license. Three major categories of dealer licenses issued by Louisiana are wholesale/retail dealer licenses, retail dealer licenses, and fresh product licenses. Any person who purchases seafood directly from a validly licensed or permitted commercial fisherman or another wholesale/retail seafood dealer and makes sales of seafood on a wholesale basis, including docks, distributors, brokers, fish factories, platforms, processing plants, or anyone shipping seafood out of or into the state for resale must possess a wholesale/retail seafood dealer license. Holders of retail seafood dealer licenses such as restaurants and grocers can only purchase seafood from a licensed Louisiana wholesale/retail seafood dealer and may only sell directly to consumers for personal or household use. A licensed commercial fisherman is required to obtain a fresh product license in order to sell catch directly to the public within the state. A list of 504 licensed seafood dealers was obtained from the LDWF—the agency authorized to manage, conserve, and protect fishery resources in the State of Louisiana. From the population of 504 seafood dealers, a simple random sample was generated, consisting of 343 individuals for the dealer survey (Table 1).

## Texas

Any person who operates a place of business in the State of Texas who sells, offers for sale, transports for sale, processes or handles for sale aquatic products is required to obtain a form of a dealer license. A variety of different types of seafood dealers in Texas can hold licenses. These include bait dealers, wholesale fish dealers (for a place of business), wholesale fish truck dealers, retail fish dealers (for a place of business), and retail fish truck dealers. Other licenses include but are not limited to menhaden fish plants, finfish imports, and shell buyers. Texas Parks and Wildlife, the bureau responsible for the management, conservation, and protection of fishery resources in the State of Texas, supplied a list of names and addresses of 173 licensed seafood dealers from its database. A sample of 149 seafood dealers was obtained from this population by conducting a simple random sample (Table 1).

# III. IMPLEMENTATION



This section documents the dockside seafood dealer survey implementation process and presents information related to the response rate, data processing efforts, and the non-response survey.

## PROCESS

The initial survey packet consisted of a four-page questionnaire containing 16 questions, a cover letter that briefly explained the Gulf dealers' survey, a card with an offer to receive \$100 in compensation, as well as a postage-paid reply envelope for returning both the completed survey and the compensation card. These packets were assembled and mailed to 946 individuals in January 2012. A reminder postcard was sent in February 2012, and a second copy of the questionnaire was mailed in March 2012. In response to a low response rate from the first mail-out, the GSMFC and LDWF created a shorter version of the questionnaire, reducing the length from four to two pages. In October 2012, 764 two-page questionnaires and survey packets were sent to dealers who had not yet responded. In December 2012, 738 reminder postcards and 678 questionnaires and survey packets were mailed. In March 2013, a reminder postcard alone was sent out to 642 dealers. By June 2013, there had been 161 returned surveys for a raw response rate of approximately 20 percent. Finally, in June 2013, a follow-up non-response survey was sent to a sample of 239 seafood dealers who had not participated in the survey. The main purpose of the non-response survey was to determine the reasons for not participating, the results of which may help investigators evaluate the questions and prepare adequately for similar surveys in the future. By September 2013, 44 non-response surveys had been returned, while two additional original questionnaires were received, resulting in a total of 163 returned surveys.

## RESPONSE RATE

Based upon the sampling assumptions presented heretofore, a stratified simple random sampling procedure was used to select a sample of 946 potential respondents from a target population of 1,238 seafood dealers (Table 1). Questionnaires were mailed to these potential respondents; of these, 131 were non-deliverable (Table 2). Removing these non-deliverable surveys from the original sample resulted in an adjusted sample size of 815. Over two-thirds of the adjusted sample came from Louisiana (38%) and West Florida (30%). About one-sixth (16%) were from Texas, one-tenth (10%) were from Mississippi, and 6 percent were from Alabama. A total of 163 questionnaires were completed and returned, resulting in an adjusted response rate of 20 percent for the Gulf. Individually, the State of Alabama had the highest response rate (40%), while the smallest (13%) was from Mississippi.



Table 2. **SAMPLE SIZE AND RESPONSE RATE BY STATE**

<b>State</b>	<b>Original Sample Size</b>	<b>Non-Deliverable</b>	<b>Adjusted Sample Size</b>	<b>Returned Questionnaires</b>	<b>Adjusted Response Rate</b>
West Florida	264	22	242	41	17%
Alabama	55	7	48	19	40%
Mississippi	135	52	83	11	13%
Louisiana	343	34	309	70	23%
Texas	149	16	133	22	17%
<b>Total</b>	<b>946</b>	<b>131</b>	<b>815</b>	<b>163</b>	<b>20%</b>

## DATA PROCESSING

The data consisted of 163 observations, comprised of 76 returned surveys from the first mail-out and 87 from the second mail-out. However, these observations contained incomplete data points for elements necessary for a reasonable financial analysis. For example, there were two particular questions that appeared in the first survey that were left out of the second survey. In the first survey, respondents were asked not only to provide the total expenses directly related to their seafood business but also a breakdown of the expenses according to specified expenditure categories. In the second survey, respondents were only asked to provide the total expenses without the need to itemize them. For the second question, respondents were asked in the first survey to report the current market value of their land in addition to the current market value of the entire seafood business (including buildings, vehicles, equipment, and land). The market value of the land was dropped in the second survey. An expected tradeoff from omitting the breakdown of expenses and the current market value of the land in the second mail-out is shortening the length of the survey and, in turn, encouraging participation, resulting in a higher response rate. Responses to the questions from the first mail-out were therefore used to estimate the missing values for the itemized expenses and land values in order to complete relevant parts of the observations from the second mail-out.

Subsequently, data were thoroughly examined for the two major parts of the research. The first stage searched for complete data for the procurement and distribution side of the study. Respondents were asked what percentage of all seafood purchased by their business for the baseline year of 2009—in terms of total cost—came from specified sources. Likewise, similar questions asked what percentages of seafood—in terms of gross seafood sales—were sold to specified buyers and destinations. The second stage examined the data for consistency and performed necessary adjustments for

key variables that were important for a complete financial analysis. For example, when data existed for total expenses, but was not present for the cost of seafood purchased, a percentage based on the first mail-out was used to estimate the cost of seafood purchased.

For the procurement, distribution, and financial analysis, a dealer was defined as a respondent who held a seafood dealer license for the baseline year of 2009 and reported that dealer or distributor activities (buying and selling of seafood) constituted the largest portion of costs in 2009. These definitions eliminated missing and inconsistent observations, resulting in 55 reliable dockside seafood dealer observations remaining for the procurement, distribution, and financial analysis.

Data from the surveys were entered into an Excel spreadsheet by LDWF staff and analyzed using SAS 9.3. All dollar estimates were converted into 2012 dollars using the Bureau of Economic Analysis implicit price deflator.

## **NON-RESPONSE SURVEY**

The last component of the survey implementation process consisted of a one-page non-response survey sent to a sample of 239 non-participating dealers in June 2013. The non-response survey contained four questions (Appendix 5). The first three questions were similar to the previous dealer surveys, including how non-respondents described their business, the main type of seafood handled, and the cost of purchasing seafood or bait species. The fourth question asked non-respondents to indicate all applicable answers among ten specified events or items, concerning the reasons why they did not respond to the previous seafood dealers' surveys they had received.

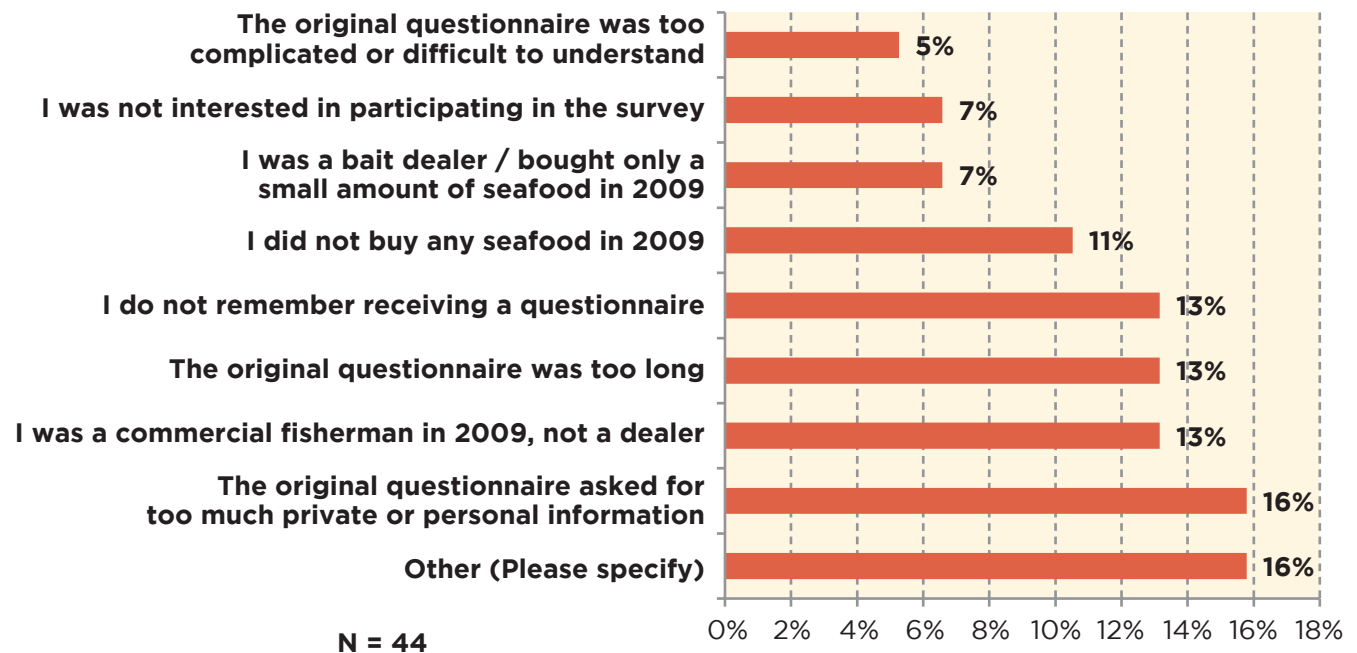
As of June 2013, 42 non-response surveys had been completed and returned. Two additional completed non-response surveys were returned at the end of September, resulting in a total of 44 non-respondents. Twenty indicated that they were commercial seafood dealers who primarily purchased seafood directly from commercial fishermen during the baseline year of 2009, while 13 were exclusively commercial fishermen. Five were seafood retail stores or seafood restaurants that purchased most of their seafood from sources other than commercial fishermen. The remaining six respondents were distributed among retail stores, restaurants that sold some seafood but mostly other products, and bait shops. Of the 20 individuals identified as seafood dealers, only 13 provided information concerning the amount of money spent buying seafood or bait species for the baseline year of 2009. The amount spent buying seafood in 2009 for these individuals averaged \$495,254 with a median of \$200,000 (Table 3). Given the 53 dealer respondents who provided complete information for financial analysis from the original and secondary survey, the cost of seafood purchased in 2009 averaged \$980,289 with a median of \$183,754. Although the results must be treated cautiously

because of the small sample size, statistical analysis found no significant difference between the average seafood costs between dealer respondents and dealer non-respondents.

**Table 3. COMPARISON OF SEAFOOD COSTS: SURVEY RESPONDENTS AND NON-RESPONDENTS**

<b>Statistic</b>	<b>Respondent’s Seafood Costs</b>	<b>Non-Respondent’s Seafood Costs</b>
Median	\$183,754	\$200,000
Average	\$980,289	\$495,254
N	53	13

Figure 5 presents the distribution of the reasons the 44 non-respondents cited for not participating in the original or secondary dealer survey. Sixteen percent said that they did not respond to the survey because it asked for too much private or personal information. An equal percentage (13%) said the questionnaire was too long, they were commercial fishermen in 2009, or they could not remember receiving the questionnaire. About 11 percent noted that they did not buy seafood for the baseline year of 2009, while seven percent were not interested. Only five percent said the questionnaire was too complicated or difficult to understand.



**Figure 5. PERCENTAGE OF SURVEY NON-RESPONDENTS CITING SPECIFIC REASONS FOR NOT PARTICIPATING**



# IV. BUSINESS CHARACTERISTICS AND FINANCIAL STATEMENTS



The primary goal of the research was to study the activities and finances of dockside seafood dealers operating businesses throughout the Gulf states. In an effort to develop a genuine sample of dockside seafood dealers for analysis, efforts were made to identify and remove respondents whose primary functions appeared to be related to activities other than buying and selling seafood at the dockside level. The identification of dockside seafood dealers was based on responses to a question that asked respondents to indicate the percentage of their seafood business—in terms of costs—that was directly involved in specific seafood-related activities for the baseline year of 2009. Specified activities included commercial fishing, dealer or distributing activities, processing activities, and retailing activities. A respondent was identified as a dockside seafood dealer if the percentage of the seafood business—in terms of costs—reported for dealing or distributing activities exceeded the percentages reported for all other activities. This criteria matched a minimum of 40 percent for dealing or distributing activities.

The elimination of observations pertaining to non-dealer activities resulted in 55 dealer respondents who provided consistent variables necessary for describing the characteristics of the businesses and conducting financial analysis. The majority of these respondents were from Louisiana, followed by West Florida, Texas, Mississippi, and Alabama. The remaining components of this section present the pertinent findings as they relate to dockside seafood dealer business activities and characteristics, and financial analysis.

## **BUSINESS ACTIVITIES**

All fifty-five respondents provided percentages regarding specified business activities that totaled 100 percent. The percentage of costs related to the business functions of the respondents are shown in Table 4. The share—in terms of costs—related to seafood dealing and distributing averaged 81 percent for the baseline year of 2009 and had a median of 94 percent. The average percentage of business activities related to the remaining activities was 4.8 percent for commercial fishing, 2.8 percent for processing, 11.3 percent for retailing, and 0.2 percent for other activities.

**Table 4. THE PERCENTAGE OF THE SEAFOOD BUSINESS—IN TERMS OF COSTS—THAT WAS INVOLVED WITH THE FOLLOWING ACTIVITIES**

<b>Item</b>	<b>N</b>	<b>Average (%)</b>	<b>Median (%)</b>
Commercial Fishing	55	4.8	0.0
Dealing or Distributing	55	81.0	94.0
Processing	55	2.8	0.0
Retailing	55	11.3	0.0
Other	55	0.2	0.0

Further analysis was conducted as it pertained to the distribution of activity-related costs. The majority of respondents (56.4 percent) reported that dealing and distributing seafood accounted for 90 percent or more of their seafood business activities in terms of costs. Nearly two-fifths (38.2 %) of the respondents said that 100 percent of their business was related to seafood dealing and distributing activities.

Retailing seafood was, after dealing and distributing, the second-most commonly practiced type of activity. Less than one-half (43.6%) of the respondents estimated that at least one percent or more of total costs were related to seafood retailing.

In contrast, relatively few respondents engaged in commercial fishing or processing. Only one-fifth (20%) of respondents claimed that any of their activities were associated with commercial fishing, and only 20 percent claimed that any of their activities were related to seafood processing.

## **PROCUREMENT AND DISTRIBUTION OF SEAFOOD**

This section presents the findings related to certain indicators used to measure the procurement and distribution of seafood by respondents. These indicators include the percentage of seafood purchased from specific sources, percentage of seafood sold to specific buyers, percentage of seafood distributed to buyers in specific geographical areas, and the types of seafood handled by respondents.

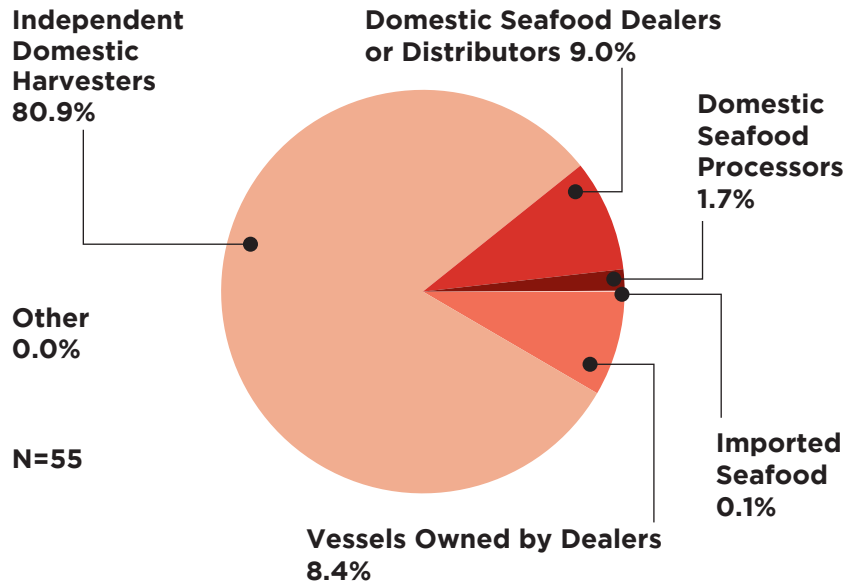
## Sources of Seafood Purchased by Respondents

Six sources of seafood were specified in the dockside seafood dealer survey, and respondents were asked to indicate those that applied to their seafood businesses for the baseline year of 2009. They were also asked to state the percentage of total cost associated with each source. Specified sources included (a) domestic captains or harvesters who operated vessels owned by the seafood business, (b) domestic independent harvesters who operated their own vessels, (c) domestic seafood dealers or distributors, (d) domestic seafood processors, (e) sources outside the United States (imports), and (f) other sources. For a dockside seafood dealer, the percentage of seafood bought from each source was multiplied by the cost of seafood purchased to estimate the cost of seafood obtained from each source.

It is important to note that the total gross cost of seafood purchased by respondents for resale only related to seafood purchased from other entities and excluded the cost of harvesting seafood if the business sold seafood that it harvested with its own vessels. This was necessary to prevent double counting of the expenses related to the business and reduce the chance of misleading results.

Fifty-five respondents provided usable and consistent answers for the questions regarding the total gross cost associated with the types of seafood they handled or distributed and the percentages of seafood (in terms of cost) obtained from each source. Adding together the cost of seafood calculated for each source resulted in a cumulative seafood cost of approximately \$52 million.

Results show that four-fifths (80.9%) of seafood obtained by respondents—in terms of cost—was purchased from independent domestic commercial harvesters who operated their own vessels (Figure 6). About 8.4 percent came from domestic harvesters who operated vessels owned by the respondents' seafood business, and nine percent came from other domestic seafood dealers or distributors. Only about 1.7 percent was purchased from domestic seafood processors, and imports from foreign sources constituted an insignificant portion of seafood purchased by dealer respondents.



**Figure 6. PERCENTAGE OF SEAFOOD PURCHASED OR ACQUIRED FROM SPECIFIED SOURCES (WEIGHED BY SEAFOOD COSTS)**

Figure 7 shows the various sources from which seafood was obtained for the baseline year of 2009 and the corresponding percentage of dockside seafood dealer respondents who utilized these sources. Nearly two-thirds (63.6%) of dealer respondents obtained seafood from independent commercial harvesters, while 47.3 percent purchased seafood from other domestic dealers or distributors. Two-fifths (40%) bought seafood from domestic harvesters operating vessels owned by the business. About 14.5 percent obtained seafood from domestic processors, and a negligible amount was imported from foreign sources.



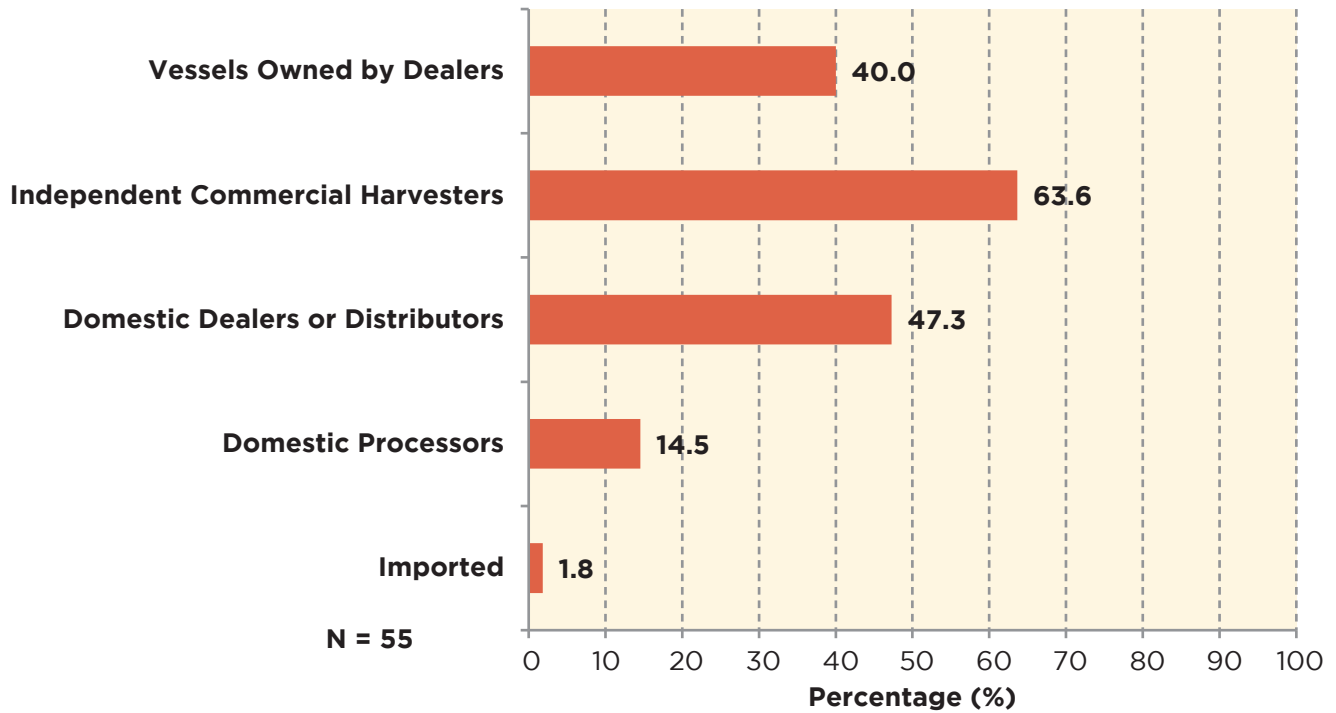


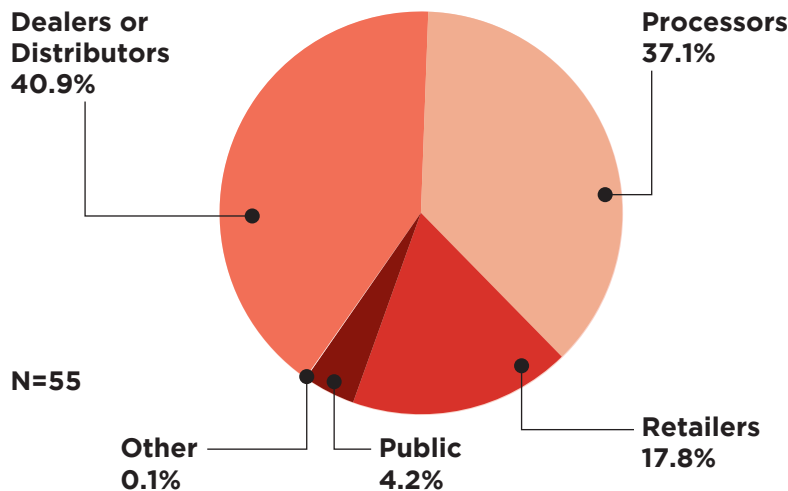
Figure 7. **PERCENTAGE OF RESPONDENTS WHO ACQUIRED SEAFOOD FROM SPECIFIED SOURCES**

## SEAFOOD SALES DISPOSITION TO BUYERS AND GEOGRAPHICAL LOCATIONS

The survey contained two questions pertaining to seafood sales disposition to buyers for the baseline year of 2009. First, respondents were asked the percentage of seafood sales—in dollar terms—that was sold or shipped to specified recipients or buyers. The buyers included dealers or distributors (that mainly buy and resell seafood), processors (that transform seafood into new products and resell the products), retailers (restaurants, grocery stores, and seafood shops), the public, and others. The second question asked about the geographical areas where dockside seafood dealer respondents sold and/or shipped seafood among specified destinations. Destinations specified were the base state where the business was located, other states within the Gulf region, U.S. states outside the Gulf region, and locations outside the United States (seafood exports).

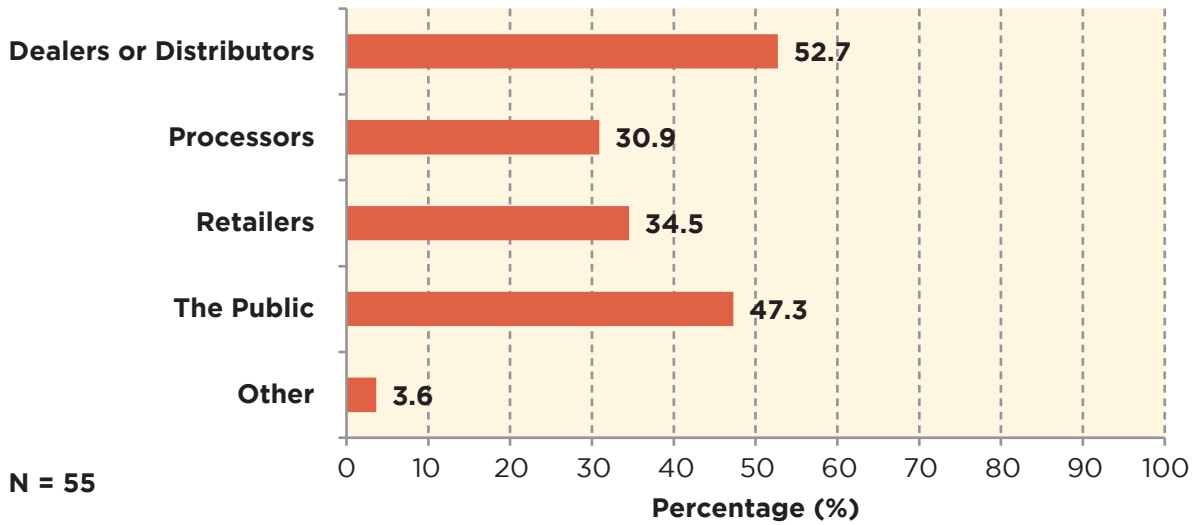
For an individual respondent, total seafood sales were multiplied by the percentage of sales to each recipient as well as to each destination. The cumulative sales of seafood to each recipient was estimated by summing the sales of seafood sold or shipped to individual recipients, and the cumulative sales of seafood to each destination was estimated by summing the sales of seafood to individual destinations.

The cumulative sales of seafood made by dockside seafood dealers, for the 55 respondents who provided consistent information regarding the percentage of seafood sold to specified recipients, was approximately \$62 million. The portion of cumulative seafood sales made to dealers or distributors was two-fifths (40.9%), while processors accounted for 37.1 percent, retailers accounted for 17.8 percent, and the public accounted for 4.2 percent (Figure 8). Other recipient buyers accounted for a negligible percentage of the cumulative seafood sales (< 1%).



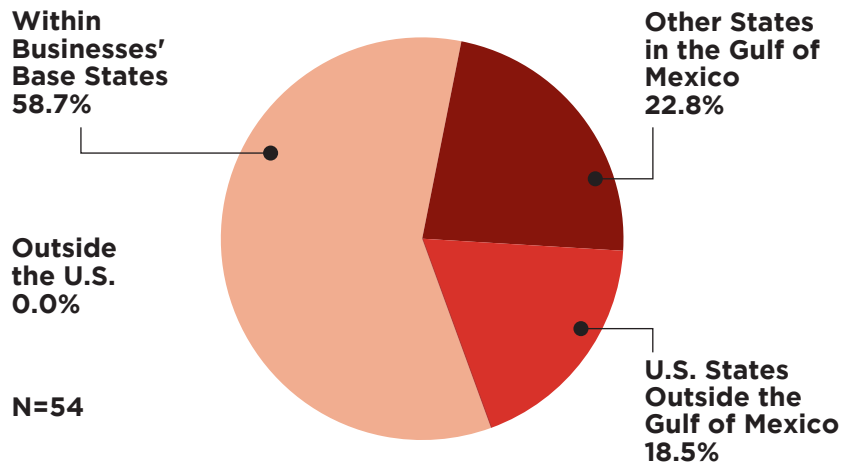
**Figure 8. PERCENTAGE OF SEAFOOD SALES SOLD TO SPECIFIED TYPES OF ENTITIES**

There were wide variations in the percentage of respondents selling seafood across different types of buyers. Over one-half (52.7%) of dockside seafood dealer respondents sold seafood to buyers they identified as dealers or distributors, followed by 47.3 percent who sold to the general public (Figure 9). About 34.5 percent of respondents said they sold or shipped seafood to retailers, while one-third (30.9%) sold to processors. Less than four percent of seafood sales were made to other buyers.



**Figure 9. PERCENTAGE OF RESPONDENTS WHO SOLD SEAFOOD TO SPECIFIC CATEGORIES OF PURCHASERS**

The percentage distribution of total gross seafood sales receipts associated with shipment destinations among different geographical areas is shown in Figure 10. Three-fifths (58.7%) of seafood sales—for the baseline year of 2009—were made to buyers located within the base states of the respondents’ seafood businesses. About one-fifth (22.8%) of gross seafood sales took place in other Gulf states, 18.5% was sold to buyers in U.S. states outside the Gulf, and there were no seafood exports.



**Figure 10. PERCENTAGE OF SEAFOOD SALES DISTRIBUTED TO BUYERS IN SPECIFIED GEOGRAPHICAL AREAS**

Figure 11 shows that four-fifths (81.8%) of respondents reported that they sold seafood to buyers located within the base states where their seafood businesses operated from. Two-fifths (38.2%) reported selling seafood to Gulf states other than their base states, and one-fifth (18.2%) sold seafood to states outside the Gulf.

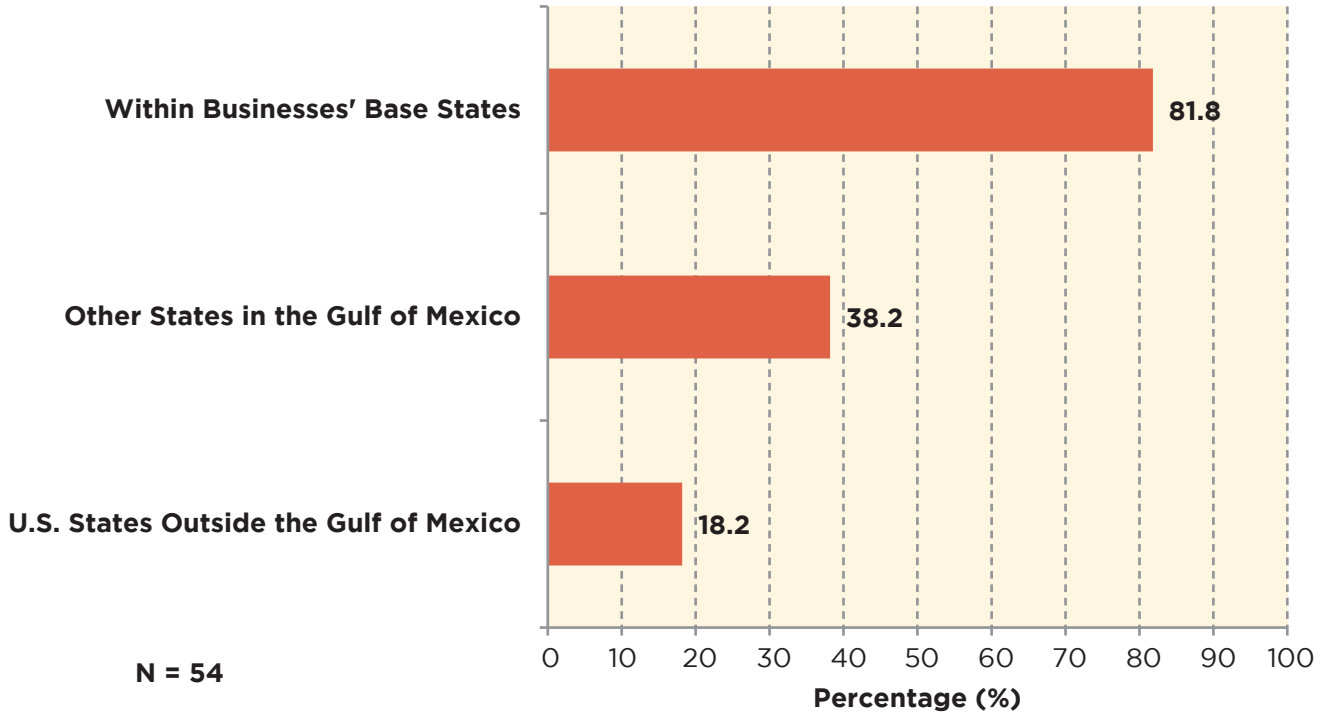
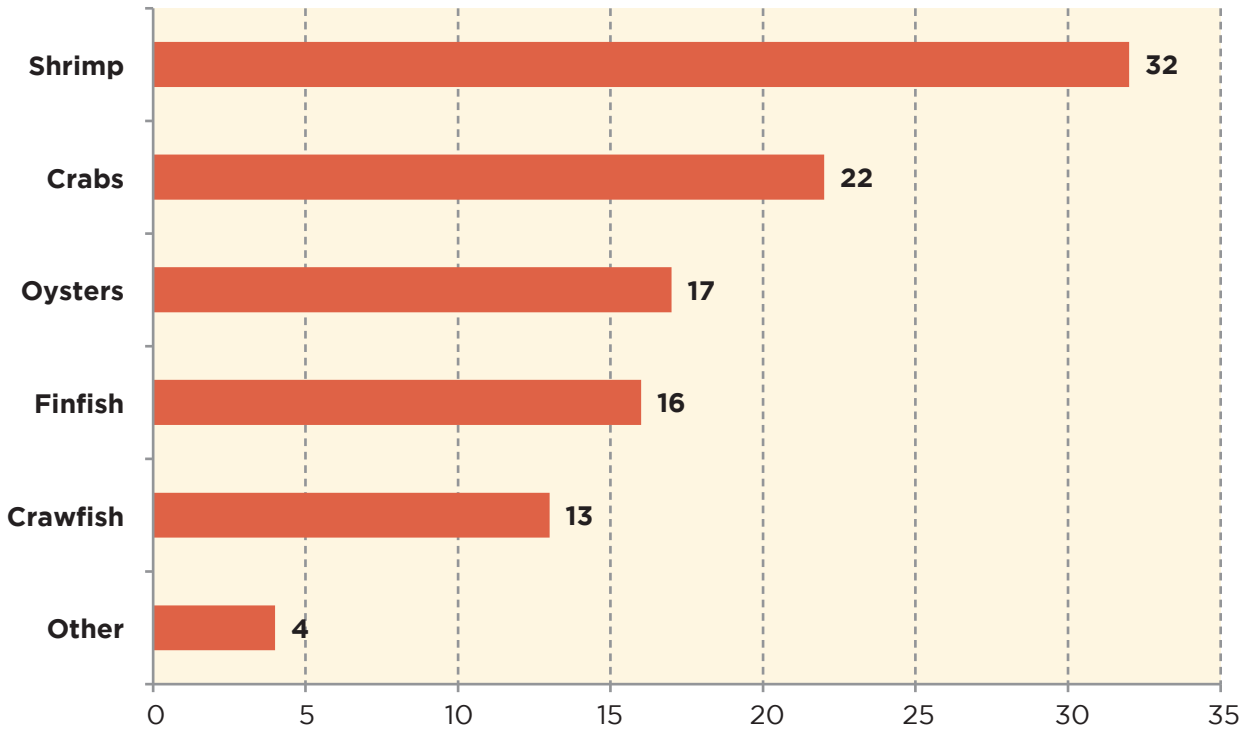


Figure 11. **PERCENTAGE OF RESPONDENTS WHO MADE SEAFOOD SALES TO BUYERS IN SPECIFIED GEOGRAPHICAL AREAS**

## TYPES OF SEAFOOD HANDLED

Common types of seafood handled by dockside seafood dealer respondents for the baseline year of 2009 were shrimp, crabs, oysters, finfish, and crawfish. Thirty-two (60%) of these respondents bought and sold shrimp (Figure 12). Twenty-two handled crabs, 17 handled oysters, and 16 handled finfish. Thirteen respondents handled crawfish, while only 4 handled other types of seafood.





N = 55

Figure 12. NUMBER OF RESPONDENTS WHO HANDLED SPECIFIC TYPES OF SEAFOOD

The number of different types of seafood handled by dockside dealer respondents was examined and the results show that respondents handled an average of two different types of seafood (Table 5).

Table 5. NUMBER OF DIFFERENT TYPES OF SEAFOOD HANDLED BY RESPONDENTS

Item	N	Mean	Median
Number of Seafood Types	53	2	1

Further examination revealed that twenty-eight respondents (52.8%) handled only one type of seafood, followed by one-fifth (18.9%) who handled four types of seafood (Figure 13). About 17 percent of dockside seafood dealer respondents handled two types, while 11.3 percent handled three types of seafood.

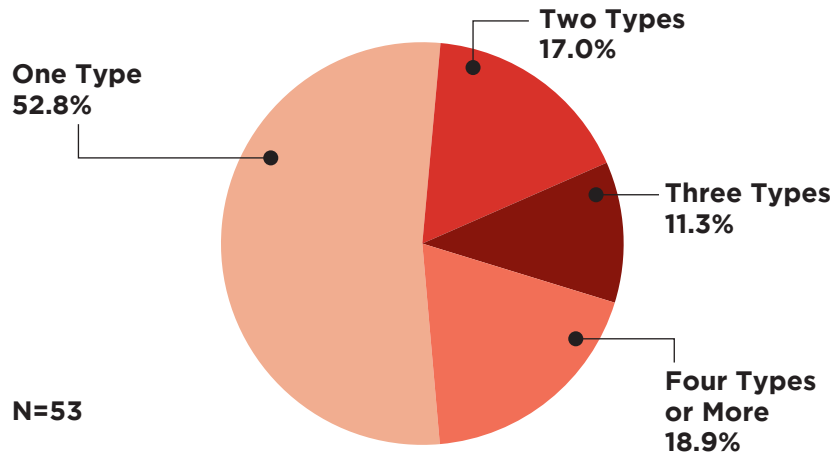


Figure 13. NUMBER OF SEAFOOD TYPES HANDLED BY RESPONDENTS

Among the 28 respondents who reportedly handled only one type of seafood, 44.4 percent handled shrimp, 22.2 percent handled crabs, 18.5 percent handled oysters, and 14.8 percent handled finfish (Figure 14).

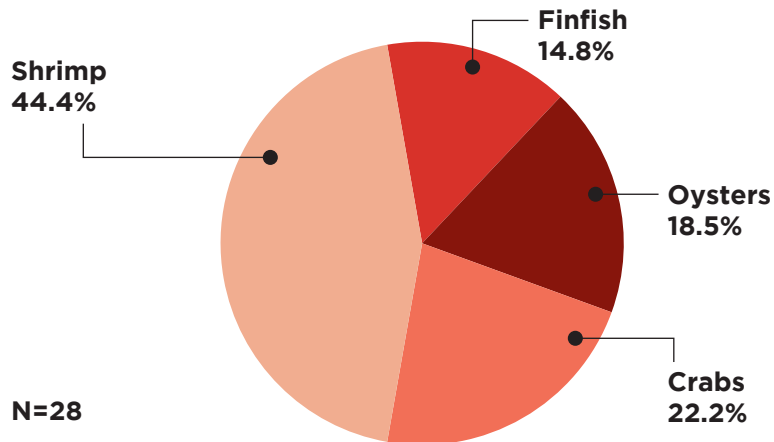


Figure 14. PERCENTAGE OF RESPONDENTS WHO HANDLED ONLY ONE TYPE OF SEAFOOD, BY SEAFOOD TYPE

## EMPLOYMENT

Hereafter, the research findings are provided for 53 dealer respondents who provided consistent information for the financial analysis. A question asked respondents to estimate the number of full-time and part-time workers they employed in their seafood businesses for the baseline year of 2009, including the business owner. Responses suggest that an average of about four full-time workers, with a median of three workers, were employed (Table 6). Thirty-eight percent of respondents employed two full-time workers or fewer, including those who did not hire a full time-worker. About 39.6 percent employed three to four full-time workers, and 17 percent employed five to seven full-time workers. The rest (5.7%) employed eight to seventeen full-time employees.

Table 6. NUMBER OF EMPLOYEES

Item	N	Average	Median
Full-Time Workers	53	3.6	3.0
Part-Time or Seasonal Workers	53	3.9	1.0
<b>Total Number of Workers</b>	<b>53</b>	<b>7.5</b>	<b>5.0</b>

The number of part-time employees hired by respondents fluctuated between one and thirty-nine, with an average of about four and a median of one. Over two-fifths (43.4%) hired no part-time employees. Approximately 26.4 percent of respondents had one or two part-time workers, while 11.3 percent hired three to five part-time workers. About 5.7 percent had six to ten part-time workers, and about 13.2 percent hired eleven or more.

The total number of employees was calculated by adding the number of employed full-time and part-time workers together. The results indicated that the total number of employees ranged from one to 43. An equal percentage of respondents (34%) hired three or fewer and four to six workers. About 13.2 percent hired seven to ten workers, and the rest (18.9%) hired eleven workers or more.

## BUSINESS ASSETS, INSURANCE, AND LIABILITIES

### Market Value

Respondents were asked how much they thought their entire seafood business or facility (including buildings, vehicles, equipment, and land) would sell for if the business

was offered for sale at the time of the survey. The reported total market value of the business structures, equipment, and land for fifty-three respondents averaged \$504,891 with a median of \$315,007 (Table 7). Separately, the market values of land alone averaged \$87,548 with a median of \$31,501 and the market value of the facilities without the land averaged \$417,343 with a median of \$269,237.

*Table 7. ESTIMATED CURRENT MARKET VALUE*

<b>Item</b>	<b>N</b>	<b>Average</b>	<b>Median</b>
Current Market Value of Facilities	53	\$504,891	\$315,007
Market Value of Land	53	\$87,548	\$31,501
Current Market Value of Facilities (Excluding Land)	53	\$417,343	\$269,237

The distribution of market values were categorized into five classes based on natural breaks. The intervals ranged from “≤\$100,000” to “> a million dollars.” One-third (30.2%) of respondents reported a market value of \$100,000 or less, 17 percent reported a market value of \$100,001 to \$300,000, and another 17 percent reported a market value of \$300,001 to \$500,000. The market values were between \$500,001 and \$1 million for 22.6 percent of respondents and over a million dollars for the remaining 13.2 percent.

### **Insurance Coverage**

The average coverage amount for the facility and inventory was \$302,036 for all respondents who provided consistent information for financial analysis (Table 8). This coverage amount was roughly 50 times larger than the median (\$5,250).

*Table 8. INSURANCE COVERAGE*

<b>Item</b>	<b>N</b>	<b>Average</b>	<b>Median</b>
Insurance Coverage Amount for Facility and Inventory (All Respondents)	53	\$302,036	\$5,250
Insurance Coverage Amount for Facility and Inventory (Insured Respondents Only)	30	\$533,598	\$372,759

Of the 53 individuals, thirty (56.6%) said they insured their seafood business facilities and inventory for the baseline year of 2009 (Figure 15), with an average coverage amount of \$533,598 and a median of \$372,759 (Table 8).



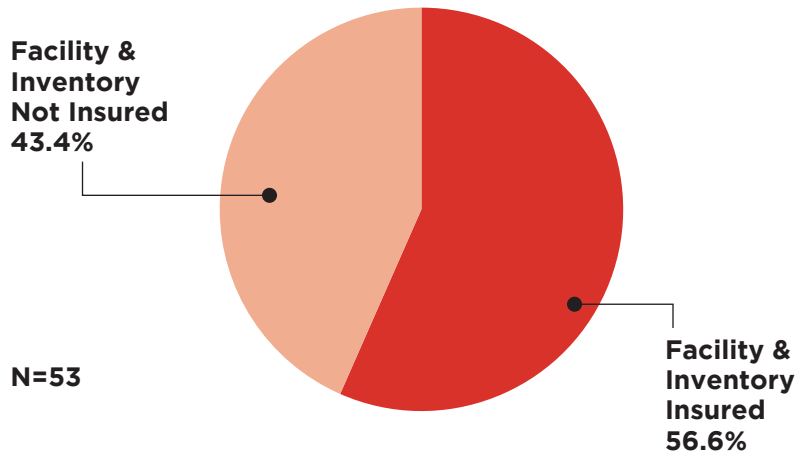


Figure 15. **PERCENTAGE OF RESPONDENTS WITH INSURANCE**

When comparing the market value and insured coverage amounts for dockside seafood dealers, insurance coverage was less than the market value for 67.9 percent of respondents, and more than market value for 20.8 percent of respondents. The values were similar for the remaining 11.3 percent.

Among the 30 businesses that carried insurance coverage, the coverage was more than \$500,000 for nearly one-half (46.7%). Twenty percent carried coverage of \$50,000 or less, 16.7 percent had a coverage of \$50,001 to \$200,000, and 16.7 percent had between \$200,001 and \$500,000.

### Debt: Outstanding Loans

Respondents were asked what the total amounts of all outstanding loans for their seafood businesses were at the end of the 2009 baseline year. Findings show that the outstanding loans for all respondents averaged \$87,688 with a median of \$10,500 (Table 9). The average amount of indebtedness among individuals that reported an outstanding loan was \$165,982 with a median of \$105,002.

Table 9. **OUTSTANDING LOANS**

Item	N	Average	Median
Amount of Outstanding Loans (All Respondents)	53	\$87,688	\$10,500
Amount of Outstanding Loans (Respondents with Loans Only)	28	\$165,982	\$105,002

Slightly over one-half (52.8%) of dockside seafood dealers had an outstanding loan (Figure 16). Among the 28 respondents that carried debt, about 42.9 percent reported a debt of \$100,000 or less, 35.7 percent had between \$100,001 and \$300,000 in debt, and 21.4 percent had a debt of over \$300,000.

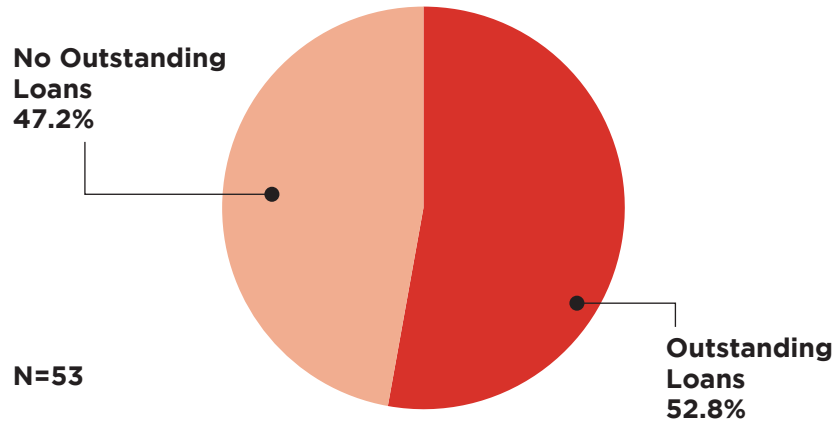


Figure 16. PERCENTAGE OF RESPONDENTS WITH OUTSTANDING LOANS

## BALANCE SHEET

The representative balance sheet (or net worth statement) for the 53 dockside seafood dealer respondents that provided consistent information for financial analysis is shown in Table 10. The asset value for the businesses averaged \$504,891 and the debts averaged \$87,688, resulting in an average equity of \$417,203 with a median of \$196,354.

Seven percent of respondents had equity of zero or less. Thirty percent had equity of one dollar to \$100,000, and thirteen percent had equity of \$100,001 to \$200,000. Equity ranged from \$200,001 to \$500,000 for 24 percent of respondents, \$500,001 to \$1 million for 11 percent, and over a million dollars for 15 percent.

Table 10. BALANCE SHEET

Item (N = 53)	Average	Median
Assets (Market Value)	\$504,891	\$315,007
Debt	\$87,688	\$10,500
<b>Equity</b>	<b>\$417,203</b>	<b>\$196,354</b>

## EXPENDITURES

During the first implementation of the survey, in addition to providing the total expenses directly related to the dockside seafood dealer business for the baseline year of 2009, respondents were asked to allocate, in dollar amounts or percentages, the total expenses related to 12 specified categories of items. Given a low response rate, a second survey was administered, which excluded the itemized expenses in

order to shorten the survey and improve the response rate. Expenses were derived for all respondents by applying the percentages of itemized expenses computed from responses in the first survey to the second survey. The breakdown of the total expenses in the first survey, which was applied to estimate missing data from the second mail-out, is shown in Appendix 2. A disadvantage of this exercise is that certain itemized costs were estimated for some businesses that potentially did not have such expenses. Given the 76 completed questionnaires in the first mail-out, seafood purchases were found to have accounted for almost two-thirds (65%) of total expenses for the baseline year of 2009.

## Total Expenditures

Total expenditures for the 53 respondents who provided consistent information for the financial analysis averaged \$1,051,903 with a median of \$264,041 (Table 11). Over one-third (34%) of respondents reported expenditures of \$100,000 or less, 13.2 percent reported expenditures ranging from \$100,001 to \$200,000, and 7.6 percent reported expenditures from \$200,001 to \$600,000. About 15.1 percent had expenditures between \$600,001 and \$1 million, and the rest (30.2%) had more than \$1 million worth of expenditures.

Table 11. **TOTAL AND ITEMIZED EXPENDITURES**

<b>Item (N = 53)</b>	<b>Average</b>	<b>Median</b>
<b>Total Expenditures</b>	<b>\$1,051,903</b>	<b>\$264,041</b>
Variable Costs		
Costs of Purchasing Seafood	\$980,289	\$183,754
Labor Costs	\$21,909	\$6,768
Utility Costs	\$5,754	\$2,100
Freight Costs	\$3,161	\$32
Repair and Maintenance	\$6,246	\$1,296
Fixed Costs		
Capital Purchases	\$3,833	\$333
Principal Paid on Loans	\$3,266	\$16
Interest Paid on Loans	\$1,825	\$42
Rent or Lease Payments	\$3,092	\$243
Property Tax	\$909	\$164
Insurance Costs	\$2,652	\$378
Other Costs	\$18,967	\$2,748

## Itemized Expenditures

Itemized expenditures consisted of variable cost items (seafood purchases, labor, utilities, freight, and repair and maintenance), fixed cost items (capital purchases, loan principal and interest payments, rental or lease payments, property tax, and insurance) and other costs associated with the respondents' dockside seafood dealer business. With an average of \$980,289, seafood purchases alone constituted 93.2 percent of total expenditures (Figure 17), followed by labor cost, accounting for 2.1 percent. Except for the other costs that contributed about 1.8 percent to total expenditures, all other items individually represented less than one percent.

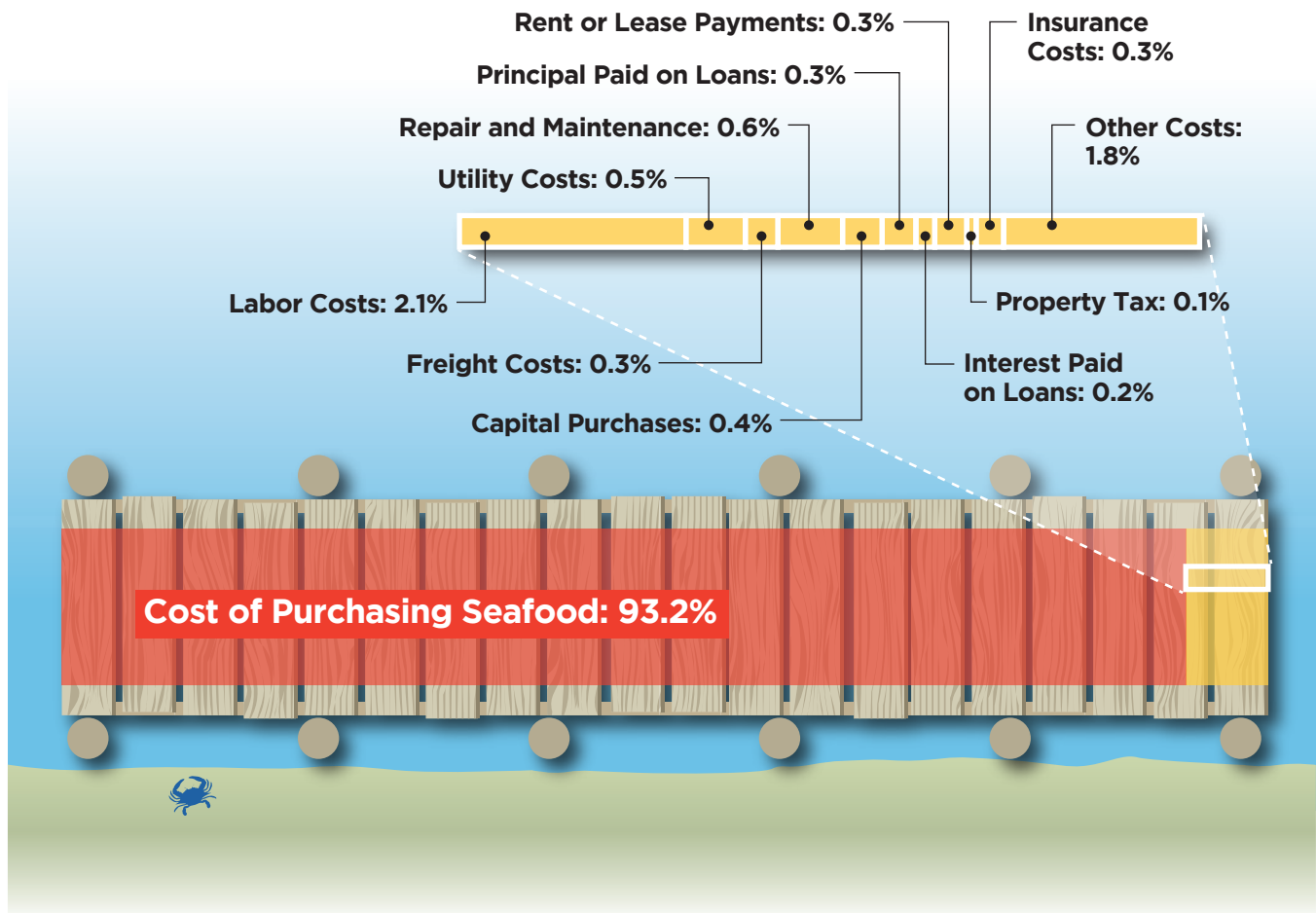


Figure 17. PERCENTAGE OF TOTAL EXPENDITURES BY EXPENDITURE CATEGORY



# REVENUES

## Revenues from Seafood Sales

Respondents were asked what the total gross sales for each seafood type were for the baseline year of 2009. Total gross sales averaged \$1,172,586 with a median of \$376,429 (Table 12). Shrimp accounted for approximately 46.3 percent of the total gross seafood sales, followed by finfish with 20.6 percent. The share of total gross seafood sales was 14.9 percent for crawfish, 11.5 percent for oysters, and six percent for crabs. Other types of seafood, including lobster, contributed less than one percent.

Table 12. REVENUES FROM SALES OF SEAFOOD AND OTHER PRODUCTS

Item (N = 53)	Average	Median
Seafood Sales	\$1,172,586	\$376,429
Sales of Other Products than Seafood	\$33,615	\$0
<b>Total Revenues</b>	<b>\$1,206,201</b>	<b>\$376,429</b>

## Revenues from Sales of Products other than Seafood

Respondents also provided the total gross sales of products other than seafood for their dockside seafood dealer business for the baseline year of 2009. The average revenue from the sales of products other than seafood was \$33,615, and the median revenue for non-seafood sales was \$0 (Table 12).

## Total Revenues

Revenues from seafood sales were added to the revenues from the sales of products other than seafood to derive total revenues. Findings show that total revenues averaged \$1,206,201 with a median of \$376,429 (Table 12). Revenues from the sales of seafood accounted for 97.2 percent of the total revenues.

## Government Payments Received

Another question asked about the total amount that respondents had received in government payments related to their dockside seafood dealer business for the baseline year of 2009. Government payments for all dealer respondents averaged \$22,867 with a median of \$0 (Table 13). Thirteen (24.5%) of the 53 respondents reported that they received government payments (Figure 18). Seven respondents individually received more than \$50,000, while the remaining six received \$50,000 or less.

Table 13. **GOVERNMENT PAYMENTS RELATED TO SEAFOOD BUSINESSES**

Item	N	Average	Median
Government Payments (All Respondents)	53	\$22,867	\$0
Government Payments (Only Respondents Receiving Payments)	13	\$93,228	\$53,094

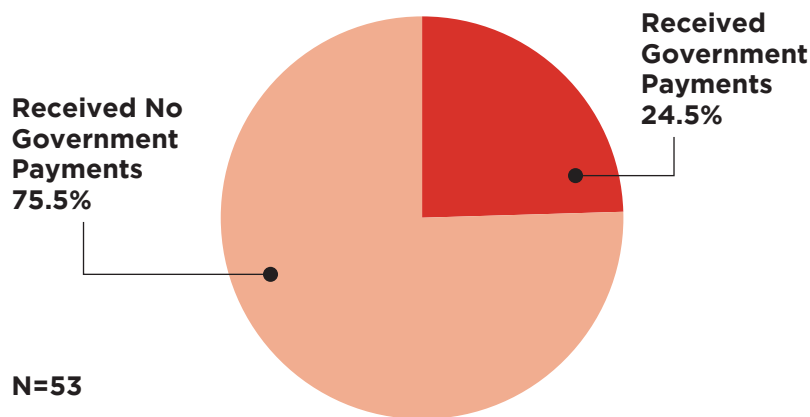


Figure 18. **PERCENTAGE OF RESPONDENTS WHO RECEIVED GOVERNMENT PAYMENTS**

## CASH FLOW STATEMENT

The cash flow statement for the 53 dockside seafood dealer respondents who provided consistent information for financial analysis is reported in this subsection. Cash inflow was derived from the addition of revenues from the sales of seafood, sales of products other than seafood, and government payments. Cash outflow was determined by combining the cost of seafood purchased, labor costs, and miscellaneous costs. Net cash flow was calculated by subtracting cash outflow from cash inflow.

### Cash Inflow

Total cash inflows for the dockside seafood dealers averaged \$1,229,068 and had a median of \$376,429 (Table 14).

Table 14. CASH FLOW STATEMENT

Item (N = 53)	Average	Median
<b>Cash Inflow</b>	<b>\$1,229,068</b>	<b>\$376,429</b>
Revenues from Seafood Sales	\$1,172,586	\$376,429
Revenues from Non-Seafood Product Sales	\$33,615	\$0
Government Payments	\$22,867	\$0
<b>Cash Outflow</b>	<b>\$1,051,903</b>	<b>\$264,041</b>
Cost of Purchasing Seafood	\$980,289	\$183,754
Labor Costs	\$21,909	\$6,768
Miscellaneous Expenditures	\$49,705	\$12,379
<b>Net Cash Flow</b>	<b>\$177,165</b>	<b>\$79,802</b>

Examining the distribution of cash inflows (Figure 19) shows that cash inflow was \$100,000 or less for 28.3 percent of respondents, between \$100,001 and \$200,000 for 15.1 percent, between \$200,001 and \$500,000 for 9.4 percent, and between \$500,001 and \$1 million for 13.2 percent. Approximately 18.9 percent had a cash inflow from \$1,000,001 to \$2 million, and 15.1 percent had more than \$2 million.

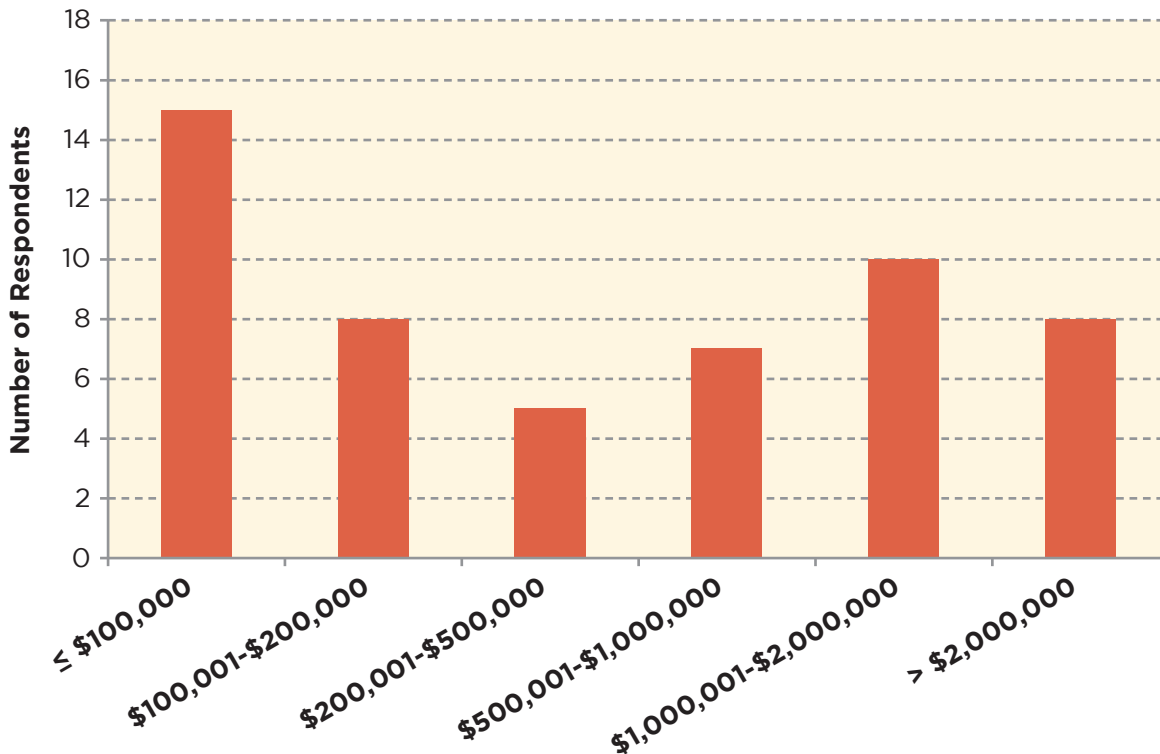


Figure 19. DISTRIBUTION OF CASH INFLOWS

## Cash Outflow

Average cash outflow for dockside seafood dealers for the baseline year of 2009 was \$1,051,903, and the median cash outflow was \$264,041 (Table 14). Cash outflow was \$100,000 or less for approximately two-fifths (37.7%) of dealer respondents, from \$100,001 to \$200,000 for 11.3 percent, and between \$200,001 and \$500,000 for 5.7 percent (Figure 20). Cash outflows were between \$500,001 and \$1 million for 15.1 percent, between \$1 million and \$2 million for 17 percent, and more than \$2 million for 13.2 percent of respondents.

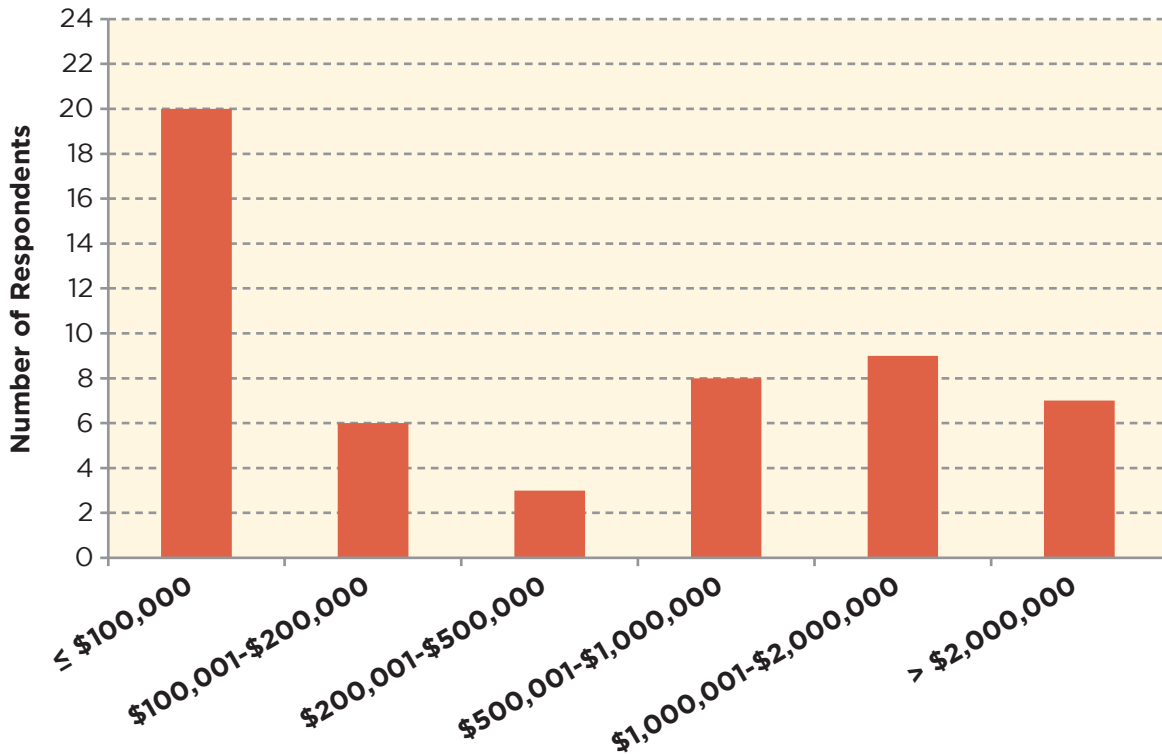


Figure 20. DISTRIBUTION OF CASH OUTFLOWS

## Net Cash Flow

Net cash flow (total cash inflows minus total cash outflows) for the baseline year of 2009 averaged \$177,165 with a median of \$79,802 (Table 14). Net cash flow was zero or less for 11.3 percent of respondents. Approximately 28.3 percent had net cash flows from \$1 to \$50,000, 18.9 percent had between \$50,001 and \$100,000, and 15.1 percent had between \$100,001 and \$200,000. Net cash flows ranged from \$200,001 to \$400,000 for 13.2 percent and were more than \$400,000 for the remaining 13 percent (Figure 21).



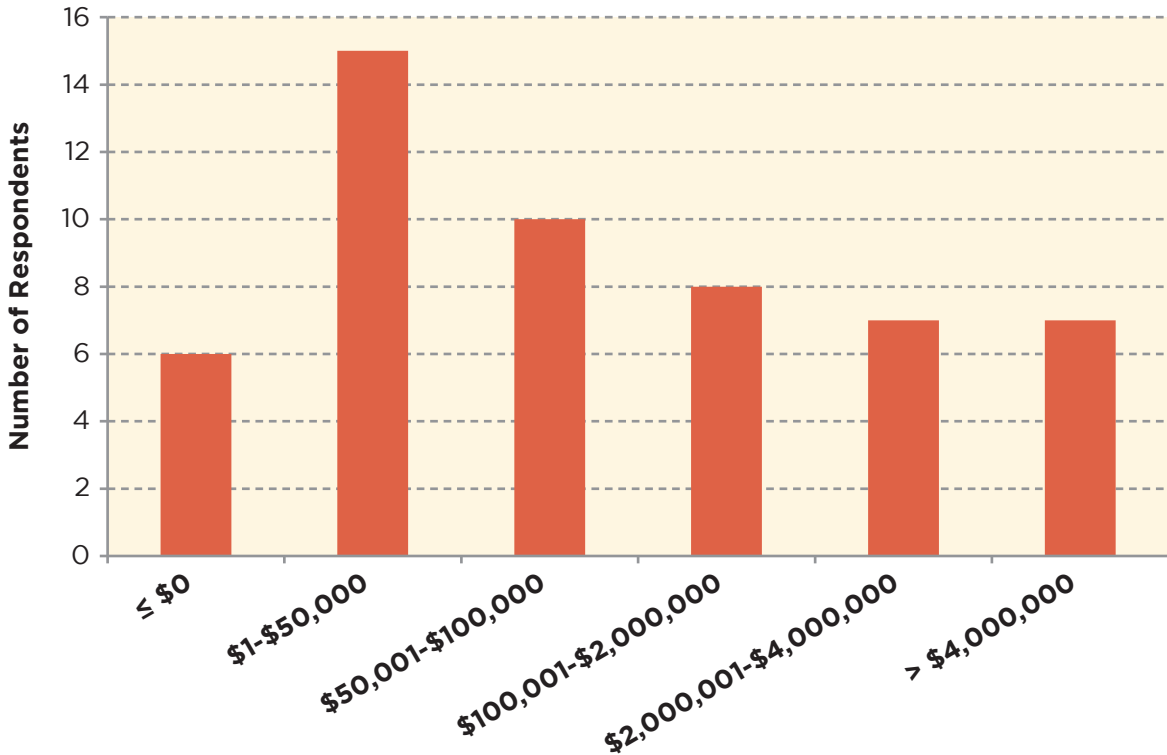


Figure 21. DISTRIBUTION OF NET CASH FLOWS

## INCOME STATEMENT

Many of the items used to develop the cash flow statement in the previous section are applicable to the development of the income statement for dockside seafood dealers. A major difference between the two sets of statements includes the fact that the income statement includes non-cash expenses like depreciation and excludes payments made on loan principal and capital purchases. Depreciable assets were included and consisted of buildings and structures, vehicles, machinery, and equipment. Assets were depreciated using a straight-line method given assumptions of zero salvage values and 20 years of estimated useful life.

The key elements of the income statement include total revenue, revenue from sales of seafood, cost of purchasing seafood, revenue from the sale of products other than seafood, gross margin from seafood, operating expenses, net income from operations, and net income before taxes. The gross margin from seafood sales is represented as the difference between seafood sales’ revenue and the cost of seafood purchased. Net income or revenue from operations excludes interest payments on loans and government payments received. The interest paid on loans and government payments are introduced only in the computation of the net income before taxes. A detailed description of the purpose and function of an income statement can be found in section 2.

Table 15 provides a summary of the income statement for the 53 dockside seafood dealer respondents. The gross margin from the sales of seafood averaged \$192,296, representing about 16.4 percent of seafood sales. Total revenues, consisting of revenues from the sales of seafood and products other than seafood, averaged \$1.2 million, with a median of \$376,429. Total operating expenses averaged \$62,690, with a median of \$25,618. Total operating expenses consisted of items including wages and salaries, utilities, freight, repair and maintenance, rent or lease payments, property taxes, insurance, and other costs.

Table 15. **INCOME STATEMENT<sup>1</sup>**

<b>Item (N = 53)</b>	<b>Average</b>	<b>Median</b>
<b>Revenue from Seafood Sales</b>	<b>\$1,172,586</b>	<b>\$376,429</b>
<b>Cost of Seafood Sold</b>	<b>\$980,289</b>	<b>\$183,754</b>
<b>Gross Margin from Seafood Sales</b>	<b>\$192,296</b>	<b>\$84,002</b>
Gross Margin/Seafood Sales	16.4%	
<b>Revenue from Non-Seafood Sales</b>	<b>\$33,615</b>	<b>\$0</b>
<b>Total Revenue from Sales</b>	<b>\$1,206,201</b>	<b>\$376,429</b>
<b>Operating Expenses</b>	<b>\$62,690</b>	<b>\$25,618</b>
Wages and Salaries	\$21,909	\$6,768
Utility Costs	\$5,754	\$2,100
Freight Costs	\$3,161	\$32
Repair and Maintenance	\$6,246	\$1,296
Rent or Lease Payments	\$3,092	\$243
Property Taxes	\$909	\$164
Insurance Costs	\$2,652	\$378
Other Costs	\$18,967	\$2,748
<b>Depreciation</b>	<b>\$20,868</b>	<b>\$13,462</b>
Facility Structures & Equipment	\$20,676	\$13,373
Capital Acquisitions	\$192	\$17
<b>Net Income from Operations</b>	<b>\$142,354</b>	<b>\$59,326</b>
<b>Interest Paid on Loans</b>	<b>\$1,825</b>	<b>\$42</b>
<b>Government Payments</b>	<b>\$22,867</b>	<b>\$0</b>
<b>Net Income before Taxes</b>	<b>\$163,396</b>	<b>\$64,051</b>
Net Income/Sales	13.5%	

<sup>1</sup> Numbers may not necessarily calculate or sum perfectly as a result of rounding.

One-third (32.1%) of dealer respondents had a gross margin of \$50,000 or less, and one-fifth (20.8%) had gross margins between \$50,001 and \$100,000 (Figure 22). The gross margins from seafood sales ranged from \$100,001 to \$200,000 for 11.3 percent, from \$200,001 to \$400,000 for 20.8 percent, and from \$400,001 to \$600,000 for 7.5 percent of respondents. The gross margins for the remaining individuals (7.5%) were more than \$600,000.

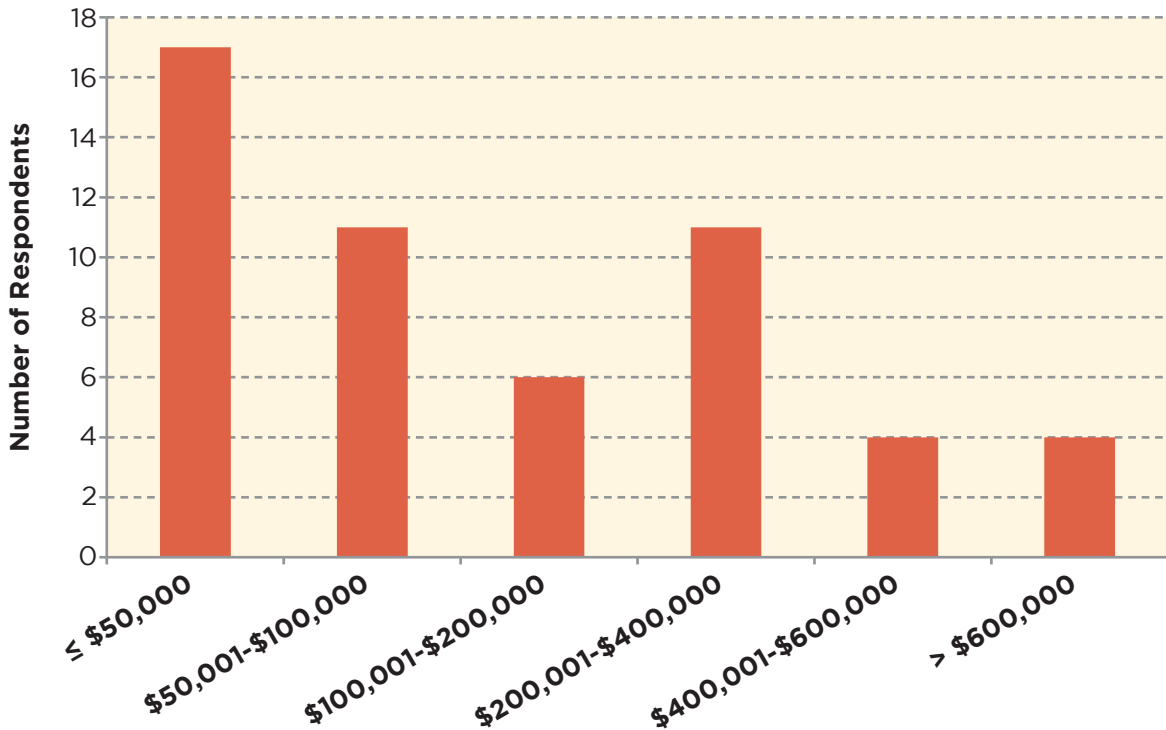


Figure 22. **DISTRIBUTION OF GROSS MARGINS FROM SEAFOOD SALES**

The questionnaire asked respondents to provide an estimate of the market value of the entire seafood business, consisting of capital assets such as buildings, vehicles, and equipment (non-depreciable assets such as land were excluded) and new capital items acquired for the baseline year of 2009. The reported values were used to compute depreciation estimates for the aforementioned assets using a straight-line method with an average recovery period of 20 years, zero salvage values, and a depreciation rate of 0.05.

Total depreciation for dockside seafood dealers averaged \$20,868, consisting of \$20,676 for existing buildings and structures and \$192 for newly acquired capital items. There are two reasons to suspect that the depreciation values might have been overestimated. First, detailed information was not available for the year that the assets were placed into the seafood business to allow for the adjustment of the depreciable basis of the assets (usually their acquisition costs) and reflect previous personal use of the assets or any improvements that had been made over the years.

Second, depreciable capital items with different characteristics were lumped together to estimate the market values of these items. For example, buildings and structures that have a longer recovery period (typically 39 years) were lumped together with assets that have a recovery period that could be as short as three years, such as machinery and equipment.

Net income from operations was computed by deducting the sum of operating expenses, cost of seafood sold, and depreciation from the total revenue. The average net income from operations was \$142,354, and the median net income from operations was \$59,326 (Table 15). Net income before taxes, a measure of the return to the seafood dealers’ management, averaged \$163,396, representing approximately 13.5 percent of total revenue. The median net income before taxes was \$64,051.

Net income before taxes was less than or equal to zero dollars for 15.1 percent of dealer respondents, between \$1 and \$50,000 for 24.5 percent, and between \$50,001 and \$100,000 for 18.9 percent (Figure 23). About 13.2 percent had net income before taxes from \$100,001 to \$200,000, and 15.1 percent from \$200,001 to \$400,000. The remaining respondents (13.2%) had more than \$400,000 in net income before taxes.

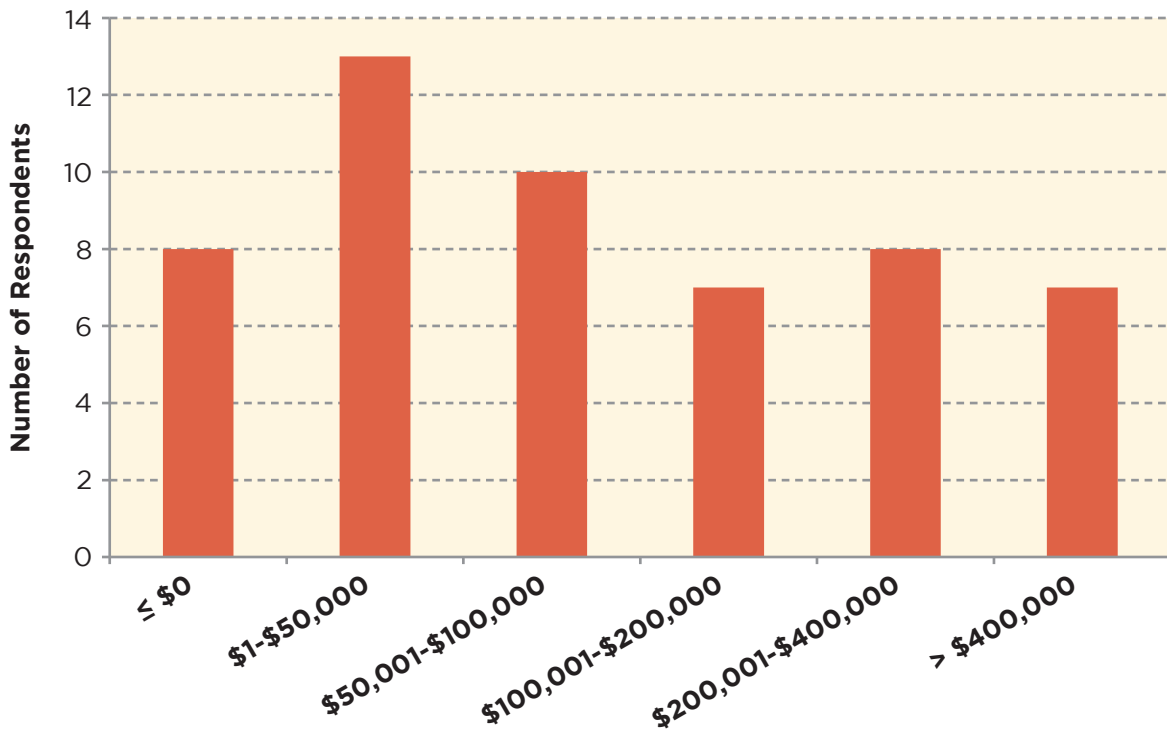


Figure 23. DISTRIBUTION OF NET INCOME BEFORE TAXES





**V. ECONOMIC  
PERFORMANCE OF  
RESPONDENTS BY  
MARKET VALUE  
DIVISIONS**

The distribution of the estimated current market value (assets) provided by 53 dockside seafood dealer respondents was examined and primarily consisted of five groups. The results presented throughout the previous sections were therefore disaggregated among these groups of similar market values. Analyzing the results by group or division reduces the wide variations that exists among dockside seafood dealers and offers a better understanding of the characteristics and economic performance of the businesses on a group by group basis. Presenting these statistics with disregard to these variations masks important information, which was not accounted for heretofore.

## MARKET VALUE DIVISIONS

Five divisions or groups were identified, with the range of market values classified into “micro” (\$100,000 or less), “small” (\$100,001 to \$300,000), “medium” (“\$300,001 to \$500,000), “large” (\$500,001 to \$1 million), and “very large” (more than \$1 million). The market value divisions are summarized in Table 16. All dollar values in this section, and all sections herein, are expressed in 2012 constant dollars.

Table 16. **DELINEATION OF MARKET VALUE DIVISIONS**

<b>Division</b>	<b>Market Value</b>	<b>N</b>	<b>Cumulative Estimated Market Value</b>	<b>Cumulative Seafood Purchases</b>	<b>Cumulative Seafood Sales</b>
Micro	\$100,000 or Less	30.2%	2.2%	7.9%	8.0%
Small	\$100,001-\$300,000	17.0%	5.7%	11.2%	12.7%
Medium	\$300,001-\$500,000	17.0%	12.6%	10.3%	10.8%
Large	\$500,001-\$1 M	22.6%	28.8%	36.2%	34.4%
Very Large	More than \$1 M	13.2%	50.6%	34.4%	34.1%
<b>Total</b>		<b>53</b>	<b>\$26,759,232</b>	<b>\$51,955,355</b>	<b>\$62,147,062</b>

The “micro” division accounted for one-third (30.2%) of respondents but only 2.2 percent of the cumulative estimated market value. Individuals in this category purchased 7.9 percent of the cumulative cost of seafood purchased and contributed eight percent to the total revenue from seafood sales.

The “small” division accounted for 17 percent of respondents, 5.7 percent of the estimated market value, 11.2 percent of seafood purchases, and 12.7 percent of revenues from seafood sales. The “medium” division also accounted for 17 percent of

respondents but 12.6 percent of cumulative estimated market value for all respondents. They contributed 10.3 percent of the total cost of seafood purchased and 10.8 percent of the revenue from seafood sales.

About 22.6 percent of respondents fell into the “large” division. These individuals had about one-quarter (28.8%) of the cumulative estimated market value of assets and contributed 36.2 percent to the cumulative cost of seafood and 34.4 percent to seafood sales. The uppermost group, “very large,” consisted of the smallest percentage of respondents (only 13.2%). Nevertheless, they held one-half (50.6%) of the cumulative estimated market value of assets. They also represented 34.4 percent of the dollar value of seafood purchases, and 34.1 percent of revenues from cumulative seafood sales.

The market values for respondents’ business assets across market value divisions are presented in Table 17. The average current market value of the business (including land) increased with the size of the market value division. For example, the average current market value of all business assets (including the facility and land) ranged from \$36,711 for the micro division to about \$1.9 million for the very large division. The market value of the facility constituted a significantly larger component for all size divisions, ranging from 78.9 percent for the very large division to 90.1 percent for medium division.

*Table 17. CURRENT MARKET VALUE BY MARKET VALUE DIVISIONS*

<b>Item</b>	<b>All</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Market Value of Land	17.3%	20.4%	19.4%	9.9%	13.4%	21.1%
Market Value of Business (Excluding Land)	82.7%	79.6%	80.6%	90.1%	86.6%	78.9%
Average Current Market Value of Business (Including Land)	504,891	36,711	170,921	374,509	643,140	1,935,044

## SOURCES OF SEAFOOD

Table 18 shows the percentage of seafood—in terms of costs—obtained by respondents from various sources or sellers of seafood for each asset division. On average, four-fifths (80.9%) of all seafood purchased was obtained from independent commercial harvesters.

**Table 18. PERCENTAGE OF SEAFOOD OBTAINED FROM THE FOLLOWING SOURCES—IN TERMS OF COSTS—BY MARKET VALUE DIVISIONS**

<b>Item</b>	<b>All</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Vessels Owned by Respondents	8.4%	82.7%	2.5%	1.9%	1.2%	2.8%
Independent Commercial Harvesters	80.9%	11.6%	80.9%	85.3%	90.7%	85.0%
Domestic Seafood Dealers & Distributors	9.0%	4.0%	14.3%	12.5%	4.9%	11.5%
Domestic Seafood Processors	1.7%	1.6%	2.3%	0.2%	2.9%	0.7%
Imported Seafood	0.1%	0.0%	0.0%	0.0%	0.2%	0.0%

Except for individuals in the micro division who obtained four-fifths (82.7%) of seafood from vessels operated by themselves, all other respondents sourced the vast majority of their seafood from independent commercial harvesters. The percentage of seafood obtained from independent commercial harvesters was 80.9 percent for businesses in the small division, 85.3 percent in the medium division, 90.7 percent in the large division, and 85 percent in the very large division.

## **EMPLOYMENT**

A comparison of the average number of employees across market value divisions is shown in Table 19. For all respondents, an average of eight workers (four full-time and four part-time workers) were hired to work for dockside seafood dealers during the baseline year of 2009. Dealer respondents in the micro division hired the least number of workers, averaging three workers in total, while the largest number of workers (11) were hired by dealers in the large division.

**Table 19. NUMBER OF FULL-TIME AND PART-TIME WORKERS BY MARKET VALUE DIVISIONS (AVERAGES)**

<b>Item</b>	<b>All</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Full-Time Workers	3.6	2.1	2.9	4.7	4.0	5.7
Part-Time or Seasonal Workers	3.9	1.0	6.7	4.4	6.8	1.4
<b>Total Number of Workers</b>	<b>7.5</b>	<b>3.1</b>	<b>9.6</b>	<b>9.1</b>	<b>10.8</b>	<b>7.1</b>

With an average of seven individuals, the respondents in the small and large divisions employed the largest number of part-time workers. An average of one part-time worker was hired by the micro and the very large division. An average of about five full-time employees worked for dockside seafood dealers whose asset values fell in the medium, large, and very large divisions. The number of full-time workers averaged 3 workers or less for the micro and small divisions.

## INSURED VALUE

The insured value for the seafood business facility and inventory averaged between \$46,549 for the micro division and \$855,020 for the very large division (Table 20). The percentage of dockside seafood dealer respondents with business and inventory insurance ranged from 31.3 percent for respondents in the micro division to 77.8 percent for businesses in the medium division. Collectively, 56.6 percent of all respondents had business and inventory insurance for the baseline year of 2009.

Table 20. **INSURED VALUE BY MARKET VALUE DIVISIONS (AVERAGES)**

Item	All	Micro	Small	Medium	Large	Very Large
Insured Value of Business and Inventory	302,036	46,549	170,921	276,623	437,510	855,020
Percent with Insurance	56.6%	31.3%	55.6%	77.8%	75.0%	57.1%

## BALANCE SHEET

A representative balance sheet across the various divisions of business sizes is presented in Table 21. Asset value increased consistently with the business size division from an average of \$36,711 for the micro division to \$1,935,044 for the very large division. Business debt ranged from \$30,123 for the micro division to \$200,909 for the large division. The average debt was relatively low for the very large division compared to the medium and large divisions.



*Table 21. BALANCE SHEET BY MARKET VALUE DIVISIONS (AVERAGES)<sup>2</sup>*

<b>Item</b>	<b>All</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Assets	504,891	36,711	170,921	374,509	643,140	1,935,044
Debt	87,688	30,123	46,084	89,252	200,909	76,656
<b>Equity</b>	<b>417,203</b>	<b>6,589</b>	<b>124,836</b>	<b>285,257</b>	<b>442,231</b>	<b>1,858,389</b>

Equity, or net worth, for dockside seafood dealers averaged \$6,589 for the micro division, \$124,836 for the small division, and \$285,257 for the medium division. The average equity was \$442,231 for the large division and \$1,858,389 for the very large division. Appendix 1 presents further details concerning the balance sheet for dockside seafood dealers.

## EXPENDITURES

Total expenditures were derived from the summation of the cost of seafood purchased, cost of labor, and miscellaneous expenses. The miscellaneous expenses included utility cost, freight cost, repairs and maintenance costs, capital purchases, principal paid on loans, interest paid on loans, rental or lease payments, property taxes, insurance, and other costs.

Total expenditures averaged between \$299,927 for dealers in the micro division to \$2.6 million for individuals in the very large division (Table 22). The cost of seafood purchased constituted over four-fifths of total expenditures across the size divisions, ranging from 81.4 percent for the small division to 98.4 percent for the very large division. Labor cost was three percent or less for all divisions, except for the small division which accounted for 8.1 percent of total expenditures.

*Table 22. TOTAL AND ITEMIZED EXPENDITURE CATEGORIES BY MARKET VALUE DIVISIONS (AVERAGES)*

<b>Item</b>	<b>All</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Cost of Purchasing Seafood	93.2%	85.3%	81.4%	94.7%	94.2%	98.4%
Labor Costs	2.1%	3.0%	8.1%	0.7%	1.4%	0.6%
Miscellaneous Expenditures	4.7%	11.7%	10.5%	4.6%	4.4%	1.0%
<b>Total Expenditures</b>	<b>1,051,903</b>	<b>299,927</b>	<b>797,439</b>	<b>629,434</b>	<b>1,663,865</b>	<b>2,591,971</b>

<sup>2</sup> Numbers may not necessarily calculate or sum perfectly as a result of rounding.

## TOTAL REVENUE

Total revenue consisted of the revenue from seafood and non-seafood sales. Average revenue from the sale of seafood ranged from \$309,477 for the micro division to approximately \$3 million for the very large division (Table 23). For non-seafood products, average sales revenues were \$1,027 for the micro division, \$24,264 for the small division, and \$128,897 for the large division. Respondents in the medium and very large divisions had no revenue from the sales of non-seafood products.

*Table 23. CASH FLOW STATEMENT BY MARKET VALUE DIVISIONS (AVERAGES)<sup>3</sup>*

<b>Item</b>	<b>All</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Cash Inflow	1,229,068	314,423	925,710	756,881	1,944,856	3,089,748
Seafood Sales	1,172,586	309,477	876,095	744,955	1,783,399	3,029,312
Sales of Products other than Seafood	33,615	1,027	24,264	0	128,897	0
Government Payments	22,867	3,919	25,351	11,926	32,560	60,436
Cash Outflow	1,051,903	299,927	797,439	629,434	1,663,865	2,591,971
Cost of Purchasing Seafood	980,289	255,746	648,833	596,129	1,567,101	2,550,503
Labor Costs	21,909	9,097	64,589	4,156	23,689	16,091
Miscellaneous Expenditures	49,705	35,084	84,017	29,149	73,075	25,377
<b>Net Cash Flow</b>	<b>177,165</b>	<b>14,496</b>	<b>128,271</b>	<b>127,448</b>	<b>280,991</b>	<b>497,777</b>

<sup>3</sup> Numbers may not necessarily calculate or sum perfectly as a result of rounding.

## GOVERNMENT PAYMENTS

Government payments for dockside seafood dealers averaged \$3,919 for the micro division, \$25,351 for the small division, and \$11,926 for the medium division (Table 23). For individuals in the large and very large divisions, the average government payments received were \$32,560 and \$60,436, respectively.

## CASH FLOWS

Cash flows consist of cash inflows and cash outflows. Cash inflow is the sum of revenue from all sources and government payments, while cash outflow is the sum of the expenses related to seafood purchases, labor, and miscellaneous items.

The average total cash inflow rose from \$314,423 for dealers in the micro division to about \$3.1 million for individuals in the very large division (Table 23). Similarly, average cash outflow rose from \$299,927 for the micro division to approximately \$2.6 million for the very large division.

Average net cash flow, the difference between cash inflow and cash outflow, was positive across all market value divisions of dockside seafood dealers. Net cash flow ranged from \$14,496 for the micro group to \$497,777 for the very large division. All respondents in the small and very large divisions had positive net cash flow. The percentage of respondents who had a positive net cash flow was 81.3 percent for the micro division, 77.8 percent for the medium division, and 91.7 percent for the large division. Appendix 1 presents a more detailed cash flow statement for dockside seafood dealers.

## GROSS MARGIN FROM SEAFOOD SALES

Average gross margin from the sale of seafood was \$53,730 for the micro division, \$227,262 for the small division, \$148,826 for the medium division, \$216,298 for the large division, and \$478,808 for the very large division (Table 24).

The percentage of gross margin over seafood sales was smaller at the upper end of the asset size divisions compared to the lower end. For example, gross margin over seafood sales was 12.1 percent for individuals in the large division and 15.8 percent in the very large division. In contrast, the percentage of gross margin over seafood sales was 17.4 percent for the micro division, 25.9 percent for the small division, and 20 percent for the medium division.

Table 24. **INCOME STATEMENT BY MARKET VALUE DIVISIONS (AVERAGES)<sup>4</sup>**

Item	All	Micro	Small	Medium	Large	Very Large
<b>Revenue from Seafood Sales</b>	<b>1,172,586</b>	<b>309,477</b>	<b>876,095</b>	<b>744,955</b>	<b>1,783,399</b>	<b>3,029,312</b>
<b>Cost of Seafood Sold</b>	<b>980,289</b>	<b>255,746</b>	<b>648,833</b>	<b>596,129</b>	<b>1,567,101</b>	<b>2,550,503</b>
<b>Gross Margin from Seafood Sales</b>	<b>192,296</b>	<b>53,730</b>	<b>227,262</b>	<b>148,826</b>	<b>216,298</b>	<b>478,808</b>
Gross Margin/ Seafood Sales	16.4%	17.4%	25.9%	20.0%	12.1%	15.8%
<b>Revenue from Other Products</b>	<b>33,615</b>	<b>1,027</b>	<b>24,264</b>	<b>0</b>	<b>128,897</b>	<b>0</b>
<b>Total Revenue</b>	<b>1,206,201</b>	<b>310,504</b>	<b>900,360</b>	<b>744,956</b>	<b>1,912,296</b>	<b>3,029,312</b>
<b>Operating Expenses</b>	<b>62,690</b>	<b>41,420</b>	<b>133,523</b>	<b>30,268</b>	<b>78,153</b>	<b>35,419</b>
Wages and Salaries	21,909	9,097	64,589	4,156	23,689	16,091
Other Operating Expenses	40,781	32,323	68,934	26,112	54,464	19,328
<b>Depreciation</b>	<b>20,868</b>	<b>1,461</b>	<b>6,887</b>	<b>16,878</b>	<b>27,852</b>	<b>76,354</b>
<b>Net Income from Operations</b>	<b>142,354</b>	<b>11,878</b>	<b>111,115</b>	<b>101,681</b>	<b>239,190</b>	<b>367,037</b>
Interest Paid on Loans	1,825	1,500	2,282	1,142	2,803	1,180
Government Payments Received	22,867	3,919	25,351	11,926	32,560	60,436
<b>Net Income before Taxes</b>	<b>163,396</b>	<b>14,296</b>	<b>134,184</b>	<b>112,464</b>	<b>268,947</b>	<b>426,292</b>
Net Income/ Sales	13.5%	4.6%	14.9%	15.1%	14.1%	14.1%

<sup>4</sup> Numbers may not necessarily calculate or sum perfectly as a result of rounding.

## **OPERATING EXPENSES**

Operating expenses are the sum of wages and salaries and the cumulative expenses related to utilities, freight, repairs and maintenance, rental or lease payments, property taxes, insurance, and other costs. Average operating expenses ranged from \$30,268 for the medium division to \$133,523 for the small division (Table 24).

## **DEPRECIATION EXPENSES**

Depreciation expenses increased as the market value size divisions increased. Average total depreciation ranged from \$1,461 for the micro division to \$76,354 for the very large division (Table 24).

## **NET INCOME FROM OPERATIONS**

Average net income from operations was calculated by subtracting the sum of the costs of seafood purchased, operating expenses, and depreciation expenses from total revenues. Average net income from operations was \$11,878 for the micro division, \$111,115 for the small division, and \$101,681 for the medium division (Table 24). For the large and very large divisions, the average net income from operations were \$239,190 and \$367,037, respectively.

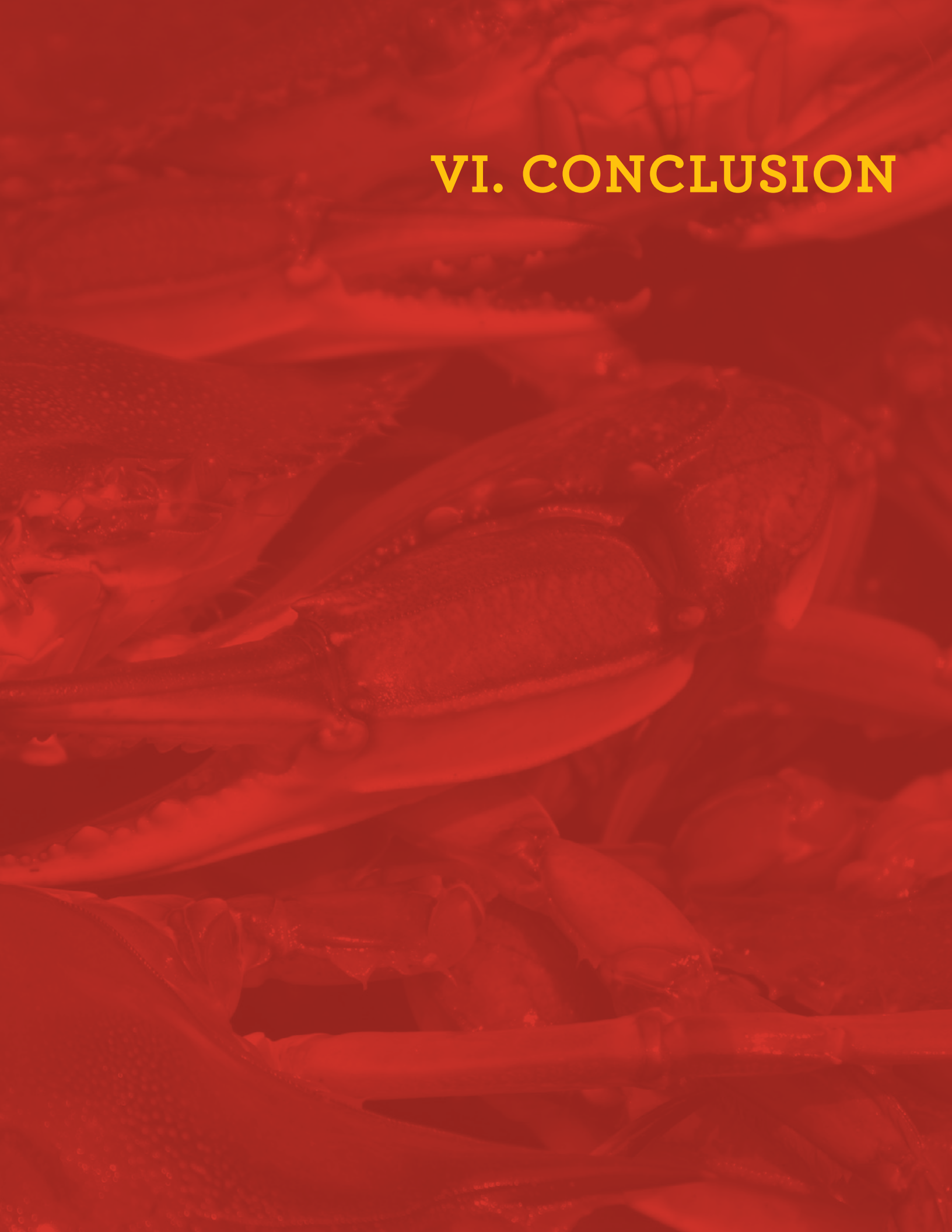
## **NET INCOME BEFORE TAXES**

Net income before taxes was computed by adding government payments received by respondents to the net income from operations and subtracting loan interest payments. Average net income before taxes increased with the size divisions from \$14,296 for the micro division to \$426,292 for the very large division (Table 24).

The percentage of net income before taxes over sales ranged from 4.6 percent for the micro division to 15.1 percent for the medium division. All respondents in the small and very large divisions had positive net income before taxes. However, net income before taxes was positive for only 81.3 percent of respondents in the micro division, 66.7 percent in the medium division, and 83.3 percent in the large division. Appendix 1 presents a more detailed income statement for dockside seafood dealers.



# VI. CONCLUSION



Data collection activities concerning dockside seafood dealers in the Gulf region have historically been scant in terms of information regarding the characteristics and economic performance of businesses. The data collection and analysis described herein attempts to fill that void by creating a regional economic baseline for the dockside seafood dealer component of the supply chain. Results from the data collection and analysis should help to guide future decisions as they relate to seafood marketing, business performance, and fisheries management.

Results from the analysis conducted reveal that dockside seafood dealers, which employed an average of four full-time workers and an average of four part-time workers, do not only purchase and sell seafood, but also include other domestic activities such as the processing and retailing of seafood. Approximately four-fifths (80%) of all dockside seafood dealers analyzed bought and sold seafood (dealing and distributing), while the remaining business activities included retailing, commercial fishing, and processing.

Seafood purchases consisted of over nine-tenths (90%) of the total expenditures of dockside dealer respondents. Employees' wages and salaries represented less than three percent of expenditures. Given the fifty-three observations available for financial analysis, nine out of ten had a positive net cash flow while the remainder had a negative or zero net cash flow. Over four-fifths (>80%) had positive net income before taxes and the remaining respondents had a negative or zero net income before taxes. One-half of businesses had outstanding loans at the end of the baseline year of 2009. Nevertheless, equity was positive for ninety percent of dealer respondents.

Considerations should be taken, however, relative to the findings presented herein. In an effort to improve the response rate, estimates derived from data provided by a relatively small number of respondents were used to compute various components of the operating expenses and replace missing values. Given this limited information, it was difficult to determine exactly how representative the study population estimates were. Many responses, which could have potentially been included in the financial analysis, were not included due to inconsistencies in key data variables. It was also challenging to initially identify dockside seafood dealers given limited information and metadata from the state marine resource agencies concerning dealer licenses.

Furthermore, in spite of the focus of the data collection effort that aimed to only collect the necessary amount of information that would allow for informative financial and economic analysis, some individuals felt that the survey asked for too much private or personal information. Hence, the occurrences of missing data points might have been an indirect effect of the respondents' unwillingness to provide needed information. Consideration of these caveats for future surveys is advised in order to improve the results.

While considerations must be taken with regard to the results presented for the sample population of dockside seafood dealers in the Gulf, the research effort was successful in gaining a better understanding of the structure of the Gulf seafood supply chain, the characteristics of the businesses, and the economic performance of the firm as it relates to the balance sheet, cash flow statement, and income statement.





*Appendix 1. TABLES WITH 2009 FINANCIAL AND ECONOMIC RESULTS (AVERAGES)<sup>5</sup>*

(In 2012 USD unless otherwise stated)	MARKET VALUE DIVISIONS					
	Total Sample	Micro	Small	Medium	Large	Very Large
Number of Observations	53	16	9	9	12	7
<b>BUSINESS CHARACTERISTICS</b>						
Full-time Workers	3.6	2.1	2.9	4.7	4	5.7
Part-time or Seasonal Workers	3.9	1	6.7	4.4	6.8	1.4
Total Number of Workers	7.5	3.1	9.6	9.1	10.8	7.1
<b>BALANCE SHEET</b>						
<b>Total Assets</b>	<b>504,891</b>	<b>36,711</b>	<b>170,921</b>	<b>374,509</b>	<b>643,140</b>	<b>1,935,044</b>
Market Value of Land	87,548	7,506	33,169	36,948	86,095	407,969
Market Value of Facilities	417,343	29,205	137,752	337,561	557,045	1,527,075
<b>Liabilities</b>	<b>87,688</b>	<b>30,123</b>	<b>46,084</b>	<b>89,252</b>	<b>200,909</b>	<b>76,656</b>
Percentage with Outstanding Loans	52.8%	12.5%	66.7%	77.8%	66.7%	71.4%
<b>Equity</b>	<b>417,203</b>	<b>6,589</b>	<b>124,836</b>	<b>285,257</b>	<b>442,231</b>	<b>1,858,389</b>
Percentage with Insurance	56.6%	31.3%	55.6%	77.8%	75.0%	57.1%
Insurance Coverage (Percentage of Assets)	59.8%	126.8%	100.0%	73.9%	68.0%	44.2%

*Appendix 1 continued on next page*

<sup>5</sup> Numbers may not necessarily calculate or sum perfectly as a result of rounding.

*Appendix 1 Cont'd.* **TABLES WITH 2009 FINANCIAL AND ECONOMIC RESULTS (AVERAGES)**

(In 2012 USD unless otherwise stated)	MARKET VALUE DIVISIONS					
	<b>Total Sample</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Number of Observations	53	16	9	9	12	7
<b>CASH FLOW</b>						
<b>Inflow</b>	<b>1,229,068</b>	<b>314,423</b>	<b>925,710</b>	<b>756,881</b>	<b>1,944,856</b>	<b>3,089,748</b>
Seafood Sales	1,172,586	309,477	876,095	744,955	1,783,399	3,029,312
Sales of Products other than Seafood	33,615	1,027	24,264	0	128,897	0
Government Payments	22,867	3,919	25,351	11,926	32,560	60,436
<b>Outflow</b>	<b>1,051,903</b>	<b>299,927</b>	<b>797,439</b>	<b>629,434</b>	<b>1,663,865</b>	<b>2,591,971</b>
Seafood Purchases	980,289	255,746	648,833	596,129	1,567,101	2,550,503
Wages and Salaries	21,909	9,097	64,589	4,156	23,689	16,091
Utility Costs	5,754	5,910	8,371	2,124	7,134	4,335
Freight Costs	3,161	572	15,420	498	1,026	403
Repairs and Maintenance	6,246	5,865	6,181	1,743	11,617	3,781
Capital Purchases	3,833	1,235	4,288	1,262	8,879	3,841
Principal Paid on Loans	3,266	26	8,513	633	6,929	1,028
Interest Paid on Loans	1,825	1,500	2,282	1,142	2,803	1,180
Rental or Lease Payments	3,092	4,370	4,110	1,877	1,464	3,219
Property Tax	909	1,164	1,244	385	984	438
Insurance	2,652	2,272	3,438	753	5,040	859
Other Costs	18,967	12,170	30,170	18,732	27,199	6,293
<b>Net Cash Flow</b>	<b>177,165</b>	<b>14,496</b>	<b>128,271</b>	<b>127,448</b>	<b>280,991</b>	<b>497,777</b>

*Appendix 1 continued on next page*



*Appendix 1 Cont'd.* **TABLES WITH 2009 FINANCIAL AND ECONOMIC RESULTS (AVERAGES)**

(In 2012 USD unless otherwise stated)	MARKET VALUE DIVISIONS					
	Total Sample	Micro	Small	Medium	Large	Very Large
Number of Observations	53	16	9	9	12	7
<b>INCOME STATEMENT</b>						
<b>Revenue from Seafood Sales</b>	<b>1,172,586</b>	<b>309,477</b>	<b>876,095</b>	<b>744,955</b>	<b>1,783,399</b>	<b>3,029,312</b>
<b>Cost of Seafood Sold</b>	<b>980,289</b>	<b>255,746</b>	<b>648,833</b>	<b>596,129</b>	<b>1,567,101</b>	<b>2,550,503</b>
<b>Gross Margin from Seafood Sales</b>	<b>192,296</b>	<b>53,730</b>	<b>227,262</b>	<b>148,826</b>	<b>216,298</b>	<b>478,808</b>
Gross Margin/Seafood Sales	16.40%	17.4%	25.9%	20.0%	12.1%	15.8%
<b>Revenue from Sales of Other Products</b>	<b>33,615</b>	<b>1,027</b>	<b>24,264</b>	<b>0</b>	<b>128,897</b>	<b>0</b>
<b>Total Revenue</b>	<b>1,206,201</b>	<b>310,504</b>	<b>900,360</b>	<b>744,956</b>	<b>1,912,296</b>	<b>3,029,312</b>
<b>Operating Expenses</b>	<b>62,690</b>	<b>41,420</b>	<b>133,523</b>	<b>30,268</b>	<b>78,153</b>	<b>35,419</b>
Wages and Salaries	34.9%	22.0%	48.4%	13.7%	30.3%	45.4%
Utility Costs	9.2%	14.3%	6.3%	7.0%	9.1%	12.2%
Freight Costs	5.0%	1.4%	11.5%	1.6%	1.3%	1.1%
Repair and Maintenance	10.0%	14.2%	4.6%	5.8%	14.9%	10.7%
Rental or Lease Payments	4.9%	10.6%	3.1%	6.2%	1.9%	9.1%
Property Tax	1.4%	2.8%	0.9%	1.3%	1.3%	1.2%
Insurance Costs	4.2%	5.5%	2.6%	2.5%	6.4%	2.4%
Other Costs	30.3%	29.4%	22.6%	61.9%	34.8%	17.8%

*Appendix 1 continued on next page*

*Appendix 1 Cont'd.* **TABLES WITH 2009 FINANCIAL AND ECONOMIC RESULTS (AVERAGES)**

(In 2012 USD unless otherwise stated)	MARKET VALUE DIVISIONS					
	<b>Total Sample</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Very Large</b>
Number of Observations	53	16	9	9	12	7
<b>INCOME STATEMENT CONT'D.</b>						
<b>Depreciation</b>	<b>20,868</b>	<b>1,461</b>	<b>6,887</b>	<b>16,878</b>	<b>27,852</b>	<b>76,354</b>
Facility Structures & Equipment	20,676	1,399	6,673	16,815	27,408	76,162
Capital Acquisitions	192	62	214	63	444	192
<b>Net Income from Operations</b>	<b>142,354</b>	<b>11,878</b>	<b>111,115</b>	<b>101,681</b>	<b>239,190</b>	<b>367,037</b>
<b>Interest Paid on Loans</b>	<b>1,825</b>	<b>1,500</b>	<b>2,282</b>	<b>1,142</b>	<b>2,803</b>	<b>1,180</b>
<b>Government Payments</b>	<b>22,867</b>	<b>3,919</b>	<b>25,351</b>	<b>11,926</b>	<b>32,560</b>	<b>60,436</b>
<b>Net Income Before Taxes</b>	<b>163,396</b>	<b>14,296</b>	<b>134,184</b>	<b>112,464</b>	<b>268,947</b>	<b>426,292</b>
Net Income/Sales	13.5%	4.6%	14.9%	15.1%	14.1%	14.1%

*Appendix 2. ITEMIZED EXPENDITURES AND PERCENTAGE OF TOTAL EXPENSES (INITIAL SURVEY)<sup>6</sup>*

<b>Item</b>	<b>Percentage</b>
Cost of seafood purchased	64.7%
Wages and salaries	9.7%
Utility costs	2.9%
Freight costs	1.0%
Repair and maintenance	4.4%
Capital purchases	1.6%
Principal paid on loans	2.5%
Interest paid on loans	1.1%
Rental or lease payments	1.4%
Property tax	1.3%
Insurance	1.4%
Other	7.5%
<b>Total</b>	<b>100.0%</b>

<sup>6</sup> Numbers may not necessarily calculate or sum perfectly as a result of rounding.

Appendix 3. GULF STATES SEAFOOD DEALER SURVEY (INITIAL SURVEY)

**GULF STATES SEAFOOD DEALER SURVEY FOR YEAR 2009**

**SECTION A: SEAFOOD DEALER CHARACTERISTICS FOR 2009**

**For each question, please write the actual number, approximation, or best estimate.  
Please do not leave anything blank! Please write "0" if an answer is zero or none!**

1. Please indicate what percent of your seafood business at this address—in terms of costs—was directly involved in each of the following activities in 2009:

Activity	(%) of Cost
A. Commercial fishing (operating commercial fishing vessels to harvest seafood).....	[ ] %
B. Dealer / distributor activities (buying and reselling seafood).....	[ ] %
C. Processor activities (transforming seafood into new products and reselling the products).....	[ ] %
D. Retailer activities (selling seafood products directly to the consumer).....	[ ] %
E. Other: (specify) _____ .....	[ ] %
<b>Total Should Equal 100%</b>	

2. If the seafood business at this address were sold *today*, how much do you think it would sell for?  
(This includes buildings, vehicles, equipment, and land [if applicable])

- A. Market value of entire seafood business at this address (including land value, if applicable).... \$ [ ]
- B. Market value of land (if applicable).....  Did not own land in 2009 \$ [ ]

3. *Not* including the land, what would the replacement cost be *today* for the seafood business at this address?  
(This includes vehicles, building materials, equipment, and labor)

- A. Replacement cost for the seafood business at this address *today*..... \$ [ ]

4. *Not* including the land, what was the insured value for the seafood business and inventory at this address in 2009?  
(This includes vehicles, buildings, equipment, and inventory)

- A. Insured value for the seafood business and inventory at this address in 2009.....\$ [ ]
- No Insurance in 2009

5. In 2009, approximately how many people were employed at the seafood business at this address?  
(If the owner works at this seafood business, please include him/her among the total number of workers)

- A. 2009 Full-time (# of workers)..... [ ] (40 or more hours per week)
- B. 2009 Part-time (# of workers)..... [ ] (Less than 40 hours per week)

Questions? Call Jack Isaacs at (225) 765-2605 or Alex Miller at (228) 875-5912

Appendix 3 continued on next page

*Appendix 3 Cont'd.* **GULF STATES SEAFOOD DEALER SURVEY (INITIAL SURVEY)**

**SECTION B: SEAFOOD DEALER COSTS FOR 2009**

**For each question, please write the actual number, approximation, or best estimate.  
Please do not leave anything blank! Please write "0" if an answer is zero or none!**

6. At the end of 2009, what was the total amount of **all outstanding loans** for the seafood business at this address (land, vehicles, buildings, equipment, boats, etc)?

A. Total amount of all outstanding loans for the seafood business at this address in 2009 .....\$

7. What were the **total 2009 expenses** as they directly related to the seafood business activities at this address?  
(For example: buying seafood, labor, supplies, utilities, storage, vehicles, etc.)

A. Total 2009 expenses for this seafood business .....\$

8. Please itemize your **2009 expenses** for the following categories:

\*Please allocate your expenses as they directly relate to **the seafood business** at this address in 2009

\*If you are **more comfortable** providing percentages, please record the **percent (%) of total 2009 expenses** as reported in **question 7A** above

	2009 Expense	OR	% of Total 2009 Expense
A. Total cost of seafood purchased.....	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
B. Wages and salaries..... (including bonuses, benefits, payroll taxes, and unemployment insurance)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
C. Utility costs..... (electricity, natural gas, propane gas, water, sewer, waste disposal, etc.)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
D. Freight costs..... (UPS, FedEx, and shipping services)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
E. Repair and maintenance costs..... (buildings, vehicles, equipment, trucks, boats, etc.)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
F. Capital purchases..... (buildings, vehicles, new and used machinery, equipment, and boats, etc.)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
G. Principal paid on loans.....	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
H. Interest paid on loans.....	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
I. Rental or lease payments..... (buildings, vehicles, storage space, trailers, land, equipment, etc.)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
J. Property tax.....	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
K. Insurance costs..... (buildings, vehicles, equipment, boats, workers compensation, etc.)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
L. Other costs..... (fuel, packing materials, professional services, cookbooks, seasonings, etc.)	\$ <input style="width: 100px;" type="text"/>	OR	<input style="width: 50px;" type="text"/> %
<b>M. Total 2009 Expenses</b>	\$ <input style="width: 100px;" type="text"/>	<b>OR</b>	<input style="width: 50px;" type="text"/> <b>%</b>

9. Did the seafood business at this address take a loan out for *any* of the **capital purchases** reported above in **question 8, row F**?

Yes     No     No Capital Purchases in 2009

A. If yes, what amount of the capital purchases reported above, in dollars (\$) or (%), had a loan?

\$     OR     %

B. If no, please continue to the next question.

Questions? Call Jack Isaacs at (225) 765-2605 or Alex Miller at (228) 875-5912

*Appendix 3 continued on next page*



Appendix 3 Cont'd. **GULF STATES SEAFOOD DEALER SURVEY (INITIAL SURVEY)**

**SECTION C: SEAFOOD RELATED CHARACTERISTICS FOR 2009**

For each question, please write the actual number, approximation, or best estimate.  
Please do not leave anything blank! Please write "0" if an answer is zero or none!

10. For the seafood business at this address, what was the total **GROSS COST**<sup>1</sup> to buy each type of seafood in 2009?

<sup>1</sup>Please include only the cost of seafood that this business bought from another person or business in 2009. Do not include the cost of harvesting seafood if this business sold seafood that it harvested with its own vessels.

Type	Total GROSS COST (\$) in 2009
A. Shrimp.....	\$ <input type="text"/>
B. Crab.....	\$ <input type="text"/>
C. Oyster.....	\$ <input type="text"/>
D. Finfish.....	\$ <input type="text"/>
E. Crawfish.....	\$ <input type="text"/>
F. Lobster.....	\$ <input type="text"/>
G. Other 1: _____	\$ <input type="text"/>
H. Other 2: _____	\$ <input type="text"/>

11. What percentage (%) of all seafood purchased or obtained in 2009 by the seafood business at this address—in terms of total cost—came from the following sources?

Source of Seafood for This Business	(%) of Cost
A. U.S. based captains or harvesters who operate vessels owned by this business (including yourself).....	<input type="text"/> %
B. U.S. based harvesters who operate their own vessels.....	<input type="text"/> %
C. U.S. based seafood dealers / distributors.....	<input type="text"/> %
D. U.S. based seafood processors.....	<input type="text"/> %
E. Outside the United States.....	<input type="text"/> %
F. Others (specify _____).....	<input type="text"/> %
<b>Total Should Equal 100%</b>	

12. For the seafood business at this address, what were the total **GROSS SALES** for each type of seafood in 2009?

Type	Total GROSS SALES (\$) in 2009
A. Shrimp.....	\$ <input type="text"/>
B. Crab.....	\$ <input type="text"/>
C. Oyster.....	\$ <input type="text"/>
D. Finfish.....	\$ <input type="text"/>
E. Crawfish.....	\$ <input type="text"/>
F. Lobster.....	\$ <input type="text"/>
G. Other 1: _____	\$ <input type="text"/>
H. Other 2: _____	\$ <input type="text"/>

Questions? Call Jack Isaacs at (225) 765-2605 or Alex Miller at (228) 875-5912

Appendix 3 continued on next page

**Appendix 3 Cont'd. GULF STATES SEAFOOD DEALER SURVEY (INITIAL SURVEY)**

13. In 2009, what percentage of the total **GROSS seafood sales** for the seafood business at this address—in terms of dollars—was sold and/or shipped to the following?

	(%) of Seafood Sales	
A. Dealers / Distributors (that buy and/or resell seafood).....	<input type="text"/>	%
B. Processors (that transform seafood into new products and/or resell the products).....	<input type="text"/>	%
C. Retailers (restaurants, grocery stores, seafood shops, etc).....	<input type="text"/>	%
D. The Public.....	<input type="text"/>	%
E. Other: (specify).....	<input type="text"/>	%
<b>Total Should Equal</b>		<b>100%</b>

14. In 2009, in terms of dollars, where did the seafood business at this address directly **sell and/or ship** seafood?

For example, if you sold \$100,000 of shrimp in 2009 and \$90,000 of shrimp was directly sold in-state and \$10,000 was sold to states outside the Gulf of Mexico region, you would record 90% in the “In-state” category and 10% in the “States outside the GOM region” category for shrimp. *Please feel free to give an approximation or best estimate!*

**Percentage of Seafood Sales (In Terms of Dollars) Sold Directly to the Following Locations in 2009**

	In-state	Other states in the GOM region*	States outside the GOM region	Exported (outside the U.S.)	Total
A. <b>Shrimp</b>	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
B. <b>Crab</b>	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
C. <b>Oyster</b>	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
D. <b>Finfish</b>	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
E. <b>Crawfish</b>	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
F. <b>Lobster</b>	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
G. <b>Other 1:</b> _____	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
H. <b>Other 2:</b> _____	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %

\*Gulf of Mexico (GOM) region = TX, LA, MS, AL, FL

15. In 2009, what were the total **GROSS NON-SEAFOOD related** sales for the seafood business at this address?

A. Total **GROSS NON-SEAFOOD Related** Sales in 2009..... \$   
 For example: poultry, vegetables, farm-raised catfish, etc.

16. In 2009, what were the total government (State and Federal) payments received as they related to the seafood business at this address?

A. Total government (State and Federal) payments received in 2009..... \$   
 (For example: tariff money, grant money, disaster assistance, etc)

**Thank You!**  
 Please mail this completed survey using the enclosed prepaid envelope to:  
 Gulf States Seafood Dealer Survey for Year 2009  
 P.O. Box 98000  
 Baton Rouge, LA 70898-9000

Questions? Call Jack Isaacs at (225) 765-2605 or Alex Miller at (228) 875-5912

**Appendix 4. GULF STATES SEAFOOD DEALER SURVEY (SECOND SURVEY)**

**GULF STATES SEAFOOD DEALER SURVEY FOR THE YEAR 2009**

**For each section, please write the actual number, approximation, or best estimate.  
Please do not leave anything blank! Please write "0" if an answer is zero or none!**

1. Please indicate what percentage (%) of your seafood business at this address—in terms of costs—was directly involved in each of the following activities in 2009.

Activity	(%) of Cost
A. Commercial fishing (operating commercial fishing vessels to harvest seafood).....	%
B. Dealer / distributor activities (buying and reselling seafood).....	%
C. Processor activities (transforming seafood into new products and reselling the products).....	%
D. Retailer activities (selling seafood products directly to the consumer).....	%
E. Other: (specify) _____ .....	%
<b>100%</b>	

2. In 2009, in terms of dollars, where did the seafood business at this address directly **sell and/or ship** seafood?

**Percentage of Seafood Sales (In Terms of Dollars) Sold Directly to the Following Locations in 2009**

In-MS	Other states in the GOM region*	States outside the GOM region	Exported (outside the U.S.)	Total
A. %	B. %	C. %	D. %	<b>100%</b>

\*Gulf of Mexico (GOM) region = TX, LA, MS, AL, w-FL

3. If the seafood business at this address were sold in 2009, how much do you think it would sell for? (This includes buildings, vehicles, equipment, and land [if applicable])

A. Market value of entire seafood business at this address in 2009.....\$

4. *Not* including the land, what was the insured value for the seafood business and inventory at this address in 2009?

A. Insured value for the seafood business and inventory at this address in 2009.....\$

No Insurance in 2009

5. At the end of 2009, what was the total amount of all **outstanding loans** for the seafood business at this address? (This includes buildings, vehicles, equipment, and land [if applicable])

A. Total amount of all outstanding loans for the seafood business at this address in 2009.....\$

6. In 2009, approximately how many people were employed at the seafood business at this address? (If the owner works at this seafood business, please include him/her among the total number of workers)

A. 2009 Full-time (# of workers).....  B. 2009 Part-time / Seasonal (# of workers)..

*Appendix 4 continued on next page*

*Appendix 4 Cont'd.* **GULF STATES SEAFOOD DEALER SURVEY (SECOND SURVEY)**

7. What were the **total 2009 expenses** as they directly related to the seafood business activities at this address?  
(For example: buying seafood, labor, supplies, utilities, storage, vehicles, etc.)

A. Total 2009 expenses for this seafood business.....\$

8. In 2009, what were the total government (State and Federal) payments received by the seafood business at this address (Examples include tariff money, grant money, and disaster assistance, etc.)

A. Total government (State and Federal) payments received in 2009.....\$   
(For example: tariff money, grant money, disaster assistance, etc)

**Additional Questions on Back →**

9. For the seafood business at this address, what was the total **GROSS COST**<sup>1</sup> to buy each type of seafood in 2009?

<sup>1</sup>Please include only the cost of seafood that this business bought from another person or business in 2009. Do not include the cost of harvesting seafood if this business sold seafood that it harvested with its own vessels.

Type	Total GROSS COST (\$) in 2009
A. Shrimp.....	\$ <input type="text"/>
B. Crab.....	\$ <input type="text"/>
C. Oysters.....	\$ <input type="text"/>
D. Finfish.....	\$ <input type="text"/>
E. Crawfish.....	\$ <input type="text"/>
F. Other _____.....	\$ <input type="text"/>

10. What percentage (%) of all seafood purchased or obtained in 2009 by the seafood business at this address—in terms of total cost—came from the following sources?

Source of Seafood for This Business	(%) of Cost
A. U.S. based captains or harvesters who operate vessels owned by this business (including yourself).....	<input type="text"/> %
B. U.S. based harvesters who operate their own vessels.....	<input type="text"/> %
C. U.S. based seafood dealers / distributors.....	<input type="text"/> %
D. U.S. based seafood processors.....	<input type="text"/> %
E. Outside the United States.....	<input type="text"/> %
F. Others (specify _____).....	<input type="text"/> %
<b>100%</b>	

*Appendix 4 continued on next page*

*Appendix 4 Cont'd.* **GULF STATES SEAFOOD DEALER SURVEY (SECOND SURVEY)**

11. For the seafood business at this address, what were the total **GROSS SALES** for each type of seafood in 2009?

Type	Total GROSS SALES (\$) in 2009
A. Shrimp.....	\$ <input style="width: 150px; height: 15px;" type="text"/>
B. Crab.....	\$ <input style="width: 150px; height: 15px;" type="text"/>
C. Oysters.....	\$ <input style="width: 150px; height: 15px;" type="text"/>
D. Finfish.....	\$ <input style="width: 150px; height: 15px;" type="text"/>
E. Crawfish.....	\$ <input style="width: 150px; height: 15px;" type="text"/>
F. Other : _____	\$ <input style="width: 150px; height: 15px;" type="text"/>

12. In 2009, what percentage (%) of the total **GROSS seafood sales** for the seafood business at this address—in terms of dollars—was sold and/or shipped to the following buyers?

Buyer	(%) of Seafood Sales
A. Dealers / Distributors (that buy and/or resell seafood).....	<input style="width: 100px; height: 15px;" type="text"/> %
B. Processors (that transform seafood into new products and/or resell the products).....	<input style="width: 100px; height: 15px;" type="text"/> %
C. Retailers (restaurants, grocery stores, seafood shops, etc).....	<input style="width: 100px; height: 15px;" type="text"/> %
D. The Public.....	<input style="width: 100px; height: 15px;" type="text"/> %
E. Others (specify) _____	<input style="width: 100px; height: 15px;" type="text"/> %
<b>100%</b>	

13. In 2009, what were the total GROSS **NON-SEAFOOD** related sales for the seafood business at this address?

A. Total GROSS **NON-SEAFOOD** Related Sales in 2009..... \$   
 For example: poultry, vegetables, farm-raised catfish, etc.

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**SUPPLEMENT: HURRICANE ISAAC QUESTION FOR THE YEAR 2012**

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14. In 2012, was the seafood business at this address affected by Hurricane Isaac?  YES  NO

**If YES:** Did this business shut down because of the hurricane?  YES, Temporary  YES, Permanent  NO

**If YES:** Did this business suffer property damage because of the hurricane  YES, Major  YES, Minor  NO



*Appendix 5. NON-RESPONSE SURVEY OF GULF STATES SEAFOOD DEALERS*

1. Which of the following best describes you or your business in 2009?  
(Please circle only one.)
  - A) A commercial seafood dealer that purchased most seafood directly from commercial fishermen
  - B) A seafood retail store or seafood restaurant that purchased some seafood from commercial fishermen but most from other sources
  - C) A retail store or restaurant that sold some seafood but mostly other products
  - D) A bait shop
  - E) A 100% commercial fisherman
  - F) A 100% recreational fisherman  
(If you were a 100% commercial or recreational fisherman, please skip to question 4)
  
2. If you are a commercial seafood dealer, what was the main type of seafood that you handled in 2009?  
(Please circle only one.)
  - A) Food or Bait Shrimp
  - B) Crabs
  - C) Oysters
  - D) Crawfish
  - E) Food or Bait Finfish
  - F) Other \_\_\_\_\_
  
3. If you were a commercial seafood dealer, how much money did you spend buying seafood or bait species in 2009? (Please write "0" if you bought none)  
  
\$ \_\_\_\_\_
  
4. Which of the following events or items below were reasons why you did not respond to the *original* 2012 Economic Survey of Gulf State Seafood Dealers questionnaire? (Please circle ALL that apply.)
  - A) I did not buy any seafood at all in 2009.
  - B) I bought only a small amount of seafood in 2009.
  - C) I was a commercial fisherman in 2009, not a dealer.
  - D) I was a bait dealer, not a seafood dealer, in 2009.
  - E) The original questionnaire was too long.
  - F) The original questionnaire was too complicated or difficult to understand.
  - G) The original questionnaire asked for too much private or personal information.
  - H) I do not remember receiving a questionnaire.
  - I) I was not interested in participating in the survey.
  - J) Other (Please specify) \_\_\_\_\_



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