

SUMMARY OF CURRENT GUIDELINES FOR SETTING DEEMED VALUES (2007)

<p>Aim</p>	<p>To set a deemed value rate above the ACE price where the TACC is constraining catch, to encourage fishers to balance catch through the purchase of ACE rather than the payment of deemed values.</p> <p>For high value stocks the deemed value rate will be considerably above the ACE price</p>
<p>When is a deemed value reviewed?</p>	<p>(1) When a fish stock enters the QMS.</p>
	<p>(2) If one of the following indicators listed below is met:</p> <ul style="list-style-type: none"> • Catch is in excess of available ACE • Deemed Value payments invoiced in the previous fishing year but ACE remained unused • Changes to the port price of the stock • Direct request from SeaFIC on behalf of quota owners • Recent changes to a stocks TACC or the TACC of key bycatch stocks • Stock has recently entered the QMS and the deemed value rate was set using limited information. <p>And</p> <p>Following a review of the fishery to analyse and assess:</p> <ul style="list-style-type: none"> • Likely reasons for the TACC over catch/ACE breaches • Performance of bycatch fisheries associated with the stock under review • Changes in the structure of quota/ACE holdings • Changes in the market price/market structure for the fish product/species under review. • Risk that the deemed value requirements set out in s. 75 of the Fisheries Act 1996 may not be met.
<p>How are deemed values set?</p>	<p>Deemed values will be set on a stock by stock basis for all fish stocks apart from those categorised as high value fishstocks.</p>
<p>High value fishstocks</p>	<p>These are high value single species stocks - pua, rock lobster, scallops, oysters and eels</p>
<p>Information sources used</p>	<p>Deemed values set following analysis of the following information sources</p> <ol style="list-style-type: none"> 1. Port price 2. ACE trading price 3. Export prices as a proxy for market value (where appropriate) 4. Bycatch information (ratios and shadow values) 5. Review of previous deemed value payments 6. Cost recovery levy rates.

Annual deemed values	High value to the commercial sector - set at 200% of the highest port price
Interim deemed values	Greater flexibility in setting interim deemed value rates. Interim deemed values will continue to be set at 50% of the annual deemed value as standard.
Differential deemed values	Differential deemed values maintained but flexibility in when and how they are applied.
All other Fish stocks	The goal is to set the deemed values on a stock by stock basis using the best available information for that stock. The goal will be to set the deemed value rate at some level above the marginal price of ACE where the TACC is constraining catch.
Information sources used	Deemed values set following analysis of the following information sources <ul style="list-style-type: none"> 1. Port price 2. ACE trading price 3. Export prices as a proxy for market value (where appropriate) 4. Bycatch information (ratios and shadow values) 5. Review of previous deemed value payments 6. Cost recovery levy rates
Annual deemed values	Annual deemed value set above the ACE price that would exist if the TACC was constraining catch
Interim deemed values	Greater flexibility in setting interim deemed value rates. Interim deemed values will not be set at 50% of the annual deemed value as standard.
Differential deemed values	Differential deemed values maintained but flexibility in when and how they are applied.