

Title: **Analysis of Price Response in the U.S. Pacific Sardine Fishery**

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Abstract: This research investigates the ex-vessel price flexibility of U.S. Pacific sardine landings using a price response analytical framework. Under perfectly competitive market conditions, we would expect to observe an inverse relationship between the average price and the aggregate quantity supplied. However, affiliations between U.S. Pacific sardine harvesters and processors, as well as sardines being traded as a global commodity are factors that may confound this relationship. Preliminary results from our analysis reveal that the ex-vessel price of sardines is relatively unresponsive to changes in the quantity landed. With price inflexibility and recent declines in the annual sardine harvest guideline, if harvest costs do not decrease with the decrease in landings, rents will decrease as well. Under current derby fishing conditions in the Pacific sardine fishery harvest costs are likely to increase if a continued reduction in the harvest guideline intensifies the race for fish. This situation becomes even bleaker without a corresponding increase in ex-vessel price as a result of the decrease in landings. We consider how these circumstances might be improved under rights-based management of the fishery.