

Alaska Seafood Marketing Institute

Resource Development Council Breakfast Meeting

Alexa Tonkovich
Executive Director
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Wild, Natural & Sustainable®

What is the *Alaska Seafood Marketing Institute?*

- A **Partnership** of public and private sectors
- A **Public corporation** that fosters effective alignment with industry marketing efforts
- A **Governor-appointed Board** of Directors: five processors, two commercial harvesters
- **Alaska's official seafood promotion arm**, supports Alaska seafood industry through promotion of Alaska seafood products, education and research



ASMI Mission Statement

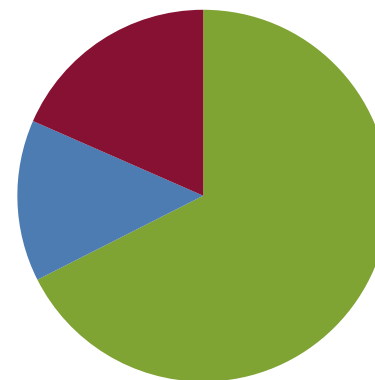
The Alaska Seafood Marketing Institute is a marketing organization with the mission of **increasing the economic value** of the Alaska seafood resource through:

- Increasing positive awareness of the Alaska Seafood brand.
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry.
- Championing the sustainability of Alaska seafood harvests resulting from existing Alaska fisheries management imperatives. (State of Alaska Constitution and Magnuson-Stevens Fishery Management and Conservation Act and The Halibut Act).
- Proactive marketing planning to address short and long-term goals while remaining flexible and responsive to a changing environment and economy.
- Quality assurance, technical industry analysis, education, advocacy and research.
- Prudent, efficient fiscal management.

Alaska Seafood Marketing Institute (ASMI)

FY 2017 Proposed Budget	(000)
Unrestricted General Funds	\$ 0
General Fund Match	\$ 3,428.4
Federal Funds (Market Access Program)	\$ 4,500.0
Voluntary Industry Tax	\$16,495.8
Total Authorization	\$24,424.2
 FY 2016 Marketing Spend Plan	 \$22,305
FY 2017 Marketing Spend Plan	\$17,000

- SDPR
- General Fund Match
- Federal Funds



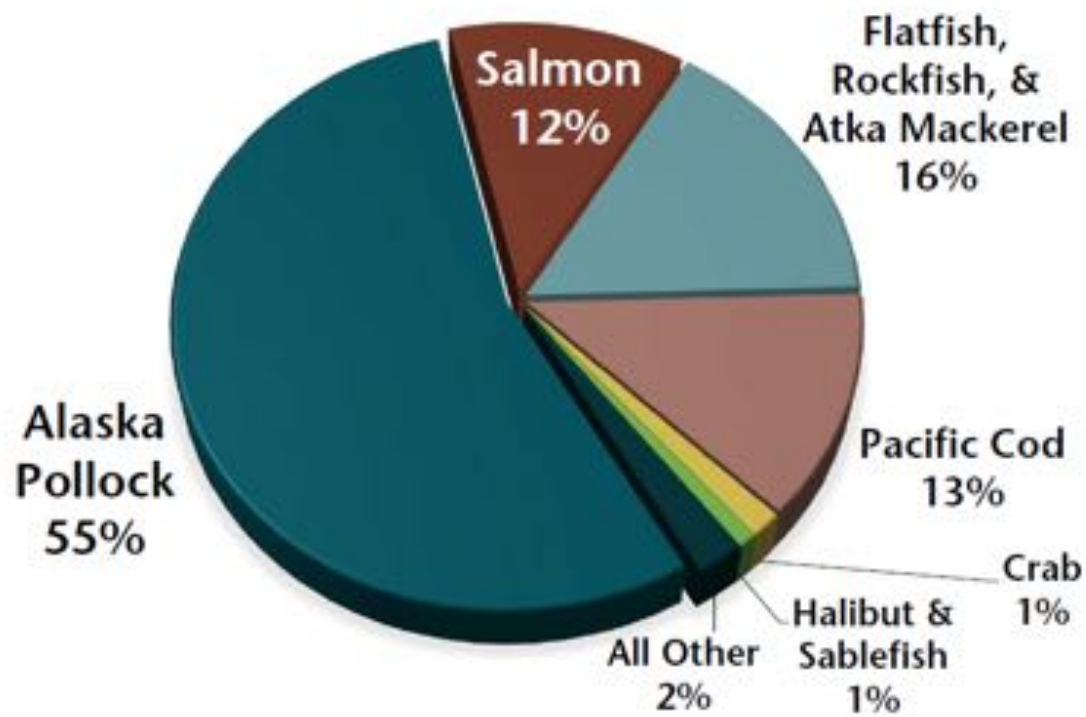
Industry Snapshot

- Directly employs ~60,000 workers in Alaska, creates another 11,700 jobs in the state – largest private sector employer (in terms of number of workers)
- Directly employs 26,700 AK residents
- Harvest Volume (2014): 5.7B lbs.
- Ex-Vessel Value (2014): \$1.9B
- First Wholesale (2014): \$4.2B
- Commercial Fleet: 8,618 vessels
- Shoreside plants & facilities: 176
- Most valuable renewable resource in Alaska



Alaska Seafood: Harvest Volume by Species

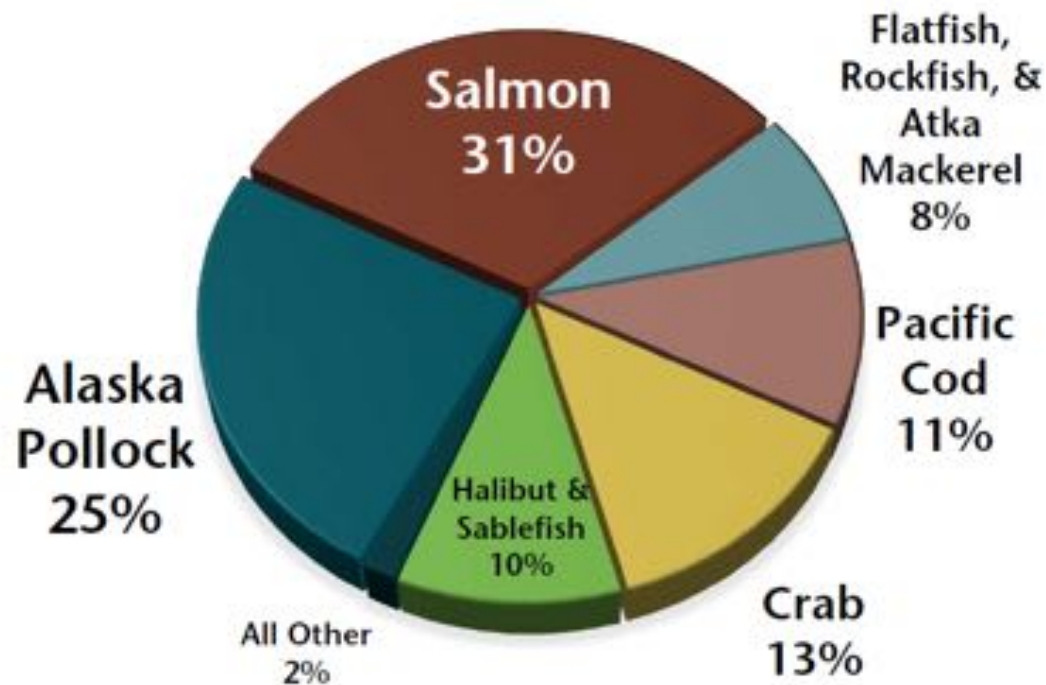
Total 2014 Harvest: 5.7 billion lbs.



Source: NMFS, ADF&G, compiled by McDowell Group.

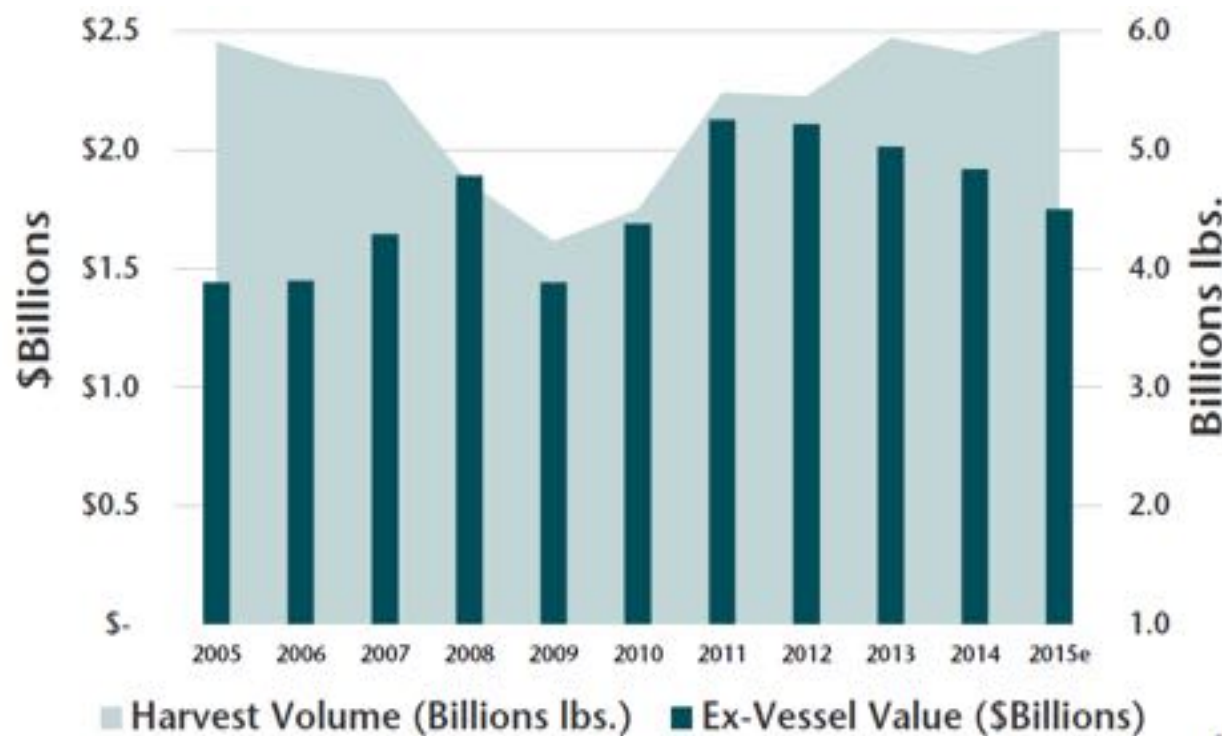
Alaska Seafood: Harvest Value by Species

Total 2014 Ex-Vessel Value: \$1.94 billion



Source: NMFS, ADF&G, compiled by McDowell Group.

Historical Ex-Vessel Value & Harvest Volume

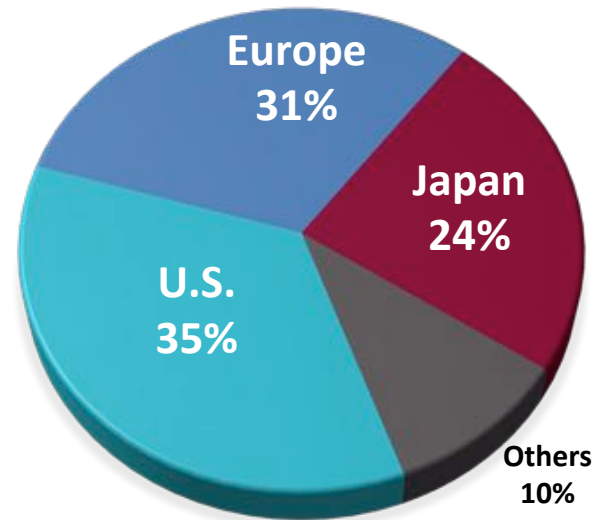


- Largest private sector employer in Alaska
 - *In terms of direct workers (approx. 60,000)*
- ~6,600 boats and 120 plants... very diverse
- First wholesale value: \$4.3 Billion (2014)
- Harvest volume: 5.8 Billion lbs. (2014)
- 6th largest (primary) seafood exporter
- More seafood than all other U.S. states combined

Source: NMFS, ADF&G, and McDowell Group estimates.

Alaska Seafood Export Markets

- Export to ~120 countries
- 1.1 million MT & \$3.3 Billion
- Groundfish = 55%
Salmon = 25-33%
- China is largest partner
- EU & Japan largest markets
- Exports = 60-70% of value



Global Factors Impacting Value

Negative Factors

- ◆ Strong dollar hurts U.S. exporters and helps competitors
- ◆ Eco-labels diminish Alaska's ability to distinguish on sustainability
- ◆ Competition from farmed salmon and other whitefish species
- ◆ Russian embargo & Ukrainian conflict

Positive Factors

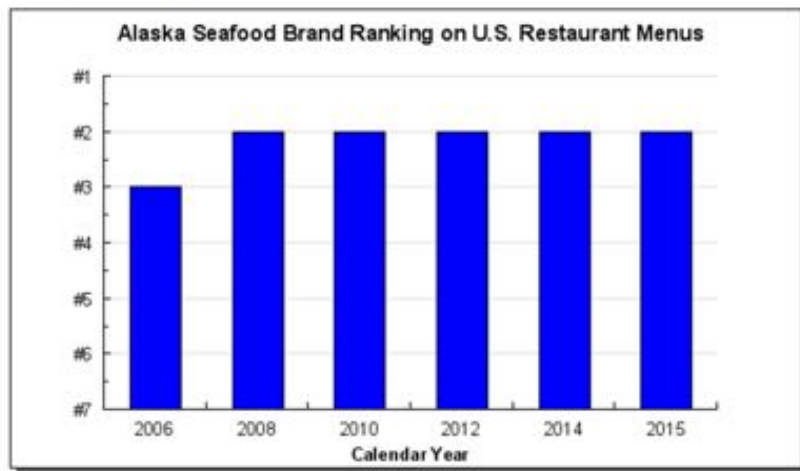
- ◆ Global salmon supplies tightening
- ◆ Long term demand vs. supply
- ◆ Strong Alaska Seafood brand



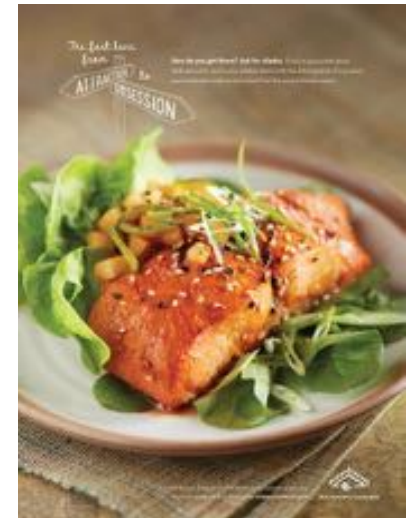
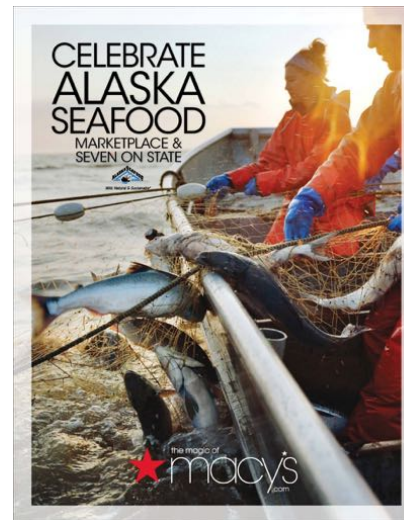
Domestic Foodservice Marketing

Program is designed to help commercial & non-commercial operators, including restaurants, chef networks, universities and culinary institutions handle, menu and promote Wild Alaska Seafood products.

Target #2: Maintain second place ranking and work on moving Alaska Seafood to first place among the most popular food brands on U.S. restaurant menus.



Methodology: Dataessentials Research.



Foodservice Operator Promotional Partners

Fine Dining



Quick Service



Other



Casual Dining



Fast Casual



Domestic Foodservice Marketing

- The ASMI US Foodservice program sponsored a national “Swap Meat” competition for professional chefs.
- Chefs were asked to swap the meat in a recipe for Alaska seafood and then submit the new recipe to ASMI.



Domestic Retail Marketing

- ASMI's retail program works with retailers across the US to support their sales and marketing programs through:
 - In-store demonstrations
 - point-of-sale materials and sales aids
 - on-packs
 - posters, case signs, aisle displays
 - instructional videos, informative websites and nutritional information
- The program also provides education and training for retailers and seafood counter workers.



Domestic Retail Marketing

In-Store Promotions and Demonstrations in 4,000+ Retail Stores Nationwide

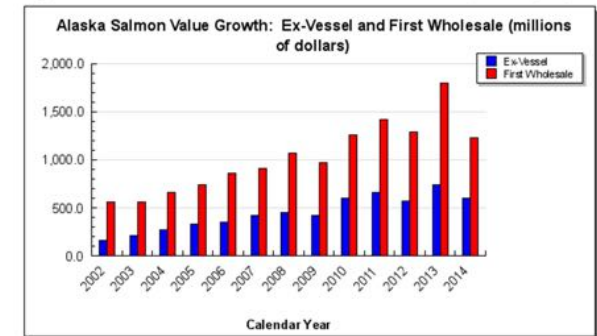
- Promotion dates: April – early June 2015
- Featured Species: Sockeye Salmon
- Many retailers also promoted Alaska cod, pollock, bairdi crab

Frozen Sockeye In-Store Demo Promotion 2015 Recap:

- 4964 Alaska sockeye salmon in-store demos
- 1857 stores in 10 retail chains across the United States
- \$54.31 average cost/ per in-store demo
- 29% average price reduction
- 56.2% average total YTD sales lift



Target #1: Increase the first wholesale value of selected Alaska salmon products by 0.5 percent.



ASMI Communications Program

- ASMI's Communications program works to inform consumers that Alaska is the best source of premium seafood in the world through:
 - media interviews and visits to Alaska
 - photo and video assets
 - oversight of ASMI's social media channels
 - management of ASMI's domestic public relations program
- Within Alaska, the Communications program affirms the value of ASMI to the fleet, industry, and policy makers



Alaska Seafood Town Halls

- Pacific Marine Expo Salmon Committee
- Anchorage Board of Fish Meeting
- Juneau – Alaska Young Fisherman Summit

Upcoming:

- Cordova
- Naknek
- Dillingham
- Petersburg

And more... suggestions welcome



#EatAlaska



Media Relations — ongoing outreach to hundreds of reporters year round

Target #3: Continue to generate target consumer awareness via consumer public relations and advertising campaigns.



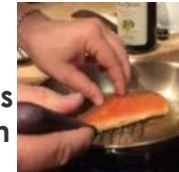
HOME & FAMILY

Chef Elizabeth Falkner Cooks
Cavachiette with Salmon Tartar



allrecipes.com®

Tom Douglas Demos
Sizzling Wild Salmon



The Daily Meal®
All Things Food & Drink

Great Wine Pairings
for Alaskan Seafood



GLAMOUR

(Almost)
Everything I Ate
In Alaska



Women Fishermen in
Alaska: "It's a Small but
Incredibly Strong
Pocket of Amazing
Women Up Here"



9 Things You
Didn't Know
About Salmon



Are You Eating
Enough Seafood?



Everything you Need to
Know About Wild Alaska
Salmon



martha
stewart

Cooking Fish from
Frozen and Other
Things I Learned on
My Alaska Seafood
Trip

Responsible Fisheries Management Update

- 3rd party verification of sustainability is a market requirement
- ASMI Board wants to ensure a viable and efficient program that assures customers of Alaska Seafood's responsible management.
- RFM Program Improvements
 - Fisheries Client Groups
 - More transparent governance structure
 - RFM "bible" produced
- GSSI- Global Benchmarking System



ASMI Technical Program

- Seafood technical support for the Alaska industry.
- Involved in food safety, quality, nutrition and food labeling, as well as environmental issues, fisheries sustainability and seafood purity.
- Research and development of educational materials.
- Works with industry to educate producers and customers about proper seafood handling at every point from harvest to plate.



ASMI Global Food Aid Program

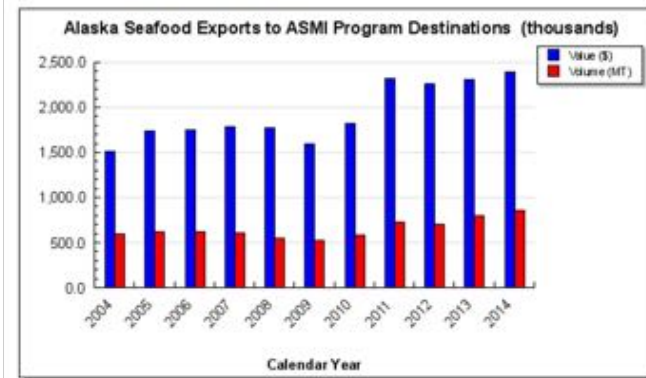
- The Alaska Global Food Aid Program was created in 2005 by Alaska Salmon fishermen to help feed the world's food-insecure the same nutritious canned salmon available in the United States from the food banks to school lunches.
- Today, canned salmon and herring are increasingly being adopted by private voluntary organizations (PVO), the World Food Program and other non-governmental organizations (NGO) in food aid programs.



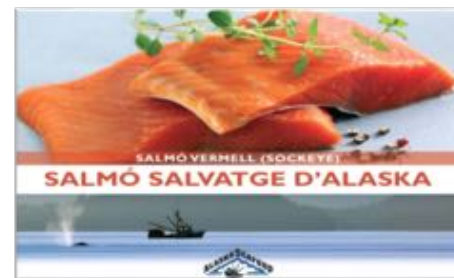
International Marketing

- Programs in 21 countries divided into 8 regions
- Competes annually for federal grant funding through the U.S. Department of Agriculture's Market Access Program (~\$4.5 million)
- Awarded additional USDA Emerging Markets Program funding Southeast Asia trade mission developing new markets (Thailand, Vietnam, Indonesia, Malaysia, the Philippines).

Target #1: Increase the aggregate value of Alaska seafood exports to Alaska Seafood Marketing Institute (ASMI) program destination countries by 0.5 percent annually.



Methodology: National Marine Fisheries Service (NMFS), compiled by ASMI staff, McDowell Group.



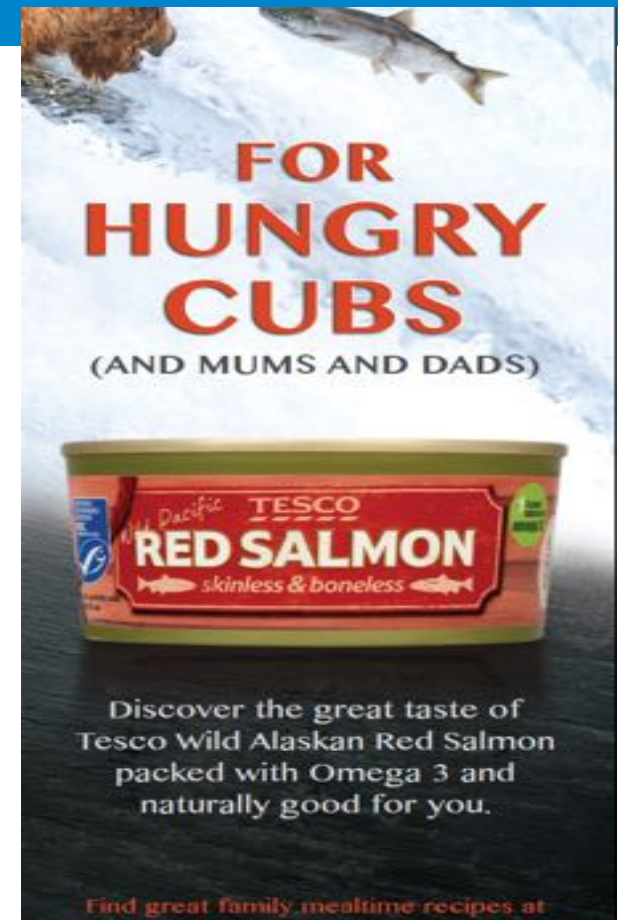
Japan: Sockeye Promotions

- ASMI Japan provided in-store demonstrators in 9 retail stores, 450 store-days
- Alaska Seafood logo featured on packaging of 4 companies
- Example: Alaska Seafood Fair with Coop Sapporo generated sales of \$300,000 in one month (cost to ASMI \$15,000)



United Kingdom: Canned Salmon

- Promotion with Tesco, one of the UK's largest retailers (25% of the UK grocery market)
- Half page ad in Tesco magazine (readership 5.4 million) and online banners on Tesco.com (42% of the online grocery market)
- **Volume of sales increased 1040% over the same period last year.**
- **Value of sales increased 859%**
- **ASMI contribution \$22,679**



China: E-Commerce Promotions

- ASMI works with major e-commerce sites T-mall, YHD and JD to promote as many as 12 Alaska species per promotion
- ASMI's buy-in is low (\$5,000/ promotion) and sales generated range from \$1 million-\$2.4 million per promotion.



Alaska Food Trucks!



Brazil



Germany



Spain

FY17 Outlook

- Implementing cost saving measures in FY16
- Decreased spend plan for marketing programs in FY17 with expectation of lower state and industry revenue
- Signs of improving market conditions



Thank you!

