

# Alaska Seafood Marketing Institute

## House Budget Subcommittee

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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



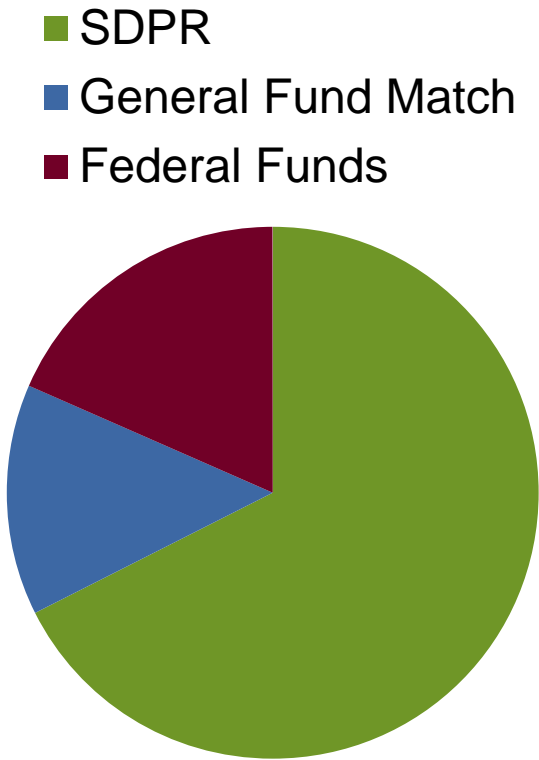
# *ASMI Mission Statement*

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

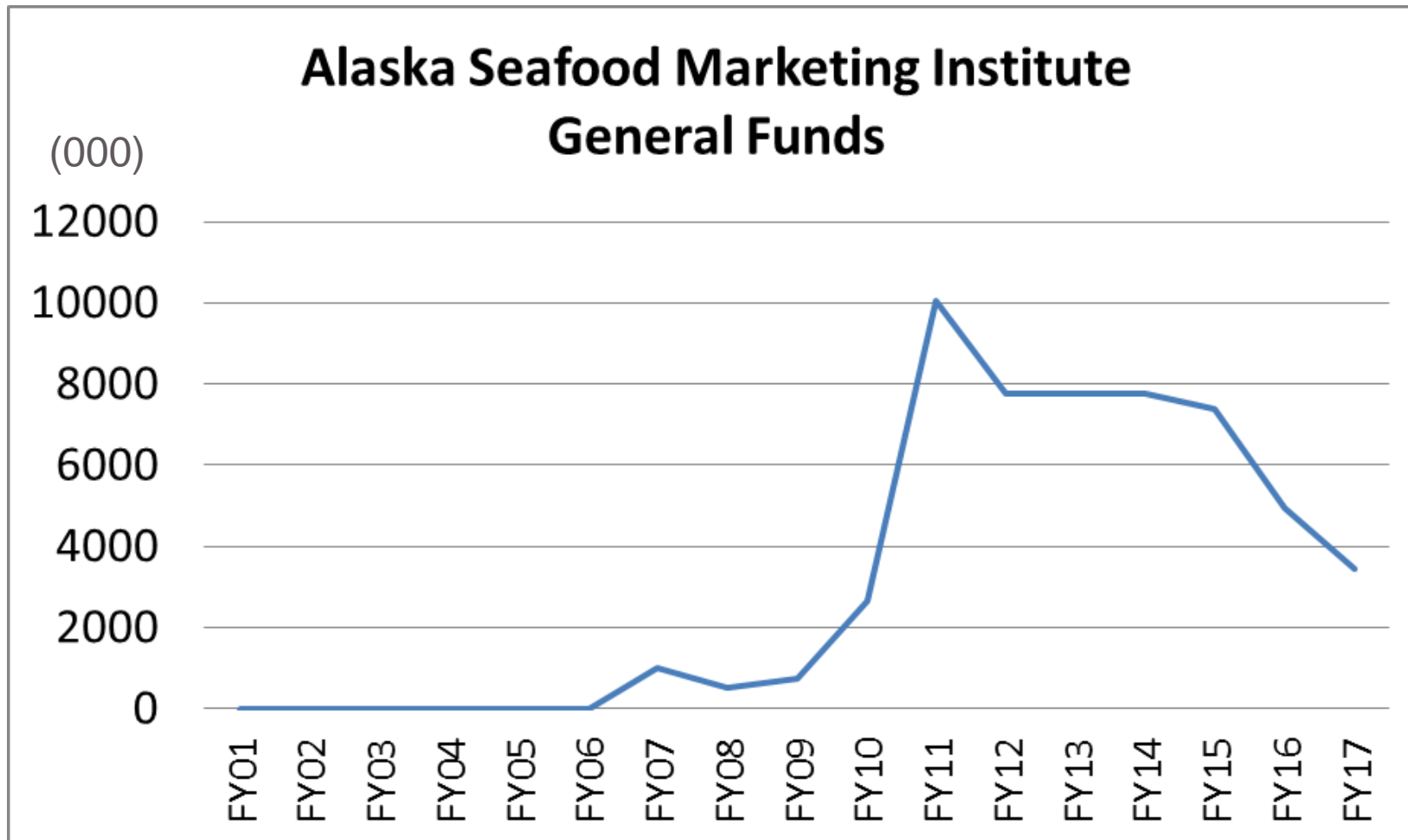
- Increasing positive awareness of the Alaska Seafood brand.
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry.
- Championing the sustainability of Alaska seafood harvests resulting from existing Alaska fisheries management imperatives. (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
<u>Voluntary Industry Tax</u>	<u>\$16,495.8</u>
Total Authorization	\$24,424.2
 FY 2016 Marketing Spend Plan	 \$22,305
 20 full-time exempt positions	 (Juneau, Seattle, Kodiak)

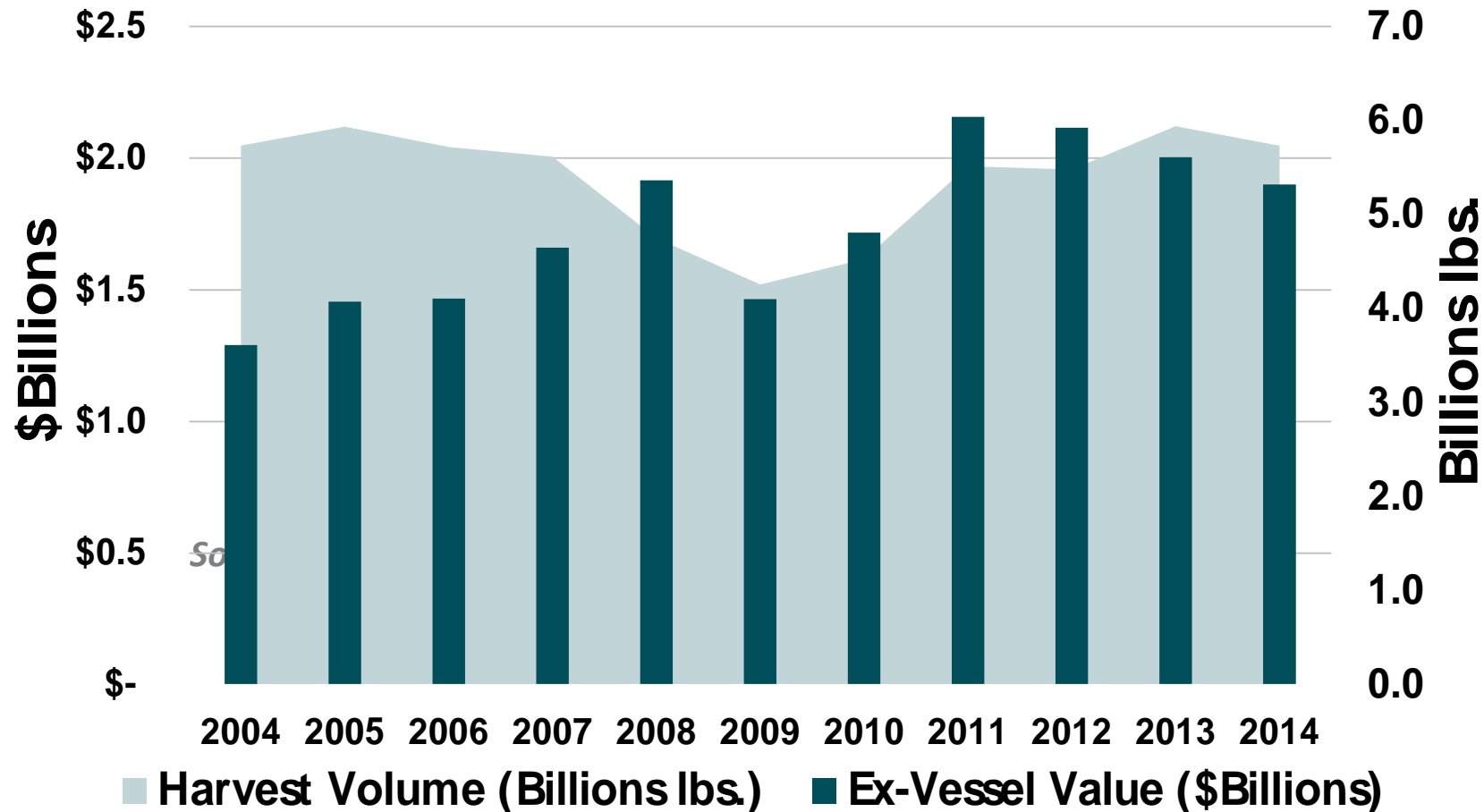


# ASMI Funding History



- In FY03 funding was changed to be .05% of Ex-vessel value across all species, paid by processors
- In FY11 a cash accounting system was implemented, requiring GF cash infusion to forward load the fund
- In FY 15, fund source codes were changed to show General Fund Match and Statutory Designated Program Receipts

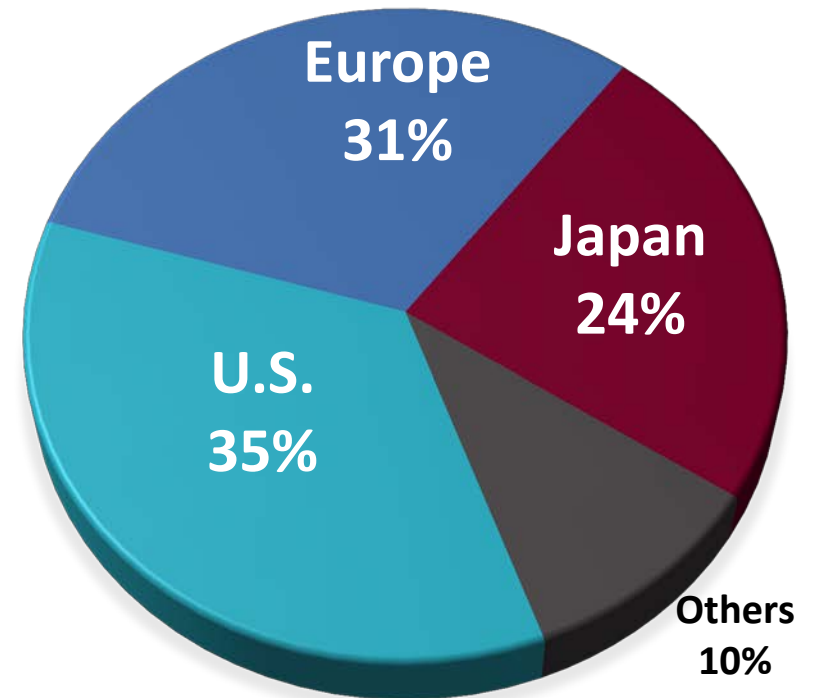
# Historical Ex-Vessel Value & Harvest Volume



- 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)
- 6<sup>th</sup> largest (primary) seafood exporter
- More seafood than all other U.S. states combined

# 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**

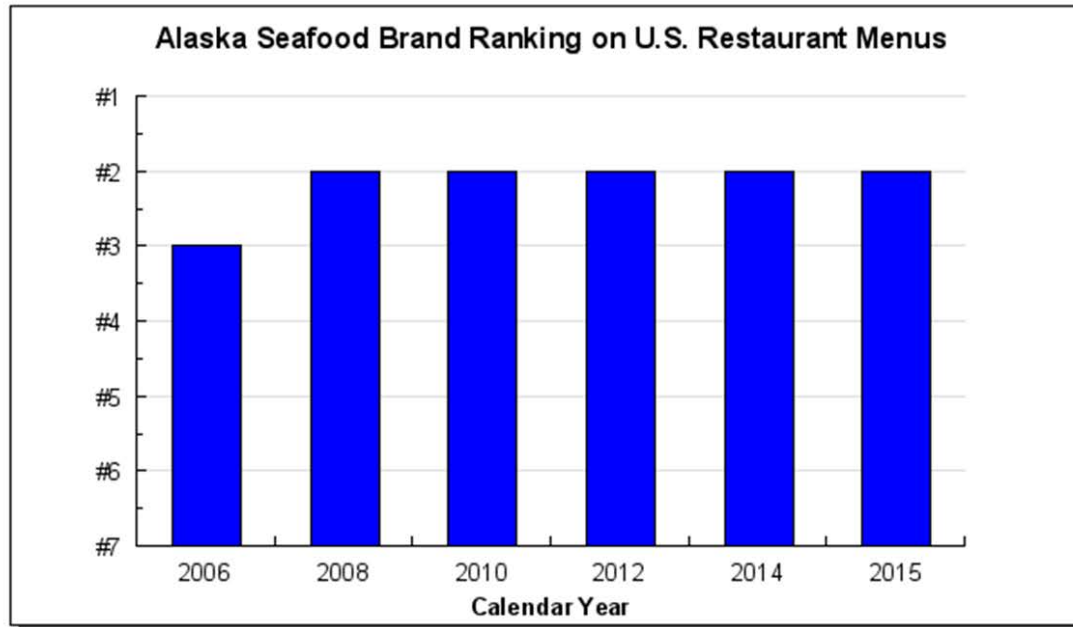
- ◆ Competing surimi supply down
- ◆ Long term demand vs. supply
- ◆ Strong Alaska Seafood brand



# 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.

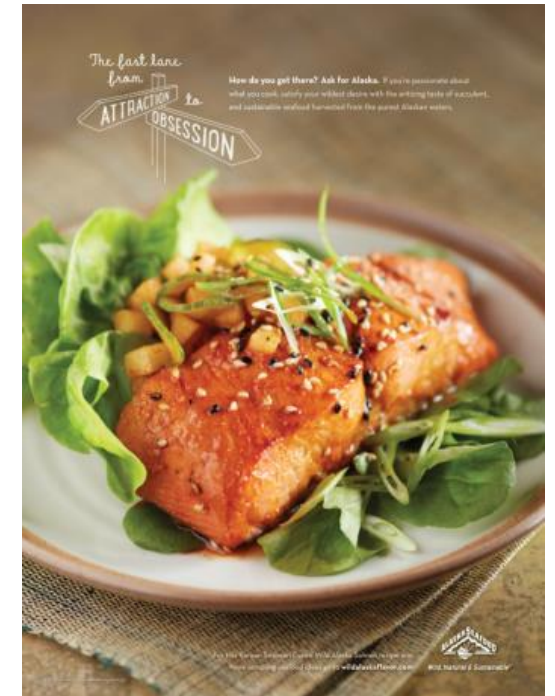
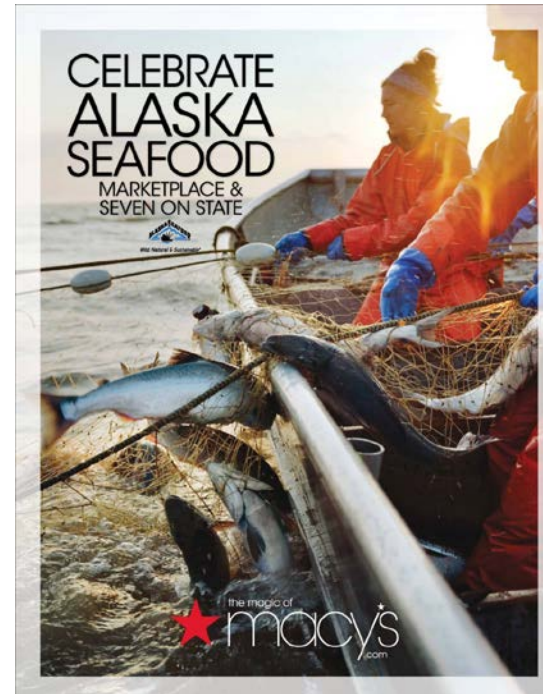
**Target #2:** Maintain second place ranking and work on moving Alaska Seafood to first place among the most popular food brands on U.S. restaurant menus.



Methodology: Dataessentials Research.

**ALASKA**

SECOND MOST COMMONLY  
SPECIFIED BRAND ON U.S. MENUS



# Foodservice Operator Promotional Partners

## Fine Dining

Seasons 52  
FRESH | GRILL

OCEAN PRIME

SEAFOOD • STEAKS • COCKTAILS



MCCORMICK  
& SCHMICK'S  
FOOD RESTAURANTS

## Quick Service



## Other



GUEST  
SERVICES

## Casual Dining

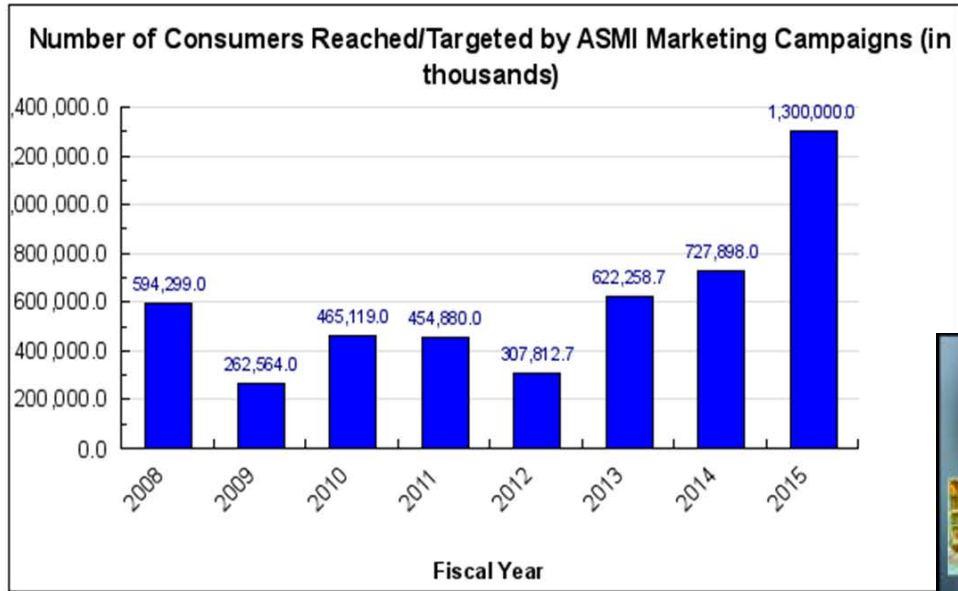


## Fast Casual



# Media Relations — ongoing outreach to hundreds of reporters year round

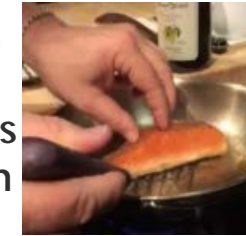
**Target #3:** Continue to generate target consumer awareness via consumer public relations and advertising campaigns.



Chef Elizabeth Falkner Cooks  
Cavachiette with Salmon Tartar



Tom Douglas Demos  
Sizzling Wild Salmon



**GLAMOUR**

(Almost)  
Everything I  
Ate In Alaska



Great Wine Pairings  
for Alaskan Seafood



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

# Domestic Retail Marketing

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

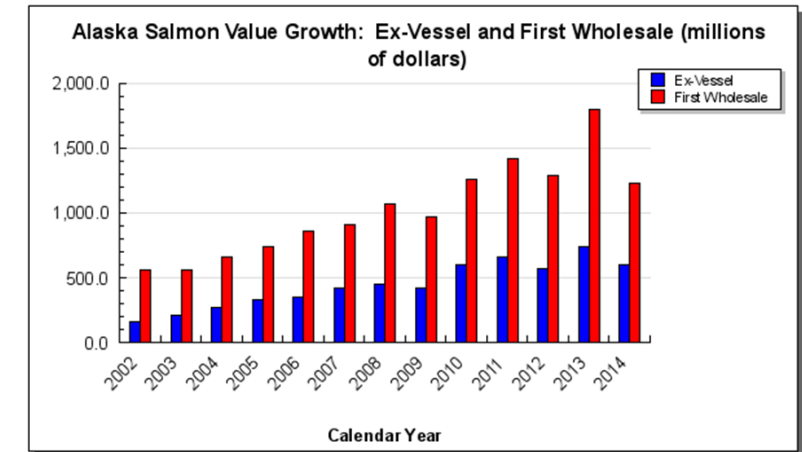
- Promotion dates: April – early June 2015
- Featured Species: Sockeye Salmon
- Many retailers also promoted Alaska cod, pollock, bairdi crab

### 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



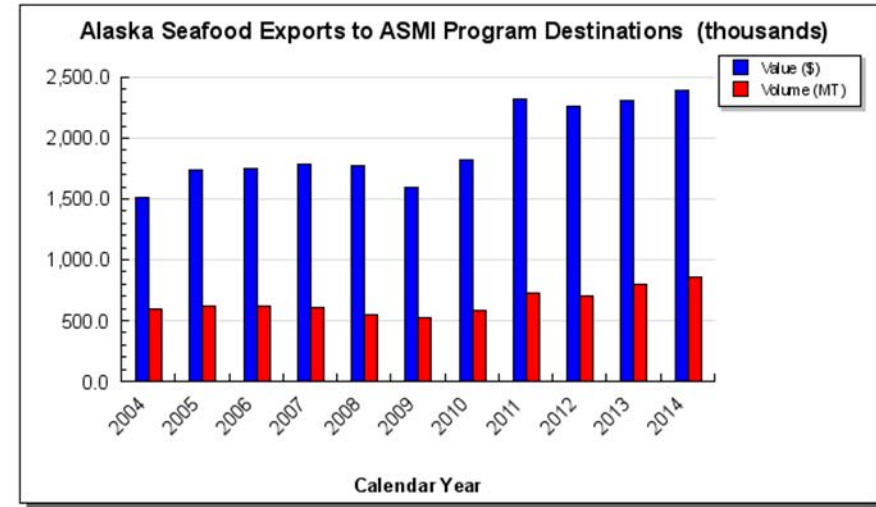
Target #1: Increase the first wholesale value of selected Alaska salmon products by 0.5 percent.



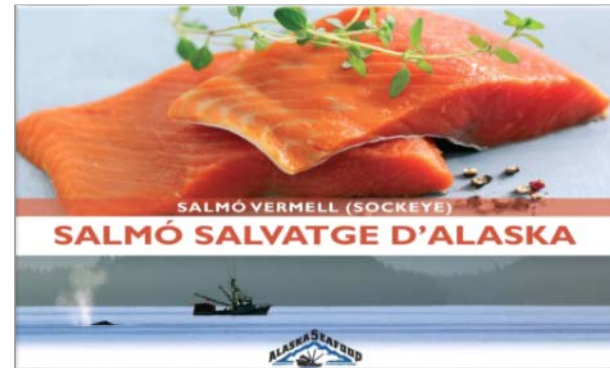
# International Marketing

- 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). Funded by \$51,000 EMP grant + \$16,000 industry funding

**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**



An advertisement for Tesco Wild Alaskan Red Salmon. The top half features a large image of a salmon swimming in water, with a small image of a cub's head in the top left corner. The text 'FOR HUNGRY CUBS' is written in large, bold, red letters, with '(AND MUMS AND DADS)' in smaller black letters below it. Below the text is a large image of a can of 'TESCO Wild Pacific RED SALMON skinless &amp; boneless'. The bottom half of the advertisement has a dark background with the text 'Discover the great taste of Tesco Wild Alaskan Red Salmon packed with Omega 3 and naturally good for you.' in white. At the very bottom, it says 'Find great family mealtime recipes at' in red.

# 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.



# *Europe: Seafood Expo Global (Brussels)*

- World's largest seafood trade event attracting 25,000 industry members from 150 countries
- ASMI's pavilion supports 20 Alaska companies
- 2015 On-Site Sales: \$50 million (up 400% from 2014)
- **2015 Projected Annual Sales: \$650 million (up 20% from 2014)**



# #EatAlaska



# *FY17 Outlook*

- Implementing cost saving measures in FY16
- Decreased spend plan for marketing programs in FY17
- Decreased industry revenue as a result of lower ex-vessel value in the current year
- Signs of improving market conditions



# *Thank you!*

