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# ALASKA SEAFOOD MARKETING INSTITUTE

Senate Finance Committee

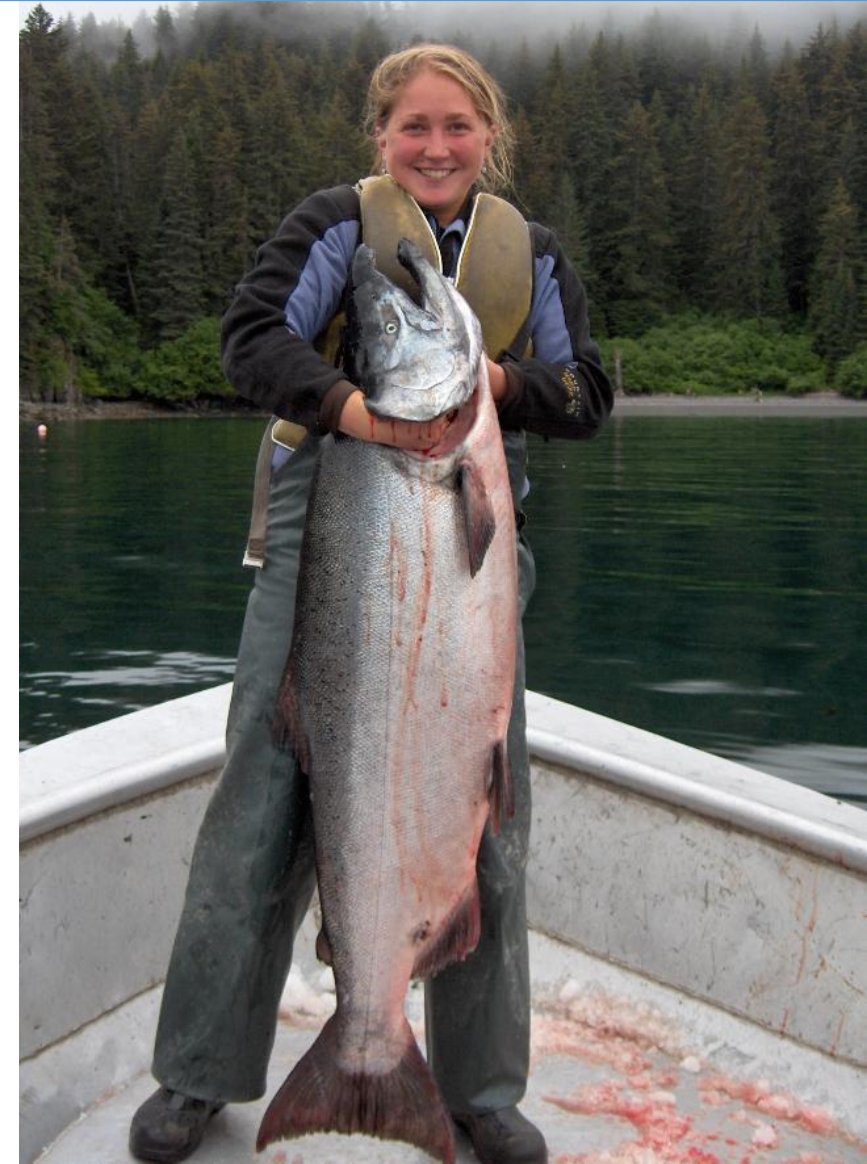
Alexa Tonkovich– January 25, 2017

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# 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



# ECONOMIC IMPACTS



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- Seafood Industry Directly Employs 60,000 Workers
- Largest Private Sector Employer in the State
- Contributes Approximately \$138.6 Million in Taxes, Fees, and Self-Assessments Which Help Fund State, Local and Federal Government
- Industry Operates 8600 Vessels and 176 Shore Plants



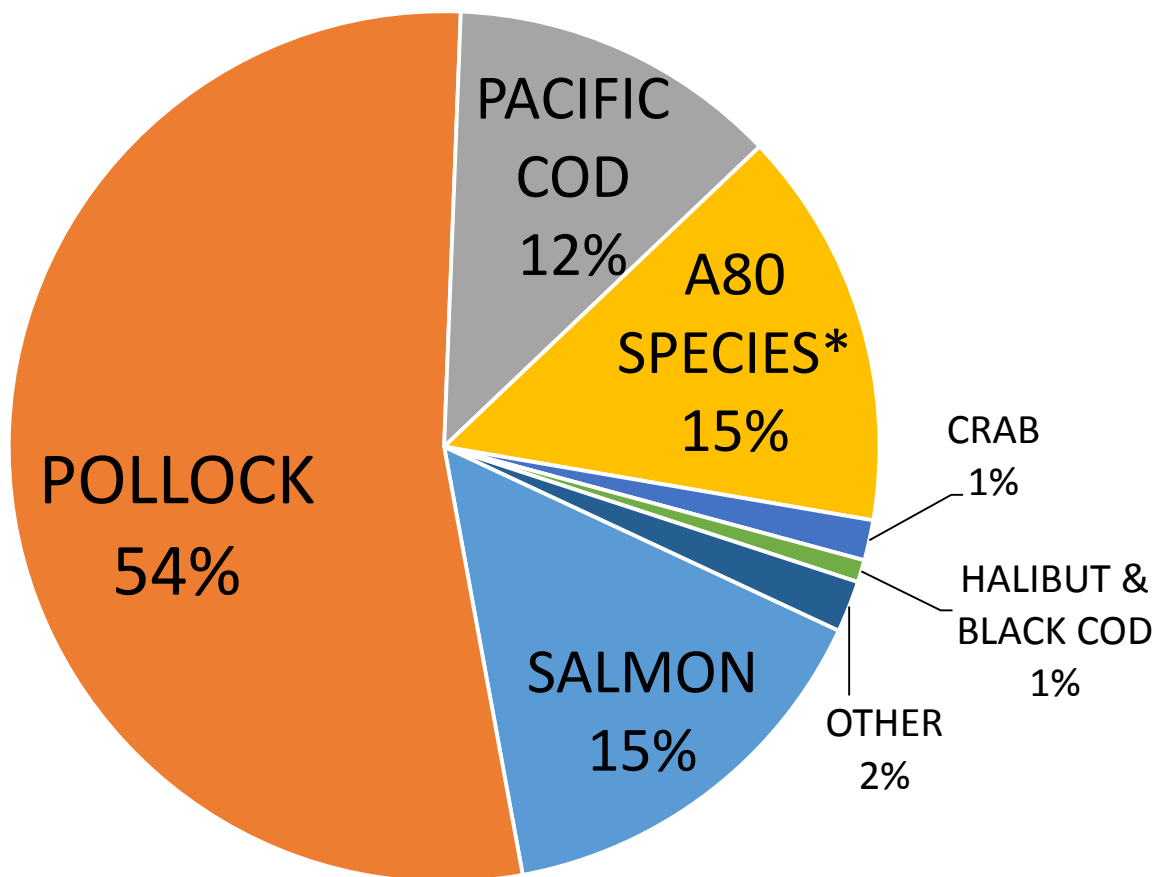
# ALASKA SEAFOOD MARKETING INSTITUTE

## VOLUME & VALUE BY SPECIES

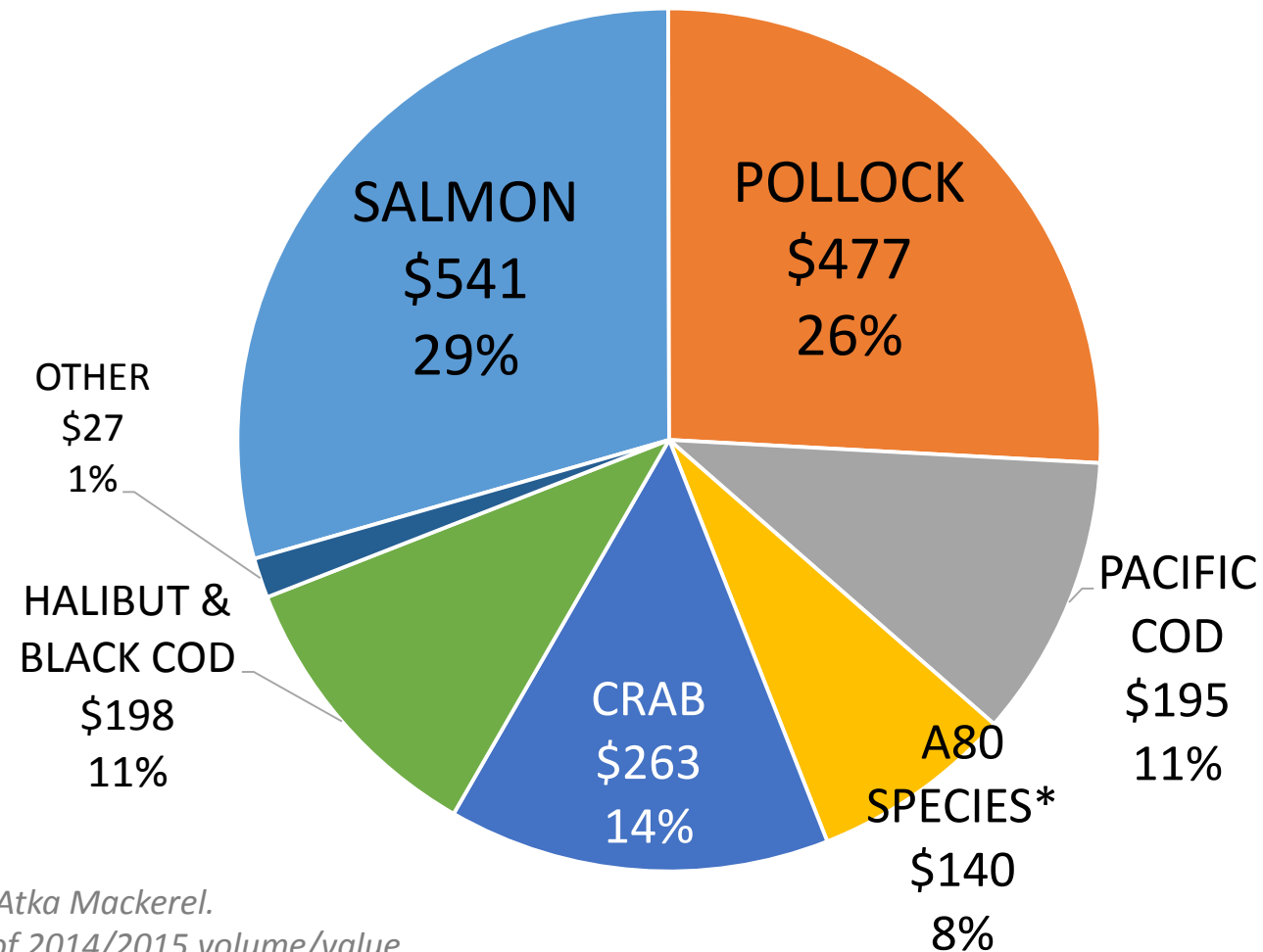


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### HARVEST VOLUME



### EX-VESSEL VALUE (millions)



\*Includes flatfish, rockfish, and Atka Mackerel.

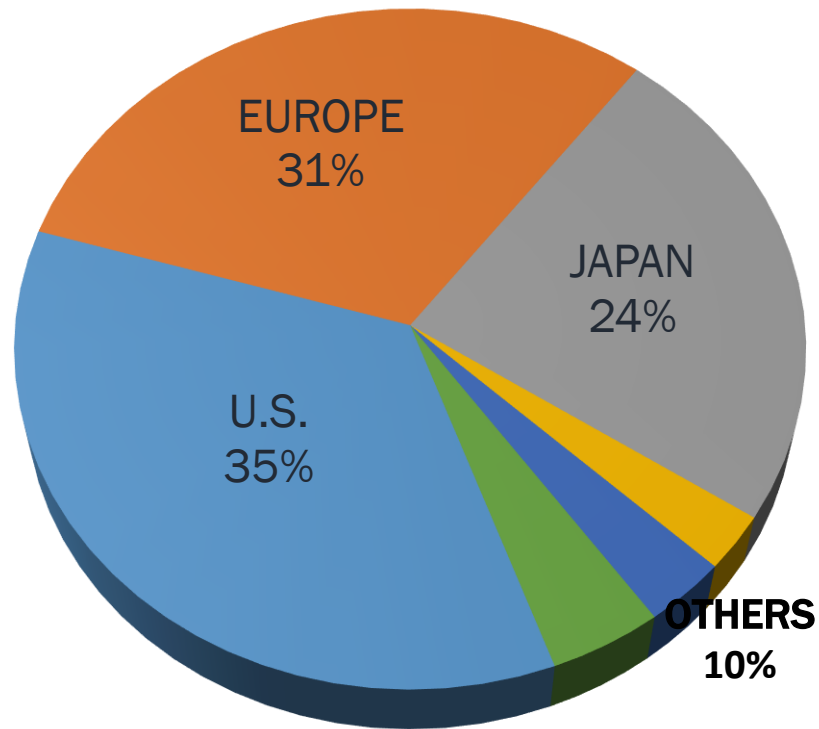
Note: Data represents average of 2014/2015 volume/value.

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

# ALASKA SEAFOOD EXPORT MARKETS



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## EXPORT TO ~120 COUNTRIES

**1.1 Million MT & \$3.3 Billion**

GROUND FISH 55%  
SALMON 25-33%

*China - Largest Partner*  
*EU & Japan – Largest Markets*

**EXPORTS = 60-70% OF VALUE**



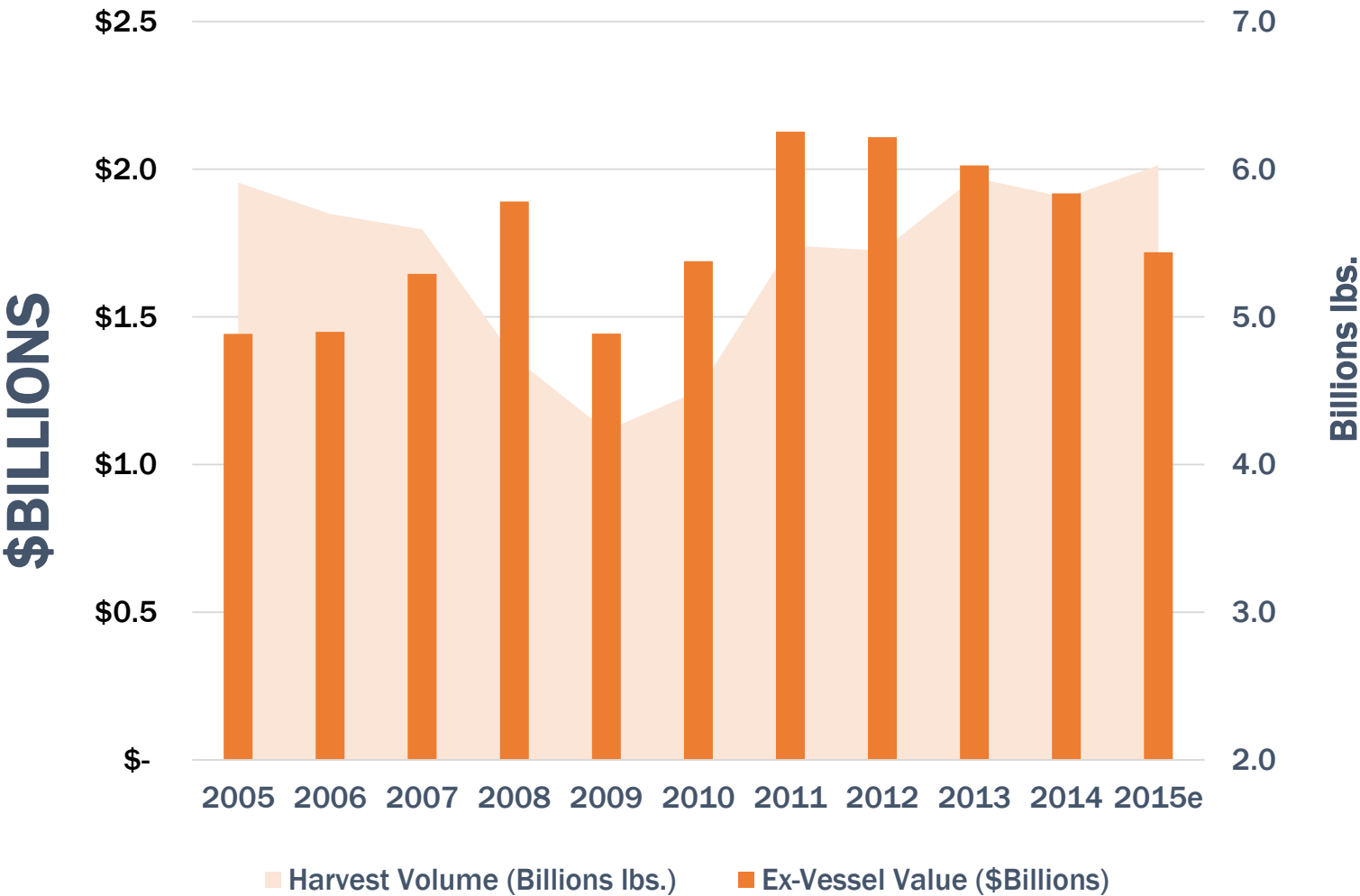
# HISTORICAL EX-VESSEL VALUE AND HARVEST VALUE



Some decline in value due to strong dollar, oversupply, smaller harvests of high-value species

## Challenges/Opportunities

Sources: NMFS, ADF&G, and McDowell Group estimates



## NEGATIVE FACTORS

Strong dollar hurts U.S. exporters  
and helps competitors

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Eco-labels diminish  
Alaska's ability to distinguish  
on sustainability

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Competition from farmed and  
imported seafood

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Volatility of wild harvests,  
decreased quota for key species

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Russian embargo  
& Ukrainian conflict

## POSITIVE FACTORS

Global salmon  
supplies tightening

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Stronger Yen

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Long term  
demand vs. supply

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Strong Alaska  
Seafood brand





# HIGHLIGHT INTERNATIONAL TRENDS



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Alaska Seafood  
**FOREVER WILD**  
Food Truck Visits  
Street/Food Fairs  
in Germany



HIGHLIGHT

# INTERNATIONAL TRENDS



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E-COMMERCE  
PLATFORMS  
Used Widely In  
ASIA & EU



WE ARE WILD:  
SALMON  
SOMMELIERS





AUGUST 10TH

# ALASKA WILD SALMON DAY



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## First ever Alaska Wild Salmon Day

EXCITEMENT GENERATED THROUGH:

Snapchat geofilter

Social Media Channels

Traditional Media Relations

Digital & PR efforts secured more than  
**94 MILLION IMPRESSIONS.**



# GOOD NEWS!



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## U.S. Seafood Consumption up by Nearly One Pound Per Person in 2015

This is the biggest leap in seafood consumption in 20 years!



ALASKA SEAFOOD is the  
**#1 BRAND**  
among proteins  
on U.S. menus



Source: Datassential 2016



# INTERNATIONAL RECOGNITION FOR RFM



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- Alaska Responsible Fisheries Management (RFM) successfully benchmarked against Global Sustainable Seafood Initiative (GSSI)'s Global Benchmark Tool.
- GSSI is a global platform to streamline seafood purchasing decisions while promoting sustainability.
- Alaska RFM is the first certification to do so.



Sainsbury's



DARDEN



HIGH LINER FOODS

# HIGHLIGHT SWAP MEAT



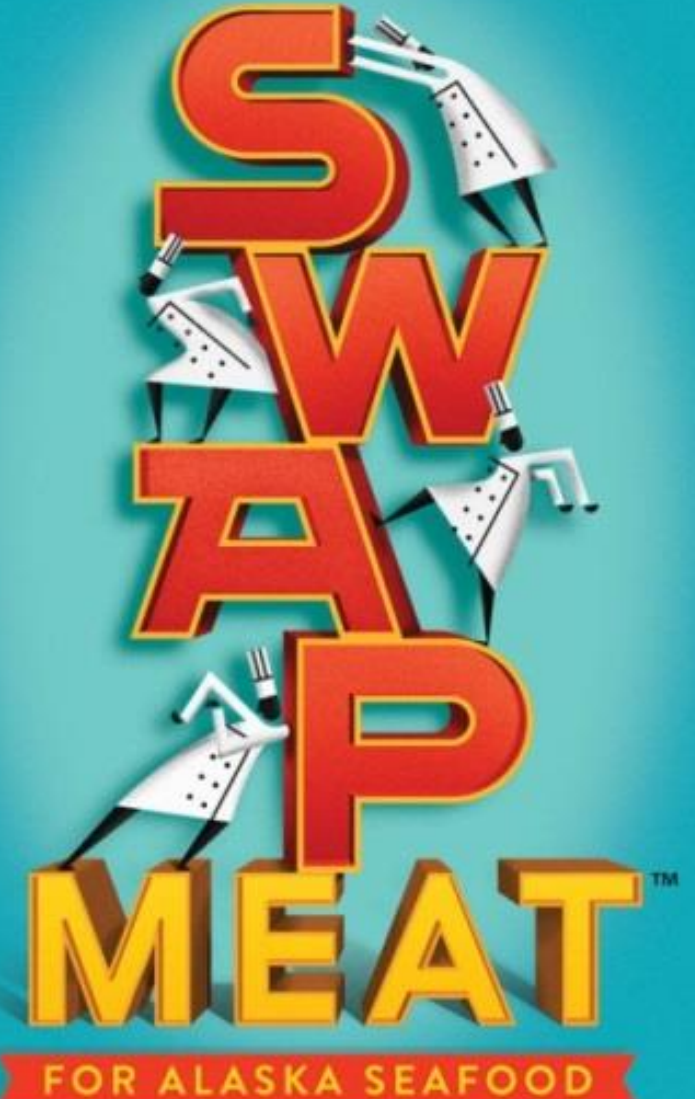
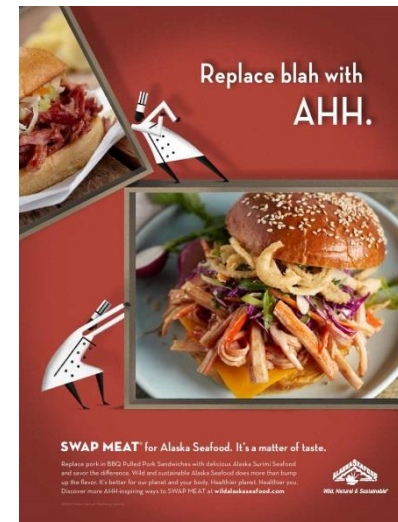
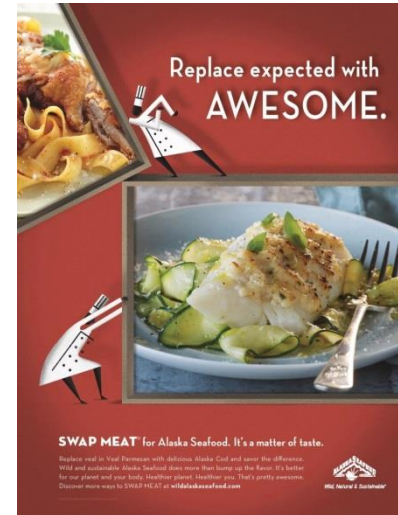
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The ASMI US Foodservice program sponsored a national

## “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.





HIGHLIGHT

# ALASKA BREWING CO-OP PROMOTION



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**CO-OP** between ASMI, Alaska Brewing Company and Texas retailer H.E.B

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**IN-STORE DISPLAYS** near the seafood department and sampling at 70 stores

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**INSTANT-REDEEM COUPON**



# IN-STATE OUTREACH TOWN HALL MEETINGS



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Series of informal town hall-style meetings to  
provide harvest & market updates

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**2016: Anchorage, Juneau, Cordova,  
Petersburg & Naknek**

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*Where to next?... Stay Tuned!*





# ALASKA SEAFOOD MARKETING INSTITUTE BUDGET



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## Alaska Seafood Marketing Institute (ASMI)

## FY 2017 BUDGET

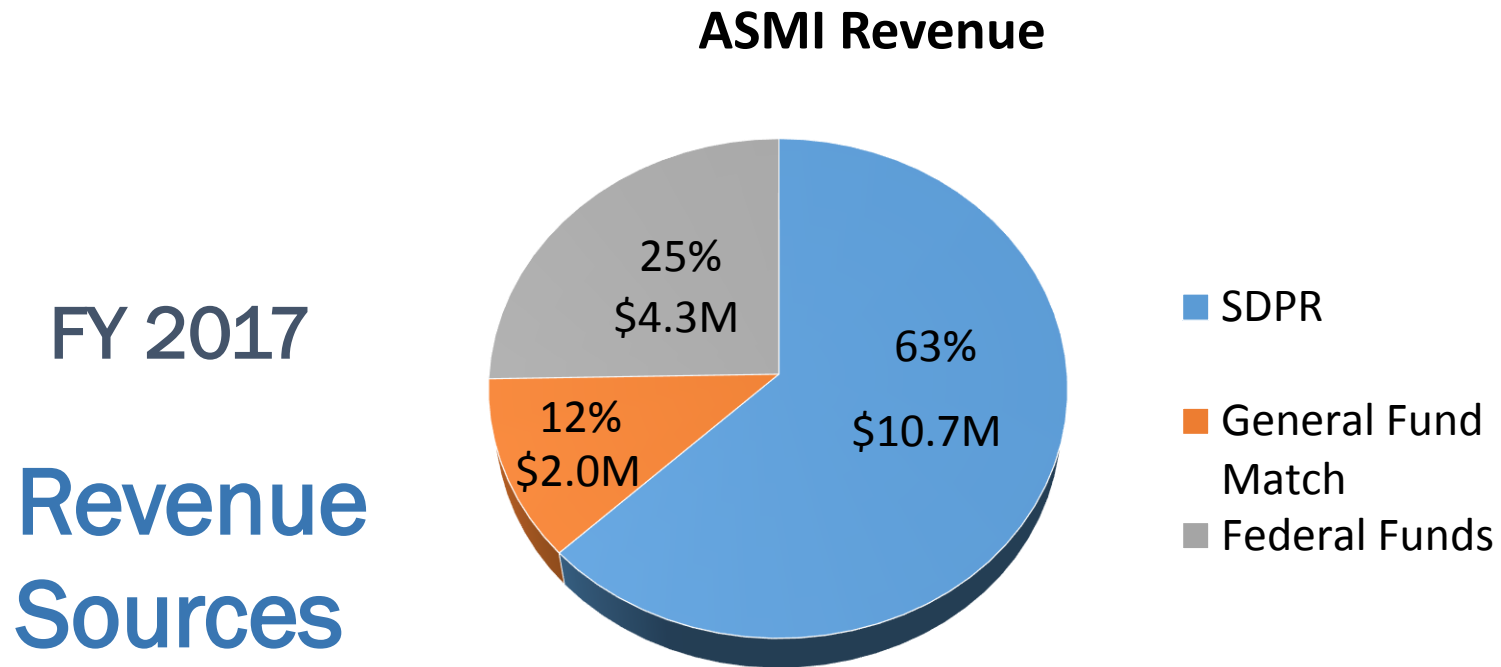
UNRESTRICTED GENERAL FUNDS	\$ 0
GENERAL FUND MATCH	\$ 2,000
FEDERAL FUNDS (MARKET ACCESS PROGRAM)	\$ 4,338.6
VOLUNTARY INDUSTRY TAX	\$ 9,681.8
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PROJECTED CARRYFORWARD	\$ 18,846.1
TOTAL AUTHORIZATION	\$ 21,519.8
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FY 2017 Marketing spend plan	\$ 17,040

**FY 2018 Governor's Budget: \$1 million General Fund Match**

# ALASKA SEAFOOD MARKETING INSTITUTE BUDGET



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*It is the intent that ASMI develop a plan to phase out reliance on UGF by FY19*

- **Reduced Spend Plan**
  - Gradual, sustainable ramp down of expenditures
- **Supplemental Funding Task Force**
  - Additional federal grants awarded
- **Options to Increase Industry Revenue**
  - According to statute, revenue can be increased from .5% to .6%, raising an additional \$1 million annually



# ALASKA SEAFOOD MARKETING INSTITUTE

## PROJECTED BUDGET



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	ACTUALS FY2016	PLANNED FY2017	REQUESTED FY2018	PROJECTED FY2019
PRIOR YEAR CARRYFORWARD REVENUE	\$19,217.0	\$18,846.1	\$16,644.7	\$14,144.7
ANNUAL REVENUE				
UNRESTRICTED GENERAL FUNDS	\$429.0	\$0.0	\$0.0	\$0.0
GENERAL FUND MATCH	\$4,482.3	\$2,000.0	\$1,000.0	\$0.0
FEDERAL FUNDS (MARKET ACCESS PROGRAM)	\$4,164.6	\$4,338.6	\$4,500.0	\$4,500.0
VOLUNTARY INDUSTRY TAX (STAT DESIG PROGRAM RECEIPTS)	\$9,681.8	\$8,500.0	\$9,000.0	\$9,500.0
TOTAL REVENUE	\$37,974.7	\$33,684.7	\$31,144.7	\$28,144.7
BUDGET AUTHORIZATION	\$24,424.2	\$21,519.8	\$21,569.9	\$21,569.9
MARKETING SPEND PLAN	\$19,128.6	\$17,040.0	\$17,000.0	\$17,000.0
ENDING CARRYFORWARD	\$18,846.1	\$16,644.7	\$14,144.7	\$11,144.7



# LEGISLATIVE INTENT: POSITIONS

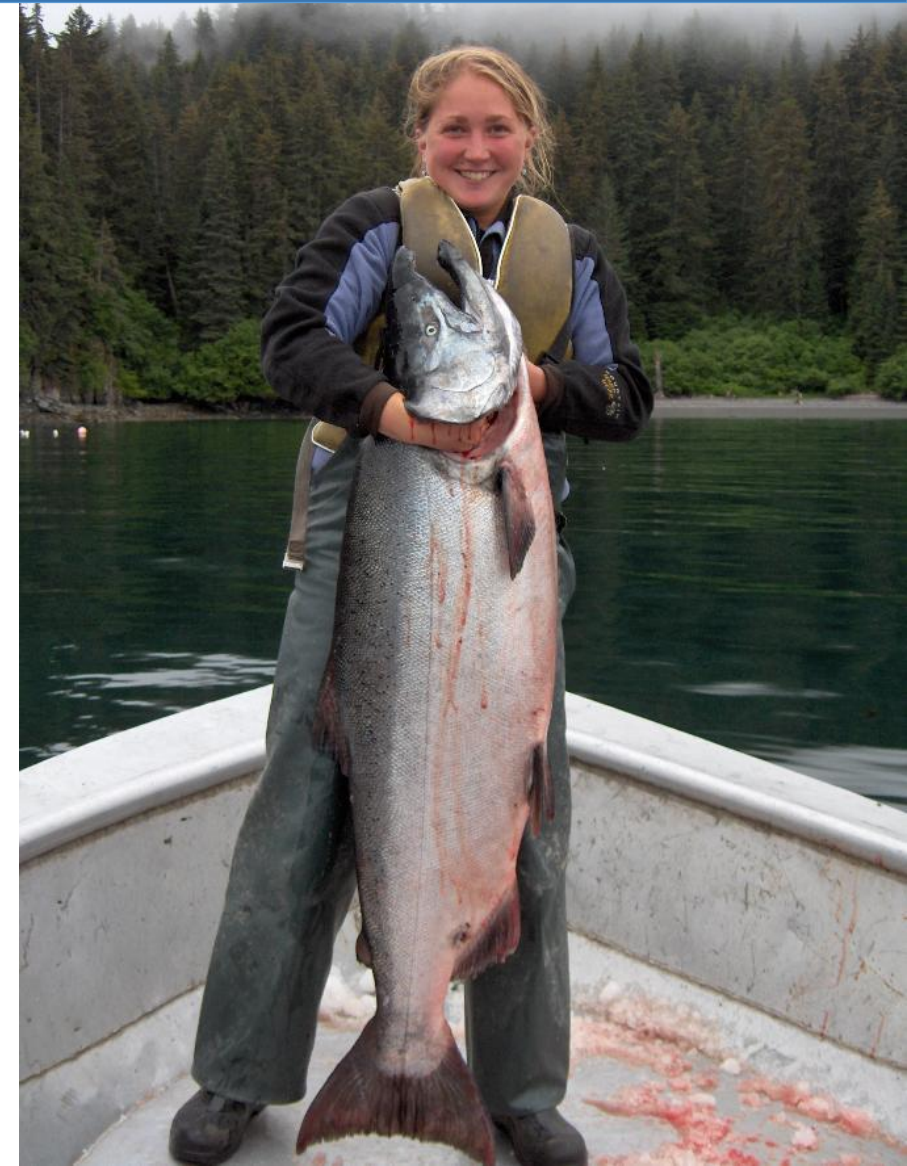


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*It is the intent of the legislature that all ASMI positions are located in Alaska by FY19*

Domestic U.S. Retail, Foodservice Programs,  
Sustainability (6 PCNs)

- Cost-Effective Market Access
- Relationships & Interaction with Marketing Partners
- Effective Marketing Impacts Alaskans





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[www.alaskaseafood.org](http://www.alaskaseafood.org)

(Industry site)

[www.wildalaskaseafood.com](http://www.wildalaskaseafood.com)

(Consumer site)

## Alaska Seafood Social Media Channels



Facebook



Twitter



Instagram



Pinterest



You Tube

Facebook.com/AlaskaSeafood

@Alaska\_Seafood

@AlaskaSeafood

@AlaskaSeafood

YouTube.com/Alaska Seafood

# Thank you!



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