

Alaska Seafood Market Update

May 11, 2021

House Fisheries Committee

Jeremy Woodrow – Executive Director
Alaska Seafood Marketing Institute



Alaska Seafood Marketing Institute

ASMI is a **public-private partnership** between the State of Alaska and the Alaska seafood industry established to foster economic development of a renewable natural resource.

As Alaska's official seafood marketing arm, **ASMI maximizes the economic value of the Alaska seafood resource** by:

- building and protecting the Alaska Seafood brand
- developing and creating markets for Alaska seafood products
- working directly with the seafood industry to maximize efforts

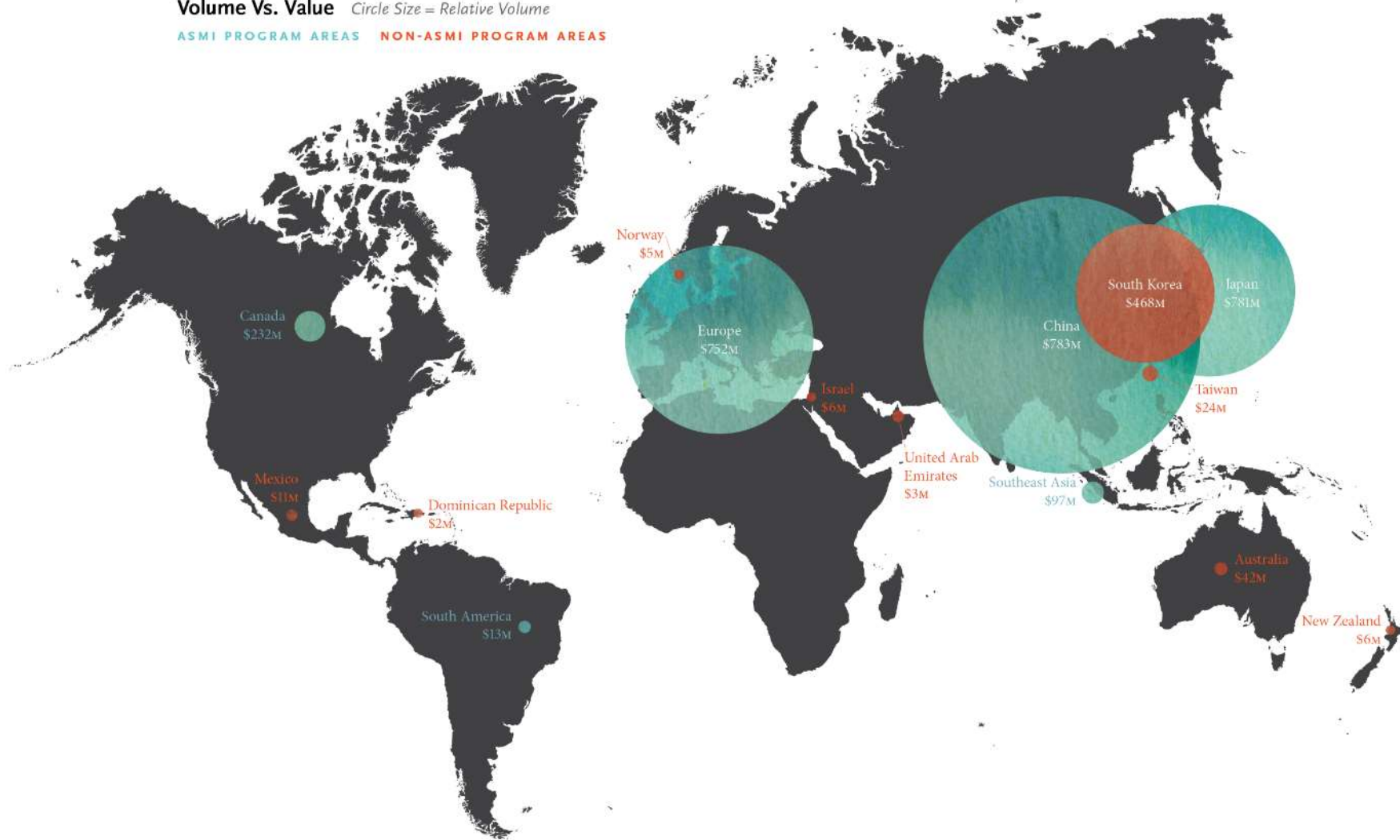
ASMI is directed by a Governor-appointed Board of Directors: five processors, two commercial harvesters; and 10 board-appointed Species and Operational Committees.





Volume Vs. Value Circle Size = Relative Volume

ASMI PROGRAM AREAS NON-ASMI PROGRAM AREAS



About 75% of Alaska seafood production exported annually to 100 countries

U.S. usually largest market: 25-30%

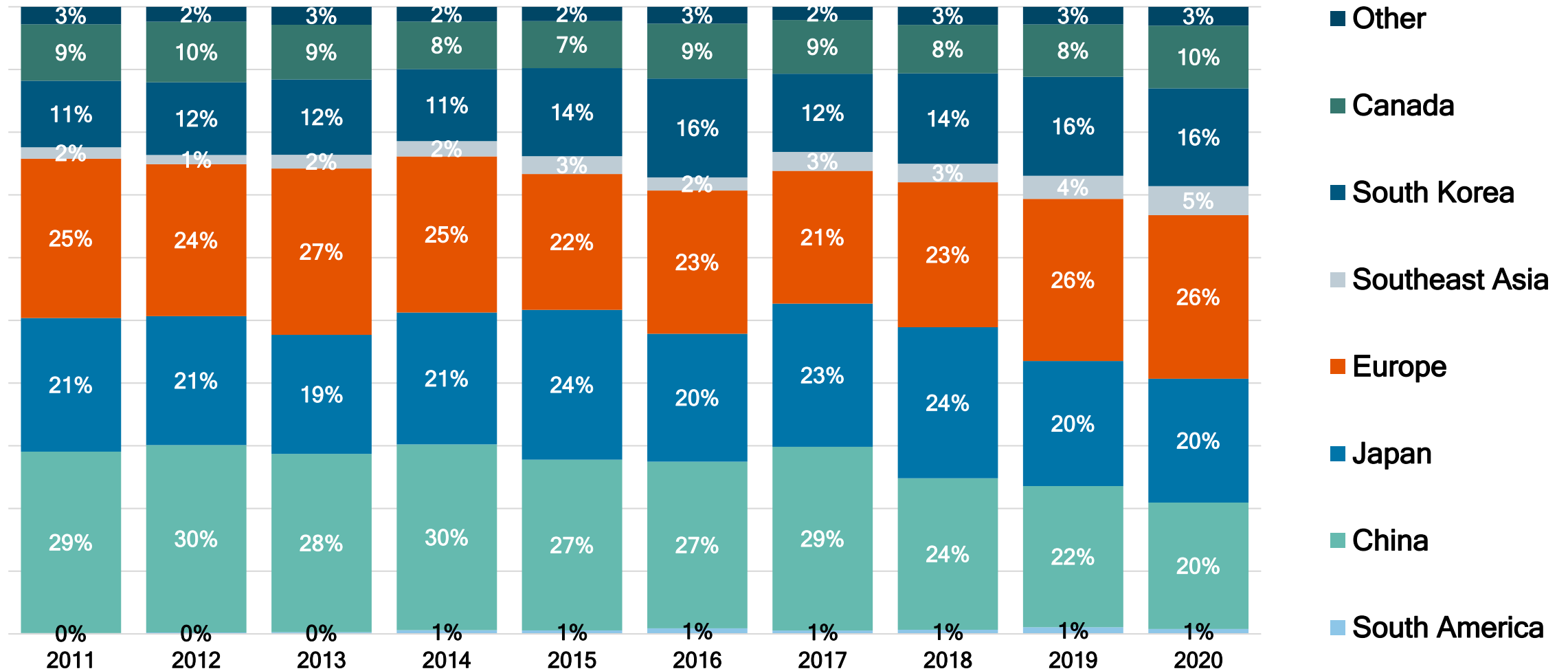
China/South Korea largest trading partners; primarily reprocessing

Japan/Europe largest direct foreign markets

90% of pollock, pink/keta salmon, and A8o species exported



Alaska Seafood Export Value by Region



Source: NOAA, compiled by McKinley Research.

Trade in Key Export Markets

China

- **37% - 42% tariffs** on Alaska seafood into China
- 25% tariff on flatfish reimported to U.S.
- Phase One Trade Deal: retaliatory tariffs unchanged; other potential impacts on Alaska seafood still unclear

Russia

- Leading global competitor for Alaska seafood
- Russia market closed to Alaska since 2014, but exports to U.S. **up 173% since 2013**
- Significant government investments in seafood industry infrastructure, technology and marketing

European Union

- Significant trade barriers on U.S. seafood into EU; near free-market access of EU products into U.S.
- U.S. seafood caught in Boeing/Airbus dispute
- Brexit

Japan

- Leading export market for U.S. seafood sector
- Recently enacted FTAs with several U.S. seafood competitors
- "Phase One" agreement did not level playing field for U.S. seafood



COVID-19 contributed to widespread harvest value declines in 2020, with a preliminary estimated drop in ex-vessel value of 20-25%.

Key COVID-caused market disruptions to the Alaska seafood industry:

- Widespread closures in the global foodservice sector
- Shipping disruptions; more difficult and more expensive to get Alaska seafood to market.
- Added costs for harvesters and processors ensuring the safety of their workers on fishing vessels and processing lines, and the Alaska communities where they operate.



ASMI Revenue: *25% decrease*

- ASMI, by statute, is funded via a voluntary assessment set by the Alaska seafood industry, based on the ex-vessel value of Alaska's commercial fisheries harvest.
 - The current assessment rate is set at .5%
- 20-25% drop in ex-vessel value equals approximately \$500 million in lost income to Alaska's commercial fleet.
- ASMI's revenue is expected to decline by \$5M over two years.
- Since FY 2018, ASMI has received no General Fund support and relies entirely on the industry assessment and competitive federal grant funding.



Global Consumer Responses to the Pandemic

- Increase in retail sales, especially in ecommerce, direct to consumer sales
 - U.S.: 122% yoy increase in seafood ecommerce sales
- Frozen seafood experiencing banner growth
 - U.S. : 35% yoy sales growth in frozen seafood; 24% in fresh
 - *Retail sales growth did not make up for sales losses at foodservice*
- More people cooking at home more often; unprecedented opportunity for education
- Consumers looking for immune-boosting, sustainable foods



COVID TRENDS

- RETAIL
- HEALTH
- SUSTAINABILITY/ORIGIN
- CONVENIENCE
- HOME COOKING

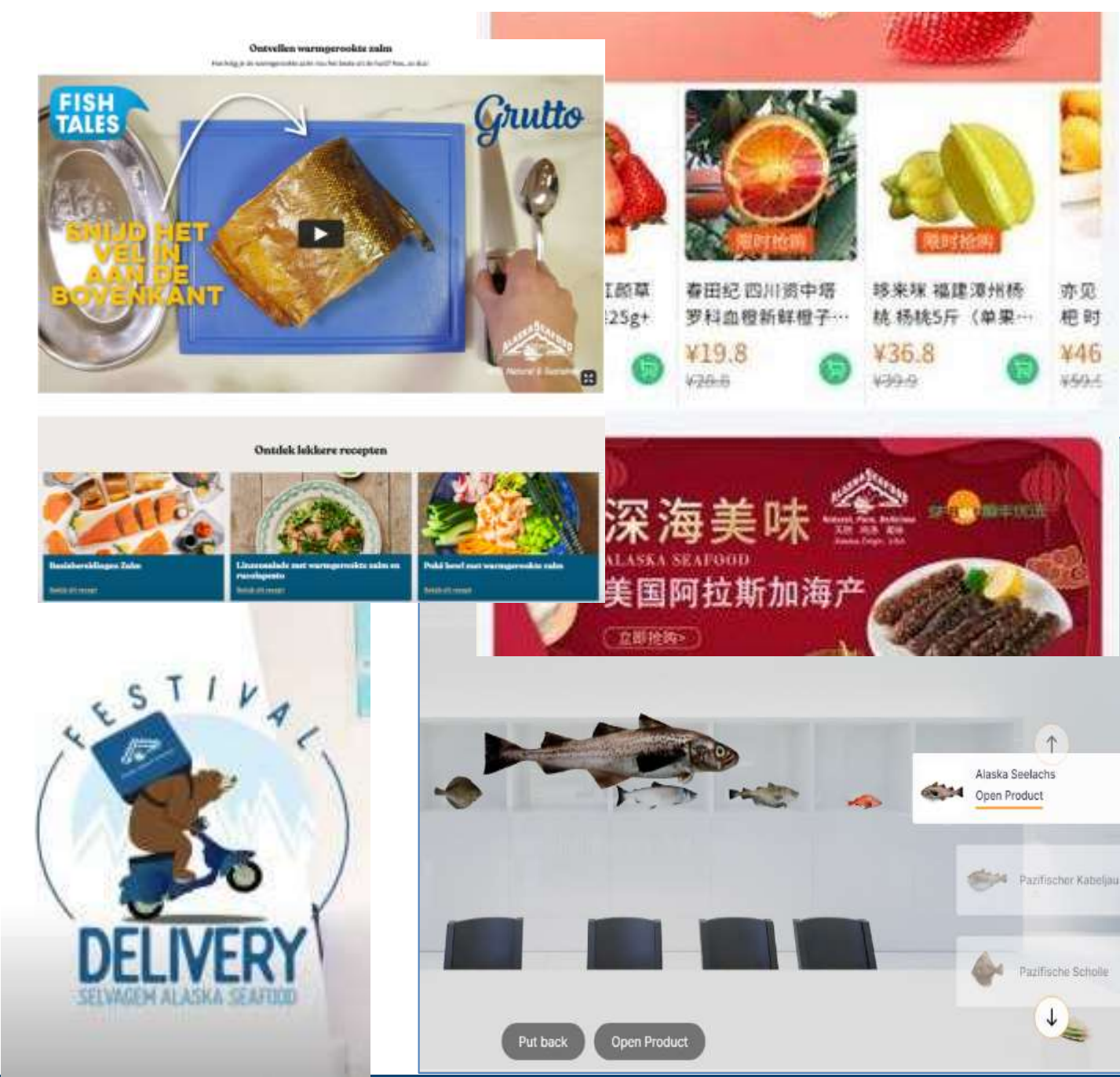


INTERNATIONAL

E-COMMERCE PROMOTIONS see good rate of return in China and EU.

TRADE MISSIONS connect buyers and sellers from around the world

SEAFOOD EXPOS to facilitate sales of Alaska seafood



RESTAURANT & RETAIL PROMOTIONS

- ASMI works with restaurants, retailers and organizations to promote Alaska Seafood to consumers
- #1 Protein Brand on U.S. Menus



HEALTH

- 72% of consumers are putting more effort into eating healthy since the pandemic
- Many seafood consumers choose seafood because of specific nutrients, broad-based healthy claims, and no additives.

74%

OF SEAFOOD CONSUMERS WANT TO BECOME MORE KNOWLEDGEABLE ABOUT THE NUTRITIONAL BENEFITS OF SEAFOOD (43% OF NON-SEAFOOD CONSUMERS).



59%

OF SEAFOOD CONSUMERS WHO HAVE BEEN EATING MORE SEAFOOD DURING THE PANDEMIC ARE DOING SO BECAUSE THEY ARE TRYING TO MAKE HEALTHY AND NUTRITIOUS CHOICES.

The collage features several pieces of marketing material from Alaska Seafood:

- Top Right:** "Powered by Wild" banner with the text "Healthy lifestyles begin with Alaska seafood" and "If sustainable seafood, there's no end to..."
- Top Middle:** "Wild & ALASKA SEAFOOD & YOUR BRAIN" brochure, titled "The link between seafood and brain health is clear." It includes a section "DIET TO BOOST BRAIN HEALTH".
- Middle Left:** "Wild & ALASKA SEAFOOD & YOUR HEART" brochure, titled "The link between seafood and heart health is clear. Eating seafood provides a possible benefit for heart health." It includes "SEAFOOD RECOMMENDATIONS FOR YOUR HEART".
- Middle Right:** "WILD ALASKA SEAFOOD NUTRIENT CLAIMS" chart. It compares Alaska seafood to a Daily Reference Value (DRV) or Reference Daily Intake (RDI). For example, it shows that Alaska salmon is a "GOOD SOURCE" for protein (5% or less) and "EXCELLENT" for omega-3 fatty acids (20% or more).
- Bottom Left:** "REAL SIMPLE" poster titled "Why Eating More Seafood One of the Best Things You Can Do for Your Health". It mentions the 2020-2025 Dietary Guidelines for Americans.
- Bottom Right:** "Progressive GROCER" sign that says "Sustainable Seafood Offers a Healthy Body and a Healthy Planet" and "Eat This, Not That!". It features an image of a seafood display.
- Bottom Center:** A text box stating: "Your best options are wild Alaska salmon, halibut, and sablefish, which contain Vitamin D, amino acids such as tryptophan, and the omega-3 fatty acids EPA and DHA, all of which are necessary to supporting mood and cognition, says Gans."
- Bottom Right Corner:** The Alaska Seafood logo, featuring a fish and the text "ALASKA SEAFOOD".

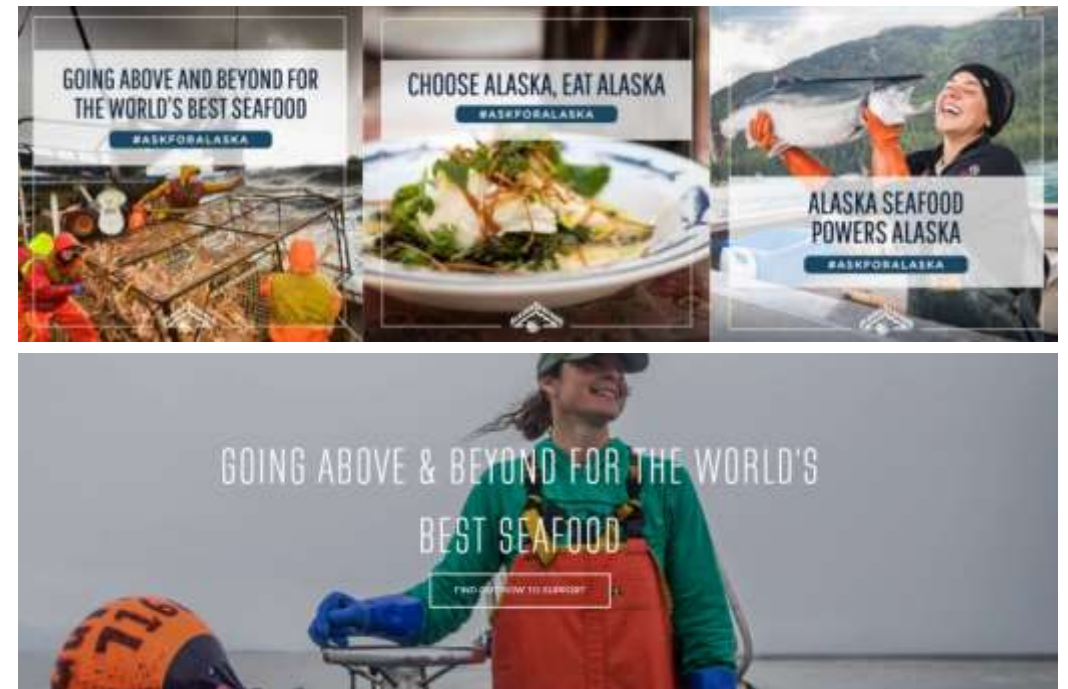
SUSTAINABILITY/ORIGIN

Concern for sustainability has gone up among seafood consumers from 29% in 2019 to 41% in 2020.

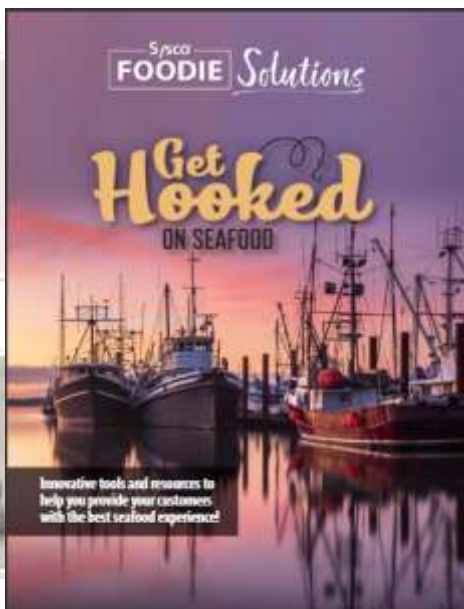
IMPACT OF SUSTAINABLE SEAFOOD CERTIFICATIONS ON PURCHASE



LOCAL EATING



TAKE-OUT



HOME COOKING






Restaurant Faves At Home

Partnered with top chefs and influencers to share approachable tips on how to cook restaurant quality, craveable seafood favorites at home.


Alaska Seafood Marketing Institute | alaskaseafood.org | wildalaskaseafood.com




ALASKA SABLEFISH WITH MISO AND SESAME GREENS
#SEAFOODSUNDAY



EVERYTHING-SPICED ALASKA SALMON BAGEL
#SEAFOODSUNDAY



BAHARAT ALASKA SALMON SALAD
#SEAFOODSUNDAY



BLACKENED ALASKA COD TACOS
#SEAFOODSUNDAY



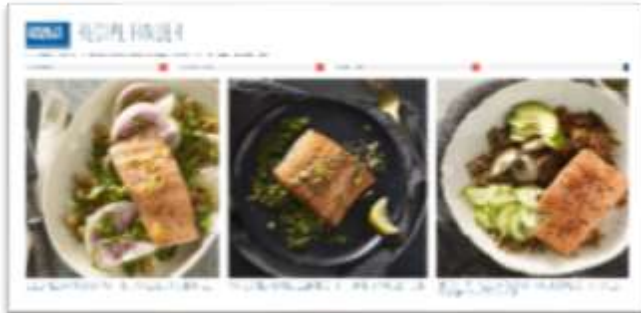
PCC COOKING CLASSES

JOIN US FOR AN ONLINE CLASS!

Don't miss out on our online PCC Cooking Classes! Join us for a live online class or watch the recorded version of the class at any time. The classes are free for members and \$10 for non-members. The classes are held on Wednesdays at 7 PM PT. The classes are held on Wednesdays at 7 PM PT. The classes are held on Wednesdays at 7 PM PT.



HOME COOKING



SAUTÉ/ PAN SEAR

TEMPERATURE
Medium-high heat

PREP (6 oz. fillets)
Oil/season fish. Place skin up in heated pan.

SPECIES/COOK TIME (minutes)
First time for first half, then flip to finish

3	2	2
3-4	1-2	1-2

DONENESS
Browned, firm, mostly opaque.

GRILL

TEMPERATURE
400°F

PREP (6 oz. fillets)
Oil/season fish, then cook in non-stick grill pan.

SPECIES/COOK TIME (minutes)

10-12	8-10	5-6

DONENESS
Firm, opaque.

ROAST

TEMPERATURE
400°F

PREP (6 oz. fillets)
Oil/season fish. Place in spray-coated foil pan, leaving part of middle open.

SPECIES/COOK TIME (minutes)

8-10	8-10	4-6

DONENESS
Firm, mostly opaque.

HOW TO AIR FRY FROZEN Wild Alaska Salmon

15 Recipes That Prove Seafood Is Easier to Cook Than You Think — Thanks to Your Grill



Looking Ahead: Opportunities

- U.S. foodservice markets are expected to rebound in late 2021, in line with widespread vaccine distribution; new norms
- Consumers will continue to shop online and cook at home using new skills and recipes tested during the pandemic
- Consumers will continue to look for nutrient-forward, sustainable and traceable proteins



Looking Ahead: Challenges

- Ongoing foodservice closures due to continued outbreaks, slow vaccination distribution
- Farmed salmon, cod and other competing products also redirected to retail – downward price pressure on entire category.
- Continued challenges and significant costs to safely execute fisheries amid COVID-19 pandemic
- Continued shipping disruptions due to COVID-19
- Ongoing trade barriers with key export markets
- Continued volatile harvest projections for Alaska fisheries



COVID-19 Impact Tracking

- Briefing paper series
- Presentations
- Processor and harvester online surveys

➤ alaskaseafood.org/covid19



The screenshot shows the Alaska Seafood Marketing Institute website. The header includes the Alaska Seafood logo and navigation links for Foodservice, Retail, International, RFM Certification, About, The Catch, Health & Nutrition, Quality, Food Aid, and News. The main content area is titled "COVID-19 IMPACT REPORTS" and states that impact reports of the COVID-19 pandemic on the Alaska Seafood Industry are produced for ASMI by the McDowell Group. Below this, a section titled "Alaska Seafood COVID-19 Briefing Paper" (February 2021 Edition) is highlighted, prepared by McKinley Research Group (formerly McDowell Group). The briefing paper discusses the impact of COVID-19 on the Alaska seafood industry, specifically mentioning bottlenecks in China and the resulting costs for producers.

ALASKA SEAFOOD
Alaska Seafood Marketing Institute

FOODSERVICE RETAIL INTERNATIONAL RFM CERTIFICATION
ABOUT THE CATCH HEALTH & NUTRITION QUALITY FOOD AID NEWS

Home » Covid-19 Impact Reports

COVID-19 IMPACT REPORTS

Impact Reports of the COVID-19 Pandemic on the Alaska Seafood Industry are produced for ASMI by the McDowell Group.

Alaska Seafood COVID-19 Briefing Paper

February 2021 Edition

Prepared on behalf of the Alaska Seafood Marketing Institute by McKinley Research Group (formerly McDowell Group), this series of briefing papers is intended to provide information on the depth and breadth of the pandemic's effects on Alaska's seafood industry.

COVID-19 Inspections in China Continue to Bottleneck Alaska Seafood

COVID-caused closures and slowdowns at key northern Chinese seafood processing ports continue to add costs for producers and complicate the process of getting some seafood to market. Import delays started last summer as Chinese authorities imposed strict COVID-19 inspection and sanitization protocols for imported frozen foods, including seafood. These protocols came despite the lack credible scientific evidence that the virus is transmitted by food or food packaging.¹



Thank you!

Jeremy Woodrow
jwoodrow@alaskaseafood.org

YOUR PRIDE IS OUR PRIDE.

Together, We Make Alaska Seafood Stronger.

From ocean to table, the heavy lifting doesn't stop here. Alaska Seafood Marketing Institute works to put your product into a variety of markets, from restaurants and grocery stores to university dining halls to hospitals and school lunch programs.

This is just one example of how Alaska Seafood Marketing Institute puts all hands on deck to tell the story of wild, sustainable Alaska seafood so you and your family can focus on fishing today and for generations to come.



Stay updated on our news & updates
@ASMINewsAndUpdates