

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

February 5, 2003
8:32 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Peggy Wilson, Vice Chair
Representative Cheryll Heinze
Representative Ralph Samuels
Representative David Guttenberg

MEMBERS ABSENT

Representative Pete Kott
Representative Ethan Berkowitz

COMMITTEE CALENDAR

OVERVIEWS: ALASKA SALMON MARKETING INSTITUTE, SALMON MARKET
INFORMATION SERVICE

TAPES

03-3, SIDE(S) A & B

CHAIR PAUL SEATON convened the meeting of the House Special Committee on Fisheries at 8:32 a.m. Present at the call to order were Representatives Seaton, Heinze, Samuels, and Guttenberg. Representative Wilson arrived as the meeting was in progress.

SUMMARY OF INFORMATION

RAY RIUTTA, Executive Director, Alaska Seafood Marketing Institute (ASMI,) introduced ASMI staff, Naresh Shrestha and Laura Fleming. Mr. Riutta began his presentation by providing background information, informing the committee that ASMI is a cooperative partnership between the seafood industry and state government. ASMI is Alaska's official seafood marketing agency, and also conducts seafood quality education. Approximately 80 people from the commercial seafood industry, including a 25-member, governor-appointed board of directors, are involved with guiding ASMI's efforts, whose mission is to increase worldwide consumption of Alaska seafood and to promote the quality and superiority of Alaska seafood products. Mr. Riutta said that

the seafood industry is the largest private-sector employer in the state, and the second largest state revenue contributor, next to the petroleum industry. Mr. Ruitta highlighted some of the trends currently pervading the Alaska seafood industry, such as strong prices for Alaska cod and crab, and low prices for Alaska salmon. He said Alaska's pollock fishery is the largest in the world, bringing in about \$800 million at the docks, and that if Alaska were a country, it would rank among the top five seafood-producing nations in the world.

MR. RIUTTA described ASMI's different programs, including promotion, public relations, market development, and a technical program that provides expertise on regulatory and scientific issues and also conducts trainings on how to maintain seafood quality from point of harvest to the plate. He said ASMI works with chefs, wholesale seafood businesses, hotels, restaurant chains, retail stores, and whole-foods stores to promote Alaskan seafood and recipes. He mentioned that about 60 percent of the seafood sold in the U.S. is sold through food service in restaurants rather than in grocery stores, and that Alaskan products are carried by familiar names such as Hilton Hotels, Long John Silver's, Sizzler, and Hyatt Hotels. To further differentiate Alaskan products, ASMI works with writers and journalists to promote not only seafood but also the industry as a whole, including individual fishermen and their lifestyle. Mr. Riutta explained the funding trends of ASMI, noting that they have suffered funding losses in conjunction with the decline of the Alaska salmon industry. He mentioned that ASMI receives federal grants through the U.S. Department of Agriculture for overseas marketing programs. He referred to ASMI's web site, www.alaskaseafood.org, for further information.

CHRIS McDOWELL, Editor, Salmon Market Information Service (SMIS), gave a PowerPoint presentation outlining current trends and market conditions in the Alaska salmon industry. He stated that the decline in value of the industry is due to two factors: the decreased harvests of the high-value sockeye species, and the declining price due to increasing competition from global farmed salmon imports. The harvest composition of the salmon industry is also causing revenue decline as the industry has increased its harvest of low-value salmon species and decreased its harvest of high-value species. Mr. McDowell explained that although today's salmon revenues are extremely low, the exceptionally profitable years of the '80s and '90s were extraordinarily high. He also stated that the growing domestic market is focused on fresh and frozen fillets, mostly provided by the salmon farming industry, but that Alaska salmon could

also benefit from this growing market if the industry focused on increasing the overall quality of the product and improving transportation to domestic markets. Mr. McDowell also mentioned the importance of the canned salmon market, and the increasingly diverse export destinations of Alaska salmon.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 9:54 a.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.