

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON FISHERIES**

February 9, 2023

11:07 a.m.

**MEMBERS PRESENT**

Representative Sarah Vance, Chair  
Representative Kevin McCabe  
Representative CJ McCormick  
Representative Ben Carpenter  
Representative Craig Johnson  
Representative Louise Stutes  
Representative Rebecca Himschoot

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Representative Dan Ortiz

**COMMITTEE CALENDAR**

PRESENTATION(S): UPDATE ON ALASKA'S SEAFOOD MARKET

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

JEREMY WOODROW, Executive Director  
Alaska Seafood Marketing Institute  
Juneau, Alaska

**POSITION STATEMENT:** Provided a PowerPoint presentation, titled "Alaska Seafood Marketing Institute."

**ACTION NARRATIVE**

[11:07:28 AM](#)

**CHAIR SARAH VANCE** called the House Special Committee on Fisheries meeting to order at 11:07 a.m. Representatives

McCabe, McCormick, Carpenter, C. Johnson, Stutes, Himschoot, and Vance were present at the call to order.

**PRESENTATION(S): Update on Alaska's Seafood Market**

[11:08:51 AM](#)

CHAIR VANCE announced that the only order of business would be the presentation on Alaska's Seafood Market Institute.

[11:09:27 AM](#)

JEREMY WOODROW, Executive Director, Alaska Seafood Marketing Institute (ASMI), gave a PowerPoint presentation, titled "Alaska Seafood Marketing Institute," [hard copy included in the committee packet]. Mr. Woodrow provided an outline of the presentation content, as shown on slide 2. On slide 3, he stated that, as the official seafood marketing arm, ASMI maximizes the economic value of the Alaska seafood resource by building and protecting the Alaska Seafood brand. It also develops and creates markets for Alaska seafood products and works directly with the seafood industry to maximize efforts. He then explained the administrative makeup of ASMI.

MR. WOODROW identified the funding sources of ASMI for the fiscal year 2023 (FY 23) and FY 24, as seen on slide 4. He pointed out that for FY 23 the Spend Plan was \$21 million, while the plan for FY 24 would be set by the ASMI board in May of 2023. He stated that the "ex-vessel value" is used to determine the dollar value of the commercial fish landed, and this is calculated by using the first sale from a fisherman to the processor.

[11:11:50 AM](#)

MR. WOODROW recounted the ASMI budget history and forecast and showed a graph on Slide 5. The graph displayed the funding sources for ASMI, and he pointed out the trends. He noted that in FY 20 there was a dramatic loss in funding. Subsequently, the federal government stepped in, providing funding through the Alaska CARES Act in 2021, and then other funding sources in 2022. He said, this year's spending plan was around \$21 million, but without additional revenues, ASMI will have to reduce spending until revenues match expenditures. To be sustainable, he pointed out that ASMI would need to reduce its budget to \$14 million.

[11:13:18 AM](#)

MR. WOODROW highlighted the five main programs of ASMI, shown on slide 6 as follows: Domestic Marketing, Seafood Technical, International Marketing, Communications, and Global Food Aid. He then showed a map on slide 7 of the 42 international markets that are in cooperation with ASMI. These include emerging markets in South America, Southeast Asia, and Africa. Referring to domestic marketing, as seen on slide 8, he stated that the market in U.S. and Canada consists primarily of doing business in foodservice and retail spaces.

[11:15:00 AM](#)

REPRESENTATIVE MCCABE asked if this marketing presentation could be sent to the U.S. Trade Representative to [promote] Alaska seafood as an export commodity.

MR. WOODROW responded that this is a "great idea," and he said that he would follow up with the U.S. Trade Representative.

[11:15:29 AM](#)

MR. WOODROW expressed the need for communication and public relations for sustainable seafood marketing, as seen on slide 9. He highlighted a segment on the Today Show kicking off Earth Week with a feature on a Kodiak fisherman displaying an assortment of salmon products. He directed attention to slide 10, which described how the marketing program interacts directly with the seafood industry to develop new materials and research. He said the program ensures quality control of seafood products from boats to processors and throughout the supply chain.

MR. WOODROW described the Global Food Aid Program, as seen on slide 11. He stated that this program seeks to include Alaska seafood in domestic and international food aid programs. He added that the program provided 300,000 cans of salmon to Ukraine, delivered in January. He thanked the current administration for maintaining ties with the Ukrainian workforce.

[11:18:44 AM](#)

REPRESENTATIVE HIMSCHOOT inquired about the artwork on the salmon can label.

MR. WOODROW responded that it was created by ASMI as a throwback to the historic can salmon labels, and this was in honor of these labels.

[11:19:28 AM](#)

MR. WOODROW continued with slide 13, which addressed the economic importance of the seafood industry in Alaska. He pointed out that it directly employs 62,000 workers annually, and this is more than any other industry in Alaska. He stated that there is \$1.75 billion in direct earnings. He stated that Alaska holds six of the nation's top ten ports, with the industry operating over 8,900 vessels with over 160 shore-based processors. He continued directly to slide 14, pointing out that the seafood industry pays the state \$163 million in annual state, municipal, and federal taxes and in fees and assessments. He stated that \$5.7 billion from the industry directly benefits and contributes to Alaska's economy, with \$2.2 billion in labor income.

MR. WOODROW moved to slide 15 and provided polling results that affirms 87 percent of Alaskans "feel proud" when they see Alaska seafood in grocery stores and restaurants, while 88 percent of Alaskans view the state's reputation around the world enhanced by commercially caught Alaska seafood.

[11:21:20 AM](#)

To address a technical issue, the committee took two consecutive at-eases from 11:21 a.m. to 11:22 a.m.

[11:22:23 AM](#)

MR. WOODROW played a 30-second video about the Alaska seafood industry. He added that the advertisement can be seen on many media outlets. In response to a committee question, he clarified that the video was targeted specifically at Alaskans, and this was to show support for the industry. In response to a follow-up question, he said the aim was to target most of the population in the state.

MR. WOODROW moved to slide 17, which showed a pie chart depicting the diversity of commercial fisheries in Alaska. He stated that salmon are the predominant species caught at 39 percent, followed by halibut, sablefish, and crab, each with 26 percent. He continued that next is pollock with 22 percent, with cod, flatfish, rockfish, and "other fish" making up the

remaining percentage. He stated that this equals a yearly total of \$2 billion. He said the pie chart illustrates that to maintain consistent earnings from year to year, it is important to have a diverse seafood portfolio.

MR. WOODROW addressed the groundfish harvest, as seen on slide 18. He pointed out that the pollock quota decreased by 15 percent with record prices. He stated that the flat fish market appears to be recovering and Pacific cod quotas are growing after years of decreased abundance.

[11:26:26 AM](#)

MR. WOODROW pointed to slide 19, titled "2022 - Salmon Harvest," which illustrated the salmon harvest fluctuations over a 5-year average. He reported that 2022 saw record breaking Bristol Bay harvests; pink salmon harvest was well below average, but up from 2020; and chum salmon were historically low, but harvest volume was up. He added that sockeye harvests would have been down if not for Bristol Bay.

MR. WOODROW spoke about the graph on slide 20, which addressed the Bristol Bay sockeye salmon harvest. He emphasized that Bristol Bay sockeye salmon are driving the industry right now; however, he cautioned that these processors have an overload of product. He stated that these processors have asked ASMI for help moving the overstock to other markets. He said the response by ASMI was to add \$1.1 million to the domestic program in 2023.

[11:28:11 AM](#)

MR. WOODROW showed slide 21, which provided a statistical breakdown of the global supply from Alaska fisheries, with pollack being 41 percent of the market, wild salmon being 30 to 40 percent, sablefish being 66 percent, and Pacific halibut being 61 percent. He moved from global markets to the Russian market on Slide 22, which provided the history of the 2014 and 2022 embargos between Russia and the U.S.

MR. WOODROW highlighted the bullet points from Slide 23, concerning global competition. This included that the Norwegian Seafood Council's global budget is three times larger than the budget for ASMI and Russia has invested \$7 Billion into its fisheries. On slide 24, he outlined the four major obstacles facing the Alaska seafood market, as follows: inflation, a strong U.S. dollar, product inventory, and trade barriers.

Conversely, he pointed out the opportunities as follows: brand recognition of Alaska salmon, market diversification, full utilization of Alaska fleets, and the innovation of new products. He elucidated that the global strategy of ASMI is based on connecting with home cooks and promoting wild, sustainable salmon harvests, as well as practicing diversification and premiumization.

MR. WOODROW continued addressing the global marketplace on slide 27. He stated that about 65 to 70 percent of Alaska's market by value is exported annually to 100 countries. He stated that the U.S. has the largest market share of 30 percent by value. He added that China and South Korea are the largest trading partners for reprocessing, while Japan and Europe have the largest direct markets.

[11:33:58 AM](#)

MR. WOODROW, moving to slide 28, emphasized the need for diversification. He explained that from 2017 to 2020 Alaska's export value to China dropped to \$450 million. He said subsequently, selling seafood to China is incredibly expensive, as there is a 38 percent tariff. He expressed the opinion that it is essential to grow markets in Southeast Asia, South America, and possibly Eastern Europe and Africa. He showed Slide 29, which depicted the decline of seafood sales to China from 2013 to 2022. On slide 30 through slide 32, he pointed out the new markets ASMI recently developed in South America, Southeast Asia, England, and Japan. He moved to slide 33, which illustrated the numerous grocery companies involved with e-commerce, such as Instacart.

[11:37:55 AM](#)

MR. WOODROW discussed the increased sales for seafood prepared at home during the pandemic. On slide 34, he indicated that 91 percent of consumers expect to prepare a meal at home as much or more often as last year. He continued to Slide 35 and suggested that more consumers would be enticed to eat more seafood if they were provided with recipes. He continued discussing marketing and consumer interest on slide 36 through slide 38.

MR. WOODROW turned to slide 40 and slide 41 and expressed the opinion that Alaska seafood has "logo power." He pointed out that "wild-caught" messaging resonates more with consumers than "sourced from the USA" or "Alaska" alone. He highlighted the "Make the Wild Choice" ad campaign that hosted a cooking contest

and sweepstakes. He emphasized the need for new recipes, such as for fish tacos, as seen on slide 43.

MR. WOODROW moved to slide 45 and slide 46, which displayed the ASMI's partnerships with Holland America and Princess Cruises. He directed attention to Slide 47 and played a short video about the international importance of sustainability. He concluded the presentation on slides 48 through slide 51 by providing online resources. He informed the committee that the supplier's network on the ASMI website has also been upgraded to "buyers with sellers."

[11:47:33 AM](#)

REPRESENTATIVE MCCORMICK, highlighting the donated canned salmon to Ukraine, questioned whether something similar could be done for struggling families in Alaska, specifically regarding the Supplemental Nutrition Assistance Program (SNAP) benefits.

MR. WOODROW emphasized ASMI would be a willing partner through the Global Food Aid Program.

[11:48:55 AM](#)

REPRESENTATIVE C. JOHNSON inquired about new emerging products like seaweed. He questioned whether ASMI had an outreach program to remove barriers of entry into the seafood market.

MR. WOODROW answered that ASMI is prohibited from marketing mariculture by statute; however, it is looking at legislation in the future to change this law.

[11:50:32 AM](#)

REPRESENTATIVE MCCABE asked whether the Alaska Railroad was a "big buyer."

MR. WOODROW offered to follow up at a later date.

[11:51:46 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:52 a.m.