

03/24/2017

Overview:

Alaska

Seafood

Industry

<TARGET><BILL></BILL><SUBJECT>03-24-2017 Overview Alaska
Seafood Industry</SUBJECT><COMM>SRES30</COMM></TARGET>

State of Alaska Fishery Management

Senate Resources Committee

March 24, 2017



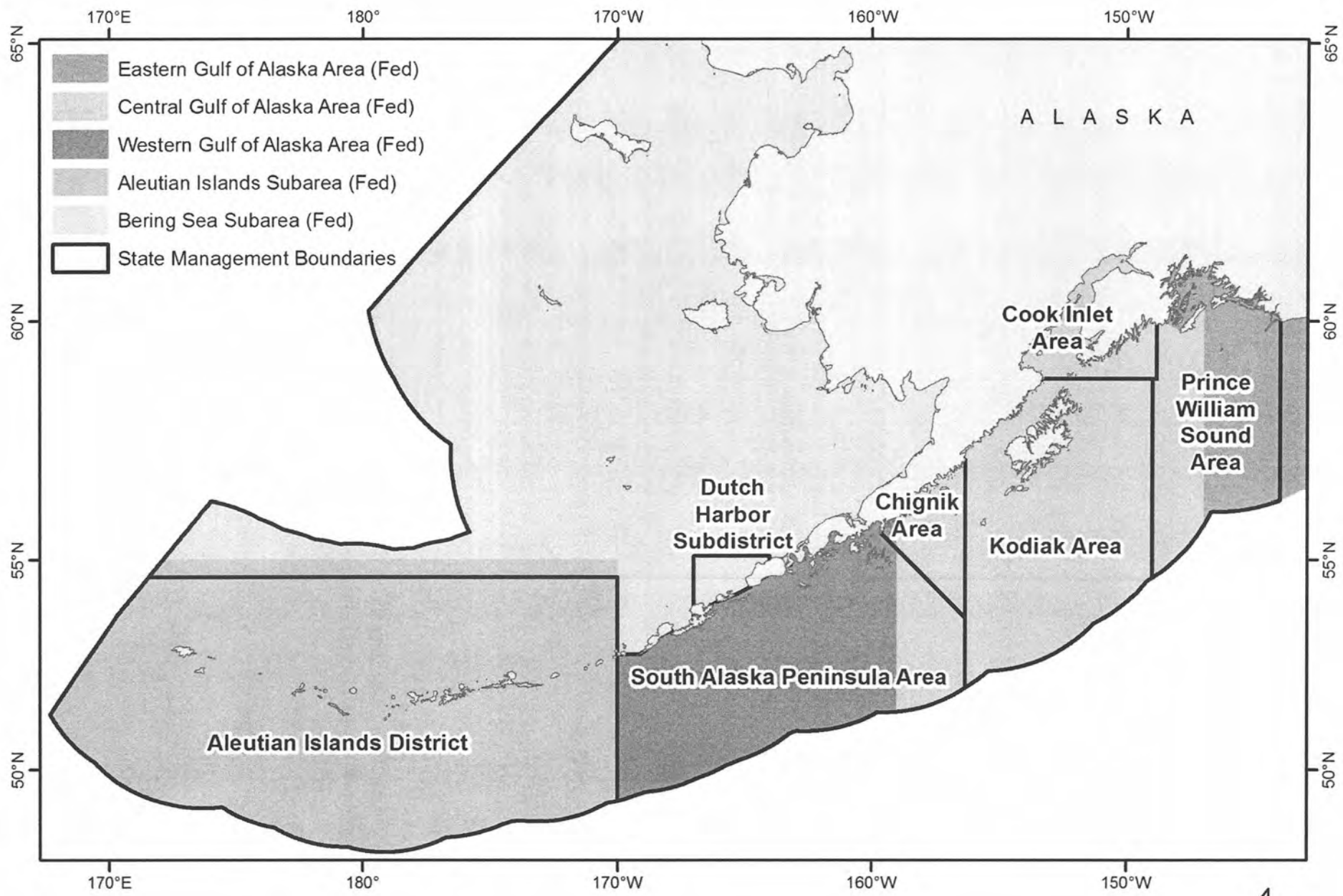
Jurisdiction of Fisheries in Alaska

- **Alaska Department of Fish & Game**
 - *Alaska Board of Fisheries*
 - *0-3 miles*
- **National Marine Fisheries Service**
 - *North Pacific Fishery Management Council*
 - *3-200 miles*

General Fishery Types



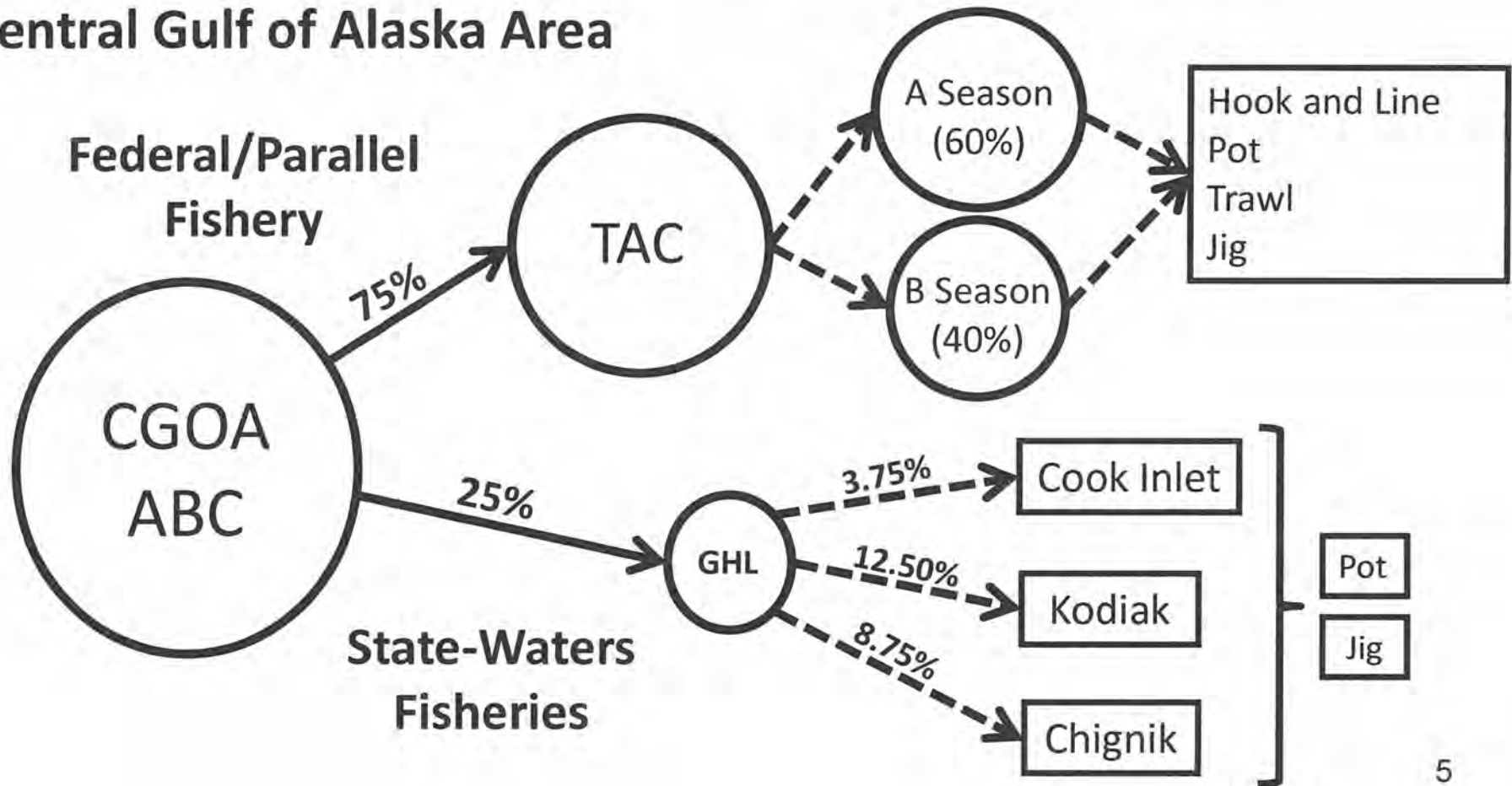
- **Federal:** Federal waters (3–200 nmi) guided by NPFMC process. Harvest deducted from federal Total Allowable Catch (TAC).
- **Parallel:** State waters (0–3 nmi) concurrent with adjacent federal fishery and generally adopt federal regulations and management measures as guided by the Board of Fisheries process. Harvest deducted from federal TAC.
- **State-Waters (GHL):** State waters (0–3 nmi) guided by the board process. Harvest deducted from state GHL.



Harvest Limits

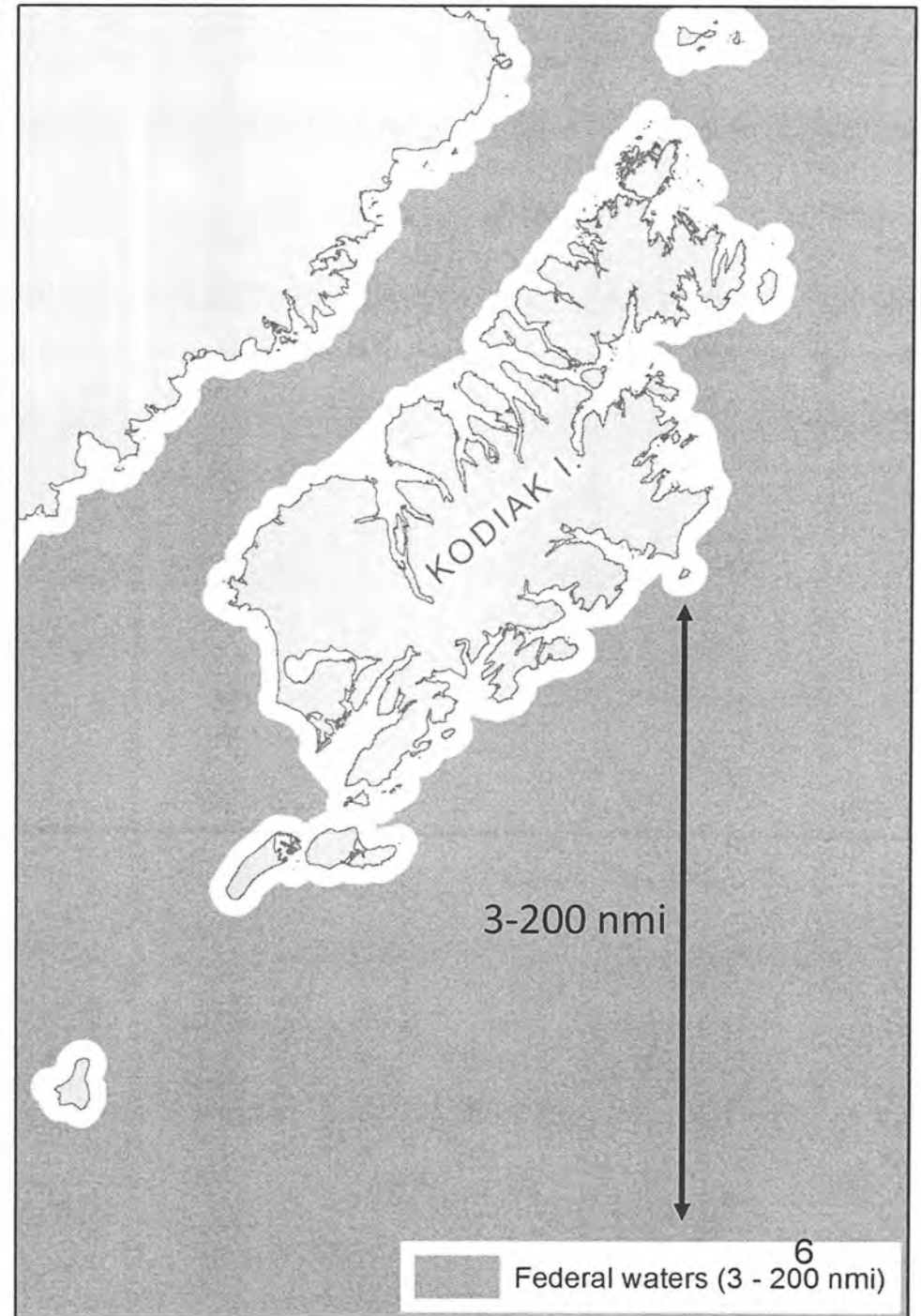
- **ABC** - Acceptable Biological Catch (Federal: EGOA, CGOA, WGOA, BS, AI)
- **TAC** - Total Allowable Catch (Federal/Parallel Fisheries)
- **GHL** - Guideline Harvest Level (State-Waters Fisheries)

Central Gulf of Alaska Area



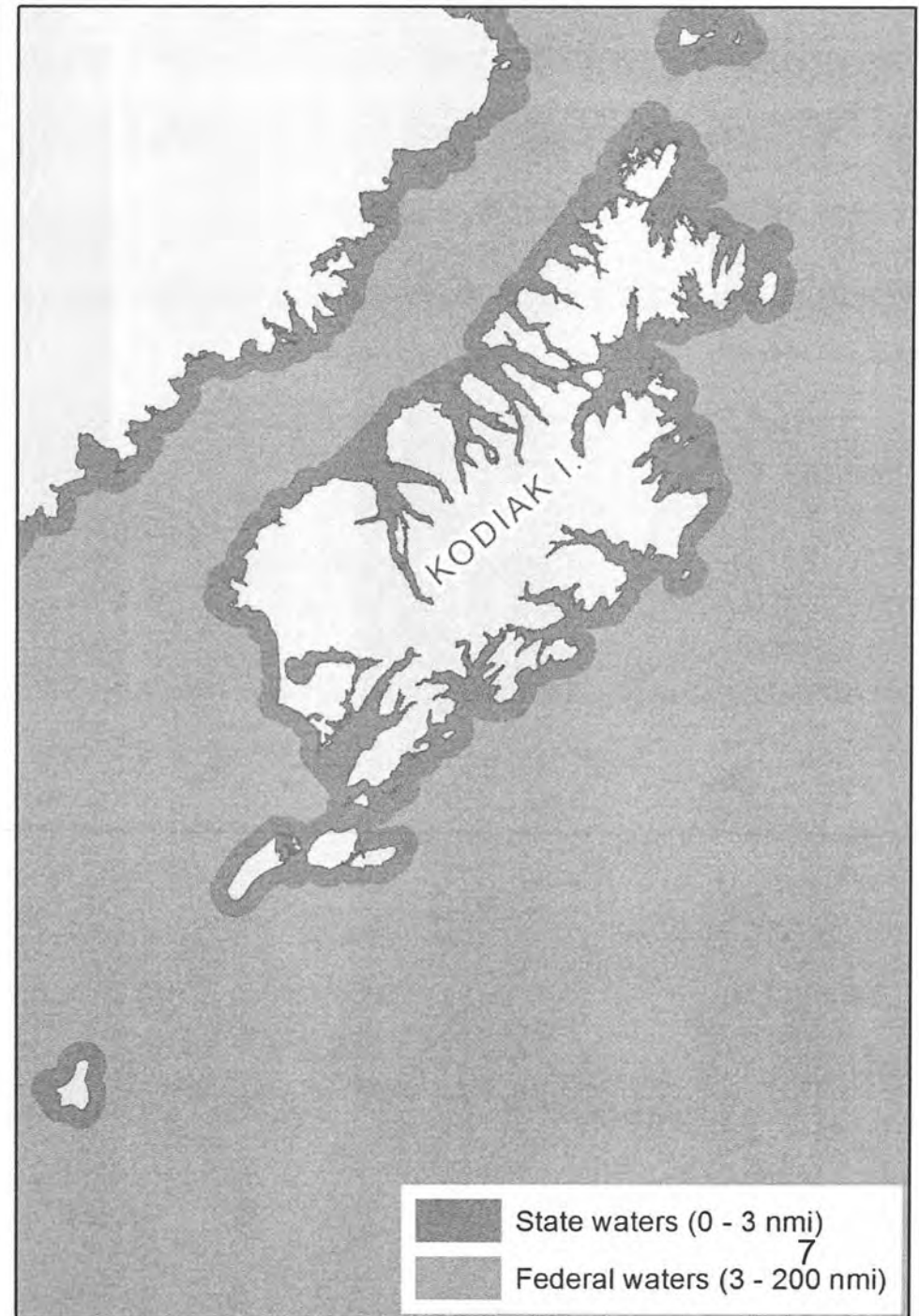
Federal Pacific Cod Fishery

- Federal waters 3–200 nmi
- Harvest limit (TAC) based on fixed % of Pacific cod ABC
- Gear sectors: trawl, longline, pot and jig gear (CV and CP)
- A and B seasons (Jan 1 and Sept 1)
- No gear limits, vessel length limited to 125 ft (GOA)
- Limited access (FFP and LLP required)
- Steller sea lion (SSL) protection measures (no fishing zones and VMS)
- Observer requirements



Parallel Pacific Cod Fishery

- State waters 0–3 nmi
- Opened concurrent to federal fishery by state Emergency Order
- Shared TAC with federal fishery
- Gear sectors: trawl, longline, pot and jig gear (bottom trawl restrictions)
- A and B seasons (Jan 1 and Sept 1)
- No gear limits, some vessel length restrictions
- Open access (FFP/LLP not required)
- Most SSL protection measures
- Observer requirements only for federally permitted vessels



State-Waters Pacific Cod Fishery

- State waters 0–3 nmi
- Harvest limits (GHL) based on % of federal Pacific cod ABCs
- Seasons open after federal/parallel fisheries close
- Pot and jig gear (longline - PWS; longline and trawl - Aleutian Is.)
- Gear limited to 60 pots or 5 jig machines
- Some vessel length limits
(58 ft maximum Chignik, S. Peninsula, Dutch Harbor)
- Open access - registration exclusivity
(nonexclusive, exclusive, superexclusive)
- SSL rookery protection
- No observer requirements



Groundfish Fishery Management Summary

- 2 management jurisdictions (federal/state)
- 3 'types' of groundfish fisheries
 - **Federal**: All federal oversight, nearly all limited access
 - **Parallel**: State oversight with federal overlap
 - **State-Waters**: All state oversight, all open access except several sablefish fisheries

**Each groundfish fishery is unique
and highly dynamic
ABCs shared across all 3 fishery types**



Questions?





**NOAA
FISHERIES**

Alaska Region

Alaska State Legislature Senate Resources Committee

Sustainable Fisheries Management

Glenn Merrill
Assistant Regional Administrator
NOAA Fisheries, Alaska Region

March 24, 2016



**NOAA
FISHERIES**

The Role of Alaska in Federal Fisheries Management

- North Pacific Fishery Management Council
 - Cooperative Management
 - Research



**NOAA
FISHERIES**

The Council, NOAA and the Magnuson Stevens Act

The Council recommends policies & NOAA reviews and implements them...

The Magnuson-Stevens Act requires balancing many factors, including...

“Achieving ... the optimum yield from each fishery” ...

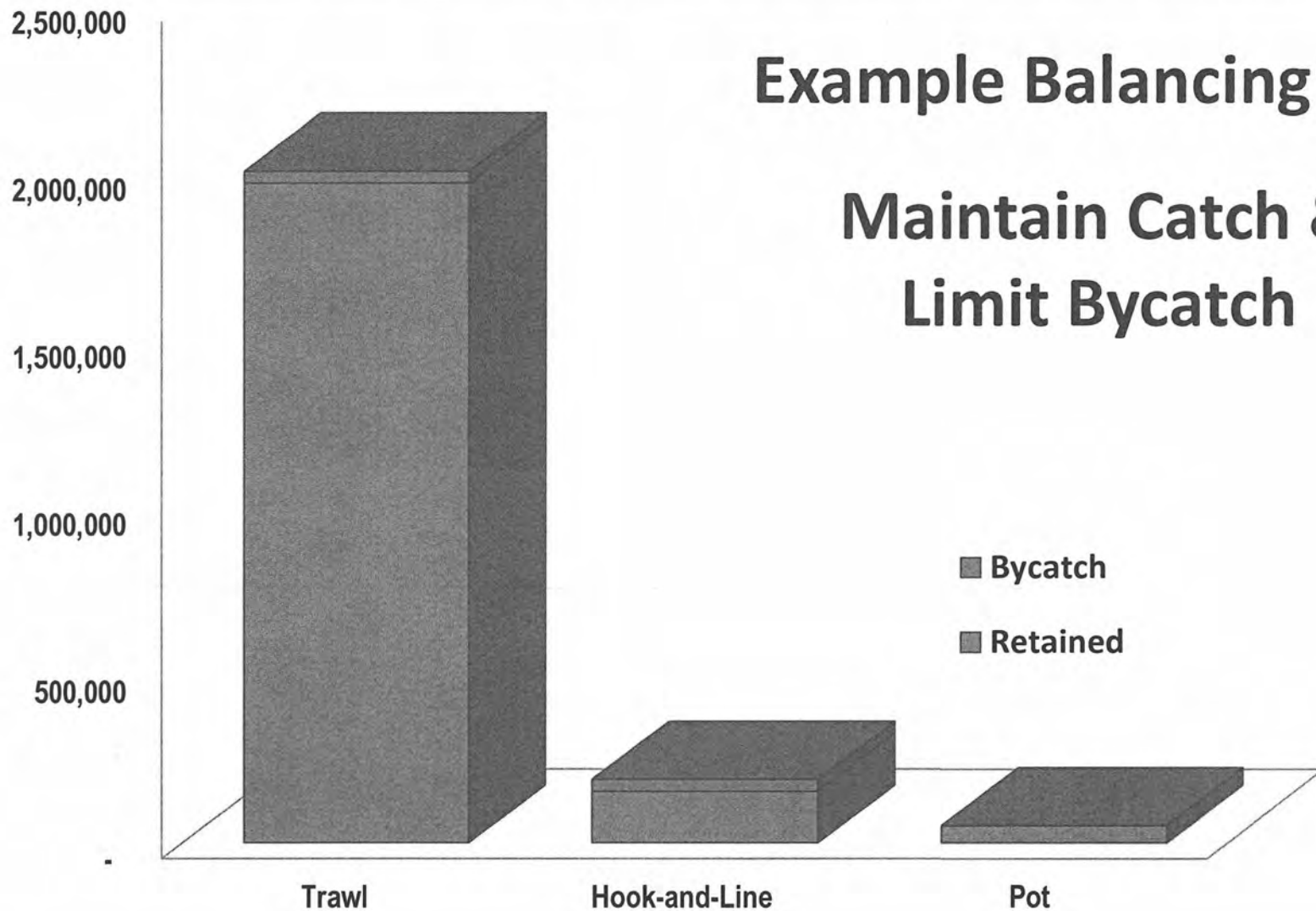
“Fair and equitable” allocation...

“Sustained participation of communities” ...

Minimizing bycatch “to the extent practicable” ...

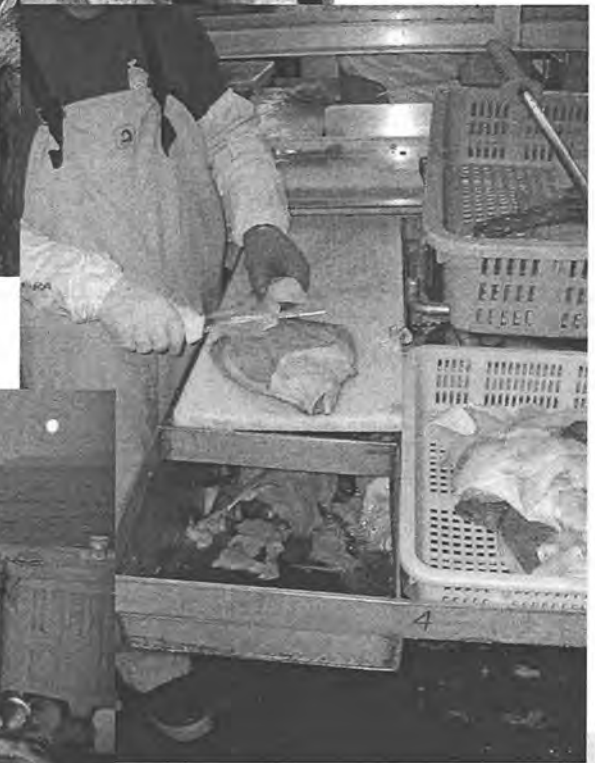
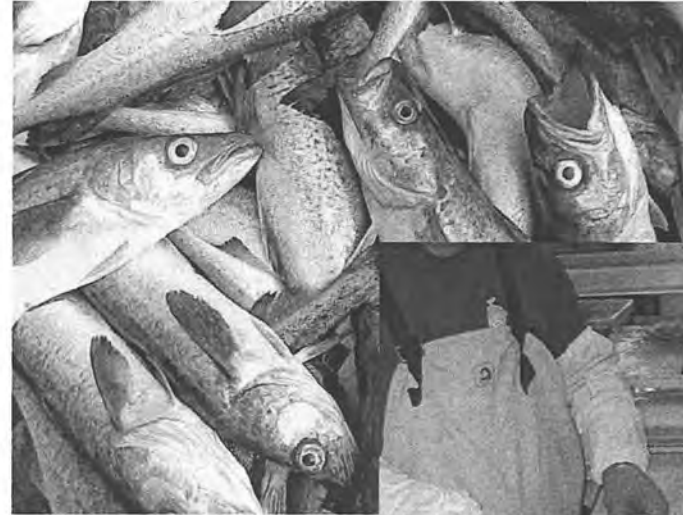
and other factors

2016 Groundfish Catch by Gear in Federal Fisheries Off Alaska



Keys to Successful Management off Alaska

- Science & research
- Stick with scientific advice
- Stakeholder involvement
- Effective monitoring, accounting, and enforcement
- Limits on fishing capacity
- Conservative and strict catch and bycatch limits
- Precautionary approach to address uncertainty
- Habitat protection
- Ecosystem considerations



The Council and NOAA -- Continue to Innovate

A Recent Effort

- Enhance Monitoring & Provide Flexibility for Small Vessels



NOAA FISHERIES



**NOAA
FISHERIES**

Alaska Region

Information & Contacts

- NOAA Fisheries Alaska Region
www.noaa.alaskafisheries.gov
- North Pacific Fishery Management Council
www.npfmc.org
- State of Alaska Department of Fish and Game
www.adfg.Alaska.gov
- International Pacific Halibut Commission
www.iphc.int



Wild, Natural & Sustainable®

Alaska Seafood Marketing Institute

Senate Resources Committee

Alexa Tonkovich – March 24, 2017

Table of Contents



Wild, Natural & Sustainable™

- I. ASMI Overview**
- II. ASMI and Branding Commodities**
- III. Alaska Seafood Brand in a Diverse Market**
- IV. Global Factors Impacting Alaska Seafood**
- V. Sustainability**
- VI. Eco-labels and Marketing**
- VII. Responsible Fisheries Management**



WHAT IS THE

Alaska Seafood Marketing Institute?



Wild, Natural & Sustainable®

- 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



Public-Private Partnership



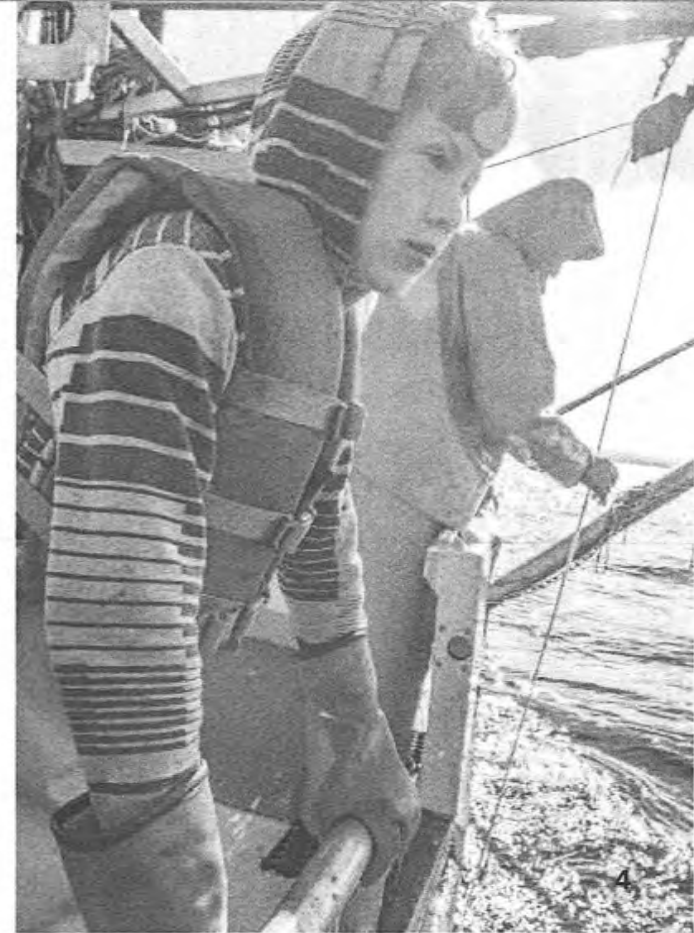
Wild, Natural & Sustainable®

ASMI Revenue

FY 2017
Revenue
Sources



- SDPR (Industry)
- State GF
- Federal Funds



ASMI & Branding Commodities



Wild, Natural & Sustainable™



Alaska Seafood Marketing Institute
Wild, Natural and Sustainable



Almond Board of California
Represents entire California Almond industry in making almonds essential worldwide



American Hardwood Export Council
Giving U.S. Hardwood Exporters the Edge



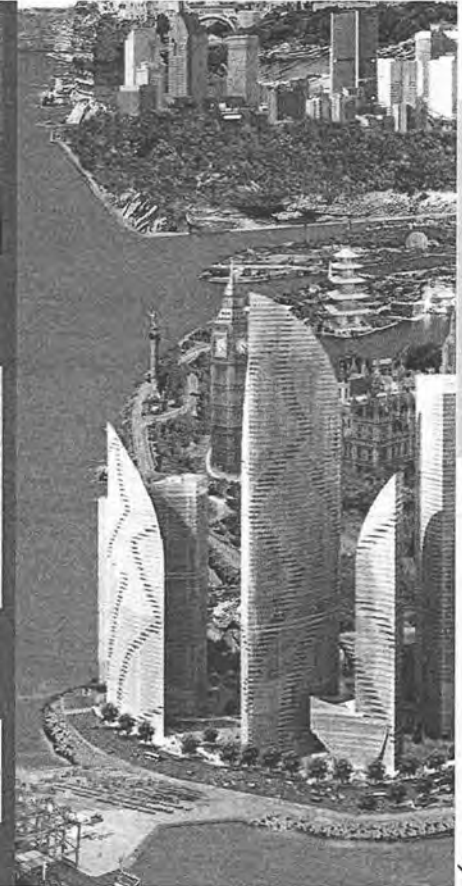
American Peanut Council



American Pistachio Growers
Represents growers, processors & industry partners in CA, AZ & NM.



American Seed Trade Assn.
Better Seed. Better Crops. Better Quality of Life.



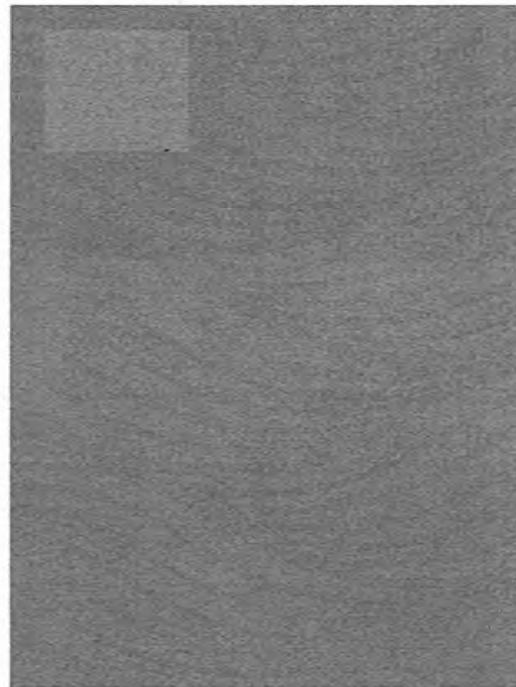
ALASKA SEAFOOD MARKETING INSTITUTE Brand Building in Diverse Markets



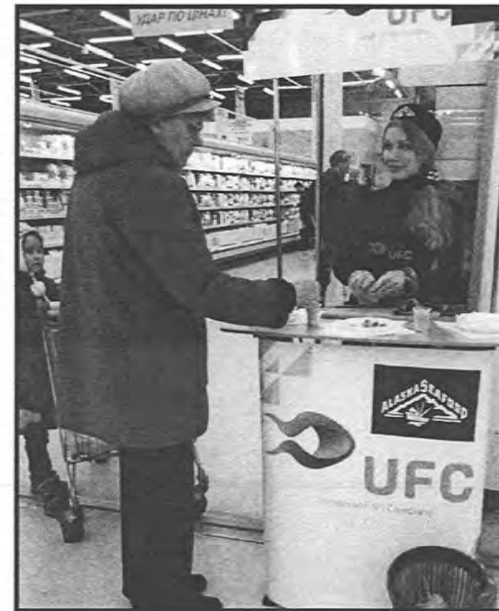
Wild, Natural & Sustainable™



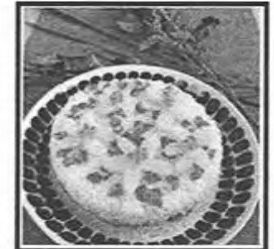
UK Uber Athlete



China E-Commerce



Ukraine In-Store Demo



Japan Social Media 6

AUGUST 10TH

Alaska Wild Salmon Day



Wild, Natural & Sustainable®

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.



Foodservice Operator Promotional Partners



Wild, Natural & Sustainable®

Fine Dining



Quick Service



Other



Casual Dining



Fast Casual



Strength of the Alaska Brand



Wild, Natural & Sustainable™

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

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



94% OF CONSUMERS

are more likely to order a fish/seafood dish when the word "Alaska" is used.



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

Source: Quinsipital 2016

Global Factors Impacting Value



Wild, Natural & Sustainable™

NEGATIVE FACTORS

**Strong dollar hurts U.S. exporters
and helps competitors**

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

**Competition from farmed and
imported seafood**

**Volatility of wild harvests,
decreased quota for key species**

**Russian embargo
& Ukrainian conflict**

POSITIVE FACTORS

**Global salmon
supplies tightening**

Stronger Yen

**Long term
demand vs. supply**

**Strong Alaska
Seafood brand**

**Responsibly managed
fisheries**



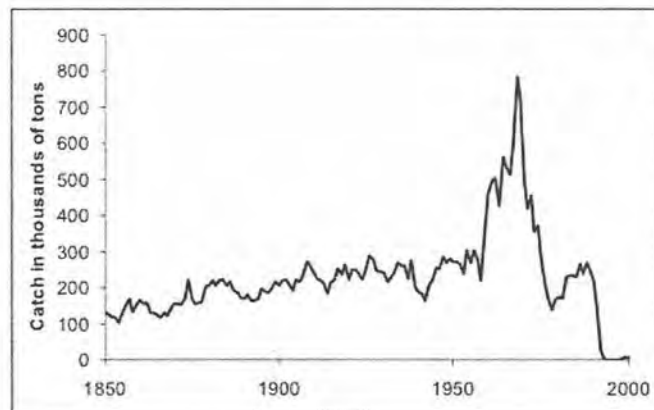
Sustainability Certifications: Historical Context



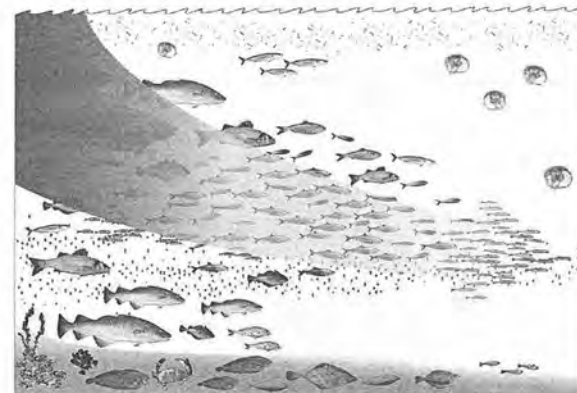
Wild, Natural & Sustainable®

In the year 2000...

- Failure of the EU Common Fisheries Policy led to a fisheries sustainability movement and the heightened role of NGO certifications.
- EU fisheries were 80% overfished.
- As a result, wild capture fisheries have been at the forefront of sustainability measures, decades ahead of other commodities in some cases.



Newfoundland Cod



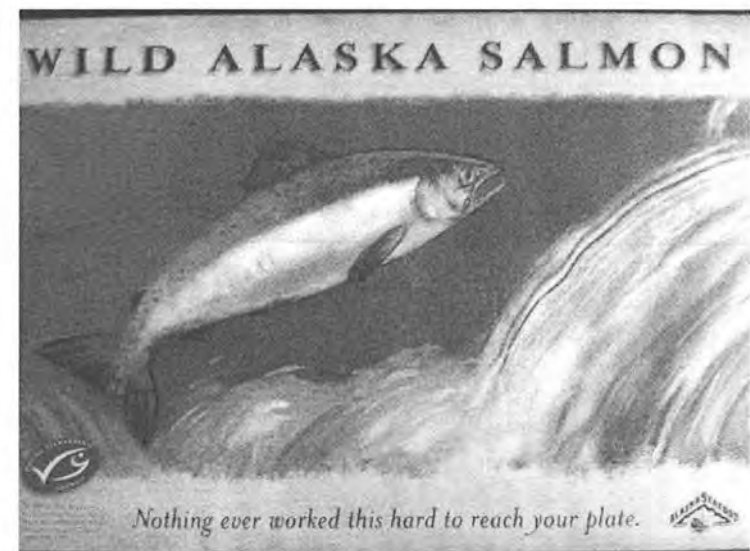
"All Fish Gone by 2048"

Alaska & the Marine Stewardship Council



Wild, Natural & Sustainable®

- The Marine Stewardship Council (MSC) was formed to bring market pressure in support of sustainability.
- When the MSC began, it needed a fishery to showcase true sustainability.
- Alaska saw a competitive advantage to marketing our inherent sustainability and the Alaska Dept. of Fish and Game signed on with the MSC to certify Alaska salmon.





Wild, Natural & Sustainable®

- Prior to MSC certification, ASMI began marketing efforts reflecting an emphasis on sustainability, particularly in the UK, Germany, and the US.
- After certification, language about the MSC was used in some ASMI materials and advertorials.
- ASMI saw some additional promotional opportunities as retailers chose to do MSC themed promotions.
- Other species took the MSC certification: Alaska pollock, cod, black cod and halibut remain MSC certified.

ADVERTISEMENT PROMOTION

Wild about Alaska salmon

Next time you try a new salmon, look for wild Alaska salmon. Alaska salmon was first to be farmed, and first to be natural and fresh. It's been built up from, iron, calcium, and fish oil. And as with all fish, wild Alaska salmon is the first on an Original day at Slimming World (a 100% serving is a Healthy Extra or better). What's more, it's high in vitamin, minerals, protein and Omega 3 oils which can help keep you healthy.

Wild Alaska salmon is naturally abundant, thanks to years of careful management by the Alaska Department of Fish and Game. It has been certified by the Marine Stewardship Council as the first sustainable wild salmon fishery in the world. Look out for the words "Wild Alaska Salmon" on the label of your favorite brand of wild or frozen salmon to ensure that you choose wild Alaska salmon.

This tasty recipe for salmon stir-fry with stir-fried broccoli is a great example of how to cook with natural wild Alaska salmon. Cook is also available frozen and fresh (seasonal).



Recipe for Wild Alaska Salmon, Naturally

FREE RECIPE CARDS

To get a free recipe card, visit our website at www.alaskaseafood.com or write to: Alaska Seafood, P.O. Box 1000, Anchorage, Alaska 99508. Please allow 4-6 weeks for delivery. This offer is available while supplies last. © 2003 Alaska Seafood. All rights reserved.

WILD ALASKA SALMON STIR-FRY

Serves 2
200g wild Alaska Salmon
200g broccoli
200g mushrooms
200g snow peas
200g carrots
200g bell peppers
200g onions
200g garlic
200g ginger
200g soy sauce
200g sesame oil
200g rice

It has been certified by the Marine Stewardship Council as the first sustainable wild salmon fishery in the world.

Slimming World March '03

Alaska & The MSC (Pt. 2)



Wild, Natural & Sustainable

- As MSC grew, we began to see “MSC” replace “Alaska.”
- Alaska was lumped in with competitors, some of whom are only “making progress” toward sustainability.
- MSC took off in Europe and has made an aggressive push in other markets.
- Despite Alaska’s proven track record, fisheries certification is a requirement in most major markets and customers demand 3rd party certification.





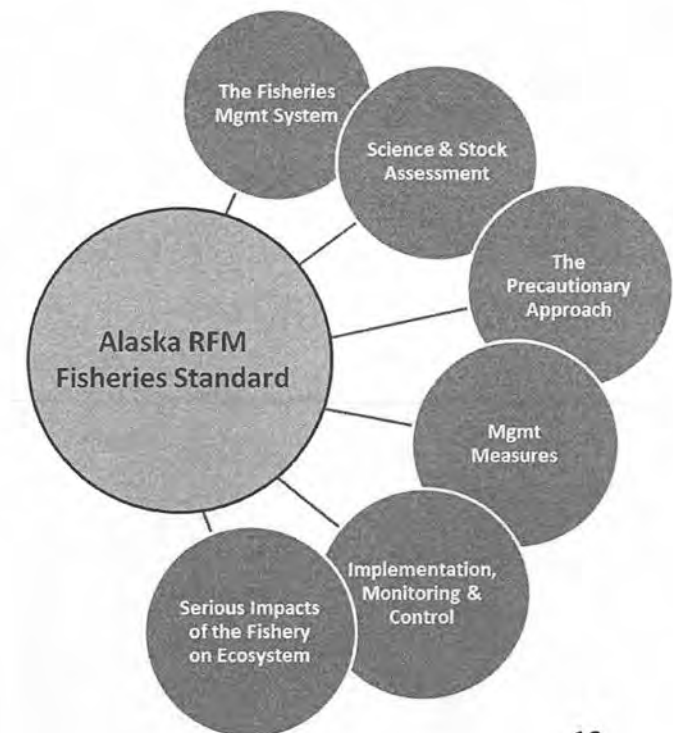
ALASKA RESPONSIBLE FISHERIES MANAGEMENT (RFM) CERTIFICATION PROGRAM

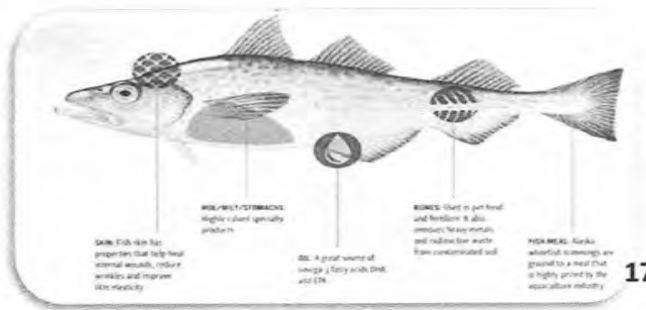
What is RFM?



Wild, Natural & Sustainable®

- An independent 3rd party certification of Alaska seafood products.
- An answer to the market place's desire for a credible choice in certification programs.
- An additional certification for five Alaska client fisheries: salmon, halibut, black cod, pollock, and cod and the only certification carried by Alaska crab.
- Owned by the ASMI board.





FAO-BASED PROGRAMS GAIN MOMENTUM



INTERNATIONAL

Recognition For RFM



Wild, Natural & Sustainable®

- 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 *sodexo*



HIGH LINER FOODS

Sustainability: Upcoming Movements



Wild, Natural & Sustainable®

- Ethical Harvesting/Social audits
- From the UK: ASMI requested to facilitate industry meeting on social audits for Alaska canneries
- Customers feeling exposed and at-risk, requesting more formal assessments

Myanmar migrant workers win \$1.3m from Thai tuna firm

Tuna processing factory agrees to pay staff compensation for labour abuses as Thailand faces threat of import bans from EU and US

© 1 Mar 2016



Slavery and trafficking continue in Thai fishing industry, claim activists

Environmental Justice Foundation says abuses in Thai seafood sector persist despite government insistence that new legal measures are working

© 24 Feb 2016



EU investigators to decide on Thai fishing industry ban over slave labour

Thailand's failure to combat illegal fishing practises could end exports to the European market

© 20 Jan 2016 9:25



Thank you!



Alexa Tonkovich, Executive Director
atonkovich@alaskaseafood.org

www.alaskaseafood.org
(Industry site)

www.wildalaskaseafood.com
(Consumer site)



Wild, Natural & Sustainable®

Alaska Seafood Social Media Channels



Facebook.com/AlaskaSeafood



Twitter @Alaska_Seafood



Instagram @AlaskaSeafood



Pinterest @AlaskaSeafood



YouTube YouTube.com/AlaskaSeafood



Wild, Natural & Sustainable®

ALASKA SEAFOOD MARKETING INSTITUTE

Alaska Seafood Industry Assessment

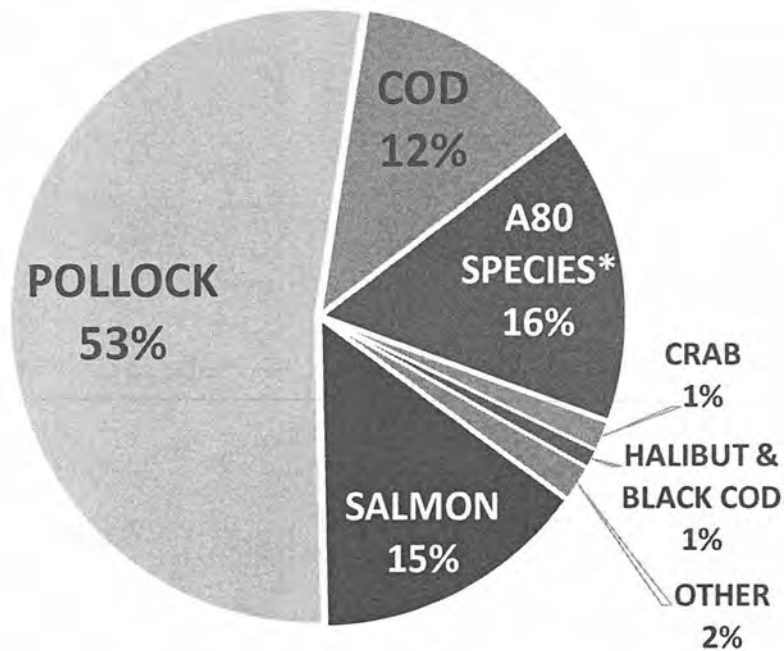
SENATE NATURAL RESOURCES COMMITTEE - MARCH 24, 2017

VOLUME & VALUE BY SPECIES (2011-2015)

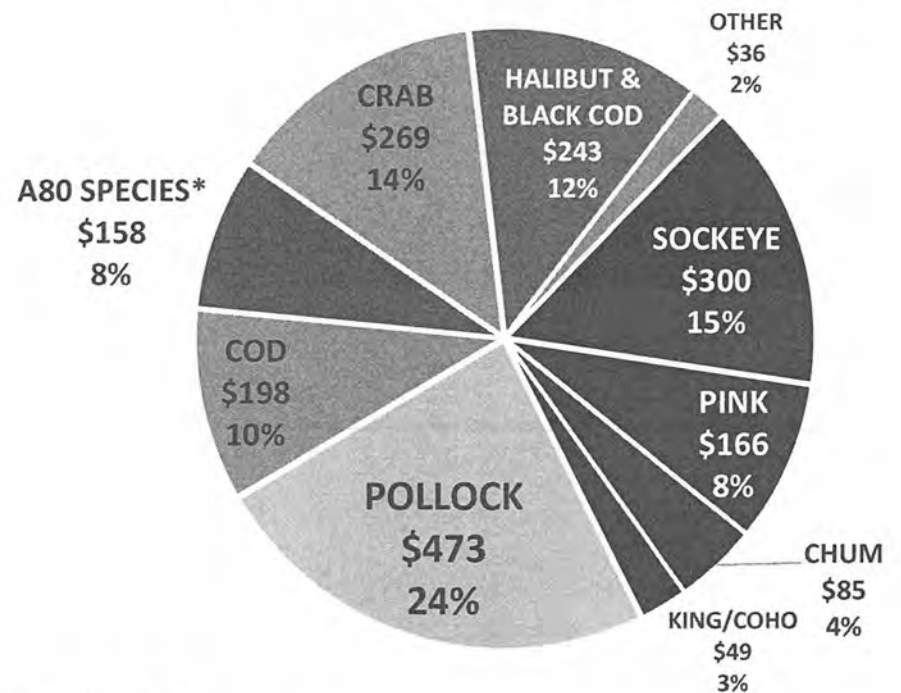


Wild, Natural & Sustainable™

HARVEST VOLUME



EX-VESSEL VALUE (\$M)



*Includes flatfish, rockfish, and Atka Mackerel.

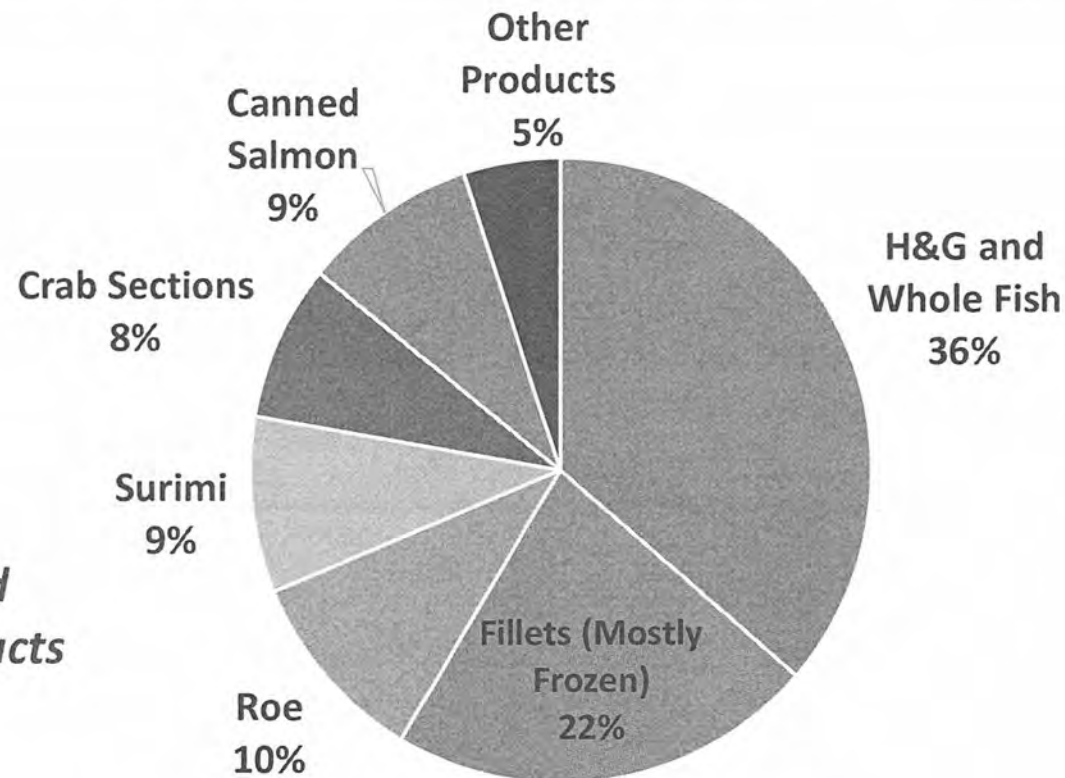
Note: Data represents average of 2011-2015 volume/value.

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

PRODUCTION BY PRODUCT TYPE (2013/2014)



Wild, Natural & Sustainable



Alaska produces mostly primary and intermediate products

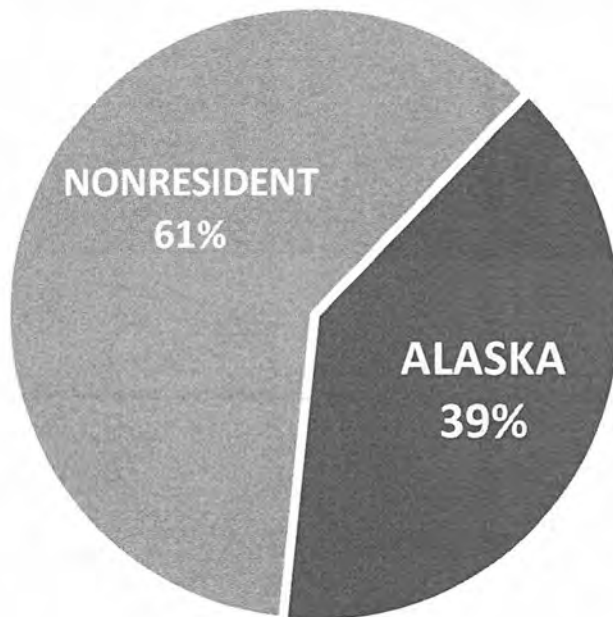
*Note: Data represents average of 2013-2014 value.
Source: NMFS and ADF&G, compiled by McDowell Group.*

VOLUME & VALUE BY SPECIES (2014-2015)

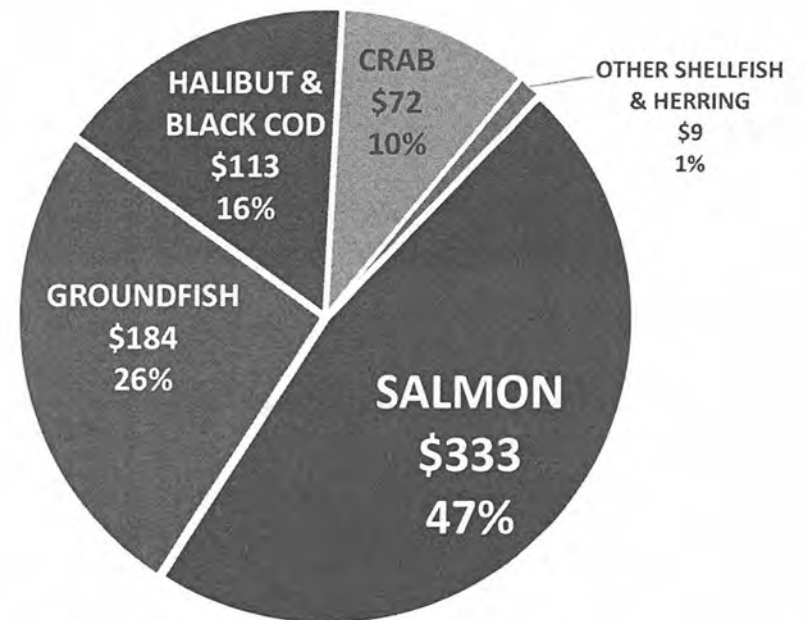


Wild, Natural & Sustainable®

\$GROSS - BY RESIDENCY



RESIDENT \$GROSS - BY SPECIES

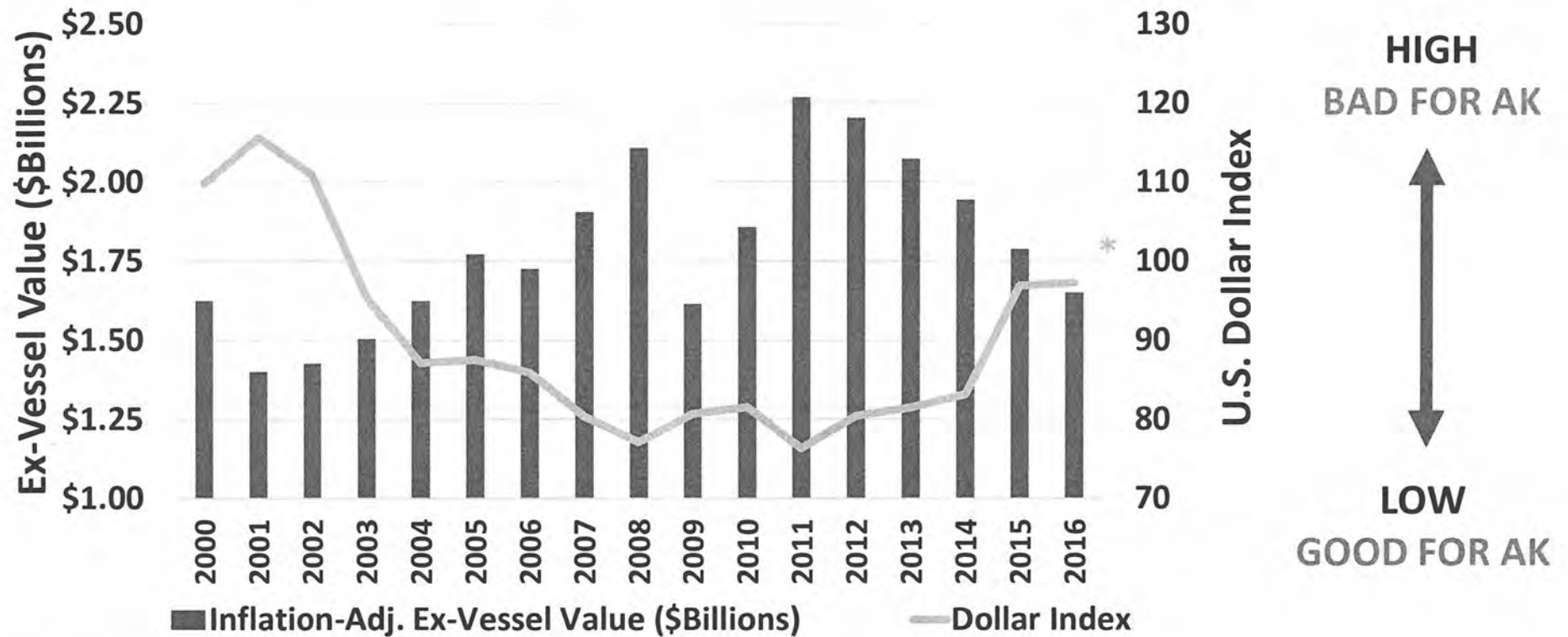


*Note: Data represents average of 2014-2015 volume/value.
Source: NMFS and ADF&G, compiled by McDowell Group.*

ALASKA SEAFOOD MARKETING INSTITUTE EX-VESSEL VALUE & U.S. DOLLAR



Wild, Natural & Sustainable®



Note: 2016 is a preliminary estimate. Dollar values are adjusted to a 2016 basis using U.S. CPI.
Source: Investing.com, NMFS, ADF&G, and McDowell Group estimates.

CHANGE IN AK NATURAL RESOURCE PRODUCTION: 2011 vs 2015

	<u>Volume</u>	<u>2011 (\$B)</u>	<u>2015 (\$B)</u>	<u>Value Change</u>
Seafood	+8%	\$4.59	\$4.25	-8%
Oil (Pipeline)	-14%	\$16.34	\$5.63	-59%
Minerals	Gold: +3% Zinc: -1%	\$3.51	\$2.60	-21%

Note: Figures are not adjusted for inflation.

*Source: Oil (ADOR – sum of daily ANS production * ANS WC daily price), Seafood (ADF&G/NMFS – First Wholesale Value), Minerals (ADNR – First Market Value).*

EX-VESSEL VALUE/VOLUME CHANGES: 2011 vs. 2015



Wild, Natural & Sustainable™

	<u>Value (\$M)</u>	<u>Value (%)</u>	<u>Harvest (%)</u>
Salmon	- \$149	- 24%	+ 40%
Pollock	+ \$20	+ 4%	+ 16%
Halibut & Black Cod	- \$151	- 44%	- 29%
Cod	- \$13	- 6%	+ 5%
Flatfish	- \$42	- 37%	- 25%
Crab	- \$8	- 3%	+ 21%
Herring	- \$4	- 39%	- 29%
Total	- \$362	- 17%	+ 8%
Dollar (Index)	-	+ 27% (Bad for AK)	-

Source: Investing.com, NMFS, and ADF&G.

ALASKA SEAFOOD MARKETING INSTITUTE
EX-VESSEL VALUE OUTLOOK FOR 2017



Wild, Natural & Sustainable

	<u>Harvest Outlook</u>	<u>Value Outlook</u>
Salmon	Pinks Up, Reds Down	Up
Pollock	Down	Flat
Halibut & Black Cod	Up	Up
Cod	Down	Flat to Up
Flatfish	Down	Flat to Up
Crab	Down	Down



<u>YEAR</u>	<u>SKIPPERS</u>	<u>CREW</u>	<u>PROCESSORS</u>	<u>TOTAL</u>
2011	10,031	20,561	23,356	53,948
2012	9,972	20,935	22,929	53,836
2013	9,884	20,304	23,777	53,965
2014	9,844	20,341	23,957	54,142
2015	9,761	21,027	23,130	53,918
2016	9,133	19,668	N/A	N/A
2011-2015	-270	+466	-226	-30
	-2.7%	+2.3%	-1.0%	-0.1%

Note: Crew counts only include those who purchased full crew licenses. Processing workers who earned more income in other industries or worked on catcher/processors are generally excluded from the data.

Source: ADF&G and DOLWD (Nonresidents Working in Alaska reports).

SKIPPER COUNTS & GROSS EARNINGS BY RESIDENCY



Wild, Natural & Sustainable®

<u>YEAR</u>	<u>RESIDENT SKIPPER</u>	<u>NONRES SKIPPER</u>	<u>RESIDENT \$M-GROSS</u>	<u>NONRES \$M-GROSS</u>
2011	7,191	2,840	\$877	\$1,235
2012	7,163	2,809	\$801	\$1,274
2013	7,094	2,790	\$841	\$1,144
2014	7,024	2,820	\$753	\$1,150
2015	6,924	2,837	\$688	\$1,061
2016	6,359	2,774	-9.0%*	-5.5%*
2011 vs. 2016	- 12%	- 2%	- 22% ('11 vs. '15)	- 14% ('11 vs. '15)

*Decline in non-groundfish earnings, based on preliminary CFEC ex-vessel figures from 2015 vs. 2016

Note: 2016 figures are preliminary. Gross earnings figures have been summed based on CFEC and NMFS Economic SAFE report. Only skippers making a landing on their permit are counted.

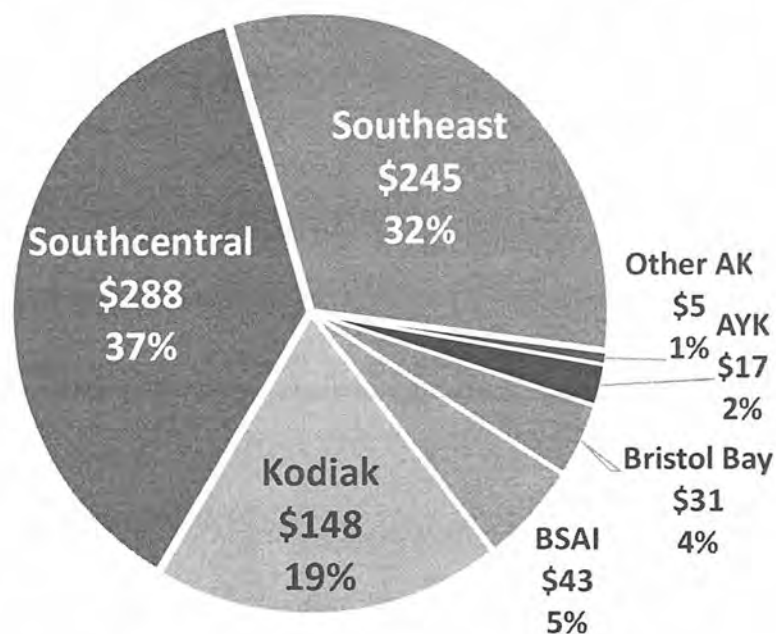
Source: NMFS and ADF&G.



- Declining ex-vessel value has had a larger impact on resident fleet, both in terms of employment and gross earnings
- Resident fleet has more exposure to salmon and generally includes smaller, less efficient boats – impacted more by pricing
- Number of resident commercial fishing permit holders is down 423 since 2011 (including a decline of 118 from 2015-2016), nonresident figure is stable since 2011



EV VALUE BY REGION OF RESIDENCY



- Seafood has broad impacts across Alaska
- Roughly two-thirds of resident gross earnings go to Southcentral & SE residents
- Proportionally larger impact in Kodiak & Western Alaska

Note: Data represents average of 2013-2014 volume/value.

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

ALASKA SEAFOOD MARKETING INSTITUTE
REGIONAL CHANGES



Wild, Natural & Sustainable®

REGION OF RESIDENCY	PERMIT HOLDERS 2011 vs. 2016	ACTIVE SKIPPERS 2011 vs. 2016	NON-GF \$EV* 2011 vs. 2016	NON-GF \$EV* 2011 vs. 2015
AYK	-8%	-43%	-10%	-24%
BRISTOL BAY	-3%	-2%	-29%	-45%
BSAI	-13%	-17%	-45%	-30%
KODIAK	-8%	-16%	-51%	-32%
SOUTHCENTRAL	-2%	-2%	-37%	-18%
SOUTHEAST	-3%	-3%	-31%	-28%
OTHER	-16%	+7%	-32%	-33%
ALASKA	-5%	-12%	-37%	-27%

*Non-groundfish ex-vessel gross earnings.

Note: 2016 data is preliminary; however, permit holder data is usually very close to final figures, values tend to get marginally revised upward.

Source: ADF&G (CFEC).

SUMMARY OF REGIONAL CHANGES



- Comparing to high water mark: 31% less NON-GF volume in 2016 but 34% more in 2015 compared to 2011
- Less revenue = less residual impacts due to spending/taxes
- Bigger bills for many fishermen too: permits, boats, etc.
- Balance sheet hit too: lower salmon permit/boat values
- Contraction: less value in 2015 & 2016, less volume in 2016



- Efforts to increase demand for 1x frozen pollock fillets
- Low AK prices and marketing building demand for salmon/cod
- Crab prices at record levels, low TACs but good fishing
- Strong prices and better halibut & black cod quotas
- Retailers finding consumer demand fits AK seafood attributes
- Russian competition increasing for salmon, pollock, and crab
- Pollock roe market oversupplied in recent years



Wild, Natural & Sustainable®



Thank you!
Questions?


McDowell
GROUP



Wild, Natural & Sustainable®

Seafood industry update to the Senate Resources Committee

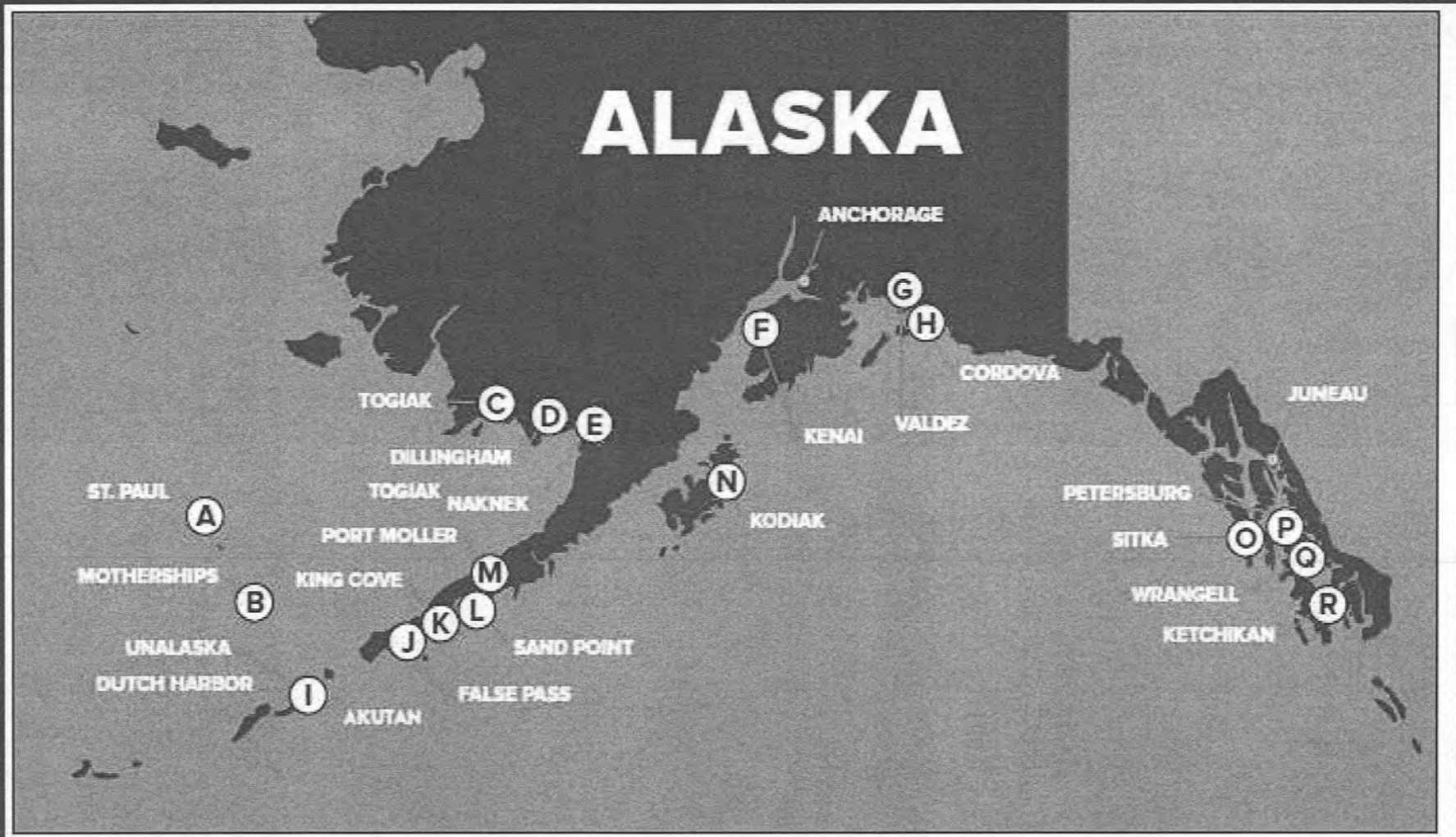
Nicole Kimball

Pacific Seafood Processors Association

907-223-1648 nicolek@pspafish.net



PSPA – Who are we?



Alaska General Seafoods – Alyeska Seafoods – Golden Alaska Seafoods –
North Pacific Seafoods – Peter Pan Seafoods – Phoenix Processor Limited
Partnership – Trident Seafoods – Unisea – Westward Seafoods

Issues to cover

- Alaska's place in the global market (salmon, pollock examples)
- Marketing initiatives
- Investment in seafood processing facilities
- Sustainable management
 - governance
 - sustainability certification
 - funding support for biological data

Alaska seafood value

Seafood is Alaska's most valuable renewable resource

Worth \$4.2 billion in first wholesale value

Typically harvest 5 - 6 billion pounds annually

\$5.9 billion in economic activity in Alaska

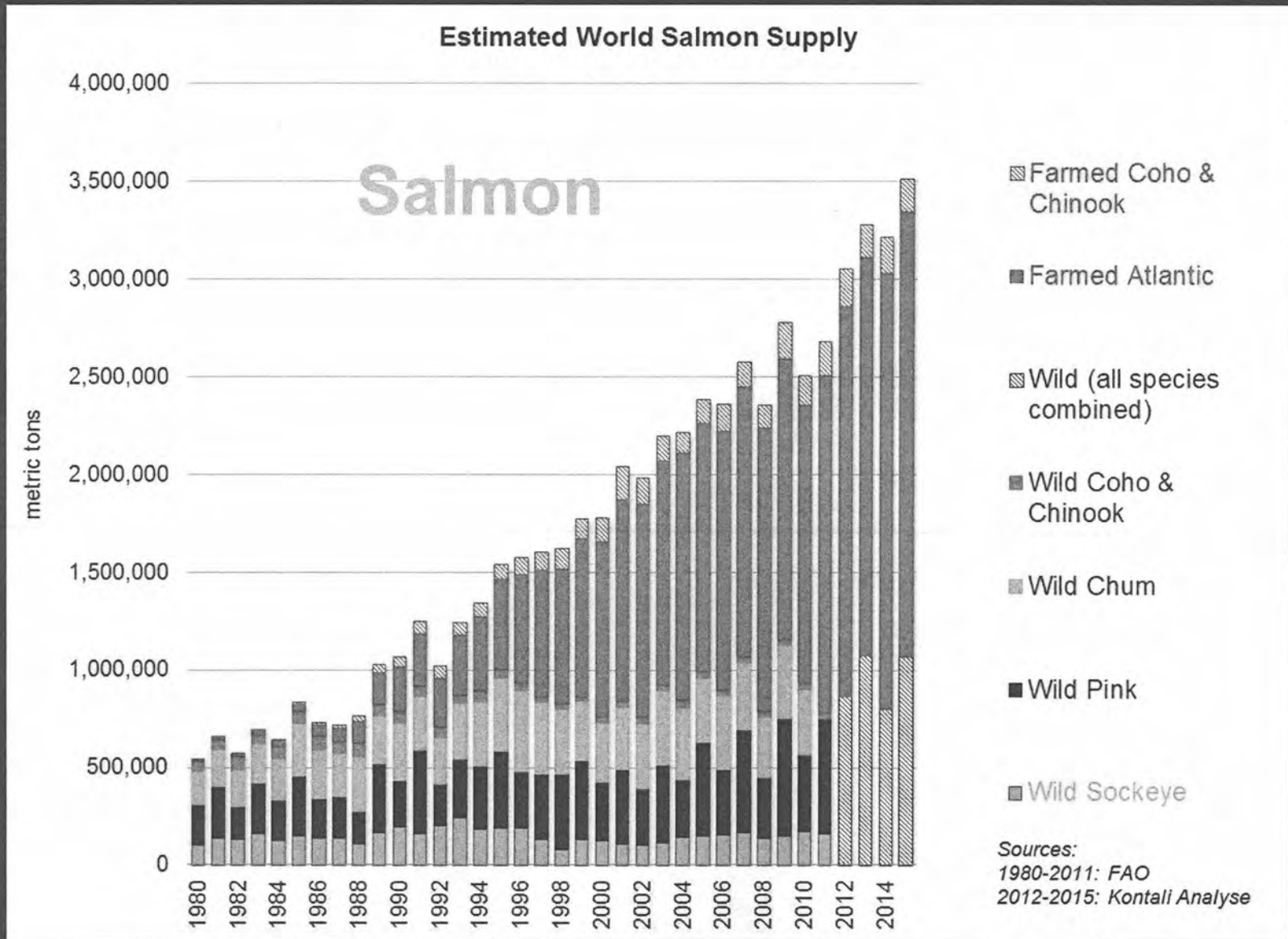
U.S. economic output related to Alaska's seafood industry total \$14.6 billion (including direct and multiplier impacts)

Export markets are critical for some species: China, Japan, South Korea, EU, Canada (\$3.2 billion value; 55% of all US seafood exports)



Alaska's place in a global market

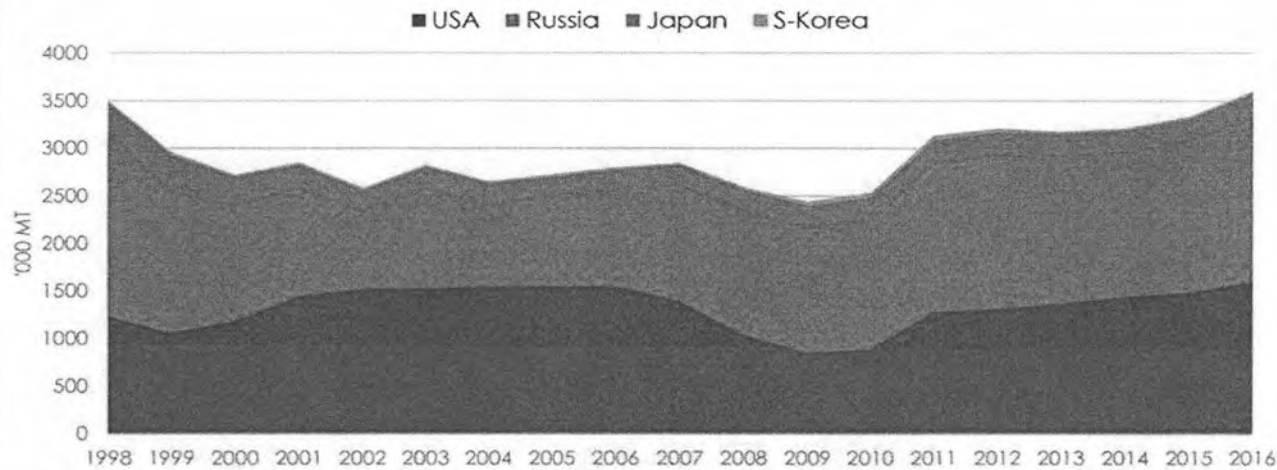
source: Gunnar Knapp



Alaska's place in a global market

source: John Sackton, Seafoodnews

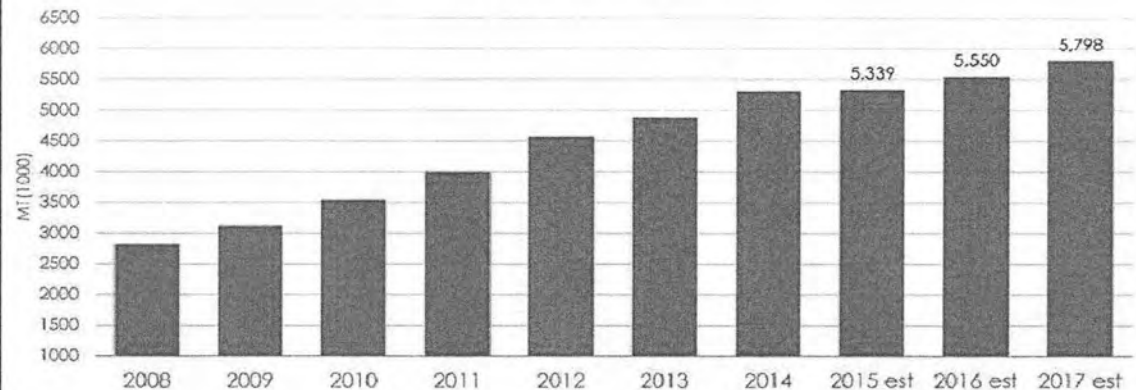
World Alaska Pollock Catches 1998-2016 Est



Pollock

Global Tilapia Harvest

WHOLE FISH WEIGHT



How value is added to Alaska's seafood

- Investment in marketing, production, and management
- At every level of seafood supply chain, partners invest money to promote seafood value:

Harvesters – vessel/permit costs, operations

Processors – labor and capital equipment, raw materials, marketing costs

Retailers and Foodservice – investment in advertising, marketing, labor, preparation

Marketing investments

- Investing in new product development
- Leveraging buyers' marketing budgets to tell the Alaska story

- RSDA initiatives


- ASMI



Examples of marketing initiatives featuring Alaska pollock

<https://youtu.be/J00FJLjJvaE>

<https://www.youtube.com/watch?v=4QemOXsXj4E>



WILD-CAUGHT ALASKAN POLLOCK
sandwich

Wild-Caught Alaskan Pollock lightly coated in a sea salt & cracked pepper breading. Toasted and then topped with crispy kettle cooked sea salt & vinegar chips and creamy tartar sauce.

6" Footlong

LIMITED TIME ONLY. PRICES MAY VARY. PLUS APPLICABLE TAX. ADDITIONAL CHARGE FOR EXTRAS.



BURGER KING

Cold water white fish fillet.

A DELICIOUS GOLDEN-CRISP CATCH.

Premium Alaskan Fish Sandwich

Our premium Alaskan Fish Sandwich is 100% White Alaskan Pollock, breaded with crispy panko breading and topped with sweet tartar sauce, tangy pickles, all on top of a toasted Artisan Style bun.

Recommend 25

Tweet 2

Annual investments in operations & facilities

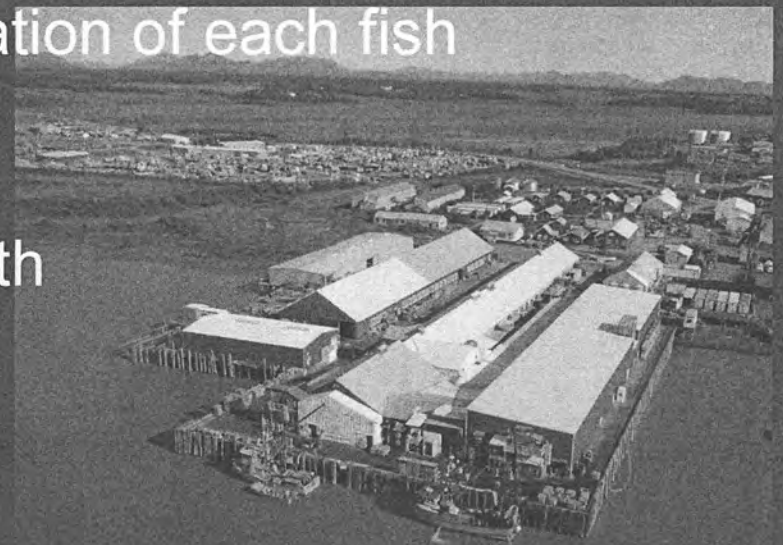
Upgrading equipment to improve efficiency in the face of increasing costs (salmon examples)

Investing in technology to create new products (e.g., consumer ready fish portions for US markets)

Taking steps to get closer to full utilization of each fish harvested

Infrastructure necessary to comply with environmental regulations

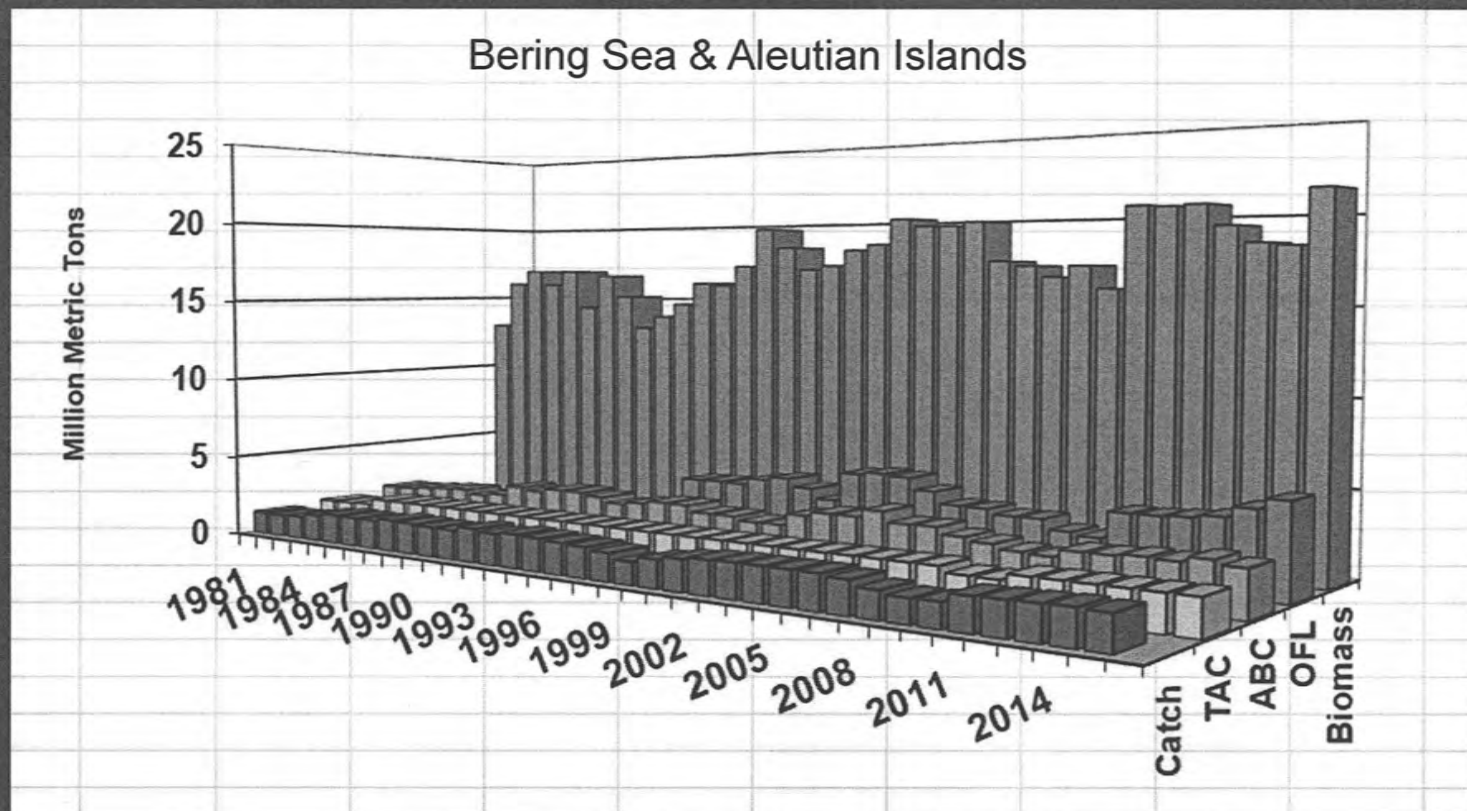
Example of new facility in Kodiak to improve efficiency



Peter Pan, Dillingham

Investments in sustainable management

- Governance – key to long-term stability & volume



Investments in sustainable management

- Sustainability certification – a robust, low cost program rooted in our management system is key to competing globally
- Funding for biological data – lack of data means more conservative management (less fish across the dock) to buffer against risk. Need inseason management and surveys to achieve optimum yield.

What puts those investments at risk

- Fluctuations in fishery abundance/access
- Trade policy & currency changes (strong dollar)
- Simultaneous aging infrastructure and challenging pollock markets
- Changes in market demand & consumer preferences
- Competing species and products
- Reduced access and inability to achieve optimum yield

State policies - Alaska seafood industry competitiveness

- Environmental permitting
- Loan programs
- State marketing efforts
- Commercial fisheries management budget
- Fishery management policy & regulations
- Fish tax policy

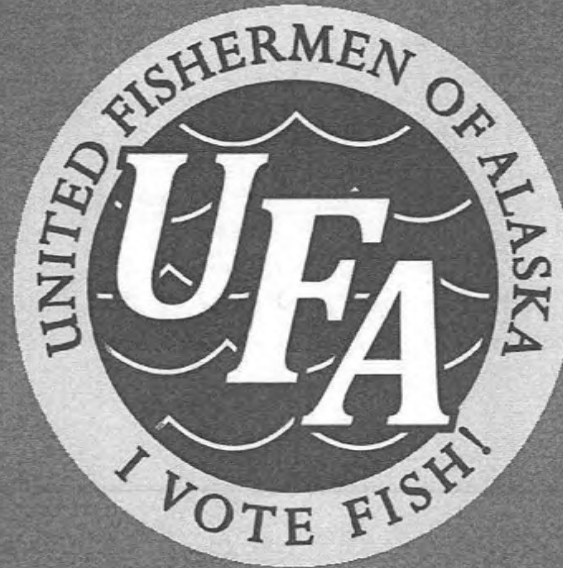
Thank you



United Fishermen of Alaska

Presentation to Senate Resources Committee

March 24, 2017



Industry marketing initiatives

Technology & modernization

Sustainable management

UFA Member Associations Areas of Operations

Bering Sea/ Bristol Bay/Aleutian Islands

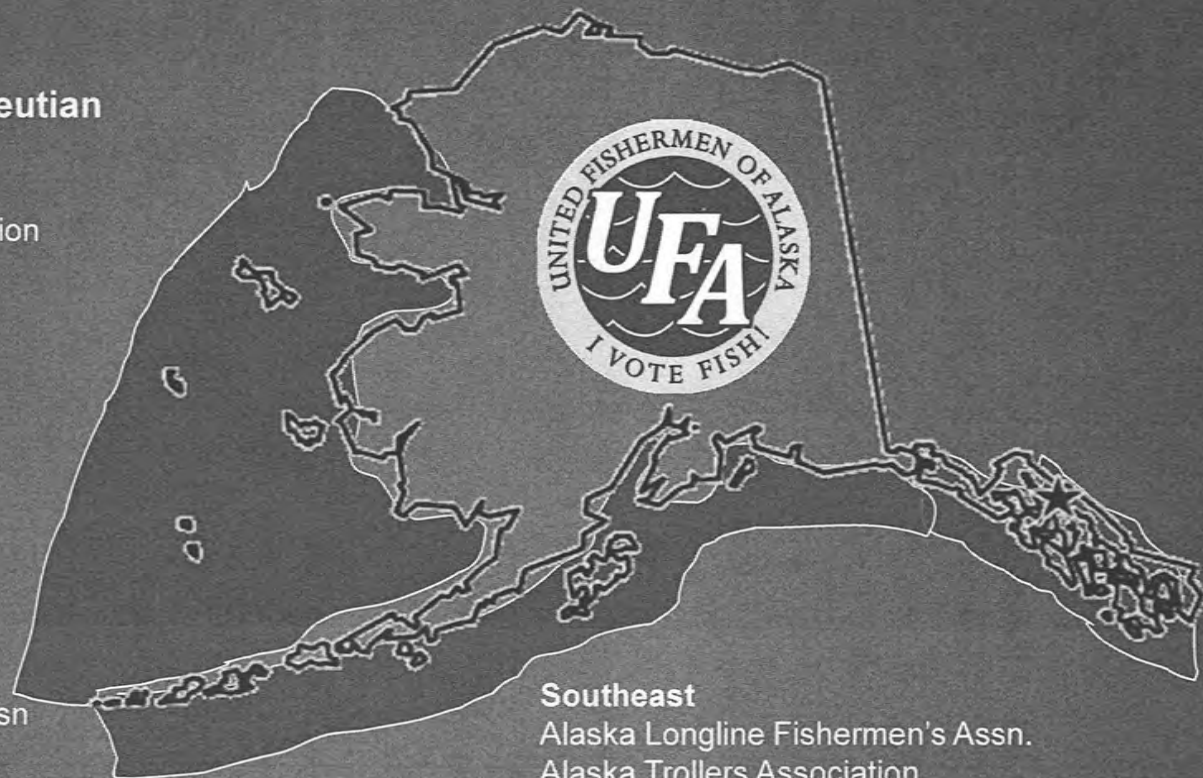
Alaska Bering Sea Crabbers
Bristol Bay Fishermen's Association
At-Sea Processors Association
Bristol Bay Reserve
Freezer Longline Coalition
Golden King Crab Coalition
Groundfish Forum

Statewide

Alaska Scallop Association
Alaska Independent Tenderman's Assn

Gulf of Alaska & Southcentral

Alaska Whitefish Trawlers Assn.
Cape Barnabas, Inc.
Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association
Cordova District Fishermen United
Kenai Peninsula Fishermen Assn.
Kodiak Regional Aquaculture Assn.
North Pacific Fisheries Association
Prince William Sound Aquaculture Corp
United Cook Inlet Drift Association
Valdez Fisheries Development Association



Southeast

Alaska Longline Fishermen's Assn.
Alaska Trollers Association
Armstrong Keta, Inc.
Douglas Island Pink and Chum
Northern Southeast Regional Aquaculture Assn.
Petersburg Vessel Owners Assn.
Purse Seine Vessel Owners Assn
Seafood Producers Cooperative
Southeast Herring Conservation Alliance
Southeast Alaska Fishermen's Alliance
Southeast Alaska Regional Dive Fisheries Assn.
Southeast Alaska Seiners Association
Southern Southeast Regional Aquaculture Assn.
United Southeast Alaska Gillnetters

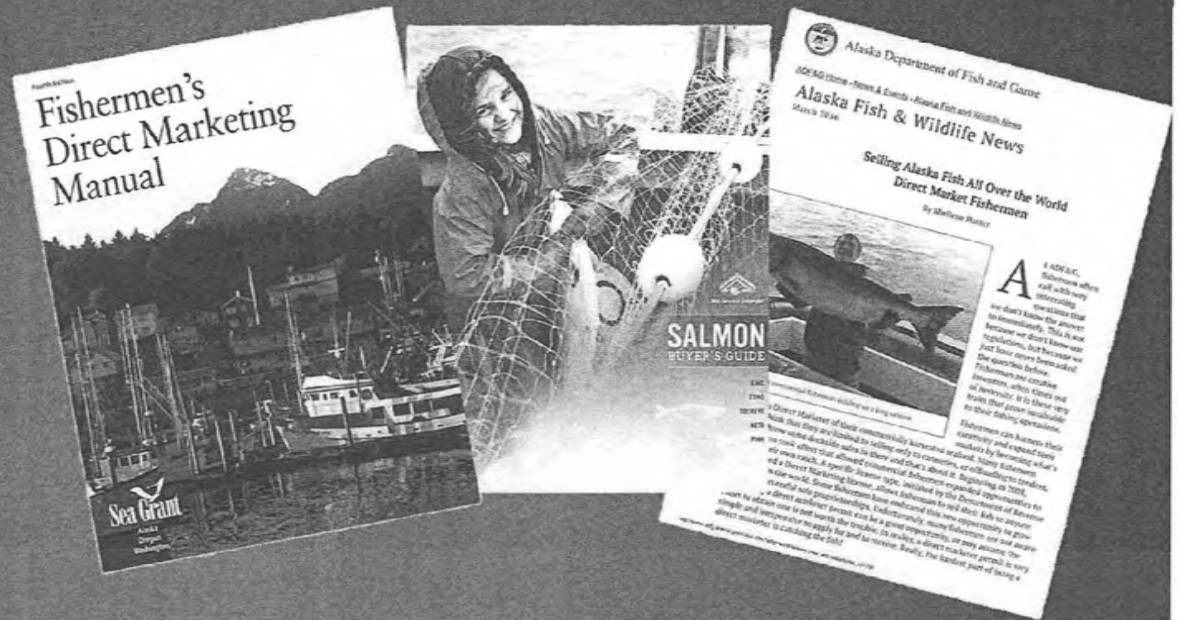
Marketing initiatives – fishing sector

- +Direct marketing
- +Regional marketing
- +Community supported fisheries
- +++ASMI connection



Direct marketing

- Dockside
- Local retail & restaurant
- US consumers
- US restaurant & caterers



+ SB 286 (2004) streamlined paperwork and reduced tax burden

+ ASMI materials, programs and online directory

Opportunity varies by community for local markets, transportation, energy costs, other support services.

Regional marketing

Regional Seafood Development Associations created by AK Legislature HB 419 in 2004

Voluntary assessment 1% on ex-vessel, elected by fishery participants where wanted

Bristol Bay BBRSDA

Copper River/Prince William Sound Marketing Association

Projects funded

+Quality - Ice barges, machines, education & outreach, monitoring

+Marketing promotions, education, research, branding

+Transportation – operations & infrastructure

+R&D – Nutrition & contaminants, consumer markets

+Partnerships, publications

& many more



Community Supported Fisheries

- Subscription purchase – pay ahead for a weekly or monthly share
- Similar to CSA small & organic farmers, first was in Maine in 2007
- Connects customers to fishermen and vice versa
- Confidence in chain of custody
- Supports local community

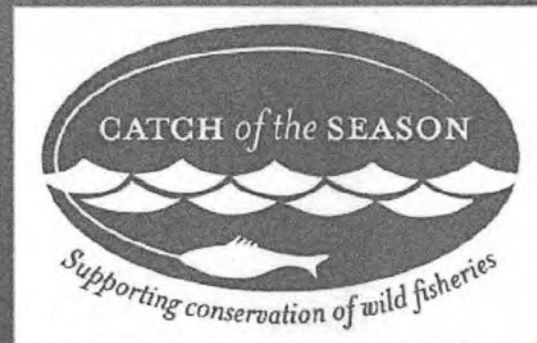
Growing trend in Alaska:

Alaskans own – Sitka, Juneau

Sitka Salmon Shares

Alaska Salmon CSF – Haines

Catch of the Season - Anchorage, Palmer/Wasilla, Homer,
Seward and Fairbanks



ALASKANS
OWN



COMMUNITY
SUPPORTED
FISHERY (CSF)

Monthly baskets of fresh,
line-caught, wild Alaskan
seafood.

Halibut, Sablefish, King,
Coho, Rockfish, Lingcod and
Bonus Boxes

Six Month Shares

Full (60 pounds): \$872.00

Half (30 pounds): \$458.00

Four Month Shares

Full (40 pounds): \$596.00

Half (20 pounds): \$320.00

BUY LOCAL

907.738.2275

WWW.THEALASKATRUST.ORG

ASMI connection

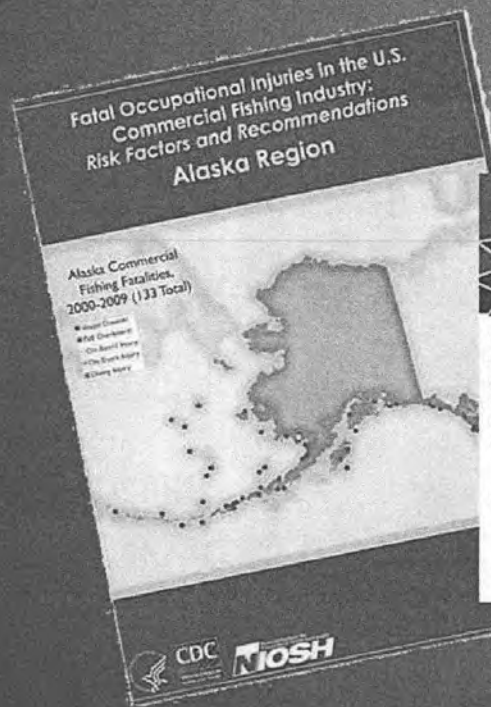
All of the above utilize & benefit from ASMI

- Recipes, promotions, trade shows, brochures
- Online seafood directory
- Chefs' collaboratives
- Fishermen provide input through board and committees.



Technology & modernization

- +Navigation technology & software
 - +Vessel monitoring
 - +Electronic monitoring
 - +Networks for bycatch, habitat, whale avoidance
 - + Safety – equipment, survival craft, communications
- ...all requires investment & funding

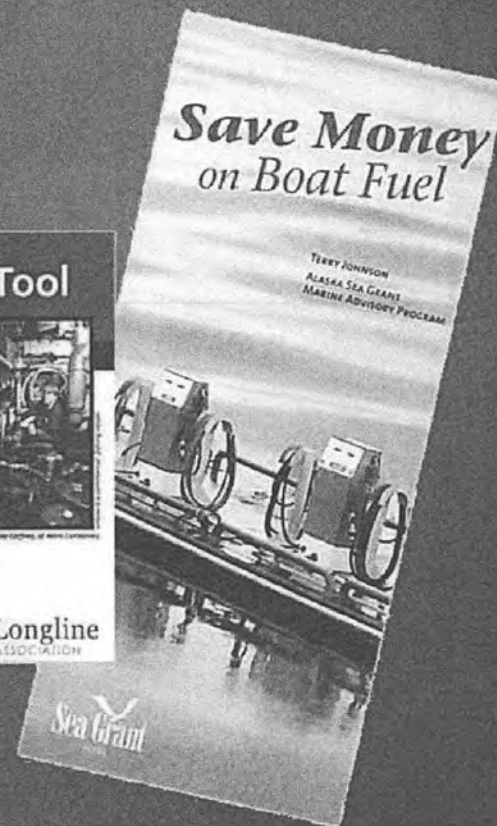



NEW Energy Analysis Tool

For the first time, real vessel energy audits were conducted on small vessels in Alaska's commercial fishing fleet. See those results, how they were incorporated into an "Energy Analysis Tool" which fishermen can use to make decisions about improving energy efficiency onboard, and ask questions of an expert vessel engineer, *Mike Gaffney of Alaris Companies*.

Made possible with grant funds from the State of Alaska & through a collaboration of:

AFDE Alaska Fisheries Development Foundation, Inc.
Sea Grant Alaska
akenergyefficiency.org
Alaska Longline Fishermen's Association



CFAB & Division of Economic Development

Loan Programs for vessels, permits, gear...

Legislation in response to industry needs:

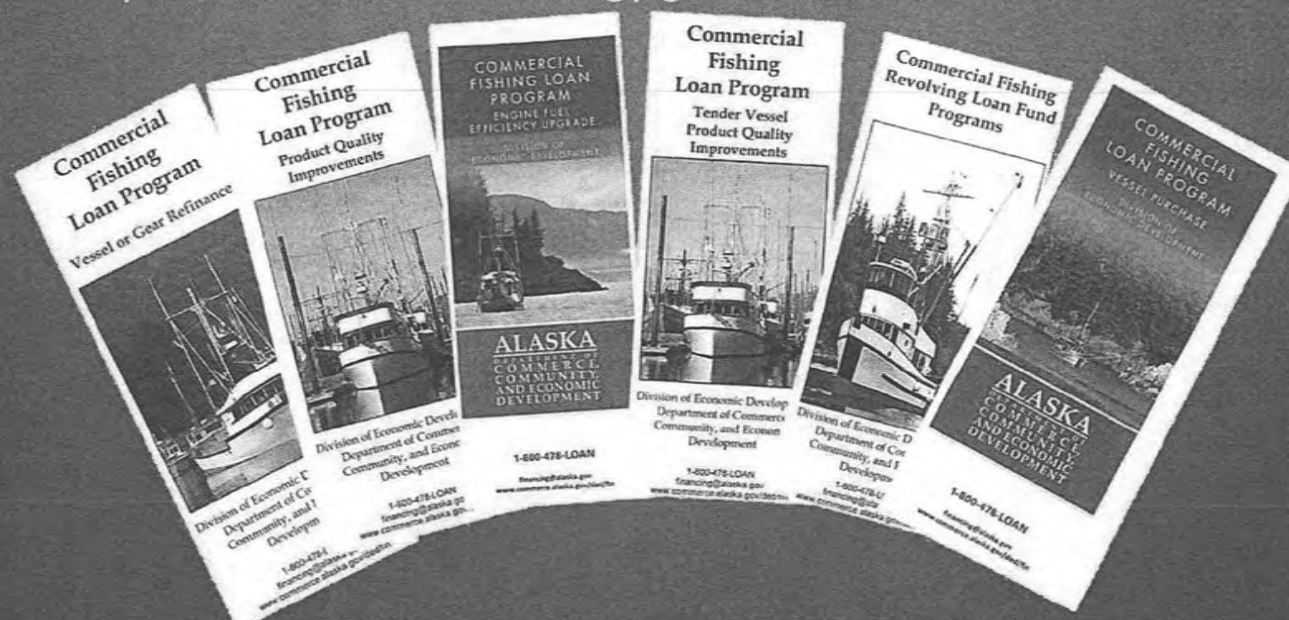
- Product Quality Improvements
- Engine Fuel Efficiency Upgrades
- Vessel & gear upgrades

Thanks also to:

Marine Advisory Program - Vessel energy surveys

NIOSH FV safety program

USDA Rural development – business & energy grants



Sustainable management

-AK Constitution

-AK History – statehood & banning of fish traps

-UFA policy for healthy and sustainable management of fisheries:

- State management of salmon fisheries.
- Escapement goal management (Biological Escapement Goals).
- Local management that is adaptive and abundance based.
- Use of Commissioner's EO authority on an active basis for the local management of a fishery –openings and closures.
- Mixed stock management.



Sustainability in practice

ADFG - Weirs, counts, creel surveys, test fishing, oversight & monitoring
Managements plans – thresholds for the foreseeable
EO authority for the unexpected – immediate closures & openings
Board of Fisheries & NPFMC – time & money for stakeholders &
agencies for science-based & inclusive public process

Sustainability Certifications – additional cost to be approved for
“social license to operate” ...MSC, RFM...

Sustainable fisheries = business viability for future generations

Marine Advisory Program - Fish Biz, Young Fishermen’s Summit.

2017 Alaska Young Fishermen's Summit

weaving a network of future fishing leaders

Save the date!

December 6-8, 2017
Anchorage, Alaska

www.marineadvisory.org/ayfs facebook.com/alaskayoungfishermen

Sea Grant Alaska

FishBiz PROJECT

Online financial and business tools for Alaska commercial seafood harvesters

Find commercial fishing business publications, spreadsheets, podcasts and lots of other tools and resources in FishBiz. The website supports new entrants, mid-career fishermen, and those planning to exit the industry.

alaskafishbiz.org

Brought to you by the Alaska Sea Grant Marine Advisory Program and sponsored in part by COBANK

Sea Grant COBANK

UFA thanks the Alaska Legislature for its attention to our industry

- HJR 46, a resolution opposing Chilean farmed salmon.
- HJR 45 supporting the labeling of wild salmon.
- SCR 30 designating June 30 as "Alaska Salmon Day".
- HB 287 exempting permit holders from having their permits seized
- HB 462 regarding confidentiality of fishing records
- SB 266 allowed hatcheries to refinance
- HB 286 allows the ownership of two limited entry permits
- HB 288 regarding CFEC optimum number studies
- SCR 28 established the Joint Legislative Salmon Industry Task Force
- HCR 6 - Extended the Joint Legislative Salmon Industry Task Force
- HB 105 - Concerning loans for past due federal taxes and removing the 1/2 % refinancing fee for Division of Investment state loans
- SB282 - Identification of wild and farmed finfish
- HB 104 - Regarding the Fisheries Business Tax
- SB 139 - Renewed the Alaska Salmon Price Report
- HB 118 - Allows fishermen to transport fish for other fishermen
- HB 90 - Salmon Product Development Tax Credit
- SB 215 - Created a new Food Safety Lab in Anchorage
- SCR13 - Alaska Salmon in Correctional Facilities
- HB 409 - Removed the 58' Seine Vessel Length limit from statute
- SB 315 - Use non-state funds for CFEC Entry Permit Buy-Back Programs
- SB 286 - Established a new direct marketing fisheries business license
- HB 419 - Created Regional Seafood Development Associations
- HJR 34 - Requested improvements to the USDA TAA program for Alaskan salmon
- SB 273 - Changed ASMI structure and stabilized its seafood based funding
- SB 322 - Salmon Enhancement Tax
- SCR 19 - Promoted fisheries education
- ...And many more

Alaska Fisheries – feeding the world

