

SCOMM

146:7

Message from the Executive Director

This year marks a quarter century of service to the Alaska seafood industry by ASMI. This unique partnership has weathered a number of storms over this time and is in a strong position going forward. Most importantly, our brand, Alaska Seafood, is one of the strongest seafood brand names in the world, something ASMI can rightfully take a large share of the credit for creating. Persistent, targeted messaging about Alaska Seafood has gained a strong foothold in a very competitive world market.

At a time when sustainability is catching on in the global marketplace, we are proud to point out that Alaska Seafood is the world leader in sustainable seafood. Since statehood, Alaska, through its progressive and forward looking seafood management practices has been ensuring Alaska's seafood stocks will be here for the generations to come; in fact, this concept is enshrined in our State Constitution. It is gratifying to see the rest of the world embracing this long standing Alaska seafood management principle, to which the Alaska seafood industry is committed.

This year, for the first time in over a decade, the Alaska Legislature joined with the Governor to provide state general funds to help ASMI conduct its very important work on behalf of all who harvest and process Alaska seafood products. This action renews a vital partnership between the State of Alaska and its seafood industry; it ensures we will continue to get the word out about our great products and help Alaska's seafood industry remain competitive in a very demanding world market.

The visionaries that founded ASMI 25 years ago were giants in the industry and forward thinkers. Three of the original industry members involved, Al Burch, Ron Jolin and Jeff Stephan, continue to serve ASMI to this day. We owe these fine people, along with the hundreds that have voluntarily served on ASMI boards and committees over the years, a debt of gratitude for giving so much of their time and intellect for the good of the Alaska seafood industry. It is because of people like these that ASMI has been able to make a positive difference in the market place and establish Alaska Seafood as a proud and highly respected brand wherever seafood lovers gather.

These are exciting times for the Alaska seafood industry and ASMI will have a very important role to play in the years ahead just as it has for the last quarter century, in promoting the great seafood products that come from the bountiful waters of Alaska.

Ray Riutta

Executive Director

What is Alaska Seafood Marketing Institute (ASMI)

A Partnership of Public and Private Sectors

Established 25 Years Ago

The Alaska Seafood Marketing Institute (ASMI) was created twenty-five years ago as a cooperative partnership between the Alaska seafood industry and state government to advance the mutually beneficial goal of a stable seafood industry in Alaska. It is Alaska's official seafood marketing arm, and is established under state law as a public corporation.

How does ASMI work?

Supports the Alaska seafood industry through promotion of Alaska seafood products, education and research

Promotions of Alaska seafood in the United States and key overseas markets in the European Union (E.U.), China and Japan are conducted at retail grocers, at restaurants, and through foodservice distributors. The promotions are complemented by trade show participation, public relations, trade education, research and technical support. Recently, consumer advertising has been a major component of the promotional program in the United States.

A board of directors, appointed by the Alaska's governor, guides decision making, taking into account the recommendations of industry advisory committees.

What's new at ASMI?

Agency structure

Legislative action in 2004 streamlined the agency, reducing the size of the board and facilitating more effective alignment with the seafood industry.

Streamlined board

A new seven-member board replaced the 25-member board, and improved alignment between the marketing efforts of ASMI and the seafood suppliers.

New board Appointments

In May 2004 Governor Frank Murkowski named five processors and two commercial harvesters to the ASMI board.

Revamped revenue stream: processors increase contribution

Seafood industry assessments provide the core of ASMI funding, and are used to leverage federal funds.

Processors voted in fall 2004 to continue the seafood marketing assessment that supports ASMI, and to raise it to .5% of the first value of the seafood they process. It had formerly stood at a rate of .3%. The 1% salmon tax formerly paid by salmon fishermen ended in January 2005. In 2006 the legislature approved the governor's proposal to contribute unrestricted general funds to ASMI for the first time in 10 years.

Redefined mission: increase economic value

The Alaska Seafood Marketing Institute is a marketing organization with the mission of increasing the economic value of the Alaska seafood resource through

- Increasing positive awareness of the Alaska Seafood brand
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry
- Long-term proactive marketing planning
- Quality assurance, technical industry analysis, education, advocacy and research
- Prudent, efficient fiscal management

Expand exploration of new markets

Aggressive pursuit of new opportunities in Asia, Europe and the U.S., including the U.S. Hispanic market.

Amphasis on consumer campaigns

Effective consumer campaigns aligned with marketing efforts of suppliers provide efficient, cost effective service to Alaska's seafood industry.

Special allocations of federal funding through Governor Murkowski's Fisheries Revitalization Strategy and the Alaska Fisheries Marketing Board helped finance the launch of national consumer campaigns in the U.S. The campaigns cover the full range of Alaska seafood products.

Leading U.S. campaigns

- Cook it Frozen
- Hispanic canned salmon campaign – introducing canned salmon to new users

Raise volume, value of exports

Increase *volume* and *value* of Alaska seafood exports to specific

countries in which ASMI is active— Western Europe, Northern Europe, United Kingdom, Southern Europe, Japan and China

Boost sales of frozen seafood in the u.s.

Stimulate sales of frozen salmon and other Alaska products during the “shoulder season”

Research prospects for Additional market development in the e.u., china and eastern europe

Accomplishments

- Increased consumption of fresh and frozen Alaska Seafood in the U.S. and key international markets
- Focused on consumer campaigns and consumer advertising for key products in the U.S.
- Conducted vigorous campaigns specifically promoting canned salmon in the U.S. to traditional and Hispanic markets
- Achieved greater alignment than ever before with industry trade spending
- The seafood industry is maximizing the impact of its marketing dollars by aligning sales and promotional activities with ASMI campaigns.

Ex-vessel value of the Alaska salmon fishery was \$454 million in 2005, the first time this decade that fleet earnings have been over \$400 million.

Results

Results reflect a more positive outlook on behalf of the industry, including the salmon sector

INCREASED FIRST WHOLESALE VALUE OF ALASKA SALMON PRODUCTS

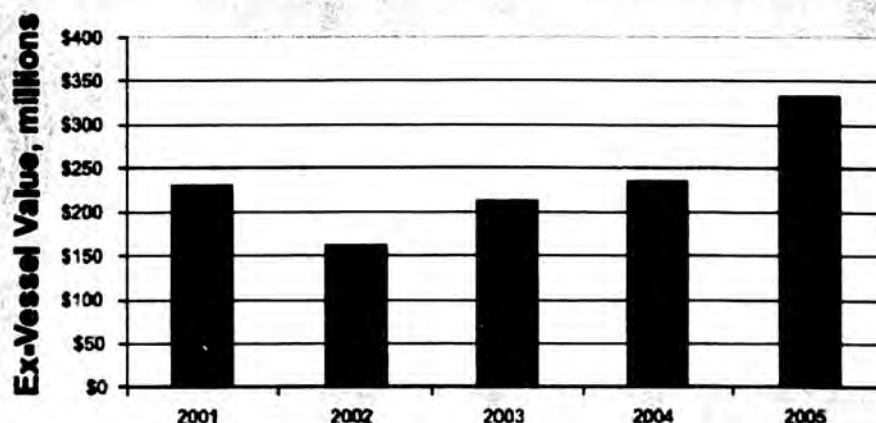
U.S. frozen salmon sales were up 18.7% in 2004 over the same period in 2003, through a Cook It Frozen consumer campaign

AGGREGATE FIRST WHOLESALE VALUE, SELECTED ALASKA SALMON PRODUCTS



INCREASED EX-VESSEL VALUE OF SALMON

ALASKA SALMON EX-VESSEL VALUE



Source: ADF&G

The price paid to fishermen doubled in three years to more than \$300 million

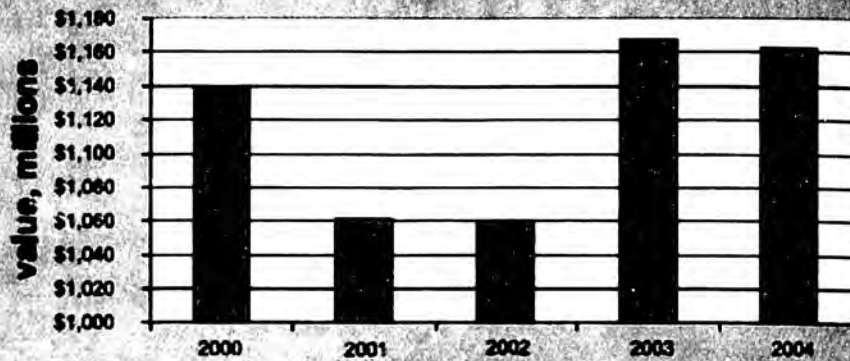
Boosted volume and value of pink salmon

Increased sales volume and value reflect promotional effort; market data show increased sales in six of the seven U.S. markets where the Hispanic canned salmon campaign was conducted

Increased ex-vessel value of key commercial species

There was volume sales growth of cod, halibut, and salmon in the U.S. with frozen salmon sales up 18.7% in 2004 over same period in 2003, through a Cook it Frozen consumer campaign.

ALASKA EX-VESSEL VALUE, KEY COMMERCIAL SPECIES



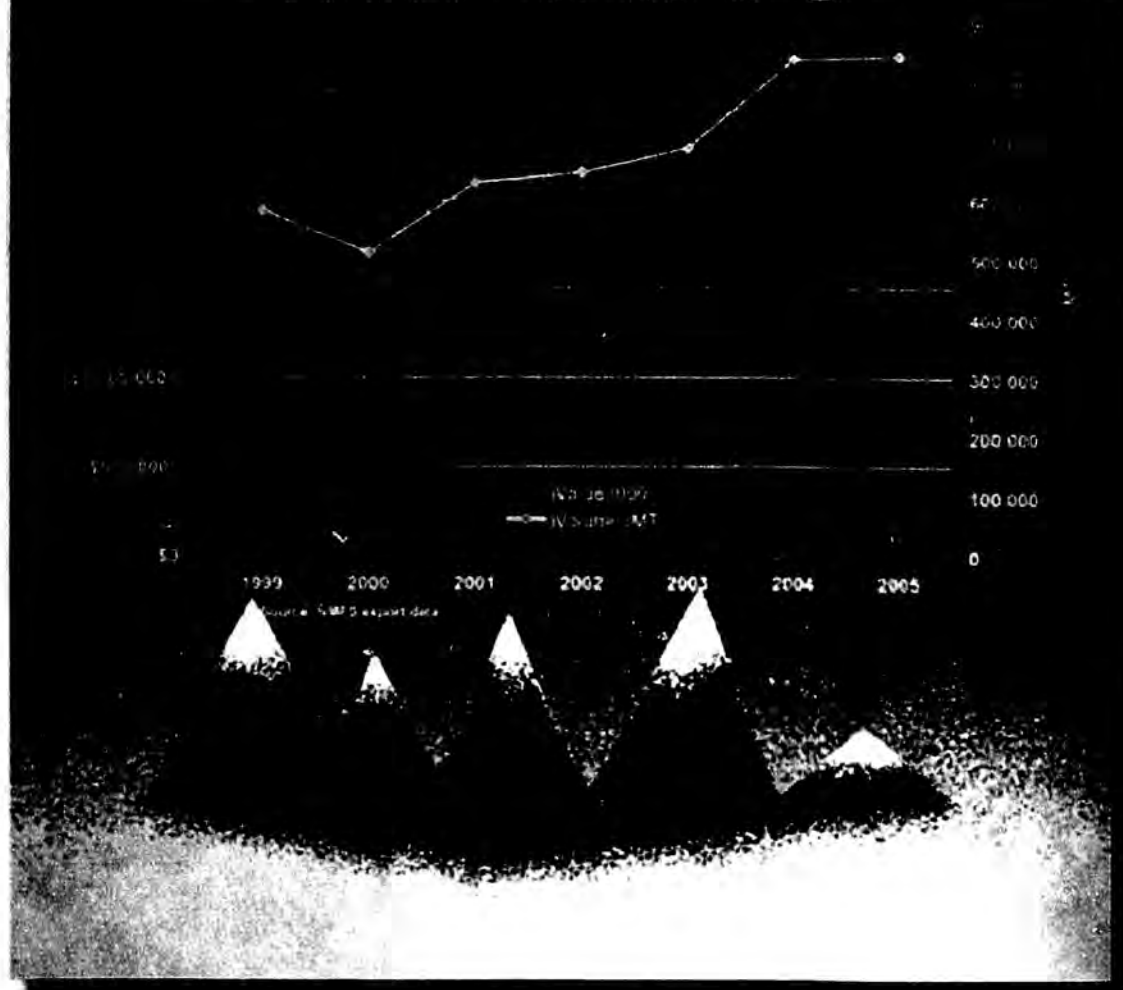
Source: ADF&G, NMFS
salmon, pollock, P-coi, halibut, sablefish, shellfish, other groundfish
(Note: 2004 went down slightly, due to seasonal fluctuations in the
harvest volume of certain species such as crab.)

Increased export volume and value

Alaska Seafood exports to the world increased 48% by value and 74% by volume (aggregate) from 2000 to 2005.

Exports of Alaska Seafood to countries where ASMI is active accounted for 70% of the total by value, and 74% by volume.

EXPORTS



Increased popularity of surimi in the European union
More fresh and frozen salmon and salmon fillets going into Europe and the united kingdom.

Asmi's Alaska pavilion in Europe's largest trade show generated projected sales over 12 months of over \$106 million for 15 participating Alaska seafood companies, leveraged the value of corporate partnerships

ASMI has achieved increased use and awareness of the Alaska Seafood brand and companion brands through developing its relationships with grocery retailers, restaurant operators and foodservice distributors at the corporate level.

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Leveraged the value of corporate partnerships
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Seafood brand and companion brands through developing its
relationships with grocery retailers, restaurant operators and
foodservice distributors at the corporate level.

ASMI and Alaska's Fisheries Revitalization Strategy

Governor Frank Murkowski initiated the Alaska Fisheries
Revitalization Strategy to address the needs of those affected by an
economic downturn in the salmon fishing industry and to stimulate
profitability in the seafood industry. The multi-year strategic effort was
funded utilizing \$50 million in federal funds, obtained through the
efforts of the state's congressional delegation. Many Alaska seafood
companies received allocations of funds for product innovation
and supporting sales of new value added products in the marketplace.
\$4.5 million of the Fisheries Revitalization Strategy is dedicated to special promotions
through the Alaska Seafood Marketing Institute. These project monies were
augmented by allocations of federal funds by the Alaska Fisheries
Marketing Board.

Cook it frozen

The Alaska seafood industry wished to boost sales during the fall
"shoulder season," when frozen products present an excellent
option for consumers, so ASMI initiated a \$1.4 million Cook it
Frozen media campaign, aligned with the seafood industry's sales
efforts, to educate consumers about eating frozen seafood. Sales
at retail grocery stores were supported by chef demonstrations,
celebrity sales support including streaming video on the Cook
it Frozen website, newspaper articles with Alaska seafood
recipes, colorful point of purchase materials for more than
3500 participating stores, radio ads (13 major market areas),
and billboards for Wild Alaska Salmon in Seattle, Portland, and
Washington, D.C.

ASMI expenditure of funds received from Alaska Fisheries Marketing Board

The Alaska Seafood Marketing Institute, a public-private partnership between the State of Alaska and the Alaska seafood industry, received Saltonstall-Kennedy funding through the Alaska Fisheries Marketing Board.

The Saltonstall-Kennedy program was established by the U.S. Congress to provide financial assistance for projects to strengthen the U.S. fishing industry, and the fund source is duties and tariffs on imported fish and fish products.

Alaska Seafood Marketing Institute is using \$6.5 million in funding received through AFMB for a multi-year national consumer campaign that includes advertising, publicity, internet resources for consumers, retail grocery and foodservice promotions, trade education and research.

The attention focused on Alaska seafood marketing during the past three years has had a measurable effect. Millions of Americans have been exposed to favorable messages about Alaska Seafood. Demand for most products has increased markedly, new markets are being developed, and prices paid to the producers for a number of products are improving, thus strengthening the U.S. seafood industry in the face of a tide of cheap foreign imports.

Highlights

- Media coverage of Alaska seafood products, particularly salmon, has been favorable. Hundreds of favorable mentions have occurred in magazines, newspapers, radio, television, and on the internet.
- The consumer advertising campaign included ads in *Sunset*, *Cooking Light*, and *Bon Appetit* as well as some advertising in foodservice trade publications. The series of ads targeted American consumers and professional cooks, and stimulated further demand for Alaska seafood products.
- The Alaska Seafood brand became the second most popular food brand on menus of the top 500 restaurant chains – the result of ASMI programs to educate key corporate executive chefs and conduct promotions with high-profile foodservice operators and foodservice distributors.
- Sales of Alaska Seafood through retail grocery stores received additional lift from ASMI promotions. Support for the retail

promotions includes merchandising guidance, special coupon offers, advertising, cooking demonstrations, cooperative partnerships with national brands, Alaska Seafood promotions at consumer shows and events, internet website enhancements catering to consumers, and development of emerging markets such as the U.S. Hispanic market.

Products promoted were wild Alaska seafood products:

- salmon (fresh, frozen and canned)
- whitefish varieties (Alaska Pollock, sole, rockfish, halibut, black cod, Pacific cod) and surimi seafood.
- shellfish (three kinds of crab, other shellfish including scallops, shrimp)

ASMI History

ASMI was established in 1981 as a cooperative endeavor of industry and state government to stabilize the economics of the seafood industry. Twenty-five years later it has successfully built the Alaska Seafood brand and works to increase the value of Alaska's seafood harvest.

Asmi History in A Nutshell

Alaska's Seafood Industry Steps to the Plate

When ASMI was created, seafood processing companies elected to tax themselves to fund the program; for many years, they paid an assessment of .3% of the value of all seafood species they processed. The board included members of both the fishing and processing sectors. In 1993, the legislature enacted a 1% salmon marketing tax to be paid by commercial fishermen. More fishermen were added to the board of directors, resulting in a 25-member board. The legislation establishing the salmon marketing tax paid by fishermen was up for renewal after five years, and was reinstated in 1998, thanks to support from commercial fishermen.

Federal Support for International Marketing

The first federal funds to support the marketing activities overseas were received in 1988, allowing promotional efforts to expand from the United Kingdom to Japan and France. Australia joined the mix in 1992, as did Italy, Korea, and The Netherlands. Four years later, Belgium, China, Taiwan, and Hong Kong were added to the program.

The international program, which is made possible by the assistance of the Market Access Program operated by the U.S. Dept. of Agriculture (USDA) Foreign Agricultural Service now spans the Japan, China and the European Union, with concentrated activity

in Northern, Southern and Western Europe. Russia has recently been added to the list of emerging markets.

ALASKA SEAFOOD
1981 2006
www.alaskaseafood.org
Silver Anniversary



Alaska Seafood Marketing Institute



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Bruce Wallace
Vice Chair, Commercial harvester

Kevin Adams
Commercial harvester

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Barry Collier
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*International Trade and Market
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*House of Representatives, Alaska State
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Alternate - Rep. Gabrielle LeDoux
*House of Representatives, Alaska State
Legislature*



Message from the Chair of the Board

Alaska's seafood industry is undergoing dramatic and permanent change. As in most sectors of American business, Alaska seafood has seen tremendous consolidation, driven by increased worldwide competition and changing consumer preferences. As a result of this consolidation the remaining companies are stronger and better able to capitalize on the changing consumer and the new manufacturing climate. In recent years seafood processing companies have made significant progress toward the goal of becoming modern market-driven food production operations, and are producing more value-added products for more different markets around the world than ever before.

The public-private partnership of Alaska Seafood Marketing Institute has been rejuvenated by active participation of seafood industry leaders and the support of the State of Alaska through the Alaska Fisheries Revitalization program. By exploiting the partnership of the industry and the state, the Alaska Seafood Marketing Institute has been able to field highly effective promotional activities that have helped drive up the value of the products Alaska has to offer.

These are exciting times for the Alaska seafood industry, for harvesters and processors, and for the many communities – small towns and large cities – that depend on the industry for economic survival. Our fisheries resources are abundant, managed for sustainability, and offer a source of delicious and healthy food to people around the world. We are meeting the challenge of providing the products that today's customers want, and providing them in an environmentally friendly way, so that businesses can plan on having a supply of Alaska seafood for generations to come. As ASMI celebrates 25 years of service to the industry and to Alaska, we look forward to our future successes in promoting Wild Alaskan Seafood.

Sincerely,



Mark Palmer, Chair
Board of Directors



Message from the Executive Director

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Ray Riutta
Executive Director



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Established 25 Years Ago**

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What's new at ASMI?

AGENCY STRUCTURE

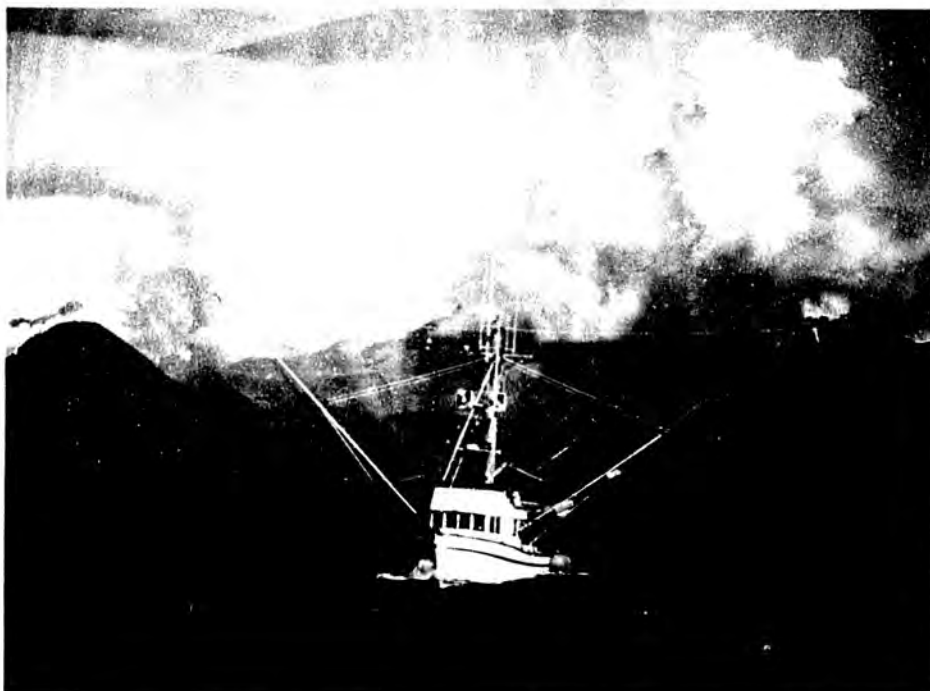
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STREAMLINED BOARD

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NEW BOARD APPOINTMENTS

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REVAMPED REVENUE STREAM: PROCESSORS INCREASE CONTRIBUTION

Seafood industry assessments provide the core of ASMI funding, and are used to leverage federal funds.

Processors voted in fall 2004 to continue the seafood marketing assessment that supports ASMI, and to raise it to .5% of the first value of the seafood they process. It had formerly stood at a rate of .3%.

The 1% salmon tax formerly paid by salmon fishermen ended in January 2005.

In 2006 the legislature approved the governor's proposal to contribute unrestricted general funds to ASMI for the first time in 10 years.



REDEFINED MISSION: INCREASE ECONOMIC VALUE

The Alaska Seafood Marketing Institute is a marketing organization with the mission of increasing the economic value of the Alaska seafood resource through

- Increasing positive awareness of the Alaska Seafood brand
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry
- Long-term proactive marketing planning
- Quality assurance, technical industry analysis, education, advocacy and research
- Prudent, efficient fiscal management

EXPAND EXPLORATION OF NEW MARKETS

Aggressive pursuit of new opportunities in Asia, Europe and the U.S., including the U.S. Hispanic market.



EMPHASIS ON CONSUMER CAMPAIGNS

Effective consumer campaigns aligned with marketing efforts of suppliers provide efficient, cost effective service to Alaska's seafood industry.

Special allocations of federal funding through Governor Murkowski's Fisheries Revitalization Strategy and the Alaska Fisheries Marketing Board helped finance the launch of national consumer campaigns in the U.S. The campaigns cover the full range of Alaska seafood products.

LEADING U.S. CAMPAIGNS

- Cook it Frozen
- Hispanic canned salmon campaign - introducing canned salmon to new users

RAISE VOLUME, VALUE OF EXPORTS

Increase *volume* and *value* of Alaska seafood exports to specific countries in which ASMI is active— Western Europe, Northern Europe, United Kingdom, Southern Europe, Japan and China

BOOST SALES OF FROZEN SEAFOOD IN THE U.S.

Stimulate sales of frozen salmon and other Alaska products during the "shoulder season"

RESEARCH PROSPECTS FOR ADDITIONAL MARKET DEVELOPMENT IN E.U., CHINA AND EASTERN EUROPE



Accomplishments

Salmon fleet participation has increased substantially with the rebound in salmon value. The number of salmon permits fished rose 86% (13 percent) from 6,645 in 2002 to 7,508 in 2005.

Accomplishments

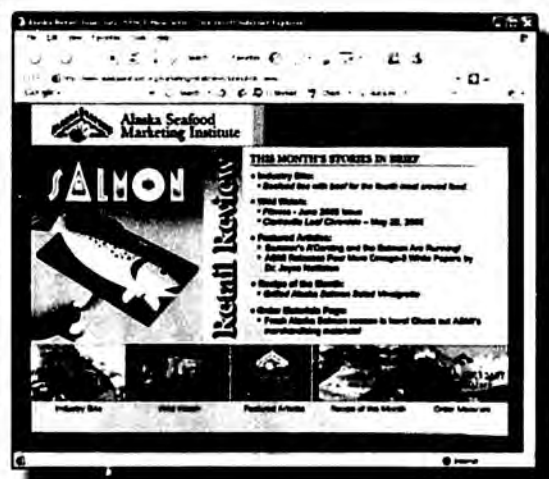
- Increased consumption of fresh and frozen Alaska Seafood in the U.S. and key international markets
- Focused on consumer campaigns and consumer advertising for key products in the U.S.
- Conducted vigorous campaigns specifically promoting canned salmon in the U.S. to traditional and Hispanic markets
- Achieved greater alignment than ever before with industry trade spending
- The seafood industry is maximizing the impact of its marketing dollars by aligning sales and promotional activities with ASMI campaigns.



ASMI's New Website

ASMI's new website launched in early 2006. There are resources on the website for processors and harvesters, retailers, chefs, foodservice operators, dietitians, and consumers. Members of the Alaska seafood industry have access to special promotional resources, a long-range calendar of promotions, advertising placements and trade shows, image library, market research, and industry e-newsletters.

Fleet earnings in the Alaska salmon fishery have recovered significantly in the last three years. According to revised ADP & G data released this Spring, harvester earnings in the 2005 Alaska salmon season totaled \$334 million, more than double the low point of \$162m in 2002.



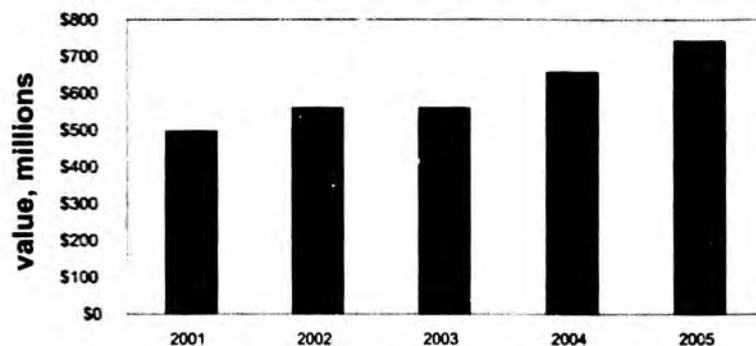
Results

Results reflect a more positive outlook on behalf of the industry, including the salmon sector

INCREASED FIRST WHOLESALE VALUE OF ALASKA SALMON PRODUCTS

U.S. frozen salmon sales were up 18.7% in 2004 over the same period in 2003, through a Cook it Frozen consumer campaign

AGGREGATE FIRST WHOLESALE VALUE, SELECTED ALASKA SALMON PRODUCTS



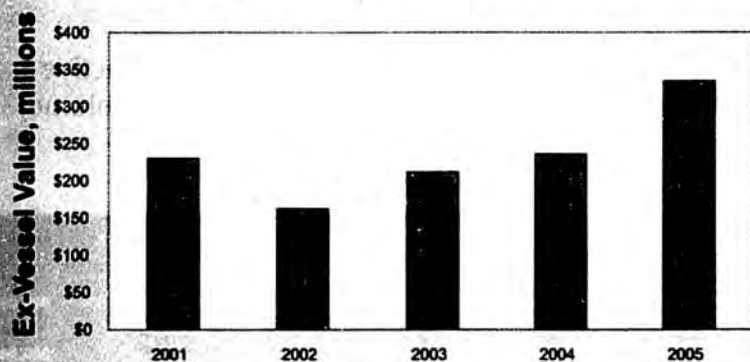
Source: AK Dept of Revenue Alaska Salmon Price Report
Fresh and froz H&G, fresh and froz fillet, canned salmon, salmon roe



Results

INCREASED EX-VESSEL VALUE OF SALMON

ALASKA SALMON EX-VESSEL VALUE



Source: ADF&G

The price paid to fishermen doubled in three years to more than \$300 million

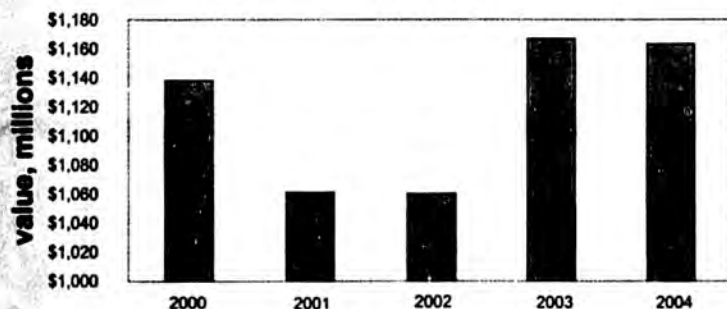
BOOSTED VOLUME AND VALUE OF PINK SALMON

Increased sales volume and value reflect promotional effort; market data show increased sales in six of the seven U.S. markets where the Hispanic canned salmon campaign was conducted

INCREASED EX-VESSEL VALUE OF KEY COMMERCIAL SPECIES

There was volume sales growth of cod, halibut, and salmon in the U.S. with frozen salmon sales up 18.7% in 2004 over same period in 2003, through a Cook it Frozen consumer campaign.

ALASKA EX-VESSEL VALUE, KEY COMMERCIAL SPECIES



Source: ADF&G, NMFS

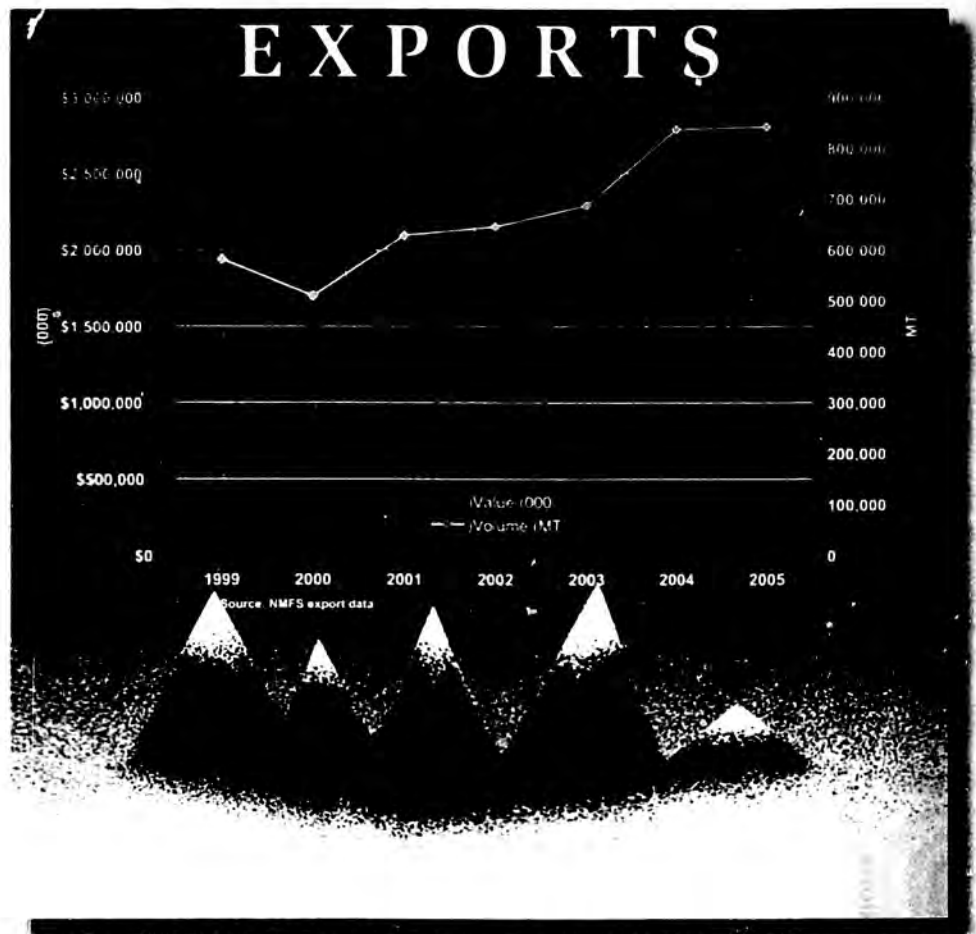
salmon, pollock, P-cod, halibut, sa. lefish, shellfish, other groundfish
(Note: 2004 went down slightly, due to seasonal fluctuations in the harvest volume of certain species such as crab.)



INCREASED EXPORT VOLUME AND VALUE

Alaska Seafood exports to the world increased 48% by value and 74% by volume (aggregate) from 2000 to 2005.

Exports of Alaska Seafood to countries where ASMI is active accounted for 70% of the total by value, and 74% by volume.



13

INCREASED POPULARITY OF SURIMI IN THE EUROPEAN UNION

MORE FRESH AND FROZEN SALMON AND SALMON FILLETS GOING INTO EUROPE AND THE UNITED KINGDOM.

ASMI's ALASKA PAVILION IN EUROPE'S LARGEST TRADE SHOW GENERATED PROJECTED SALES OVER 12 MONTHS OF OVER \$106 MILLION FOR 15 PARTICIPATING ALASKA SEAFOOD COMPANIES.

LEVERAGED THE VALUE OF CORPORATE PARTNERSHIPS

ASMI has achieved increased use and awareness of the Alaska Seafood brand and companion brands through developing its relationships with grocery retailers, restaurant operators and foodservice distributors at the corporate level.

Total Alaska harvest of groundfish and flatfish rose slightly in 2005, up from 2.12 million MCT in 2004 to 2.14 million MCT in 2005.



Respect

EARNED RESPECT IN THE MARKETPLACE FOR THE ALASKA SEAFOOD BRAND

Built brand equity for Alaska Seafood through relationships built by ASMI and as a result of educating retail seafood managers, chefs, restaurant operators, foodservice distributors and seafood buyers about Alaska Seafood.

In the U.S. 77% of restaurant diners have a positive impression of the Alaska Seafood brand

The Alaska Seafood brand is the second most popular food brand on menus of the top 500 U.S. restaurant chains, up from third place in 2001



**2ND PLACE -
THIS IS UP FROM 3RD
PLACE IN 2001!**

**SOURCE: DATASSENTIAL
RESEARCH 2004**

TR 4

THE MESSAGE IS OUT ON ALASKA SEAFOOD

Through consumer advertising and branded campaigns, more people than ever before are being exposed to the brand and to key messages. "Alaska" signifies wild, natural, unparalleled flavor, superior quality, sustainability, versatility, ease of preparation, and healthfulness.

Bering Sea crab stocks harvested in 2005 was just under 24,000 TMT, consistent with the previous three years. For 2006, statewide allowable catch of Alaska crab shows an increase to approximately 28,000 TMT.



ASMI and Alaska's Fisheries Revitalization Strategy

Governor Frank Murkowski initiated the Alaska Fisheries Revitalization Strategy to address the needs of those affected by an economic downturn in the salmon fishing industry and to stimulate profitability in the seafood industry. The multi-year strategic effort was funded utilizing \$50 million in federal funds, obtained through the efforts of the state's congressional delegation. Many Alaska seafood companies received allocations of funds for product innovation and supporting sales of new value added products in the marketplace.



\$4.5 million of the Fisheries Revitalization Strategy is dedicated to special promotions through the Alaska Seafood Marketing Institute. These project monies were augmented by allocations of federal funds by the Alaska Fisheries Marketing Board.

COOK IT FROZEN

The Alaska seafood industry wished to boost sales during the fall "shoulder season," when frozen products present an excellent option for consumers, so ASMI initiated a \$1.4 million Cook it Frozen media campaign, aligned with the seafood industry's sales efforts, to educate consumers about eating frozen seafood. Sales at retail grocery stores were supported by chef demonstrations, celebrity sales support including streaming video on the Cook it Frozen website, newspaper articles with Alaska seafood recipes, colorful point of purchase materials for more than 3500 participating stores, radio ads (13 major market areas), and billboards for Wild Alaska Salmon in Seattle, Portland, and Washington, D.C.



CANNED/SHELF STABLE ALASKA SALMON PRODUCTS

Launched in April 2005, this \$2 million, two-pronged consumer campaign was aligned with the sales efforts of Alaska seafood suppliers. It included radio ads, consumer shows, point of

purchase materials in English and Spanish, demonstrations in grocery stores, a TV broadcast segment in Spanish starring a Hispanic celebrity

spokesperson, and a consumer sweepstakes with an Alaska cruise as the grand prize. The campaign was geared toward moving traditional canned salmon, and successfully extended the momentum of the annual spring sales season, while at the same time carving inroads into the growing Hispanic market in the U.S.

CONSUMER ADVERTISING CAMPAIGN

Fisheries Revitalization Strategy funds, combined with federal funding obtained from the Alaska Fisheries Marketing Board has enabled ASMI to field a national advertising campaign in food and lifestyle publications. The magazine ads focus on different species seasonally (salmon, canned salmon, black cod, crab, cod & pollock) or highlight previously frozen seafood. The campaign is aligned with industry marketing efforts. The ads appear in publications read by consumers matching the Alaska Seafood demographic, and by many chefs.



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The Saltonstall-Kennedy program was established by the U.S. Congress to provide financial assistance for projects to strengthen the U.S. fishing industry, and the fund source is duties and tariffs on imported fish and fish products.

Alaska Seafood Marketing Institute is using \$6.5 million in funding received through AFMB for a multi-year national consumer campaign that includes advertising, publicity, internet resources for consumers, retail grocery and foodservice promotions, trade education and research.

The attention focused on Alaska seafood marketing during the past three years has had a measurable effect. Millions of Americans have been exposed to favorable messages about Alaska Seafood. Demand for most products has increased markedly, new markets are being developed, and prices paid to the producers for a number of products are improving, thus strengthening the U.S. seafood industry in the face of a tide of cheap foreign imports.



HIGHLIGHTS

- Media coverage of Alaska seafood products, particularly salmon, has been favorable. Hundreds of favorable mentions have occurred in magazines, newspapers, radio, television, and on the internet.
- The consumer advertising campaign included ads in *Sunset*, *Cooking Light*, and *Bon Appetit* as well as some advertising in foodservice trade publications. The series of ads targeted American consumers and professional cooks, and stimulated further demand for Alaska seafood products.
- The Alaska Seafood brand became the second most popular food brand on menus of the top 500 restaurant chains – the result of ASMI programs to educate key corporate executive chefs and conduct promotions with high-profile foodservice operators and foodservice distributors.
- Sales of Alaska Seafood through retail grocery stores received additional lift from ASMI promotions. Support for the retail promotions includes merchandising guidance, special coupon offers, advertising, cooking demonstrations, cooperative partnerships with national brands, Alaska Seafood promotions at consumer shows and events, internet website enhancements catering to consumers, and development of emerging markets such as the U.S. Hispanic market.

Products promoted were wild Alaska seafood products:

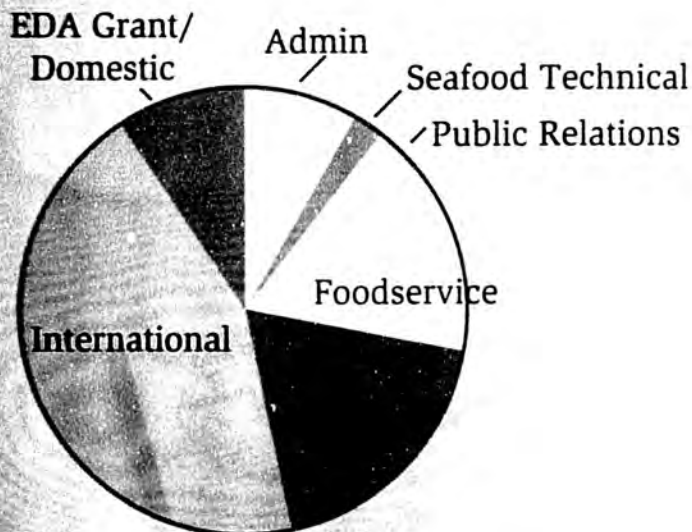
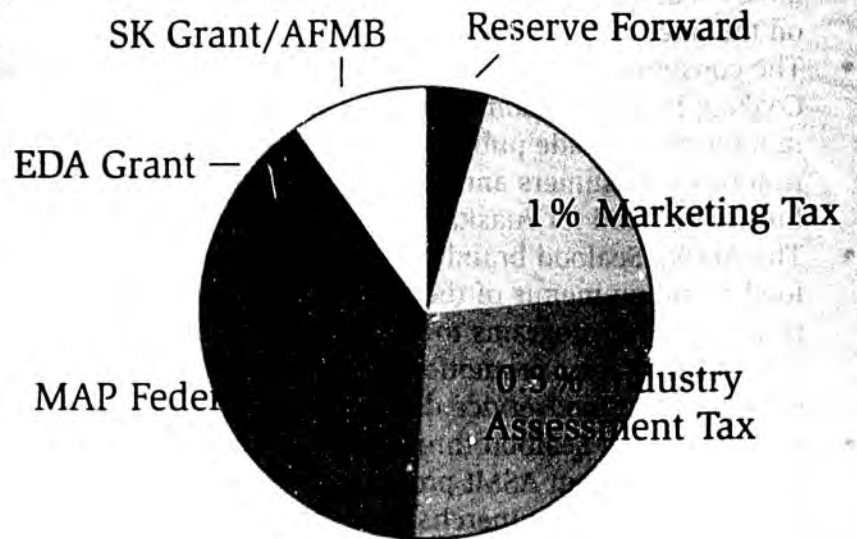
- salmon (fresh, frozen and canned)
- whitefish varieties (Alaska Pollock, sole, rockfish, halibut, black cod, Pacific cod) and surimi seafood.
- shellfish (three kinds of crab, other shellfish including scallops, shrimp)



Financials

FY 04 REVENUES (in \$000s)

Reserve forward	\$474
1% Marketing Tax	\$1,943
0.3% Industry Assessment Tax	\$2,875
MAP Federal Grant	\$3,221
EDA Grant	\$894
SK Grant/AFMB	\$1,000
Total	\$10,407

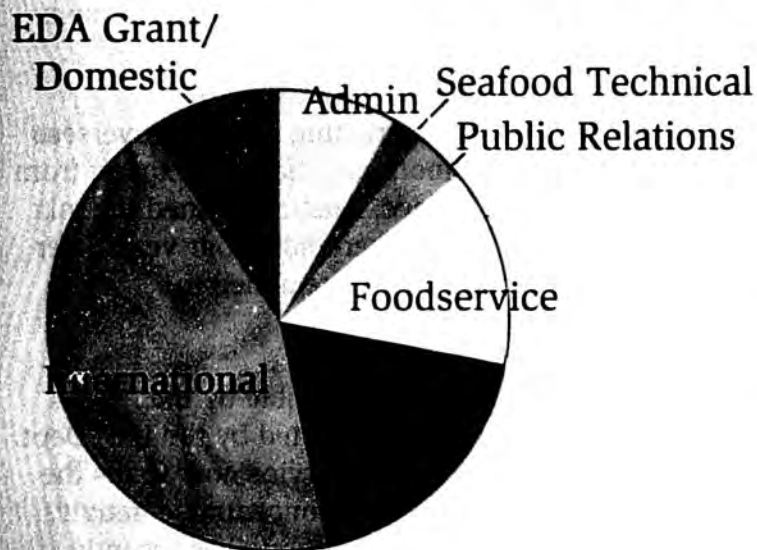
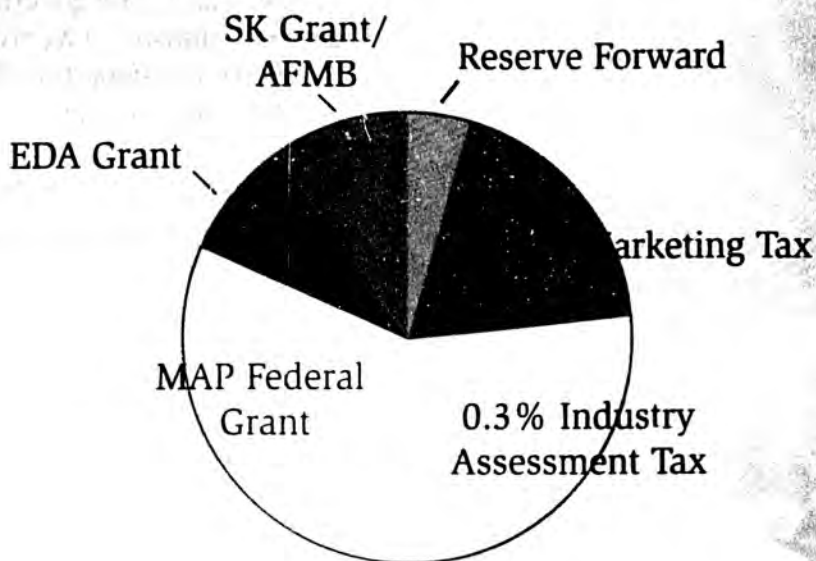


FY 04 EXPENDITURES (in \$000s)

Admin/Consolidated Costs	\$792
Seafood Technical	\$216
Public Relations	\$343
Foodservice	\$1,343
Retail	\$1,766
International	\$4,210
EDA Grant/Domestic	\$894
Total	\$9,564

FY 05 REVENUES (in \$000s)

Reserve forward	\$365
1% Marketing Tax	\$2,400
0.3% Industry Assessment Tax	\$3,400
MAP Federal Grant	\$3,741
SK Grant/AFMB	\$1,500
AK Fish Revit.-Canned Salmon	\$1,400
AK Fish Revit.-Cook it Frozen	\$1,400
Alaska Fish Marketing Board	\$2,200
Total	\$16,406



FY 05 EXPENDITURES (in \$000s)

Admin/Consolidated Costs	\$1,205
Seafood Technical	\$236
Public Relations	\$500
Foodservice	\$2,035
Retail	\$2,564
International	\$4,600
Canned Salmon Promo	\$1,600
Cook it Frozen Promo	\$1,400
Roe Herring Japan	\$5
Total	\$14,145

ASMI History

ASMI was established in 1981 as a cooperative endeavor of industry and state government to stabilize the economics of the seafood industry. Twenty-five years later it has successfully built the Alaska Seafood brand and works to increase the value of Alaska's seafood harvest.

ASMI HISTORY IN A NUTSHELL

ALASKA'S SEAFOOD INDUSTRY STEPS TO THE PLATE

When ASMI was created, seafood processing companies elected to tax themselves to fund the program; for many years, they paid an assessment of .3% of the value of all seafood species they processed. The board included members of both the fishing and processing sectors. In 1993, the legislature enacted a 1% salmon marketing tax to be paid by commercial fishermen. More fishermen were added to the board of directors, resulting in a 25-member board. The legislation establishing the salmon marketing tax paid by fishermen was up for renewal after five years, and was reinstated in 1998, thanks to support from commercial fishermen.

FEDERAL SUPPORT FOR INTERNATIONAL MARKETING

The first federal funds to support the marketing activities overseas were received in 1988, allowing promotional efforts to expand from the United Kingdom to Japan and France. Australia joined the mix in 1992, as did Italy, Korea, and The Netherlands. Four years later, Belgium, China, Taiwan, and Hong Kong were added to the program.

The international program, which is made possible by the assistance of the Market Access Program operated by the U.S. Dept. of Agriculture (USDA) Foreign Agricultural Service now spans the Japan, China and the European Union, with concentrated activity in Northern, Southern and Western Europe. Russia has recently been added to the list of emerging markets.

HELPING HANDS FROM WASHINGTON, D.C.

A new three-year campaign to promote Alaska salmon in the U.S. was begun in 2000; thanks to the guidance of U.S. Senator Ted Stevens, the U.S. Congress appropriated \$5 million in funding for this purpose under the Trade Adjustment Assistance Act to help the salmon industry in Alaska.

Thanks to the efforts of the Alaska Congressional delegation, and Senator Ted Stevens in particular, funds to assist the Alaska seafood industry were allocated to the State of Alaska and to a newly created Alaska Fisheries Marketing Board. During the last few years ASMI has received funds through both of these sources to aid its marketing efforts, successfully increasing the visibility of the Alaska Seafood brand in the U.S. (See pages 20-21.)

NEWLY STREAMLINED, ALIGNED WITH INDUSTRY, MOVING AHEAD

Following two years of work by a task force comprising members of the seafood industry and the Alaska State Legislature, a new law was enacted to restructure ASMI, trimming the board to seven members (five processors, one of them a small processor, and two commercial harvesters). The law eliminated the 1% salmon marketing tax paid by salmon harvesters. It also required processors to vote on whether to retain ASMI and on whether or not to increase their tax contribution for marketing. The processors voted in the fall of 2002 to continue the marketing program, and to raise their tax to the equivalent of .5% of the value of the catch.

The board of directors is invested in the marketing mission with renewed vigor, and works to ensure that ASMI promotional activities complement those of the seafood suppliers. The success achieved so far in building the Alaska Seafood brand is attributable to the guidance of many industry leaders over the past quarter century: harvesters and processors named by the governor to the board of directors, and many experts tapped by the board to serve on advisory committees. All have committed their intelligence and creativity to this effort, and have helped to advance the Alaska Seafood brand.



MEMBERS OF PAST BOARDS OF DIRECTORS

ALASKA SEAFOOD FOUNDATION - THE ASMI PIONEERS

The Alaska Seafood Foundation was established in anticipation of the law establishing ASMI. These people pioneered the ASMI effort, with a small staff headed by Eric Eckholm, the first executive director.

Jim Beaton, American Eagle Seafoods

Bob Blake, Cordova Aquatic Marketing Assoc.

Frederic Bolthouse, Pacific Pearl Seafoods

Alec Brindle, Ward's Cove Packing Co.-served continuously, resigning in 1999

Robert F. Brophy, Icicle Seafoods, Inc.

Jay S. Gage, Peter Pan Seafoods

Ron Jolin, United Fisherman's Marketing Assn.

John B. Martin, Alaska Food Company

Robert F. Morgan, Morpac, Inc.

Dan O'Hara, Bristol Bay Native Assn.

David Osterback, Peninsula Marketing Assn.

J. Richard Pace, Universal Seafoods, Ltd.

Darryl K. Pederson, Seawest Industries, Inc.

John G. Peterson, Ocean Beauty Alaska

Jake Phillips, Alaska Longline Fishermen's Assn.

Denton Sherry, Whitney Fidalgo Seafoods

John K. Sjong, Trans-Pacific Intl. Inds.

William Woods, Pan-Alaska Fisheries



4/15/2014

All of the individuals listed below were appointed by the Governor of Alaska to seats on past ASMI boards of directors. Their service to Alaska and the Alaska seafood industry established the foundation we build on today.

Jan Beaton
Bob Blake
Frederic Bolthouse
Alex Brindle
Robert F. Brophy
Jay S. Gage
Ron Jolin
John B. Martin
Evan O'Hara
David Osterback
J. Richard Pace
Darryl K. Pederson
John G. Peterson
John K. Sjong
William Woods
W. H. "Nick" Nichols
Dan Rear
Nels Anderson, Jr.
William G. Saletic
Jeffrey R. Stephan
Thomas E. Thompson
Victor W. Horgan, Sr.
Larry M. Kaner
Roseleen L. "Snooks" Moore
Bruce "JB" J. Crow
Bart Eaton
Duncan A. Fenton
Ronald E. Hegge
Charles H. Bundrant
Oscar Dyson
Terry Gardiner
Dexter Kyle
Tom Steinbach
George Sullivan
Eric Eckholm
Greg Favretto
Sandra Cesarini
Gary D. Ervin
Laurence Irving
Robert L. Scott
Connie Yoshimura
Bob Waldrop
Cheryl Sutton
Harold Thompson
Dore Harville

Bill King
Margaret Branson
Ronald Sparks
David Wilder
Gerold S. Gugel, Jr.
Rodger A. Painter
James Hemming
John R. Swanson
Ben A. Stevens
Robert D. Schell
James Kallander
Cecilia A. Angasan
Nels Alexie
Charles W. Treinen
Dennis Delaye
Larry Hill
Bill Terhar
Gordon Jackson
Jack Schultheis
Heather McCarty
Erik Breivik
John Sevier
James Shanigan
Sherry Tuttle
Doug Van Devanter
Justine Gunderson
Rose M. Heyano
Stephen P. Ivanoff
Patrick Burden
Jack Amon
Mitchell Seybert
Robert Nickinovich
Gloria Chythlook
Mike Cusack
Gig Decker
Jamie Ross
Jay Stinson
Gary Slaven
Sandro Lane
John Salle
Virgil Umphenour
James Shanigan
Michael VanNote
Steve Chartier
L. John Iani





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