*Includes flatfish, rockfish, and Atka Mackerel.
Note: Data represents average of 2011-2015 volume/value. 
Source: NMFS and ADF&G, compiled by McDowell Group.
Alaska produces mostly primary and intermediate products.

Note: Data represents average of 2013-2014 value.
Source: NMFS and ADF&G, compiled by McDowell Group.
WHAT REALLY DICTATES PRICE?

- **Supply** – you vs. the other guy(s)
  - Most volatile from year/year
  - Impacted by market access/insulation
- **Demand** – gaining or fading?
  - Slower to adjust, usually trails supply
- Buyer’s profitability & competition
- **Value of the U.S. dollar**
- Market Access (e.g. Russian embargo)
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.
### Ex-Vessel Value/Volume Changes: 2011 vs. 2015

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

**Note:** Federally managed fisheries are based on preliminary data.

**Source:** Investing.com, NMFS, and ADF&G.
## Amount of Foreign Currency Needed to Buy $1,000 of Alaska Seafood

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>€ 771</td>
<td>€ 923</td>
<td>-16%</td>
</tr>
<tr>
<td>Japan</td>
<td>¥ 94,720</td>
<td>¥ 120,347</td>
<td>-21%</td>
</tr>
<tr>
<td>Canada</td>
<td>C$ 1,024</td>
<td>C$ 1,261</td>
<td>-19%</td>
</tr>
</tbody>
</table>

Currency conversions based on average monthly exchange rates from Oanda.com.
### Amount of Foreign Currency Received for $1,000 of Competitors’ Seafood

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>RUB 30,827</td>
<td>RUB 60,308</td>
<td>+96%</td>
</tr>
<tr>
<td>Norway</td>
<td>NOK 5,775</td>
<td>NOK 7,980</td>
<td>+38%</td>
</tr>
<tr>
<td>Chile</td>
<td>CLP 472,843</td>
<td>CLP 628,992</td>
<td>+33%</td>
</tr>
</tbody>
</table>

*Currency conversions based on average monthly exchange rates from Oanda.com.*
ALASKA SEAFOOD MARKETING INSTITUTE
U.S. DOLLAR & CURRENCY MOVEMENTS

U.S. DOLLAR INDEX


YoY vs. USD
- EURO -4.2%
- YEN -0.9%
- RUBLE +20.1%
- CANADIAN$ +3.1%
- NORWAY -0.1%

+GOOD FOR AK
## FIGURES IN MILLIONS LBS.

<table>
<thead>
<tr>
<th>SPECIES</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016E</th>
<th>2017 FORECAST</th>
<th>PRODUCERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sockeye</td>
<td>294</td>
<td>386</td>
<td>402</td>
<td>397</td>
<td>-23%*</td>
<td>AK, RUS, CAN</td>
</tr>
<tr>
<td>Pink (2-yr. Avg.)</td>
<td>1,061</td>
<td>939</td>
<td>832</td>
<td>858</td>
<td>-21%*</td>
<td>AK, RUS</td>
</tr>
<tr>
<td>Chum</td>
<td>714</td>
<td>706</td>
<td>724</td>
<td>566</td>
<td>+5%*</td>
<td>AK, RUS, JPN</td>
</tr>
<tr>
<td>Coho</td>
<td>64</td>
<td>85</td>
<td>60</td>
<td>43</td>
<td>+20%*</td>
<td>AK, RUS, WOC**</td>
</tr>
<tr>
<td>Chinook</td>
<td>20</td>
<td>26</td>
<td>21</td>
<td>14</td>
<td>N/A</td>
<td>AK, CAN, WOC**</td>
</tr>
<tr>
<td>Farmed Atlantic</td>
<td>4,615</td>
<td>5,175</td>
<td>5,249</td>
<td>4,873</td>
<td>+5%</td>
<td>ALL</td>
</tr>
<tr>
<td>Farmed Coho</td>
<td>346</td>
<td>379</td>
<td>311</td>
<td>276</td>
<td>+4%</td>
<td>ALL</td>
</tr>
</tbody>
</table>

*Alaska forecast only, pink forecast change based on expected 2-yr. average.

**Washington, Oregon, and California.

## ALASKA SEAFOOD MARKETING INSTITUTE
### SALMON WHOLESALE MARKET PRICES BY TRIMESTER

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>T2-2015</th>
<th>T3-2015</th>
<th>T1-2016</th>
<th>T2-2016</th>
<th>T3-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frz. HG Sockeye</td>
<td>$2.23</td>
<td>$2.40</td>
<td>$2.41</td>
<td>$2.82</td>
<td>$3.07</td>
</tr>
<tr>
<td>Frz. HG Pink</td>
<td>$1.14</td>
<td>$1.07</td>
<td>$1.14</td>
<td>$1.33</td>
<td>$1.38</td>
</tr>
<tr>
<td>Frz. HG Chum</td>
<td>$1.47</td>
<td>$1.25</td>
<td>$1.09</td>
<td>$1.53</td>
<td>$1.39</td>
</tr>
<tr>
<td>Frz. HG Coho</td>
<td>$1.75</td>
<td>$2.20</td>
<td>$2.03</td>
<td>$2.55</td>
<td>$3.32</td>
</tr>
<tr>
<td>Canned Pink (Tall)</td>
<td>$1.90</td>
<td>$1.74</td>
<td>$1.63</td>
<td>$1.68</td>
<td>$1.79</td>
</tr>
<tr>
<td>Canned Sockeye (Half)</td>
<td>$3.63</td>
<td>$3.07</td>
<td>$3.03</td>
<td>$3.11</td>
<td>$3.39</td>
</tr>
<tr>
<td>Pink Roe</td>
<td>$3.41</td>
<td>$4.16</td>
<td>$4.22</td>
<td>$6.59</td>
<td>$8.11</td>
</tr>
<tr>
<td>Chum Roe</td>
<td>$9.68</td>
<td>$10.30</td>
<td>$11.65</td>
<td>$11.66</td>
<td>$14.09</td>
</tr>
<tr>
<td>Farmed Salmon Index</td>
<td>$3.61</td>
<td>$3.44</td>
<td>$4.32</td>
<td>$4.95</td>
<td>$5.10</td>
</tr>
</tbody>
</table>

Average Price/lb.

Source: ADOR (Alaska Salmon Price Report) and Urner Barry Comtell (Fresh Farmed Salmon Index).
• Farmed salmon production cut in 2016 raised pricing bar overall
• Sockeye demand is improving, better value vs. farmed salmon and success of U.S. promotions... but lower forecast (BB/CI)
• Russia had strong pink year in 2016, more supply/demand balance in canned pink segment
• Chum demand should be strong in 2017, Japan harvest down approximately 30% in 2016 and lower in Russia
• Russian embargo continues to create problems, change in Jan?
### Alaska Seafood Marketing Institute

#### Whitefish Competition Matrix

<table>
<thead>
<tr>
<th>Alaska Products</th>
<th>Primary Competition or Substitute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollock Fillets &amp; H/G</td>
<td>Russian Pollock</td>
</tr>
<tr>
<td>Pollock Surimi</td>
<td>Japan Pollock, Itoyori (Bream), Hakes</td>
</tr>
<tr>
<td>Pacific Cod</td>
<td>Atlantic Cod &amp; Haddock</td>
</tr>
<tr>
<td>Sole/Flounder/Plaice</td>
<td>Tilapia, Pangasius &amp; EU flats</td>
</tr>
<tr>
<td>POP/Rockfish</td>
<td>Redfish &amp; Non-AK Sebastes</td>
</tr>
<tr>
<td>Atka Mackerel</td>
<td>Russian Okhotsk Mackerel &amp; Japan A.M.</td>
</tr>
<tr>
<td>Black Cod</td>
<td>Chilean Sea Bass</td>
</tr>
<tr>
<td>Pacific Halibut</td>
<td>Canadian Pacific Halibut &amp; Atlantic Halibut</td>
</tr>
</tbody>
</table>
• Pacific cod market tighter
• Lower AK TACs, flat Atlantic TACs
• Wholesale prices trending up
• ASMI domestic promotions/demand
• Good value play vs. salmon
• Weaker euro and yen = negative
• Utilization & currency value
• Lower BSAI crab TACs, relatively good fishing
• Record crab prices – accessible luxury
• Halibut quotas up, stable prices expected
• Black cod TACs up, strong demand
• Market diversification helping drive price
• Fillet block price spiral, driven by competing supply, strong dollar, tepid EU demand, and larger inventories
• Russia has huge cost advantage over Alaska, Russian TACs up 170,000 MT since 2015 and 1x frozen fillet production increasing
• Smaller fish in recent years isn’t helping
• Lower roe prices has erased a lot of value in the fishery
• Russian quality improving with consolidation & investment
• Supply > demand ... only way out = marketing + innovation
• Domestic QSR promos during Lent, in store demos
• Last few years have brought the most challenging market conditions in decades, consider changes between 2002 vs. 2015:
  • Russia ruble (49% weaker, bad for Alaska)
  • Russian pollock (+96%)
  • Russian chum, sockeye, pink salmon (+289%, +80%, +39%)
  • Global Atlantic cod (+44%)
  • Farmed Atlantic Salmon (+119%)
  • U.S. Tilapia Imports (+235%)
  • Alaska halibut & black cod harvests (-56%)
• Domestic consumers demanding/valuing AK seafood attributes
• Powerful Alaska Seafood brand, with a unique story
• Sagging demand for tilapia in U.S. and EU
• Population growth vs. seafood production
• Growth in China, Korea, and some other niche export markets
• Robust harvest volumes for many Alaska species
What ASMI is doing to respond:

- Changing Markets
- Domestic
- International
- Promotions
- Brand Awareness
<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNRESTRICTED GENERAL FUNDS</td>
<td>$0</td>
</tr>
<tr>
<td>GENERAL FUND MATCH</td>
<td>$2,000</td>
</tr>
<tr>
<td>FEDERAL FUNDS (MARKET ACCESS PROGRAM)</td>
<td>$4,300</td>
</tr>
<tr>
<td>VOLUNTARY INDUSTRY TAX</td>
<td>$9,681.8</td>
</tr>
<tr>
<td>PROJECTED RESERVE</td>
<td>$20,000</td>
</tr>
<tr>
<td>TOTAL AUTHORIZATION</td>
<td>$21,519.8</td>
</tr>
<tr>
<td>FY 2016 Marketing spend plan</td>
<td>$22,305</td>
</tr>
<tr>
<td>FY 2017 Marketing spend plan</td>
<td>$17,000</td>
</tr>
</tbody>
</table>
## Alaska Seafood Marketing Institute (ASMI)

### FY 2017 Spend Plan

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Retail</td>
<td>$1,920,645</td>
</tr>
<tr>
<td>Domestic Foodservice</td>
<td>$2,120,645</td>
</tr>
<tr>
<td>Communications &amp; PR</td>
<td>$1,840,000</td>
</tr>
<tr>
<td>Technical</td>
<td>$390,000</td>
</tr>
<tr>
<td>RFM</td>
<td>$1,034,000</td>
</tr>
<tr>
<td>International</td>
<td>$6,954,710</td>
</tr>
<tr>
<td>Food Aid</td>
<td>$390,000</td>
</tr>
<tr>
<td>Admin/Executive Office</td>
<td>$2,390,000</td>
</tr>
</tbody>
</table>

**FY 2017 MARKETING SPEND PLAN** $17,040,000

20 full-time exempt positions (Juneau, Seattle, Kodiak)
<table>
<thead>
<tr>
<th>NEGATIVE FACTORS</th>
<th>POSITIVE FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong dollar hurts U.S. exporters and helps competitors</td>
<td>Global salmon supplies tightening</td>
</tr>
<tr>
<td>Eco-labels diminish Alaska’s ability to distinguish on sustainability</td>
<td>Stronger Yen</td>
</tr>
<tr>
<td>Competition from farmed salmon and other whitefish species</td>
<td>Long term demand vs. supply</td>
</tr>
<tr>
<td>Less crab this fall, poor salmon season</td>
<td>Strong Alaska Seafood brand</td>
</tr>
<tr>
<td>Russian embargo &amp; Ukrainian conflict</td>
<td></td>
</tr>
</tbody>
</table>
BREXIT: POTENTIAL IMPACTS

UK MARKET IMPACTS (SHORT TERM)
- Economic uncertainty
- Disruption of long-standing business arrangements
- UK is not self-sufficient in food
- Impact consumer prosperity, confidence, and demand

UK MARKET IMPACTS (LONG TERM)
- Impacts on food policy, tariffs and trade unknown
- Dissension within the UK

GLOBAL MARKET IMPACTS
Alaska Seafood
FOREVER WILD
Food Truck Visits
Street/Food Fairs in Germany
HIGHLIGHT
INTERNATIONAL TRENDS

E-COMMERCE PLATFORMS Used Widely In ASIA & EU

WE ARE WILD: SALMON SOMMELIERS
2017 KOREA TRADE MISSION
12 industry members from 10 Companies Participated

$300M AK Seafood in Annual Exports

Steady growth in this market over the last five years particularly for salmon, pollock, surimi and flatfish.
INTERNATIONAL RECOGNITION FOR RFM

- Alaska RFM successfully benchmarked against 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.
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.
The ASMI US Foodservice program sponsored a national “Swap Meat” competition for professional chefs.

Chefs were asked to swap the meat in a recipe for Alaska seafood and then submit the new recipe to ASMI.
HIGHLIGHT

FEED YOUR FITNESS

TARGETS “UBER-ATHLETES”

PROMOTES CANNED SALMON and other highly nutritious Alaska seafood products

ENDORSED BY ATHLETES
Kikkan Randall
Ryan & Sara Hall

INCREASED EXPOSURE during Summer Olympics
**HIGHLIGHT**

**ALASKA BREWING CO-OP PROMOTION**

**CO-OP** between ASMI, Alaska Brewing Company and Texas retailer H.E.B

**IN-STORE DISPLAYS** near the seafood department and sampling at 70 stores

**INSTANT-REDEEM COUPON**
HIGHLIGHT

IBOTTA COUPON APP

• 2017 Lenten Season Promotion
• $0.50 coupon for any Alaska Pollock item
• 3rd most popular shopping app behind only Amazon & Ebay.
2017 #AskForAlaska Tasting Event

- Over 50 reps from top food & lifestyle media outlets
- Immediate social outreach to over 60K followers

Food & Wine Facebook Live w/ Chef Lionel Uddipa – SALT Juneau
Celebrate National CRABMEAT DAY!
FRESH ALASKA RED KING CRAB • MARCH 6–13

$39.95 PER POUND

NATIONAL CRABMEAT DAY IS MARCH 9TH BUT WE ARE CELEBRATING ALL WEEK LONG!

RESERVE YOUR TABLE NOW

Not valid with any other offer, discount or promotion. Not valid for take-out.

OCEANAIRE SEAFOOD ROOM

WILD, Natural AND SUSTAINABLE

Wild Alaska Halibut is caught in the clean, cold waters of Bristol Bay and the Gulf of Alaska. Because of its tender white meat and pure flavor, Alaska Halibut has become America's most popular seafood and is a favorite of guests and chefs alike. With our long standing relationships with a select few fishing families and boats, we know our Halibut is coming straight from Alaska's bounty of sustainable and protected resources to our kitchens.

ULTRA FRESH FISH FACTS

COHO SALMON

A taste of the Pacific Northwest

Coho Salmon grown in the same environment as Chinook Salmon. However, Coho prefer lower stream velocity, shallow water and smaller gravel size. Most mature Cohos return to spawn when they are three years old.

Coho Salmon are also known as Silver Salmon, Hook Nose Salmon, Jack Salmon and Silverdale Salmon.

Salmon is one of the healthiest foods you can eat. It contains two crucial omega-3 fatty acids, EPA and DHA, that your heart and brain need for optimal health, especially as you age.

Average Coho weighs 6-12 lbs... and can reach up to 38" in length.

Coho is excellent with very little preparation. Texture is medium to firm. The flake size is medium.

Try our fresh Alaska Coho Salmon today.
72% OF CONSUMERS who eat more seafood than 2 years ago do so for health reasons.

50% OF CONSUMERS who eat more seafood than 2 years ago do so in lieu of eating meat.

2/3 OF SEAFOOD CONSUMERS believe seafood is just as filling as meat.

94% OF CONSUMERS are more likely to order a fish/seafood dish when the word “Alaska” is used.
GOODNEWS!

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

NOAA reports first increase in U.S. consumption in over a decade. ASMI marketing is totally responsible.
WHAT CAN I DO TO RAISE THE VALUE OF AK SEAFOOD?

- Quality Handling
- Respect for Food
- Avoid Social Media Pitfalls
Alaska Seafood Social Media Channels

Facebook: Facebook.com/AlaskaSeafood
Twitter: @Alaska_Seafood
Instagram: @AlaskaSeafood
Pinterest: @AlaskaSeafood
YouTube: YouTube.com/Alaska Seafood
Thank you!