

To: ASMI Board of Directors

FROM: Alexa Tonkovich, International Marketing Program Director

RE: International Program report

This report covers activities occurring in the second quarter of FY 14 (Oct-Dec, 2013) and provides a general update of International Program progress. Detailed, region-specific updates follow.

The FY 15/16 Unified Export Strategy is in its final phases of completion. The final submission deadline is May 2014 and the ASMI International Program will easily meet this. Following a budget discussion at our February IMC meeting, the final FY 14/15 (July 1, 2014-June 30, 2015) budget was sent out to IMC members in March. The recommended FY 14/15 budget will be presented to the ASMI Board of Directors in April. FY 14/15 MAP allocations are consistent with FY 13/14 and State of Alaska funding will be kept at the same level.

TRADE SHOWS

ESE will take place May 6-8 and ASMI has been able to retain the additional 132 square meters of space adjacent to the existing Alaska Pavilion. ASMI International has created a pavilion that will be of the most benefit to our 20 co-exhibitors and all other members of the Alaska Seafood industry attending the show.

In addition to regularly scheduled shows, ASMI will exhibit at Food and Hotel Asia in Singapore (April 8-11, 2014).

RESEARCH

ASMI contracted with marketing research firm Rose Research to investigate and compare the overall state of the seafood market across all of ASMI's regions from the perspective of the seafood trade. ASMI looked specifically at current and potential demand for Alaska seafood in the global marketplace. ASMI also gauged local attitudes toward Alaska seafood by region to understand the type of attributes associated with Alaska seafood, while also determining how Alaska product compares to competition. Rose Research conducted 142 telephone surveys and seven online surveys. Highlights include:

Throughout ASMI programs, seafood from Alaska is held in high esteem – slightly more than 9 in 10 trade members consider Alaska to be a high quality source of wild seafood. Similarly, the international trade agrees that Alaska seafood is sustainable. Alaska is credited for being a reliable resource of sustainable seafood by more than 7 in 10 of the trade across all of the regions. In Northern Europe and Western Europe 90% of the trade sees Alaska Seafood as “inherently sustainable” with 85% in China, 82% in Central Europe and 80% in Southern Europe taking this view.

The highest rated Alaska seafood attributes (compared to other countries) – across most of the regions include – “health,” “safe to eat,” “being wild and natural,” “quality,” “freshness,” “traceability,” “taste” and “sustainability.”

Trade members were asked, “When thinking about the best seafood, what’s the first country or region you think of?” In China, Japan, Northern Europe, Central Europe and Western Europe, higher than any other seafood producing country, Alaska is considered to be “the best.” Additionally about 7 in 10 or more of the respondents in these regions indicated that they request seafood from Alaska.

The regions rating seafood from Alaska the highest for having “a pure, superior taste compared to seafood from other countries” were ASMI’s emerging market programs: China (75%), the EEU (71%) and Brazil (70%).

In the emerging market programs the trade forecast growth in the demand for wild, natural seafood. In China 100%, in Russia 76% and in Brazil 64% predict growth in this market segment. In Alaska’s mature markets, Japan and Europe, the trade overall predicted growth or a similar level of demand for wild, natural products, with very few seeing any drop in demand ahead.

While 7 in 10 trade members see challenges ahead for Alaska, 80% or more of members of the trade in every region mentioned that there is an opportunity for Alaska Seafood to increase sales.

China

Market Update:

China’s biggest seafood import partners have not changed from 2012, with Russia, the United States, Peru, Vietnam, Chile, Norway and Japan leading the ranks. As of the first nine months of 2013, China imported 2.0797 million MT in volume worth USD 4.52 billion, an increase of 11.78% and 9.5% respectively from the same period in 2012. The United States is China’s second largest seafood import partner. Imports of Alaska seafood in China accounted for 395,646 MT in volume and \$917,020,000 in value for 2013, an 8% increase in volume but a 3% decrease in value from 2012.

With food safety issues lingering among Chinese consumers and an ever-growing appetite for high-end seafood, imported seafood popularity is expected to rise. With traditional supermarkets accounting for 44% of the seafood retail market, there has been a very strong surge in the online grocery retail sector, shown by the 58 tons of U.S. seafood sold during the China’s Singles’ Day promotion on Chinese online retail powerhouse Tmall.com.

In December 2013, China banned all imports of shellfish from the west coast of the United States, having found elevated levels of arsenic and toxin in a geoduck sample, believed to have been harvested in Washington or Alaska. It is unclear which part of the geoduck was used, or the methods used by Chinese officials for the testing. As the world’s largest importer of geoduck, China’s ban has devastated the U.S. shellfish industry and as of now the ban is still in place.

Meanwhile, China’s Ministry of Finance made new adjustments to its custom duties on January 1, 2014, as a way of economic restructuring and to balance trade growth. Over 760 imported commodities will be lowered by an average of 60%. It is expected this will have a resounding effect on future trading of Alaska seafood in China. Lower custom duties will drive down the total costs for many Chinese importers and processors, which makes

importing Alaska seafood more inviting.

Summary of Activities/Results:

Consumer PR/Advertising: ASMI China's main focus is using consumer pr/advertising to educate consumers by communicating the healthy and nutritional benefits of Alaska seafood. This includes, television, radio, newspaper/magazine and billboards.

- *7 million readers targeted with ASMI advertising.*

Retail Merchandising: ASMI China worked with major retailers across Mainland China and Hong Kong.

- *2.5 MT Alaska seafood sold at Great Food Hall promotion*
- *58 MT Alaska seafood sold at Tmall promotion*
- *12.9 MT Alaska seafood sold at Lotus promotion*
- *1.9 MT Alaska seafood sold at Hisense Supercenter promotion*

Trade Shows/Mission: ASMI China participates in select trade shows across China each year and leads US trade missions abroad. ASMI China participated in several trade shows and events including:

- *The Annual China Fishery and Seafood Expo in China, the biggest platform for seafood suppliers, purchasers and traders with more than 1,000 companies from 42 countries present and over 22,000 visitors.*
- *The American Food Mini Show, held by ATO Beijing at the Hilton Beijing. Purchasing managers from local retailers, hotel and e-commerce were invited to visit.*
- *A trade seminar in Hong Kong at the Conrad hotel, which included an industry dinner.*
- *A retail education seminar in Guangzhou was held with Lotus, Aeon, ParkNShop, Carrefour, and Tesco; a guest chef performed cooking demos.*
- *AgriPro Asia was held in collaboration with the Hong Kong International Bakery Expo at the Hong Kong Convention and Exhibition Center. ATO Hong Kong offered ASMI China a booth for free, which was a wonderful opportunity to highlight Alaska seafood products.*

Website Development and Maintenance:

- *1,778 hits were collected in the 2nd Quarter. Product and recipe information is still what most traders seek.*

Foodservice Promotions: With more than 10,000 star-rated hotels in China and a rapidly expanding foodservice sector, ASMI conducts promotions with key chains.

- *ASMI China partnered with the Hyatt Regency Chongqing Hotel in the center of Chongqing city for a month long promotion featuring Alaska seafood on their menus. To further enhance the promotion, a television advertisement aired on the Chongqing*

Gourmet channel. 2.9 MT of Alaska seafood sold during promotion.

- *An Alaska seafood festival was held at a leading resort hotel in Sanya, the Pullman Hotel. The promotion was held during golden week in October, which is a national holiday in China. 3.2 MT of Alaska seafood sold during promotion.*

Chef Seminars/Training School Program: ASMI works to educate chefs across China in how to prepare frozen Alaska seafood.

- *ASMI China partnered with Beijing New Oriental Cooking School where students were taught how to properly prepare and cook Alaska seafood.*
- *Accomplished American chef and U.S. Culinary Ambassador, Ben Ford, visited Hong Kong for the U.S. Diplomatic Culinary Partnership program which was a huge success.*
- *A chef seminar was held in Shanghai to further educate local chefs about Alaska seafood. Fifty chefs and purchasing professionals attended this seminar, all from high-end hotels and restaurants in Shanghai and surrounding cities. A 6-course menu was developed by a guest chef featuring Alaska seafood. Two foodservice promotions were negotiated as a result of the seminar.*

Japan

Market Update:

The Bank of Japan's "Tankan" quarterly survey for October to December reflected a significant uptick in business sentiment from just three months ago, thanks to improving profits and the weaker yen. The index for large manufacturers went from +12 in September to +16 in December, the highest level since December 2007. The index for large non-manufacturers rose from +14 to +20, boosted by last minute construction demand before the sales tax hike in April.

Meanwhile, business sentiment among small non-manufacturers increased from -4 in September to +1 in December, the first time this index has been in positive territory in 22 years. Sentiment for small manufacturers shot up from -9 to +1. These two readings underscore that the economic recovery is finally spreading beyond major corporations.

The Japan External Trade Organization (JETRO) measures imports to Japan terms of US dollar, and due to the plummeting value of the yen, the dollar value of seafood imports shrank each month. The decrease in seafood import value was; however, less than the corresponding decrease in the value of the yen, showing that the seafood import market is holding strong despite the weaker yen. The following are the seafood import figures released during the quarter, followed by the exchange rate difference, both on a year-on-year basis:

\$1.14 billion in September (seafood value -14.9%, but yen 26.76% weaker)

\$1.34 billion in October (seafood value -14.3%, but yen 23.91% weaker)

\$1.4 billion in November (seafood value -7.3%, but yen 15.33% weaker)

Summary of Activity/Results:

Consumer Promotion, PR and Advertising: ASMI Japan ensures the maximum possible ROI for Alaska seafood by obtaining as much free coverage as possible on a PR basis, including interviews with ASMI headquarters and ASMI Japan staff, targeting consumers through magazines and other traditional media as well as online.

- *ASMI Japan and Elle A Table, a trendsetting and sophisticated culinary magazine, jointly carried out a cross platform Alaska seafood promotion, consisting of advertorials in the October and December issues (including leaflets) and an Alaska Seafood Fair from October 10 - 23 on the “ShinQs” floors of HIKARIE, a department store in the upscale Shibuya area of central Tokyo.*
- *There are 15 deli shops in the B2 floor of HIKARIE, and 12 of them participated in this Alaska Seafood Fair. Each restaurant chose Alaska species and developed original recipes.*
- *ASMI Japan organized a media tie up with LEE a general interest magazine for young married women, focusing on food, fashion, beauty, travel, baby and childcare, with a circulation of 311,667.*
- *ASMI Japan produced an Alaska seafood sustainability guidebook. The contents basically follow "Sustainability in Plain English" but localized for Japan, using photos instead of art.*
- *ASMI Japan is running another media co-op, this one in SKY, the in-flight magazine of Delta Air Lines with a circulation of 1.09 million and focusing on fashion, beauty, food and travel. The tie-up pages feature Alaska seafood and Alaska's culture, beautiful and clean nature and wildlife, collected during this year's Alaska media tour (took place August 14 through 21, 2013).*
- *ASMI Japan cooperated in 16 Christmas-themed cooking classes by two Alaska seafood specialists: KEITA (a cooking specialist who developed one of the Alaska seafood burgers) and Ms. Keiko Katsura (whom ASMI Japan worked with to develop COOK IT FROZEN! recipes for the Japanese market). Both cooking specialists developed recipes for Alaska sockeye salmon, Pacific cod, black cod, and snow crab.*

Retail Merchandising: ASMI will continue to support major Alaska seafood importers for all species into Japan while jointly promoting Alaska salmon and roe products by providing ASMI's origin identifiers at the retail level. If necessary, ASMI will also support trade partners with pre-printed ASMI logo stickers or with design issues to incorporate logo on retail product packages to ensure the authenticity of product origin.

- *From September 10 to October 1, ASMI Japan carried out an Alaska Seafood Fair at 123 branches of Kakiyasu Honten - a nationwide chain including “Kakiyasu Dining” restaurants as well as delicatessens with prime positions in the fresh food areas of department stores.*
- *ASMI Japan placed the ASMI logo directly on the package of 10,000 salted herring roe products produced by Towa Foods, one of the major herring roe product processors in Japan. This promotion emphasized Alaska origin during the 2013 year end sales season.*

Towa Foods sold the product to Benirei, seafood distributor, who sold it to several retail chains.

- *Kaldi purchases canned Alaska sockeye through Tokyo Seafoods Ltd. The sales have grown from one container in 2009 to four containers from the 2013 harvest. This year, ASMI Japan supported placing the logo directly on 313,000 cans, as well as printing 20,000 leaflets with recipes for canned sockeye.*
- *ASMI Japan participated in the Aomori Gyorui trade show as an exhibitor, and visited the Aomori Chuo Suisan trade show in the same venue on the same day. ASMI put ASMI logo stickers on packages of lightly-salted Pacific cod kirimi products by two different producers.*
- *ASMI Japan supported year-end sales of Alaska seafood at Nakajima Suisan, a company that operates seafood specialty stores. Nakajima Suisan sold various Alaska seafood such as red king crab, snow crab, chum salmon, black cod, rock fish, rock sole, POP, herring roe (salted/seasoned), salmon roe, sockeye sujiko and APO roe. ASMI provided POS materials with ASMI logo, such as corner panels, on-shelf sign cards, MD stickers, recipe cards and posters, along with demonstrators at 15 stores to conduct sampling of black cod.*
- *ASMI Japan carried out in-store promotions of Alaska origin salted and seasoned herring roe by sending demonstrators to Izumi brand hypermarkets and supermarkets, mainly in western Japan (Chugoku-Shikoku region, Kyushu region, and Kinki region). The promotion consisted of in store sampling of the products accompanied by sales pitches, as well as sales materials, such as shelf talkers and other POS with the ASMI logo.*
- *ASMI Japan promoted year-end sales of Alaska red king crab products and salted herring roe products at all 18 Costco branches across Japan from December 13 to 31, and assisted in the production of the POS materials.*
- *Aeon released a new seafood product this Christmas season: the "salmon burger," which is produced from Alaska origin chum salmon. This is a frozen consumer pack with salmon patties to heat in a frying pan, and comes with a demi-glace sauce. To effectively introduce this new chum salmon burger to Aeon consumers, ASMI Japan supported 100 stores.*
- *ASMI Japan collaborated with Ito Yokado to promote Alaska origin seafood during the New Year season, especially salted herring roe and red king crab. ASMI Japan provided a sales pitch and arranged demonstrators (no sampling, just sales pitches) for 80 store days at the largest Ito Yokado stores from December 25-30. In addition, the Ito Yokado seafood department agreed to promote, at its own cost, Alaska origin red king crab and herring roe in its TV commercial and newspaper ad featuring the message, "Alaska origin red king crab!" as well as POS materials with the words "Seafood to Celebrate," which included the ASMI logo and messaging.*
- *Together with the AEON group company "AEON Top Value," ASMI Japan conducted a special promotion on December 28 and 29 at 239 AEON hypermarkets by producing talking points and sending demonstrators to promote Alaska snow crab products.*

Trade PR and Advertisement ASMI continues to collaborate with existing Japanese seafood trade groups, trade media companies and industry associations to facilitate informational exchanges within different trade sectors and regions in Japan. ASMI will also work closely with the U.S. Embassy and the Alaska State Office in Japan to host trade-targeted PR events. These PR efforts include regular meetings with trade, receptions, etc., and will improve trade relations and enhance product placement by reminding the trade of the distinct advantages of Alaska seafood products.

- *Every year, the Minato Shimbun (one of Japan's big three seafood industry media, along with Nikkan Suisan Keizai Shinbun and Suisan Times) publishes a salmon and trout special, with an outlook of the industry including trends and production figures from each region. As with last year, ASMI Japan once again placed a five column color ad in the issue, published October 31st.*
- *ASMI Japan also secured extra, free editorial space on the same page about Alaska's FAO based responsible fisheries management and chain of custody certification.*

Trade Shows:

- *ASMI Japan participated in Biofach 2013 <http://www.biofach-japan.com/en/> a B2B and B2C show based around organic products, including an organic food section. ASMI Japan met with wholesalers and retailers, seafood importers and on the final day, consumers.*

Website:

The ASMI Japan website achieved the following results, according to Google Analytics:

- *October: 5,936 page views from 1,304 visits*
- *November: 3,800 page views from 1,162 visits*
- *December: 5,062 page views from 1,225 visits*

Seafood Buyers Ed Program: In order to maintain and develop 'sustainable' trade relationships with existing and younger generations in the Japanese seafood industry, ASMI provides year-round Alaska seafood information services in academic and hands-on forums. A principal focus is on ASMI's sustainability platform. ASMI will arrange for prominent sustainability experts from various sectors, both public and private, from the US and Japan, to speak with and educate industry members. ASMI will also work with US seafood industry organizations to co-sponsor trade seminars and workshops.

- *ASMI Japan held 28 trade meetings from October through December 2013.*

Foodservice Promotions In addition to the already popular seafood items among chefs, like salmon, crab, sablefish and roe, ASMI develops new venues for underutilized species or relatively new-to-market products to be introduced and experimented with by HRI users. Such venues include restaurant menu contests and a pilot menu promotion at a renowned hotel/restaurant.

- *MLB Café was founded in September 2009 as the official restaurant in Japan of Major League Baseball (<http://www.mlbcfe.jp/english/aboutmlb/index.html>). The Cafe is a regular participant in the ATO's "Taste of America" (TOA), and as part of this year's TOA, ASMI Japan conducted an Alaska Seafood Fair from October 7 until November 3. Ordinarily, MLB Cafe's menu is based on meats, but the restaurant developed five menu*

items based around Alaska seafood. MLB Café also participated in the sustainability campaign as well.

- ASMI Japan held an Alaska Seafood Fair at Royal Park Hotel The Shiodome, Tokyo (formerly known as Royal Park Shiodome Tower) from November 1 to December 20, 2013. The Fair took place at the hotel's restaurant "Harmony" (<http://www.rph-the.co.jp/shiodome/en/>), and was collaboration with chef Logan Cox from the Tutka Bay Lodge in Alaska, who developed six Alaska style recipes.
- ASMI Japan successfully convinced Pronto (a foodservice company that runs over 240 cafes and bars in many regions of Japan) to switch its fish 'n chips ingredients to Alaska origin "ready to warm-up fried Alaska pollock" starting December 26th, for at least six months. To promote the switch, ASMI Japan successfully persuaded Pronto to put the Alaska seafood logo on its menu to inform customers that the fish comes from Alaska.

Western EU (France and Belgium)

Consumer PR/Advertising: Continued advertising in magazines for women targeting housewives under 50 with high to average income levels, ads focus on the wide variety of AK seafood available, its attributes, sustainability and responsible fisheries management. ASMI undertakes consumer PR efforts in order to maximize the consumer budget.

- One insertion was placed in *Le Point* Newsmagazine, in conjunction with an article on the health benefits of wild Pacific salmon. ASMI's advertorial was also placed for free in two magazines.
- On October 1, ASMI partnered with Fjord King Safa for a press conference and workshop to promote the Alaskan origin: salmon, salmon roe and cod roe. Journalists learned how to develop a tarama recipe with cod roe. Six bloggers and eight journalists attended the function.
- *Thalassa*, a French documentary television series, featured a program about salmon fishing in Naknek on Oct 18, 2013.
- The culinary contest "Prix Jean Delaveyne" took place on Nov 25. Chefs participating in the contest used wild Alaska seafood to cook as a main course. This event received tremendous coverage. The chefs and dishes were featured in the newsletters of the main foodservice publications, *L'hotellerie* and *Zepros*.

Trade Advertising/Retail Merchandising: Two newsletters for the trade are produced each year, one to announce the harvest and program allocation, the second announces ESE information. Trade ads are also placed promoting all species in key publications and distributor diaries. In addition, ASMI conducts retail merchandising activities to increase brand awareness and inspire sales.

- Six advertorials were placed in six professional publications: one seafood publication, *Produits de la Mer*; one frozen food buyers' magazine, *Le Mondu du Surgelé*, two magazines for retailers and stores managers in France, *Lineaires* and *ZePros*

Distribution, and two magazines for food service, Zepros Restauration and La Cuisine Collective.

- *This quarter ASMI ads had a circulation of 283,219 and a readership of 680,076.*
- *Delpierre promoted salted cod in Casino supermarkets and hypermarkets and in Carrefour markets and hypermarkets.*
- *Toupargel, a home delivery company, featured chum steaks and chum portions in its catalogues.*
- *ASMI conducted seven promotions with four partners, involving six retail chains. The product promoted included salted cod loins, salted cod portions with pistachios, chum steaks and portions, smoked salmon, salmon roe and cod roe.*
- *Volume sold: 358.6 MT – Value: \$4,897,368*

Website:

- *The website has had 15,980 visitors- 34,822 pages read this quarter. ASMI received 48 emails from people looking for wild salmon.*

Foodservice Promotion: ASMI has two target markets for the foodservice sector: white tablecloth restaurants for high-end species and foodservice operations and industrial restaurants for higher volume species.

- *ASMI worked with foodservice distributors to have them promote single frozen Alaska pollock, processed in France (breaded- ready meals), in addition to what they had already been promoting.*
- *ASMI conducted one promotion with Flunch cafeterias at 250 outlets; visited by 1,000 consumers. The meal with chum steak was identified as wild Alaska salmon: volume sold 25 MT, value of \$202,500.*
- *ASMI participated in Gala de l'Epicurien, Monte Carlo, a culinary event where 15 Michelin starred chefs prepared meals for VIP guests. As a result of the event, five chefs called to get Alaska products. Ledelas, a cash and carry wholesaler, told ASMI they received orders for frozen salmon and Foodex received requests for frozen cod.*
- *The event and recipes were featured on RTL.fr, the most powerful radio station in France, on Tele Monte Carlo television for two minutes, and in the magazine Madame Monaco. The space value was worth \$83,500. Coverage of the event will be published in the winter issue of l'Epicurien.*

Central EU (Germany, Austria, Switzerland, Czech Republic and Poland)

Market Update:

Stührk's smoked salmon and salmon roe will carry the Alaska RFM seal. Stührk is still buying MSC certified salmon for retailers' private labels, such as Kaufhof.

Labeyrie will use the slogan "from sustainable fisheries" for RFM certified Alaska salmon, but will continue to market MSC certified salmon as well. Labeyrie purchases smoked salmon from Switzerland.

Aldi's importer said the retailer does not want to promote Alaska as "wild" any longer.

In Poland: Morpol and Suempol contacted ASMI for information on the RFM seal. Suempol came back in January to discuss promotions.

Right before the holidays, Dirk Abrahams GmbH informed ASMI that the company received the RFM Chain of Custody certification and will promote wild Alaska salmon.

In retail stores, there is smoked sockeye with the RFM seal (Stuhrk), smoked coho, smoked sockeye, and smoked chum with the RFM seal and MSC logo (Youkon), and smoked sockeye and smoked coho with and without the MSC logo, but with an Alaska name (Kodiak brand, Freidrichs).

Consumer Program:

- *During this quarter, ASMI placed three insertions in three consumer magazines: Meine Familie un Ich, Das Schmeckt and Lisa Kochen, three insertions in three publications, circulation: 577,295 exemplars – readership: 2,170,000.*
- *ASMI worked with Port Culinare magazine to finalize an upcoming article about Alaska.*
- *Transgourmet, the national foodservice distributor, has proposed an upcoming trip to Alaska with 10 participants. Among them, the buyer from Nordsee (German fast-food restaurant chain), one buyer from Edeka (largest German supermarket corporation), one buyer from Coop Switzerland (the second largest retailer in Switzerland) and one buyer from Bell Seafood (a leading meat processor in Europe).*

Trade Shows: February 9-11, ASMI attended Fish International (Bremen) with a corner booth in the Transgourmet pavilion with a display case and a cooking station. Transgourmet introduced white king and sockeye into their line.

Retail Merchandising/Trade Advertising: ASMI produces two newsletters to reach the German trade and also advertises in several key trade publications.

- *Five insertions were placed in three publications: Minus 18° (frozen food), Fish Magazin (Seafood) and Lebensmittelzeitung (retail). Circulation: 108,000 – readership: 340,000*
- *During this quarter, ASMI contributed to six promotions with five partners:*
- *Globus, the Swiss department store has a one page Alaska Seafood insertion in its holiday catalogue and sells smoked salmon from Dyhrberg and Hugo Dubno (die Raucherei), and salmon roe (AKI, Kunkel).*
- *Youkon conducted 59 days of in-store demos with tastings in Karstadt (a German retailer) and Kaufhof (department store) stores in Germany. Additionally, 97 days of in-store demos happened in Austria at Metro (Cash and Carry), Pfeiffer, Bio, Kastner, Adeg and Interspar stores. One hundred fifty thousand Alaska salmon leaflets were produced and distributed during the demos.*
- *AKI, though Kaufhofs (retailer), created a special promotional insertion with salmon roe identified with the ASMI logo. The insertion also explained sustainable fisheries in Alaska. AKI promoted salmon roe with a special salmon kit.*
- *Hit Dohle, a regional retail chain, promoted wild Alaska salmon in their catalogue and website.*
- *While attending Anuga, (the largest trade show in Europe), ASMI collaborated with Kunkel/Die Raucherei through participation at their booth and having printed materials developed and displayed. The ASMI CEU office met with buyers of deli departments (smoked salmon and salmon roe), along with Dohle, the Kaufhof buyer, and buyers and store managers from various chains and gourmet stores.*

Website:

- *The ASMI CEU website had 1,402 visitors this quarter.*

Foodservice Promotion: ASMI assists the German foodservice industry with AK seafood menu development, advertising promotions and by following up on opportunities gained at HRI shows.

- *During Chefsache, an HRI show, ASMI met with the promoter of the Michelin restaurant guide and offered to contribute to the 2014 calendar “12 months, 12 stars.”*

- *ASMI contributed one Alaska king salmon recipe for January and one recipe for Alaska black cod for July.*
- *Five thousand copies of the catalogues will be distributed to white tablecloth restaurant chefs. These chefs are invited to enter a contest to win products (Alaska seafood two times a year for a value of 300 euros).*
- *Youkon, who markets frozen and smoked wild Alaska salmon, participated in an in-house trade shows for six cash and carry stores. This is an efficient way of attracting restaurants and deli-stores.*
- *Transgourmet continues to train chefs in the HRI sector and develop recipes. Additionally, they continue to sponsor 'Alaska Weeks' at restaurants with the most noticeable event conducted with Porsche and Bayer: eight outlets, 49,000 meals/day.*
- *Transgourmet sent out a press release about the promotion, two magazines wrote a story about the concept of the Alaska week: Chefs and GV Praxis.*

Northern EU **(UK, Ireland, The Netherlands, Finland, Denmark, Sweden)**

In the UK, Waitrose and M&S, have all reported progressive food sales over the holiday period. Sainsburys maintained their position, whilst Morrisons and Tesco lost ground. The reported winners though are Aldi and Lidl, with projections of double digit growth as consumers choose to shop for up-market for treats and use discounters for special deals and basics.

Fish consumption in general is stable, but still at a low level in the Netherlands (3.5 kilo per annum). Farmed salmon still leads at home consumption.

Preliminary conversations with traders show that the Alaska FAO-Based RFM is well received. Visits will be conducted in 2014 to confirm this finding.

Consumer PR/Advertising: ASMI uses a variety of public relations activities, like social media, event sponsorships, press releases and consumer events in order to generate publicity about the high quality Alaska Seafood available in the UK market.

- *Alaska Seafood UK Facebook Page -1,971 fans. The Alaska Seafood UK Facebook page is updated three times per week with fun facts, new recipes, sustainability facts and other information related with Alaska Seafood.
www.facebook.com/AlaskaSeafoodUK*
- *Alaska Seafood UK Twitter Page- 644 followers. The Alaska Seafood UK Twitter page is used to share relevant information to promote Alaska Seafood in the UK such*

as recipes, information about sustainability, seafood facts, etc. The page is updated three times per week and has had more followers every week.

<https://twitter.com/AlaskaSeafoodUK>

- ***Morning TV Program Koffietijd***, Easter, April 2014. ASMI will participate in a special co-op promotion with Frank's Smokehouse. ASMI is still negotiating the details of the cooperation.
- ***Dahl TV, Keuringsdienst Van Waarde***: February 2014. ASMI was approached by a consumer program about food processes. KvW indicated interest in researching the product fish sticks (often made with Alaska pollock and produced by Iglo). KvW worked with GAPP, Iglo, and ASMI's Netherlands office to show from start to finish how this product is developed.
- ***The Taste of Amsterdam***, May 2014. Special cooperation with Frank's Smokehouse and Frank Heyn for participation in the outdoor consumer and trade event.
- ***Telegraph Reader Event*** November 7, 2013. The Telegraph Reader event was an evening event led by Alaska travel to promote Alaska to Telegraph readers. An Alaska seafood menu was served.
- ***Healthy Magazine***: A full page advertorial within 'recipes,' a giveaway (with opt in data included) plus a recipe online at www.healthy-magazine.co.uk. The edition goes on-sale March 22nd to coincide with the Easter and spring periods.
- ***Weightwatchers Magazine***: Two sponsorships of the "Five day food planner" section, which will include Alaska salmon in the recipe ideas. Alaska salmon will be included in the Feb. 26 and March 6 issues.
- ***Observer Food Monthly***: A double page advertorial featuring with canned salmon recipes in the monthly supplement in the Observer newspaper, a national Sunday quality publication.

Retail Merchandising:

- ***Ocado***: A promotion was negotiated in the UK to support canned Alaska salmon with Ocado the on-line grocery shopping company linked to Waitrose.
- ***John West Canned Pink Salmon***: ASMI is working with John West to promote their canned pink salmon. The promotion will include ASMI recipe cards the in an-in-store magazine, banners and flash recipes online to stimulate purchase and uptake.
- ***World Wise Foods canned salmon and Marks & Spenser promotion***: ASMI will place two advertorials highlighting the quality, taste, nutritional benefits and

sustainability of Alaska canned salmon in the M&S Magazine. Each issue has a shelf life of two months, print run: 750,000 and readership: 3.4million.

- ***Coop and Icelandic pink salmon promotion with Alaska RFM logo:*** *Icelandic has completed the COC certification for Alaska salmon and cod. Icelandic will redesign their packaging to use the RFM logo. The promotion will including in store “bus stop” cabinet banners to promote the newly designed pink product.*

Foodservice Promotion: *Activities include in-outlets promotions, menu features and special Alaska themed promotions.*

- ***Host Magazine:*** *ASMI inclusion in the gastronomy feature included three or four recipes and accompanying images plus a full page advertorial in the January issue of Host Magazine.*

Southern EU (Spain, Portugal, Italy)

Trade Shows: *ASMI participates in the leading seafood show for SEU, CONXEMAR because it enables ASMI to present key Alaska seafood messages directly to seafood trade members, educate the trade, provide them with materials that support Alaska seafood’s messaging and display product. At CONXEMAR (Oct. 1-3, 2013):*

- *The Alaska Seafood pavilion generated 99 serious trade contacts.*
- *The Alaska Seafood pavilion generated on-site sales of Alaska seafood worth \$435,000 (total ASMI budget for the Alaska Seafood pavilion was \$45,650.)*
- *The Alaska Seafood pavilion generated 12 month projected sales of Alaska seafood worth \$3,850,000.*
- *The Alaska Seafood pavilion introduced one new Alaska product to the local market: SOFRESAL de-salted AK cod fillets.*
- *Alaska Senators Gary Stevens, Berta Gardner, Peter Micciche and Lyman Hoffman visited the Alaska Seafood pavilion on October 1st. Senator Stevens had participated in the Sustainability and Food Security round table discussion in the Whitefish World Congress the previous day.*
- *At the Alaska Seafood pavilion, the Alaska Senators greeted Spanish dignitaries including Department of Agriculture Minister Miguel Arias Cañete and Galician President Alberto Núñez Feijó. On the evening of October 1st, the Alaska Senators hosted a dinner for 38 Spanish legislators, as well as Spanish and US seafood professionals.*

Trade Advertising: Ads placed for Alaska salmon, cod and Pollock in leading trade journals in Spain, Portugal and Italy, concentrating on pre-Christmas, pre-Easter and early summer periods of strong sales.

- *The total reader impacts during October - December 2013 are 264,900. Ad budget = \$4,620 = 57.34 reader impacts per dollar.*

Retail Merchandising:

- *Auchon, Conad, and Superconti cod promotion, Italy- ASMI provided POS materials, flyer ads and in-store promotional support to promote the sale of origin-identified salted Alaska cod in supermarkets in Italy during the pre-Christmas campaign of Oct - Dec, 2013. ASMI SEU conducted an in-store promotion with demonstrator on Nov. 22 - 23 and Dec. 6 - 7, 2013.*
- *ASMI SEU produced and placed 3,500 Alaska Cod signs on 25 kg boxes of salted Alaska cod which were sold to 550 market vendors across southern Italy who used the signage in their product displays. There was an in-store Alaska Cod banner displayed in four Bussolini supermarkets in Perugia, Italy during the pre-Christmas campaign at no expense to ASMI. The pre-Christmas 2013 Alaska Cod promotions in Italy generated \$1.58 million in sales of salted Alaska cod.*
- *The Portuguese salt cod processor Alascod organized four days of in-store promotions of origin-identified de-salted Alaska cod in 20 cash & carries (eight Makro and 12 Recheio) and eight supermarkets (El Corte Ingle's) in Portugal on December 13-14 and 20-21, 2013. Alascod placed 1-pg "The True Flavor of Alaska Cod" advertisements.*
- *The 112 days of in-store promotions generated sales of 2,841 packages of de-salted Alaska cod in various formats, worth over \$70,000. This represents a 12% increase over sales last year during this same period.*

Trade Public Relations: ASMI's SEU office targets HRI and seafood trade press with two press releases focusing on the natural, healthy, and ecological advantages of Alaska seafood products.

- *Comerjapones.com Website and Facebook and Cooking Classes Sponsorship: Apart from regular presence of Alaska seafood products on the Comerjapones.com website and in their cooking classes in Madrid, Barcelona and Valencia, ASMI SEU and Comerjapones organized a pre-Christmas wild Alaska salmon recipe contest. Over 500 people, many of them professional chefs, participated in the contest. The number of likes of the Alaska Seafood Spain Facebook page jumped from 2,660 to 3,200 during the promotion.*
- *Forty-three articles about Alaska seafood were generated in the second quarter with an advertising value of \$21,000.*

- The SEU websites generated eight requests for offers during the second quarter of FY14.
- The SEU websites received 6,124 visits during the second quarter of FY14.

| <u>SEU Facebook Page</u> <u>Total Likes*</u> | <u>July</u> <u>2012</u> | <u>Oct</u> <u>2012</u> | <u>Dec</u> <u>2012</u> | <u>Mar</u> <u>2013</u> | <u>Jun</u> <u>2013</u> | <u>Sep</u> <u>2013</u> | <u>Dec</u> <u>2013</u> |
|---|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Alaska Seafood España | 1,187 | 1,354 | 2,064 | 2,064 | 2,578 | 2,629 | 3,200 |
| Alaska Seafood Italy | 4,810 | 4,773 | 4,738 | 4,750 | 7,549 | 7,505 | 7,487 |
| Alaska Seafood Portugal | 0 | 0 | 84 | 439 | 720 | 897 | 906 |

HRI Trade Shows: ASMI participates in HRI trade shows to reach influential HRI professionals that are the decision makers for restaurants and institutions. Our objective is to educate this audience on the benefits of adding Alaska seafood to their menu as well as explaining what the Alaska brand stands for.

- *San Sebastian Gastronomika 2013:* On October 6 - 9, ASMI SEU promoted Alaska seafood products to many of Spain's most influential chefs and HRI professionals out of its 12 m2 Alaska Seafood booth in one of Spain's premier chef congress/HRI trade shows, San Sebastian Gastronomika.
- ASMI supported various local distributors of Alaska seafood products in three trade shows during the second quarter FY2014:
- *Seafood Barcelona:* Alaska Seafood was prominently displayed in the booth of local distributor Wild Alaska Salmon at the Seafood Barcelona trade show on October 22 - 24, 2013. ASMI contributed the rental cost of the freezer display unit.
- *Manga Trade Show:* ASMI contributed Alaska seafood product to local distributors Cominport and Wild Alaska Salmon who organized Japanese chef demonstrations and product tastings at the Manga Trade Show in Barcelona, Spain on October 31 - Nov. 3, 2013.
- *Rota das Estelas:* ASMI was a co-sponsor of the November edition of the prestigious Rota das Estelas (Route of the Stars) dinners on November 28 - 30 at the Largo do Paço restaurant in Almarante, Portugal.

Chef/Trade Training Seminar: ASMI organizes training seminars for professional chefs as well as seafood processors, importers, distributors and food journalists.

- ASMI SEU participated in and contributed Alaska seafood products for a demonstration by chef Ferran Balet on December 2, organized by local supplier, Wild Alaska Salmon, with their new distributor in the Basque region Aurki of San

Sebastian. Fifteen of Aurki's customers attended the event.

- *Chef Balet prepared Alaska pollock, black cod and wild salmon: keta, coho and sockeye, which the attendees were able to taste while Balet explained how he uses these products in his restaurants and gave various recommendations on preparation and presentation.*

Eastern EU (Russia and Ukraine)

Market Update:

In the Ukraine, the economy is again being affected by the serious unrest and political troubles that have mainly been focused on Kiev but are now spreading to cities in western Ukraine. This has put pressure on the Ukrainian Hryvna (UAH) losing value against most key currencies including the \$USD. The main problems which are well publicized are centered around Kiev; cities outside the Kiev region have been far less affected. Opportunities for promotional activity continue and we are looking to conduct promotions with Scandinavia Company Ukraine and negotiating with two additional promotions for Q3 and 4 in the wider Ukraine.

The Russian economy continues to recover from the worldwide economic crisis and consumer confidence is showing signs of strengthening especially in the major regions of Moscow and St. Petersburg. The main grocery sector has also picked up recently with visits to major retailers increasing and shopping at markets and kiosks decreasing. Major retail groups continue to see growth through further developing existing stores, as well as, the development of new stores. The emphasis is still mainly focused on price and the major hypermarkets in the main cities continue to perform well. The premium sector of the grocery retail market is still continuing to do well for retailers such as Azbuka Vkusa, Stockmann and Globus Gourmet.

Trade Servicing Trade servicing with the seafood trade in the Eastern EU plays an important role in educating a wide range of trade professionals in both retail and HRI markets on the availability of Alaska seafood products.

- *Trade servicing activities were conducted in Russia and the Ukraine during October-December 2013, these included meetings and contact with:*

La Maree, ROKI Optim Alliance, Azbuka Vkusa, Tikra M, Fish House, East-West Company, Globus Gourmet Supermarkets, Metro Cash & Carry, Land Supermarkets, Marr, Meridian, Poseidon, Stockmann supermarkets, Barracuda, Emborg, Alliance, Goodman, SRK, Poseidon, UFC Ukraine, Agama X5 Group, Sirena, Gum Department Stores, Russian Sea, Rosfood, Urenholt, Scandinavia Company Ukraine, Alaska Trading Ukraine, and Gourmet Foods.

Trade Shows: The Eastern EU continues to be a fast growing economy with growth in both the retail and HRI sectors. ASMI intends to engage with the trade in these markets

through participation at trade shows to capitalize on the opportunities for wild Alaska seafood as consumer consumption of higher quality seafood grows.

- *During Q1 ASMI participated in two trade shows in Moscow: World Food Moscow and PIR (HRI) Moscow. Both trade shows were successful in terms of meeting both new and existing trade partners. Follow-up activities were conducted in Q2 with contact with trade members in Russia and Ukraine in both the retail and HRI sectors.*

Retail Merchandising:

- *ASMI conducted one black cod and salmon roe promotion with AzbukaVkusa (www.azbukavkusa.ru), leaders of the premium retail segment in Moscow with 57 high-end supermarkets located in Moscow, the Moscow region and St. Petersburg.*
- *ASMI held Alaska salmon roe tastings and in-store consultations for Auchan customers in Kyiv, Zaporizhzhia, Krivyi Rig, Donetsk, and Lviv. The promotion took place in December, the busiest time of year for salmon roe sales.*

Trade Press:

- *ASMI had one advertorial in AzbukaVkusa magazine Taste: Circulation 30,000. 80% of magazines are sold in Azbuka Vkusa stores, 20% are sent to partners/loyal customers by mail. The ASMI advertorial covers information on the Alaska fishing industry, characteristics and health benefits of black cod and roe, and a holiday recipe: Black cod on focaccia with rosemary.*
- *A promotion was negotiated with Gastronom.ru, the leading on-line food and recipe site in Russia, to feature black cod. Alaska black cod was featured in eight new recipes together with background on Alaska seafood, handling and cooking tips, and strong Alaska branding and imagery.*

Foodservice Promotions: ASMI conducted three “Days of Alaska” promotions to celebrate the New Year in high-end Moscow restaurants:

- *Gastronomica Fish www.gastronomicafish.ru (fish restaurant)*
- *Florentini Country Café www.florentinicafe.ru (Italian restaurant)*
- *Fish Point www.fishpointrest.ru (fish restaurant)*

Brazil

In 2013, Brazil imported 383.3 million tons of seafood, an increase of 12.5% from the previous year. The value of these imports reached \$1.33 billion, for growth of 15% year on year. Alaska seafood imports saw increases as well- a 14% increase in volume (607 metric tons) and a 91% increase in value (\$2,259,500).

Retail Merchandising:

- **Alaska Cod retail promotion with Nativ Pescados** *October 22 – November 1, 2013.* A retail promotion was conducted for two weeks in eight retail stores of Pão de Açúcar (GPA) in São Paulo in partnership with Nativ Pescados. Nativ Pescados started direct importation and distribution of Alaska cod fillets and loins in Brazil in November 2013 with the support of ASMI Brazil. The product was launched in 35 Pão de Açúcar retail stores in São Paulo.
- **Alaska Sockeye Salmon retail promotion – Damm Pescados** *December 16 – December 31, 2013.* A retail promotion was conducted during the holiday season at Casa Santa Luzia, a high end supermarket in the Jardins neighborhood in São Paulo in partnership with Damm Pescados. Flyers, brochures and recipe books were distributed to consumers to increase awareness of Alaska Seafood and Alaska. Casa Santa Luzia has shown great interest in working with Alaska product.

Trade PR/Website/Social Media:

- *Peixes do Alasca Facebook topped 123,447 likes on its fan page with a weekly reach of 171,086 people.*
- *By December 31, there were 21,723 people talking about Peixes do Alasca.*
- *Alaska Seafood Brazil created a You Tube Channel (www.youtube.com/peixesdoalasca)*
- *By December 31, there were 137 views.*
- *ASMI Brazil runs two websites, one for trade and one for consumers: www.alaskaseafood.com.br and www.bacalhaudoalasca.com.br*

HRI Promotions:

- **Go Where Gastronomia - Zucco Restaurant Tasting Event** *October 17, 2013*
The ASMI Brazil Office organized in partnership with Go Where Gastronomia and Nativ Pescados, a tasting event at Zucco Restaurant, a top restaurant in São Paulo where eight local major opinion makers were invited to attend, including media and HRI professionals.
- **Go Where Gastronomia – Cantaloup Restaurant Tasting Event** *November 19, 2013*
ASMI Brazil organized in partnership with Go Where Gastronomia a tasting event at Cantaloup Restaurant, a top restaurant in São Paulo where 12 local, major, opinion makers were invited to attend, including media and HRI professionals.
- **Go Where Gastronomia – Piselli Restaurant Tasting Event** *November 26, 2013*
ASMI Brazil organized, in partnership with Go Where Vinhos (wine), a biannual wine publication with circulation of approximately 40,000 copies and distribution to

newsstands and magazine subscribers, an Alaska black cod and sockeye salmon tasting event at the Piselli restaurant in São Paul.

- ***Alaska Seafood Launch Event December 12, 2013***
ASMI Brazil organized an Alaska Seafood products launch reception for 41 invitees, including food journalists and critics, importers, retail and opinion markers with the participation of Michael Fay, the FAS Officer in São Paulo. The event was intended to support our partners launching of Alaska Seafood products, including Nativ Pescados, Noronha Pescados, Damm, Kalena and Opergel.
- ***Gula Magazine Ad Campaign November and December 2013***
The ASMI Brazil Office negotiated a package price with Gula Magazine, which includes seven ads that will be published from November 2013 to June 2014. Gula Magazine distributes 50,000 issues monthly, to chefs, sommeliers, HRI professionals and gastronomy lovers (end consumers). It is estimated that the magazine has 141,000 monthly readers.