

**To: ASMI Board of Directors**

**Date: May 8, 2017**

**From: Hannah Lindoff, International Program Director**

**RE: Proposed FY 2018 International Program Budget**

The following is a summary of the proposed International program budget for FY18.

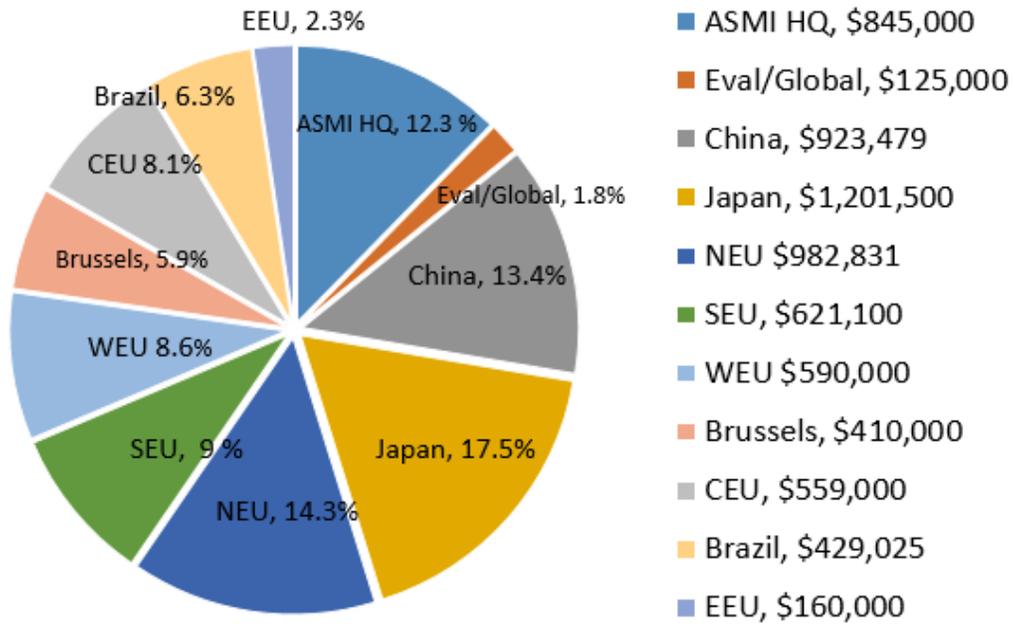
**Key FY 18 Budget Changes**

- MAP funds were reduced by \$107,775 to \$4,215,811
- Match funds remain the same at \$2,631,124
- Total reduction of -\$107,775
- Because ASMI is no longer receiving a State match at historical levels, accounting practices that inserted personnel costs for portions of the Executive Director, Technical Director, Communications Director, and Finance Director into the International budget will be discontinued. Personal services covers one accounting position, 50% of an admin position, and three full time program staff.
- The FY 18 budget reflects a 28% reduction in program operations, a 26% reduction in the global/evaluation budget and modest growth in program budgets across the board, compared to FY 17.
- All program budgets remain reduced compared to FY 16.

**Comparison of FY 16, FY 17, FY 18 International Program Budgets**

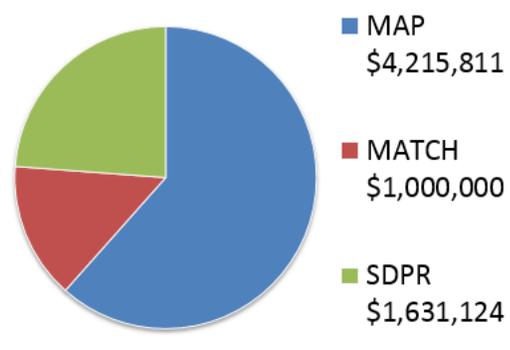
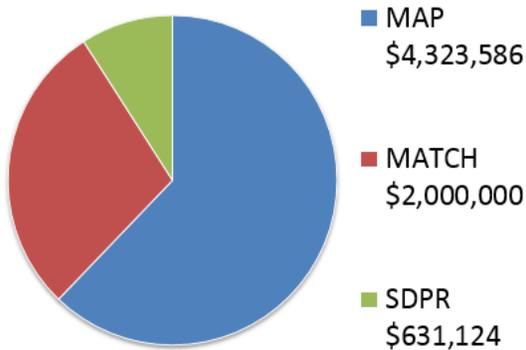
<b>Program</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18 Proposed</b>
<b>Program Operations</b>	\$1,272,000	\$1,172,000	\$845,000
<b>Japan</b>	\$1,371,754	\$1,178,754	\$1,201,500
<b>China</b>	\$1,002,000	\$885,000	\$923,479
<b>NEU</b>	\$1,062,865	\$942,831	\$982,831
<b>WEU</b>	\$1,040,000	\$943,000	\$1,000,000
<b>CEU</b>	\$567,000	\$529,500	\$559,000
<b>SEU</b>	\$645,000	\$585,500	\$621,100
<b>Brazil</b>	\$525,000	\$403,125	\$429,025
<b>EEU</b>	\$190,000	\$145,000	\$160,000
<b>Evaluation</b>	\$155,000	\$100,000	\$100,000
<b>Global</b>	\$80,000	\$70,000	\$25,000
<b>Totals</b>	\$7,910,619	\$6,954,710	\$6,846,935

**International Program FY 18 Budget Overview:**



**FY17  
Funding Source**

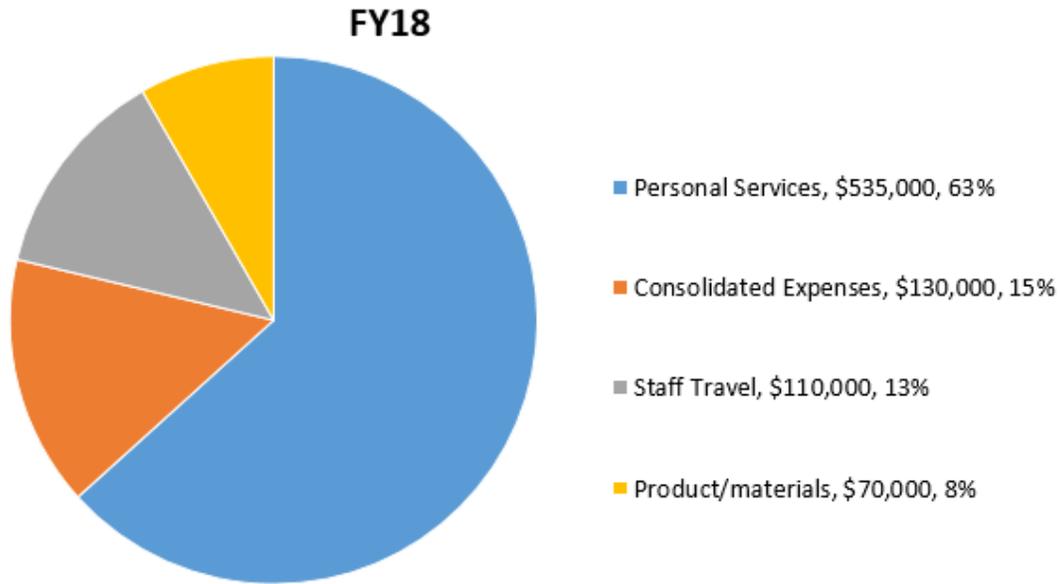
**FY18  
Funding Source**



- ASMI International hopes to receive a \$1,000,000 match from the State but at the time of this report, the State budget has not been finalized.

**International Program Operations:**

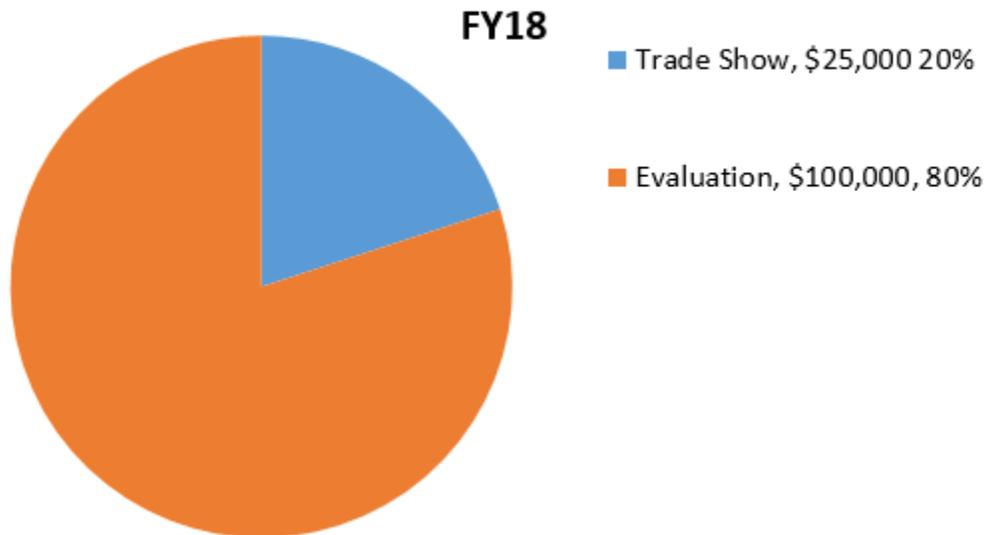
**Total Budget = \$845,000, 12.3% of total budget (-28% from FY17)**



- This budget is down 28% from FY 17, due to the removal of portions of the Executive Director, Finance Director, Technical Director and Communications Director salaries from the personal services line.
- The Personal Services line now represents one accountant, one half admin position and three full-time International staff salaries and benefits.
- Consolidated expenses includes office expenses, subscriptions, trademarks, participation in the Boston show, and other activities that do not fit into a specific regional program budget.
- Staff travel includes International Program staff and IMC travel.
- Product/materials includes display product purchase and shipment to shows around the world.

**Global and Evaluation Budget:**

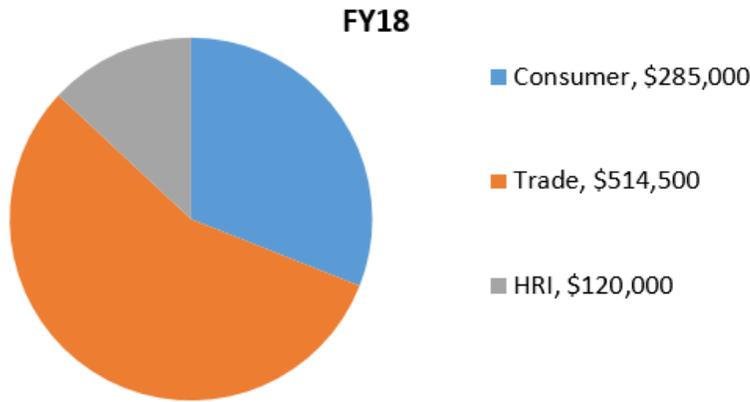
**Total Budget = \$125,000, 1.8% of total budget (-26% from FY 17)**



- The evaluation budget includes third party research of consumer/trade and HRI overseas programs, as required by the MAP grant.
- The Global Trade Show is allocated for the industry to attend a trade show or trade mission outside of ASMI's regional programs, in a country chosen by the IMC.
- In FY 18 ASMI will participate in a GBI mission to SE Asia.

**Japan Budget:**

**Total Budget = \$1,201,500, 17.5% of total budget (+2% from FY 17)**



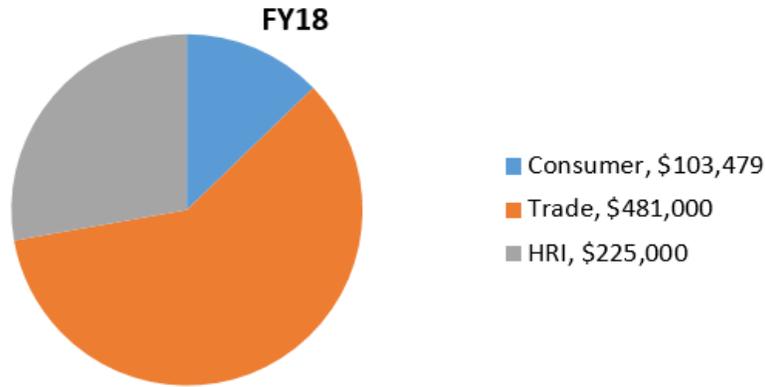
**FY18 Breakdown:**

Consumer PR: \$235,000, 19.5%	Trade PR/Ad: \$50,000, 4%	
Consumer promo: \$50,000, 4%	Retail Merch: \$388,000, 32%	Website: \$15,000, 1%
Contractor travel: \$12,000, 1%	Trade Shows: \$61,500, 5%	FS promo: \$120,000, 10%

- The Japan program budget is up 2%, or \$22,746 from FY 17.
- In Japan, ASMI has a full time trade rep in Japan. Some trade activities in the Korea market are managed by the Japan OMR.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**China Budget:**

**Total Budget = \$923,479, 13.4% of total budget (+4% from FY 17)**



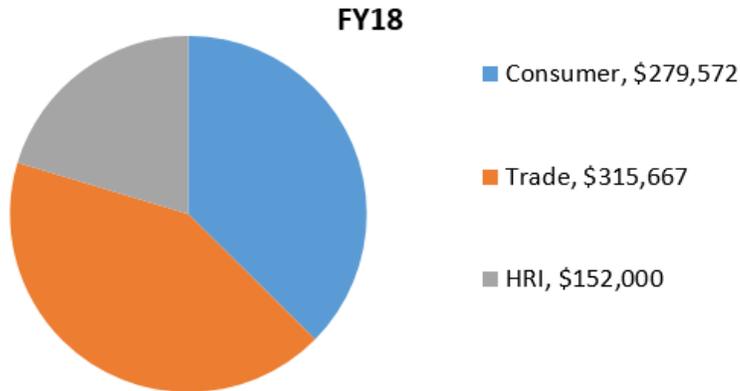
**FY18 Breakdown:**

Consumer PR: \$103,479, 11%	Trade PR/ads: \$96,000, 10%	FS Promo: \$103,000, 11%
Retail Merch: \$185,000, 20%	Web promotions: \$90,000, 10%	Chef Seminars: \$39,000, 4%
Trade shows: \$110,000, 12%	Contractor travel: \$12,000, 1%	Training school: \$33,000, 4%
		Chef competition: \$50,000, 5%

- The China program budget is up 4%, or \$38,479 from FY 17.
- The website/e-commerce line is up 13% over FY 17.
- The Global Based Initiative to promote US Seafood in China will end after FY 17.
- The Global Based Initiative to promote US Seafood in SE Asia will attend the Seafood Expo Asia in Hong Kong in September as a jumping off point for a SE Asia trade mission.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Northern Europe Budget:**

**Total Budget = \$982,831, 14.3% of total budget (+4% from FY 17)**

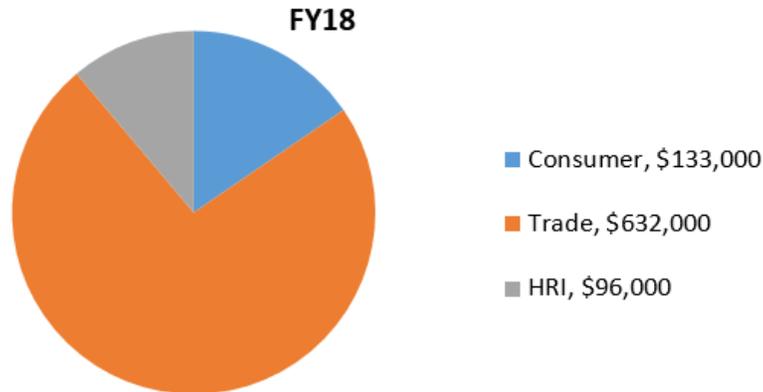


**FY18 Breakdown:**

Consumer PR: \$185,000,	19%	Trade PR/Ad: \$40,167,	4%	FS promo: \$102,000,	10%
Consumer ads: \$94,572,	10%	Retail Merch: \$269,500,	27%	FS advertising: \$50,000	5%
Contractor travel: \$9,500,	1%	Website: \$6,000	.5%		

- The Northern Europe (NEU) program is 85% concentrated on the UK, with about 5-10% in the Netherlands and the ability to conduct activities in Ireland, Finland, Sweden and Denmark if opportunities arise.
- The NEU budget is up 4% or \$40,000 from FY 17. Consumer/Trade/HRI allocations remain roughly the same.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Western Europe Budget (including Seafood Expo Global):  
Total Budget = \$1,000,000, 14.6% of total budget (+6% from FY 17)**



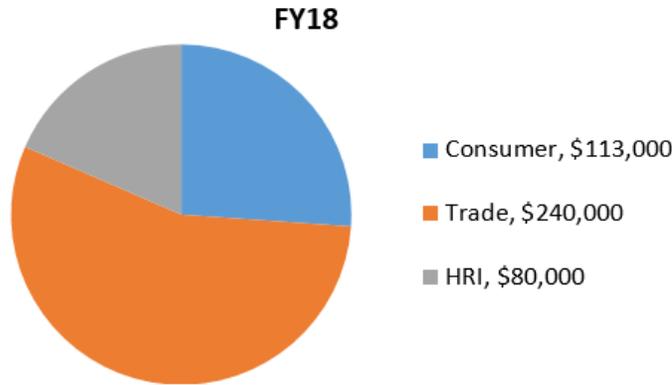
**FY18 Breakdown:**

Consumer ads: \$68,000	7%	Trade PR/Ads: \$50,000	5%	FS Promo: \$66,000	6.5%
Consumer PR: \$65,000	7%	Retail Merch.: \$168,000	17%	HRI tradeshow: \$15,000	1.5%
Contractor travel: \$8,000	1%	Trade Shows: \$410,000	41%	Chef seminars: \$15,000	1.5%
		Website: \$4,000	.4%		

- The Western Europe (WEU) program covers France and Belgium with an emphasis on the French market.
- The WEU budget is up 6% or \$57,000 from FY 17. Consumer/Trade/HRI allocations remain roughly the same.
- The SEG show in Brussels is \$410,000 that is allocated into the WEU budget for the MAP grant purposes.
- Brussels budget is dependent on co-exhibitor contributions and may need to be readjusted with funds from WEU.
- The WEU and CEU OMR will be combined in FY 18 for cost savings and added synergy.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Central Europe Budget:**

**Total Budget = \$559,000, 8.1% of total budget (+6% from FY 17)**



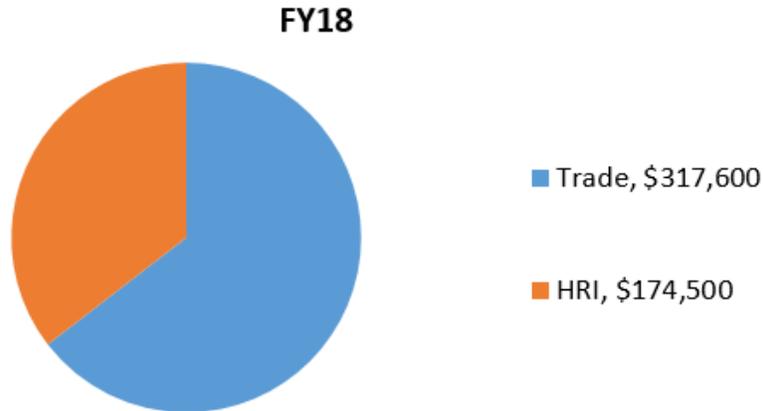
**FY18 Breakdown:**

Consumer Ads: \$40,000	7%	Trade shows: \$30,000	5%	FS Promo: \$55,000	10%
Consumer PR: \$73,000	13%	Retail Merch. \$131,000	23%	HRI Trade show: \$15,000	2.5%
Trade PR: \$73,000	13%	Website: \$6,000	1%	Chef seminar: \$10,000	2%
				Contractor travel: \$12,000	2%

- The Central Europe (CEU) program covers Germany, Austria, Switzerland, the Czech Republic and Poland, with an emphasis on Germany and growing program in Poland.
- The CEU budget is up 6%, or \$29,500 from FY 17. Consumer/Trade/HRI allocations remain roughly the same.
- The WEU and CEU OMR will be combined in FY 18 for cost savings and added synergy.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Southern Europe Budget:**

**Total Budget = \$621,100, 9% of total budget (+6% from FY 17)**



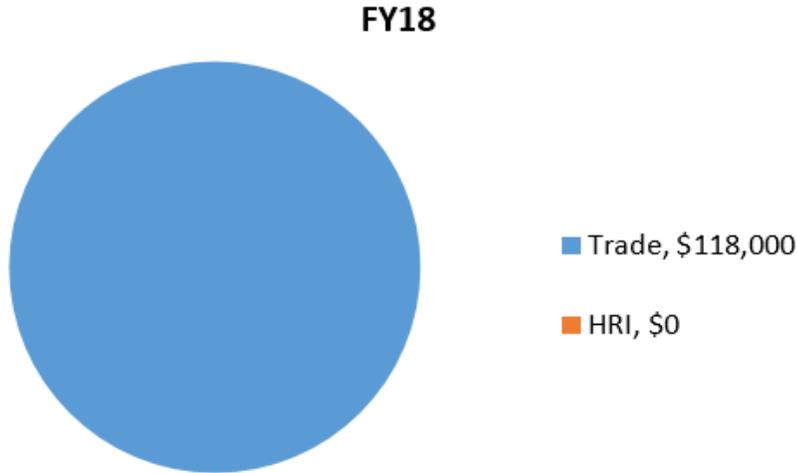
**FY18 Breakdown:**

Trade shows: \$71,600	12%	Trade PR: \$79,000	13%	HRI trade shows: \$99,000	16%
Trade ads: \$31,000	5%	Website: \$6,000	1%	FS promo: \$20,000	3%
Retail Merch: \$130,000	21%	Contractor travel: \$9,000	1.5%	Chef seminars: \$55,500	9%

- The Southern Europe (SEU) program covers Spain, Portugal and Italy.
- The SEU program does not have specific consumer activities.
- The SEU budget is up 6%, or \$35,600 from FY 17. The HRI tradeshow line has been re-funded after deep cuts in FY 17.
- Co-exhibitor contributions to CONXEMAR help fund the trade show line, amount TDB.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Eastern Europe Budget:**

**Total Budget = \$160,000, 2.3% of total budget (+10% from FY 17)**



**FY18 Breakdown:**

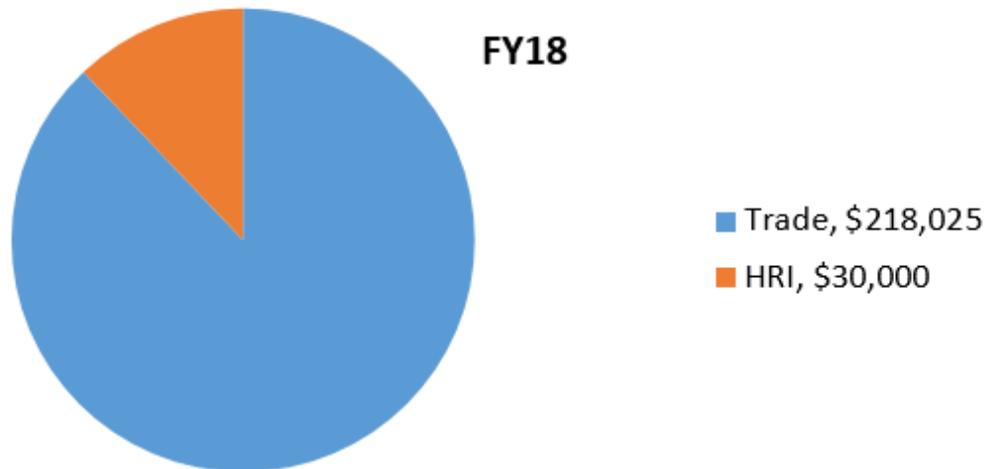
Trade PR/Ads: \$40,000, 25%  
Trade shows: \$16,000, 10%

Retail Merch: \$62,000, 39%  
FS promo: \$0, 0%  
Contractor travel: \$12,000, 7.5%

- The Eastern Europe (EEU) program covers Russia, Ukraine, Romania, Moldova, Georgia, Kazakhstan and Azerbaijan, with emphasis on promotions in Ukraine and Romania and trade servicing throughout the region.
- The EEU program no longer has HRI activities and is solely trade focused.
- The EEU program budget is up 10%, or \$15,000 from FY 17.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Brazil Budget:**

**Total Budget = \$429,025, 6.3% of total budget (+6% from FY 17)**



**FY18 Breakdown:**

Retail Merch: \$151,025,	35%	Foodservice Promo: \$30,000,	7%
Trade PR/Ads: \$57,000,	13%	Contractor travel: \$16,000,	4%
Trade Mission: \$0,	0%	Website: \$10,000,	2.3%

- The Brazil program, for grant purposes, only covers Brazil, but the program also serves as a hub for all of South America.
- Trade shows and other events in Brazil have a broader South American reach and ASMI's OMRs gather trade leads when at shows throughout the region.
- The Brazil program budget is up 6%, or \$25,900 from FY 17.
- The trade mission line is not funded but ASMI worked with FAS on an in-bound Cochran mission (\$40,000 funded by FAS) in FY17 and may have the same opportunity in FY 18.
- This budget pie chart does not include the contractor retainer, which is negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.