

DATE: May 8, 2017

TO: ASMI Board of Directors

FROM: Hannah Lindoff, International Marketing Program Director

RE: International Program Report

This report covers activities occurring in the first and second quarter of fiscal year (FY) 17 and provides a general update of International Program progress.

ASMI International has received its U.S. Department of Agriculture (USDA) Market Access Program (MAP) allocation of \$4.215 million for FY18. MAP funds for FY18 were reduced 5% overall but ASMI's portion was only cut 2.5%, due to high scores over several metrics including matching funds, industry involvement and performance measures.

ASMI International participates in USDA Global Based Initiatives (GBIs) with other cooperator groups, notably a new U.S. seafood initiative in Southeast Asia and a GBI focused on sustainability outreach in the EU.

International Marketing Specialist Megan Rider worked with Foreign Agricultural Services (FAS) to organize a Brazil Seafood Cochran Fellowship Program, which took six Brazilian seafood importers to Alaska from August 9 to 16. Activities included visits to fishing sites, seafood processing facilities and fishing vessels in Cordova, Whittier and Valdez, and also a roe workshop highlighting Alaska roe products (cod, pollock, salmon) in conjunction with industry meetings held in Seattle.

The FAS Cochran program spent \$40,000 on the program. As of March 2017, about 400 tons of Alaska seafood (Alaska pollock, cod, keta, coho and sockeye salmon) was exported to Brazil, purchased by the mission participants, valued at \$1 million. More sales are expected to be generated in the next six months, reaching over \$1.5 million.

ASMI International worked with Washington State Agriculture to fund a trade mission to South Korea which took place February 5 – 10 in Seoul and Busan. Twelve industry members participated in the mission. International Program Director Hannah Lindoff also spoke at the University of Tokyo Eco-Label Symposium, February 3rd, prior to the mission.

ASMI's Japan Overseas Marketing Representative (OMR), Akiko Yakata, visited the pollock roe auctions in Seattle March 14 – 16 and experienced a test fishery for herring roe in Sitka on March 18th. Several pollock roe buyers have followed up with ASMI Japan for promotions and interviews and imagery from Sitka will be used for Herring Roe Day promotions in Japan.

ASMI International participated as a sponsor in the Parabere Forum, an international platform featuring women's views and voices on major food issues. The forum was held March 6 – 8, 2017 in Barcelona, Spain and was attended by Maria Kraus, of ASMI Germany.

Fifteen Alaska seafood companies will join ASMI International as co-exhibitors in the Alaska pavilion at the Seafood Expo Global in Brussels, Belgium April 25 – 27.

TRADE SHOWS/TRADE MISSIONS:

- **Seafood Expo Global April 25 – 27, 2017, Brussels, Belgium**
- **Seafood Expo North America, March 19 – 21, Boston, MA**
- **Korea Trade Mission February 5 – 10, Seoul, Busan**
- **China Fisheries and Seafood Exposition November 1 – 3, 2016, Qingdao, China**
- **CONXEMAR October 4 – 6, 2016, Vigo, Spain**

CHINA:

Market Update: According to the latest statistics from China Customs, the amount of imported seafood products amounted to 2.2 million metric tons (MT) with a value of US \$6.37 billion in the first 11 months of 2016. The amount of imported frozen fish was 1.76 million MTs valued at US \$2.9 million, up 4.3% since the same period last year. The new tariff regime came into effect on January 1, 2017, according to the document titled “MFN Provisional Tariff Schedule for Imported Commodities,” and published by China’s Ministry of Commerce (MofC). It will be applied to imports from countries not already benefiting from preferential rates through free trade agreements. Currently, reduced imports tariffs are applied to 17 seafood products in total. The reduced tariffs are described as “temporary” and could return to normal levels at any time, according to China’s MofC.

Consumer Public Relations/Advertising:

Press Coverage Campaign: The program consists of two rounds, the first round of press coverage was carried out from July to December 2016. Alaska seafood recipes, features, and nutrition info was advertised in 70 lifestyle, food and beverage and cooking newspapers, magazines, and websites. The media covered some second tier cities, like Chengdu, Chongqing, Qingdao, Dalian and Shenyang as well as the first tier cities of Shanghai, Beijing and Guangzhou.

Advertorials, Advertisements, and Video Advertising: One advert was placed in the magazine Home Gourmet in October 2016. Additionally, Alaska seafood products information and recipes were introduced in this issue.

Results:

- **Press coverage campaign:** Results: 70 pieces of coverage have been generated in the first round with an estimated value of US \$82,000. (Please see free press coverage table).
- **Advertorials/Advertisements Results:** One advert was placed in the magazine, reaching a readership of 1.4 million.

Retail Merchandising:

Retail promotion with Jia Rong Supermarket in Guangdong (20 outlets), Nov. 18 – Dec. 18, 2016

ASMI China worked with Jia Rong Supermarket to kick off an in-store promotion with high traffic volume in Guangdong. Alaska seafood including cod, pink salmon, and pollock were highlighted, and product samplings were arranged during the promotion.

Retail promotion with Dennis in Zhengzhou (7 outlets), Dec. 10, 2016- Jan. 10, 2017

To expand the market and raise awareness of Alaska seafood in Central China, ASMI China worked with Dennis to kick off Alaska seafood in-store promotions in Dennis department stores in Zhengzhou. Alaska seafood such as yellowfin sole, black cod and cod were highlighted; promoters and tasting samplings

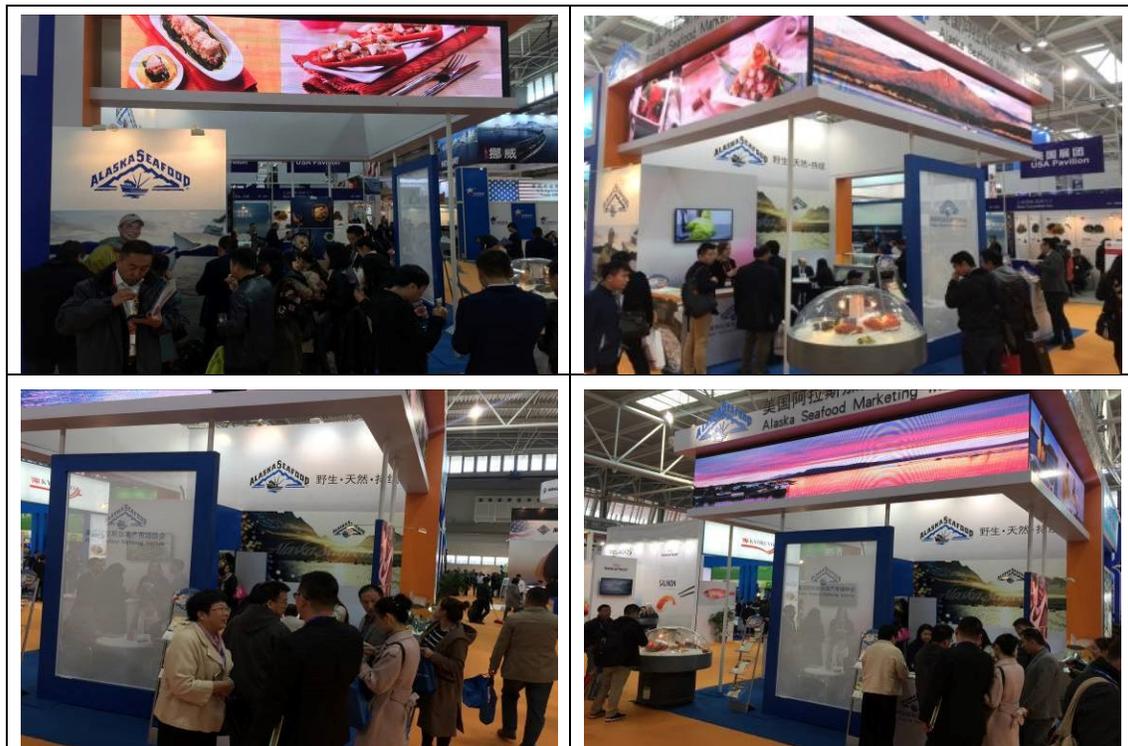
were arranged during this period. It was the first time ASMI China launched the promotion in Central China, and the sales proved the activity successful.

Results:

- Two promotions were carried out both in Mainland China and Hong Kong achieving 837 promotional days.
- Established 27 new retail partners.
- All the retail promotional partners have carried Alaska seafood on a consistent, long-term basis.

Trade Shows/Trade Public Relations:

China Fisheries & Seafood Expo 2016, November 2 – 4, 2016: The annual China Fisheries & Seafood Expo 2016, took place in Qingdao once again. ASMI China had four booth spaces. A diverse variety of Alaska seafood products from high-end to price-point products were displayed at the show, including three species of salmon, three varieties of crab, halibut, cod, black cod, pacific cod, sole, herring roe, and pollock roe. Alaska seafood was sampled during the show, including snow crab, salmon roe and pollock roe. Alaska Seafood collateral materials were distributed to the visitors. A total of more than 80 trade leads were collected during the three days of the show. Among them, 11 trade leads had actual sales requests, interested in importing Alaska seafood products directly from Alaska. The major products that saw interest were king crab, snow crab, black cod and halibut. Alaska sea cucumber is now becoming more desirable in the Chinese market.



Results:

- Gathered 11 qualified trade leads for direct imports at the show.
- Encouraged two traders to import Alaska seafood on a long-term basis after the show.

Results:

- Two retail and two foodservice promotions.
- Two U.S. suppliers took part in the show, with booth space.

Trade Seminars/Gatherings:

For FY 2016/17, a variety of Alaska seafood product forms will be promoted, especially with processed Alaska seafood, such as cod popcorn, pollock roe chicken wings, and more. These products are generally easy to cook, and ASMI China believes that this can better meet the needs of the younger generations.

ASMI Trade Gatherings/Trade Dinner Reception:

a. Annual Trade dinner in Qingdao, November 2, 2016

ASMI China hosted an Alaska seafood gala on November 2, 2016, the first day of the seafood show. Approximately 110 local seafood traders from the major cities like Shanghai, Beijing, Guangzhou, Hong Kong as well as Dalian and Qingdao were present at this reception. Alaska industry members also joined this event. Different varieties of Alaska seafood including snow crab, sockeye salmon, black cod, cod, pollock, yellowfin sole, sea cucumber, herring roe and pollock roe were featured and served at the reception.

b. Trade gathering in Shanghai, December 2, 2016

To maintain a good relationship with seafood traders and in order to develop new clients, ASMI China continued to host trade gatherings this fiscal year with the first one held in Shanghai on December 2, 2016. Over 50 local seafood traders were invited and ASMI China gave a presentation on the latest Alaska seafood information and marketing activities in the Chinese market. Alaska seafood including snow crab, sockeye salmon, black cod, cod, yellowfin sole, and herring roe were highlighted at the lunch.

Results:

- Two trade gatherings and receptions were well attended with more than 150 seafood trade professionals.
- Encouraged seven traders to carry Alaska seafood for local consumption.
- At least one retail and two foodservice promotions have been conducted after the two events.
- Encouraged five existing traders to introduce new Alaska seafood products for local consumption.

Foodservice Promotions:

Menu promotion with Greenery Café in Guangzhou and Foshan (22 outlets), October 18 -

November 18, 2016: ASMI China worked with Greenery Cafe once again to kick off a menu promotion in in Guangzhou and Foshan. Alaska cod, pink salmon, halibut, yellowfin sole, and snow crab were highlighted. POS materials including 3D printings, table tents, and KT boards were developed. An advertisement was placed at Guangzhou Metro Daily to cover the gala.

Menu promotion with Jianguo Hotel in Beijing, October 18 to November 18, 2016: ASMI China worked with Jianguo Hotel Beijing to kick off an Alaska seafood festival. Alaska black cod, halibut, snow crab, and pollock were featured during the festival. POS materials such as KT boards, posters, special menus, table tents, and flyers were developed and produced for decoration and distribution. An advertisement was released in a local magazine called 'Life Style' to expand the exposure of Alaska seafood.



- Results: Four foodservice promotions were carried out in Mainland China. Over 139,400 consumers have been reached and 65,755 kgs of Alaska seafood sold.
- Results: Alaska seafood continued to be used after the promotions.

Chef Seminars:

Chef seminar in Qingdao, December 7, 2016

ASMI China hosted a chef seminar in collaboration with Sunkist Growers. About 70 chefs and purchasing staff from high-end hotels and restaurants were invited. Alaska black cod, cod, yellowfin sole, perch, sockeye salmon, herring roe, and pollock roe were featured at the seminar. Seven dishes were developed in advance, and a celebrity chef was invited to do the cooking demo to show the high quality attributes of Alaska seafood. After the cooking demo, the meal was served for the participants. Special recipe booklets were distributed.

Chef seminar in Hangzhou, December 12, 2016

ASMI China hosted a chef seminar in collaboration with Sunkist Growers. About 50 chefs and purchasing staff from high-end hotels and restaurants were invited. Alaska black cod, cod, yellowfin sole, perch, sockeye salmon, and herring roe were featured at the seminar. Six dishes were developed in advance, and a celebrity chef was invited to do the cooking demo of these six dishes to show the high quality attributes of Alaska seafood. After the cooking demo, the Alaska seafood dishes were served to the participants. Special recipe booklets were produced as handouts. A good communication was established between hotel chefs and ASMI after the seminar.

Results:

- Four hotels/restaurants have started carrying Alaska Seafood after each chef seminar.
- Two foodservice promotions were negotiated after the seminars.

Training Program:

Training school at New Oriental Culinary School in Dalian, November 21-25, 2016: ASMI China launched a training program at New Oriental Culinary School in Dalian. Around 300 students were involved in the program. A one week special course was developed by the school, which consisted of two parts: lectures on theories and hands on training. During the lectures, school teachers gave presentations on features, defrost procedures, cooking tips and storage of Alaska seafood. During the hands-on training, students cooked Alaska seafood under the instructions of the teachers. Alaska cod, yellowfin sole, and keta salmon were highlighted during this part of the program. A package of ASMI collateral materials was distributed to all participating students.



Training school at Sichuan Tourism University in Chengdu, December 25-31, 2016 ASMI China launched a training program at the Culinary School at Sichuan Tourism University in Chengdu. Around 300 students were involved in the program. A one week special course was developed by the school, which consisted of two parts: lectures on theories and hands on training. Like the training program in Dalian, school teachers gave presentations on features, defrost procedures, cooking tips and storage of Alaska seafood. During the hands-on training, participants cooked Alaska seafood under the instruction of the teachers. Alaska cod, yellowfin sole, and chum salmon were highlighted during this part of the program. A package of Alaska seafood collateral materials was distributed to all the participating students.

JAPAN:

Market Update: There was a poor harvest of domestic seafood resources in 2016. Chum salmon, squid, and Pacific saury experienced unprecedented poor catches in 2016. Chum salmon total in Japan (at the end of November 2016) was 29.83 million tons (70% compared to 2015, 54% compared to the annual average over the past 25 years), and the Hokkaido run was 25.69 million (70% vs 2015, 57% vs 25 years average). These numbers are the lowest in 28 years, and as a result, market prices for chum salmon products also increased around 25 – 30%.

The depreciation of the Japanese Yen (vs US dollar) has pushed the cost of processed imported seafood products up.

November import statistics (Japan customs) show:

- 10% import volume up to 228,080 mt (vs 2015 November) due to the increased import volume of tuna, salmon, shrimp, squid, and pollock surimi. However, the cumulative total import volume from Jan – Nov 2016 was the lowest in past 20 years.
- November fresh salmon imports increased 7% to 21,884 mt following poor import levels in September and October. A reported 4,894mt of frozen Russia sockeye salmon was imported in November (140% vs November 2015).
- Frozen red king crab import volume was down 12%: 50% up from Russia and 50% down from the U.S.
- Frozen snow crab imports from Canada, the U.S., and Russia were down 30% in total.
- Frozen pollock surimi import was up 167% (vs November 2015) to 15,504 mt.

- Exports of surimi final products (not surimi as raw material, but surimi products final-processed in Japan such as surimi sausage, kamaboko, or imitation crab leg) have been increasing. The cumulative Jan – Nov 2016 total export volume of surimi final products in 2016 was 9,915 mt against 7,071 mt yearly export in 2011.

Consumer Public Relations/Advertising:

Advertorial in Saita Magazine and Retail Promotion at Ito Yokado: The magazine advertorial featured three Alaska sockeye salmon recipes using the current trend of “batch cooking,” and has an estimated advertising value of US\$68,000. The Alaska sockeye salmon promotion at Ito-Yokado ran from Aug 15 – 21, 2016 and resulted in approx. 14 tons worth of sales. As a call-to-action media tie-up, pop-ups featuring the SAITA editorial pages were displayed in stores during the promotion, targeting women in their 20s and 30s.

Results:

- Approximately USD \$185,105 in sales of sockeye during the promotion (154% up of last year)

Advertorial on The Nikkei Magazine Eco:

ASMI Japan placed a one-page advertorial in *The Nikkei Magazine Eco*.

Retail Merchandising: ASMI will continue to support the supply chain for Alaska seafood in Japan by encouraging origin identifications. The ultimate goal is for vendors to label their Alaska sourced product as from Alaska, with Alaska imagery and the ASMI logo and Japanese tagline if possible.

Alaska Seafood Fair, Co-op Sapporo: ASMI Japan supported Alaska Seafood Fairs for 20 items of Alaska seafood at 108 stores of Coop Sapporo, by providing POS materials with Alaska seafood logos (posters, sign cards and stickers), and by placing an advertorial on the free monthly PR magazine of Coop Sapporo, "Cho-co-tto," to tell readers about Alaska Seafood's key points, the details about the Alaska Seafood Fair, and two Alaska seafood recipes (rice bran fermented herring and salted sockeye salmon).

Results:

- Coop Sapporo sold 217,964 packages of Alaska Seafood products including slightly salted Pacific cod, rock sole with egg, black cod, POP, salted tarako pollock roe, spicy marinated mentaiko pollock roe, marinated chum salmon roe, marinated pink salmon roe, salted sockeye salmon, un-salted sockeye salmon, coho salmon, atka mackerel, semi-dried herring, rice bran fermented herring, marinated black cod, marinated arrowtooth flounder, marinated rock fish, final surimi products.
- Total sales of products during the fair was JPY 85,295,810 (approx. \$828,114) – approximately 8.8% more than the total sales of the Alaska Seafood Fair in 2015.
- The top three best-selling items were: salted sockeye salmon, tarako salted pollock roe, and sujiko salted chum salmon roe.

Coop Tohoku, Alaska Seafood Fair: ASMI Japan supported an Alaska Seafood Fair at 100 Coop Tohoku Sun-Net stores for tarako pollock roe, sockeye salmon roe, herring roe, sockeye salmon, herring, Pacific cod, black cod, Atka mackerel, rockfish, surimi sasa-kamaboko by providing POS materials featuring the Alaska Seafood logo (posters, sign cards etc.) and DVDs of the Alaska Seafood promotional movie. Seven consumer cooperatives in the Tohoku region joined the fair (Coop Fukushima, Kyoritsusha Coop in Yamagata, Coop Miyagi, Coop Aomori, Citizens’ Coop Aomori, Coop Akita, Coop Iwate).

ASMI Japan also organized an Alaska Seafood Prize Campaign, in which consumers who bought Alaska Seafood Fair items worth more than 500 yen (US\$4.35) during the fair period were eligible to enter an Alaska Seafood Prize lottery. Approximately 180 consumers won prizes.

Results:

- 249,975 Alaska seafood items were sold during the fair period.
- Total revenue from sales of Alaska seafood items amounted to JPY 83.37 million (approx. US\$719,000).
- The best-selling item was salted sockeye salmon portion products, of which 64,948 items were sold totaling JPY 22.5 million (around US\$194,000).
- 981 consumers applied for the prize campaign.

Alaska Seafood Promotion in Coop Net Group order catalogue: The Coop Net Group is a federation of eight consumer cooperatives in the Kanto and Koshin-Etsu regions (including Cook Tokyo, Coop Ibaraki, Coop Tochigi, Coop Gunma, Coop Chiba, Coop Saitama, Coop Nagano, Coop Nigata, Coop Net group) whose total "supply" ("sales," in general retail meanings) amounted to around US \$3.3 billion last year, and have a strong relationship with their combined 4.4 million union members through stores and a delivery network, as well as a stable relationship with Alaska seafood products suppliers.

The ASMI Japan team secured a message space in their December catalog in order to deliver educational Alaska Seafood information to union members of Coop Net. Coop Net sold several Alaska seafood items on the same page underneath the ASMI message.

Results:

- 100,260 packages of Alaska seafood items were bought by a total of 83,858 consumers.
- Total sales amounted to JPY 53.8 million (approx. US\$464,000).
- The catalogue was distributed to 4.4 million cooperative union members.

Trade PR & Advertisement:

Trade Ads for Japan International Seafood Expo 2016 Tokyo: ASMI Japan placed advertisements in the seafood show special issues of major seafood industry publications Suisan Keizai Shimbun, Minato Shimbun, and Suisan Times. The ads informed the readers that ASMI Japan is participating in the Japan International Seafood Show Tokyo, and also that Global Sustainable Seafood Initiative (GSSI) announced its recognition of the Alaska Responsible Fisheries Management (RFM) Certification Program in July 2016.

Results:

- Total ad value of the advertorial and editorial articles about ASMI's Seafood Show participation was US\$13,378, and total circulation was 379,000.

Trade Ads for Alaska Salmon and Herring Roe: ASMI Japan team placed four advertisements in three major seafood industry publications:

- Minato Shimbun: "Salmon Special Issue" on October 31, 2016
- Suisan Keizai Shimbun, Minato Shimbun and Suisan Times: "Herring Roe Special Issues"

Trade Shows:

Japan International Seafood Expo 2016 Tokyo: ASMI Japan participated in the Japan International Seafood Show Tokyo, organized by the Japan Fisheries Association from August 17 – 19, at Tokyo Big Sight. The Seafood Show Expo consists of retailers, caterers, prepared meal producers, trading companies, wholesalers, distributors, processors and other authorities. ASMI Japan purchased six spaces (six meters by four meters total) and built an original booth to promote Alaska seafood as wild, natural, sustainable, and traceable.

Results:

- Increased awareness of Alaska seafood among retailers, caterers, prepared meal producers, trading companies, wholesalers, distributors, processors and other authorities.
- Approximately 140 seafood industry partners including seafood industry media people attended the ASMI reception on August 18.
- Free press coverage: total ad value US\$4,081 and total circulation 127,500 copies



Foodservice Promotions:

Collaboration with the US Embassy July 4th and 12th: ASMI Japan has been supporting various US Embassy activities, and assisted them by sending some Alaska seafood samples this year for the Embassy's American Independence Day events all over Japan, i.e., Okinawa, Fukuoka, Osaka, Ngoya, Sapporo and Tokyo. They were celebrating Independence Day with American foods including natural and sustainable Alaska seafood.

Results:

- Approximately 100 chefs joined to taste Alaska seafood.

Collaboration with Salvatore Cuomo (Italian Restaurant): ASMI Japan collaborated with Salvatore Cuomo, a popular Italian restaurant chain in Japan, to conduct an Alaska Seafood fair with their 70 outlets across Japan. Salvatore's Executive Chef Mr. Onishi developed special recipes for this fair using Alaska seafood. There were five dishes (pizzas and pastas) using Pacific cod, smoked sockeye salmon, salmon roe and snow crab, served as original recipes. The fair took place from October 20 through December 11, 2016.

Results:

- A total of 7,954 Alaska Seafood dishes were ordered across the chain's 70 restaurants.
- The circulation of Tokyo Calendar is 65,000/month, the regular price for a 1-page advertorial (4C) is 2,000,000 yen (US \$17,500), however, ASMI Japan negotiated two pages for 2,500,000 yen (US \$22,000).

ASMI Japan Collaboration with ABC Cooking Studio: ASMI Japan collaborated with ABC Cooking Studio again to educate their students about Alaska seafood and teach them Alaska seafood recipes. Due to the season, we focused on osechi (Japanese New Year's cuisine) and conducted cooking seminars in both Tokyo and Kyoto. The title of the collaboration was "Try making osechi yourself using Alaska seafood." Three recipes were created by the food specialists of ABC Cooking Studio, using Pacific cod, sockeye salmon, salmon roe, herring roe, cod roe and king crab.

Results:

- A total of approx. 80 consumers participated in the seminars.
- ABC Studio has approx. 100,000 students as members, many of whom will have read the information about Alaska Seafood on their website.

WESTERN EU (FRANCE AND BELGIUM)

Market Update: In 2015, 36,900 tons of smoked salmon was consumed in France. According to this figure, consumption has risen by 10% over the past year, which makes France the biggest consumer of smoked salmon in Europe, ahead of Germany (36,400 tons) and the United Kingdom (19,100 tons). Household consumption rebounded in August. In August 2016, household consumption expenditures saw an increase of 0.7% in volume, after four consecutive months of decline (-0.3% in July). Consumption of food products was stable in August.

Consumers have a new relationship with food. "Eating better for living better" is the new trend in France. Consumers are asking for more transparency from brands on the ingredients and origin of their food. Cultural habits increasingly favor flexitarianism, vegetarianism and veganism. "Superfood" is an upward trend – there are an increasing number of articles on certain foods that provide good nutrients to the body and serve as natural medication.

Consumer Advertising/Public Relations: During FY16/17, ASMI will work with a limited budget. ASMI is leveraging the work initiated last year for the new campaign "Forever Wild." ASMI is developing a new strategic approach to reach the broad market in France, through advertisements in consumer magazines, both online and in print.

In 2016/2017, ASMI set-up a partnership with a chef or a Meilleur Ouvrier de France (MOF) in order to promote the products from Alaska through the creation of unique and trendy recipes. ASMI will create four press kits with a few recipes in each, if budget allows. ASMI will leverage the work initiated in the previous year around the new campaign: Forever Wild. ASMI will continue to work with a special agency to develop a new strategic approach to reach the broad market in France, through advertising in consumer magazines.

Christmas Advertising Campaign October – December, 2016: ASMI developed an advertising plan in key print (Women and Lifestyle) and online media focused around Christmas time when consumers read magazines in order to get Christmas dinner ideas.

Press Event – Le Perchoir, Paris: ASMI organized a PR event on July 11th in order to present journalists and bloggers the partnership with Sophie Fernandez and Jonathan Buirette but also to reveal the first recipes. Journalists and bloggers were invited to an after-work tasting in a trendy place in central Paris

for a unique occasion to meet the two chefs and taste their first creations: four recipes featuring king crab, salmon and black cod for summer-time.

Results:

- Press event: About 30 media (traditional media and blogs) were represented.
- Publications: 12 posts on social media, two articles for a reach of 316,330 readers.



Trade Advertising/Public Relations:

Advertising in Lineaires: ASMI placed an advertisement in the October issue of professional magazine, *Lineaires*. This special issue is dedicated to the SIAL trade event and is read by professionals visiting the show.

Results:

- 90,000 readers for *Lineaires*

Retail Merchandising:

Partnership with Picard: The first action that ASMI realized during Q1 for FY16/17 was a partnership with PICARD, the number one frozen store in France:

- Email: Picard sent an email announcing the promotion to its database. The email was sent on July 4 to 1,725,759 subscribers with an open rate of 29%. The reactivity rate (number of people who read the email and clicked on it): 9.17%. According to Picard those are very good rates.
- Website:
 - Creation of two carousels dedicated to salmon steaks which generated 211 clicks. One dedicated to pollock fish and chips which generated 280 clicks.
 - Publication of one article about ASMI which generated 225 visits
- Social media: one post on the Facebook page reaching 13,476, generating 36 likes, two comments, five shares and 81 clicks on the link

Results:

- 15 tons of keta was sold during the promotion compared to 3.8 tons in a typical month
- 14.6 tons of nuggets/fish n' chips pollock were sold during the promotion compared to 4.2 tons in a typical month
- 54.4 tons of fillets pollock portions were sold during the promotion compared to 12.8 tons in a typical month

Leclerc, Carrefour, Monoprix Demonstrations: ASMI will set up 100 demonstrations in three retail chains (Leclerc, Carrefour, Monoprix) in partnership with Delpierre (processor) and other processors (to be confirmed) in order to promote Alaska seafood products. Demonstrators will be trained by ASMI to deliver the “Forever Wild” message while organizing product tastings (plancha cooking). Elements of visibility will be developed around the “Forever Wild” concept including leaflets on every species, shelf markers, mobiles and a booth.

Results:

- 1,538 sales
- 11,072.62€ of revenue

Website Development:

First Quarter Results:

Facebook: 5,257 recruited fans

Website: 44,562 visitors; 86,048 pages read

Second Quarter Results:

Facebook: 7,390 recruited fans

Website: 49,052 visitors; 106,113 pages read

HRI Trade Show: For SIRHA, ASMI will work with an importer or a smoker who will secure space to display seafood and meet with the trade. The two MOF will present the products.

- A meeting took place on September 21st with Direct Ocean and Sodexo. Sodexo is the worldwide leader for quality of life services; the company is present in 80 countries and has 420,000 employees worldwide. In France there are about 36,000 employees.
- In 2017, Sodexo will replace one of its basic products (salmon fillet) with Alaska keta fillets. ASMI will help Sodexo with their internal communication.
- In 2015, Sodexo ordered 470 tons of salmon (all types). In 2017, they will replace all their references to farmed fish with wild fish. The objective of the workshop is to help the chefs of Sodexo cook the product in a way that will satisfy their clients. The workshop took place on December 5th.

Results:

- Sodexo found the workshop very productive and helpful. They sent a debrief explaining that keta is more “dry” than the former product they were using (Salmo Salar), so they needed to add additional fat (through a marinade for example). During the workshop, Jonathan Buirette and Sophie Fernandez presented several ways to cook the product, including:
 - Low temperature (70°) in an oven for about 30 minutes
 - High temperature (222°) in a dry oven (without steam) for about 10 minutes

CENTRAL EU (AUSTRIA, SWITZERLAND, CZECH REPUBLIC and POLAND)

Market Update: During the first quarter of the new marketing year, ASMI followed its planned program in the CEU markets. In preparation for consumer, trade and HRI activities taking place in the next twelve months of FY 2016/17, meetings and calls with trade and industry representatives were conducted.

During the second quarter of the marketing year, ASMI Germany arranged activities for the first half of 2017. The campaign is customized to proceed with the overall strategy to strengthen the Alaska seafood brand as well as the awareness of the characteristics including wild, natural, and sustainable. Additionally, all activities run under the slogan “Forever Wild,” to improve the recognition of Alaska Seafood. More than half of the promotions are planned and conducted in cooperation with CEU trade members to maintain good relationships between ASMI and the industry.

Consumer Public Relations:

Pop-Up Restaurant in Cologne, August 2016: The main activity in August was the Alaska seafood pop-up restaurant in Cologne. During the 14 days when the Alaska seafood truck team ran the restaurant, roughly 3,600 guests visited. The chefs of “Laden Ein” served around 15 kg of Alaska cod, 12 kg of wild Alaska salmon and 7 kg of Alaska pollock. The feedback received was positive and guests expressed interest in Alaska seafood and the attributes wild, natural, sustainable. Many visitors also shared their food and the Alaska concept through social media and food blogs.



The dishes served were fish and chips, wild salmon on sweet potato mash, salmon burger, salmon tartare in Forever Wild tins, salmon crostini and an Alaska pollock curry. For distribution in October, the first ASMI press mailing has been written and designed. Titled “Wildnis Ahoi,” it outlines the wild character of Alaska seafood and provides preparation tips: how to work with frozen seafood at home. The mailing includes four new recipe ideas presenting a salmon, cod, Alaska pollock and a halibut dish. A maritime theme defines the layout.

Results:

- The Alaska pop-up restaurant attracted more than 3,500 guests consuming more than 350 kg of Alaska fish served close to 4,000 dishes.



Kimbex Processor Promotion October-December, 2016: ASMI cooperated with Czech processor Kimbex to conduct a leaflet promotion focusing on health and fitness nutrition. In the scope of this promotion, we developed a leaflet featuring recipes and information to be distributed to consumers at leading Czech retailers. Alaska seafood dishes had a main share in this brochure. Additionally, the booklet provided information about creating a healthy lifestyle and how seafood is an important part of a balanced diet. To improve traffic on the ASMI Facebook page, new backdrop designs and banners were created. In cooperation with Friedrichs, a blogger event was conducted to gain new Alaska seafood recipes. The best one was awarded and featured on lecker.de, the online portal of one of the most popular German food magazines. The website registers more than 3.7 million unique users per month. Additionally, a cooking video with the preparation of an Alaska salmon dish was advertised on their website.

Trade Advertising/Public Relations:

Trade Promotion with Youkon Processor, October – December, 2016: ASMI developed a trade promotion leaflet focusing on Alaska salmon and supported Youkon in placing an ad introducing the new “Forever Wild” message. This publication featured information about the Alaska products and origin and was published in the popular Austrian magazine, “Terra Mater.”

Results:

- By convincing Youkon to adopt the Alaska campaign slogan, ASMI won a promotion partner that will use the program claim without ASMI monetary contribution. For the new assortment flyer, 200,000 copies were produced and distributed to trade partners in Austria and Germany.
- *Terra Mater* has a circulation of almost 65,000 copies in Germany and Austria. The magazine addresses consumers as well as trade and mainly focusses on environmental topics. Therefore, the Alaska message fits the content perfectly.

Trade Shows:

Eat & STYLE Shows in Dusseldorf and Munich, October, 2016: ASMI exhibited at eat & STYLE shows in Dusseldorf and Munich. Belonging to the best known consumer oriented culinary fairs in Germany, the events attract more than 85,000 visitors each year. The main focuses are new culinary trends, innovative foods, and high-quality products. ASMI used the food truck to promote Alaska seafood, share the message and ideas behind sustainable fisheries, serve small sample dishes, and convince potential, new consumers to try Alaska seafood.

Results:

- During eat & STYLE, more than 8,000 new consumer contacts were made. Feedback received was positive and visitors were very interested in Alaska and the principles of sustainable fishing.
- Additionally, Ronny Loll and the Alaska spokesperson, Heiko Antoniewicz, hosted workshops at the events using Alaska seafood in cooking demonstrations. Approximately 150 guests prepared Alaska salmon during these workshops.

Retail Merchandising:

Street Food Markets, July – September, 2016: ASMI will continue with the Alaska seafood truck visiting street food festivals, promotional events and trade shows in Germany, Austria, Switzerland and Poland. The trained team serves special street food dishes highlighting Alaska seafood targeting younger, foodie consumers (millennials) as well as trade and gastronomy representatives. With customized Alaska seafood branding combined with social media campaigns, the truck has proven to be the ideal marketing vehicle for Alaska seafood. During July, August and September, the truck already attended the Otto Gourmet Beef Bottle Party. Otto Gourmet is probably the most well-known distributor of high-end food products in Germany. Heiko Antoniewicz, the ASMI Germany gastronomy spokesperson, served premium Alaska products including king salmon and black cod to over 150 guests. The truck also attended several street food festivals in Germany and is already booked for trade and HRI promotions in upcoming months.

Results:

- During the Otto Gourmet event, Heiko Antoniewicz served 400 dishes with Alaska salmon and black cod.

Foodservice Promotions /Product Showcases:

HRI Canteen Promotion with Dussmann: For a large scale HRI canteen promotion, ASMI cooperated with the third largest German caterer, Dussmann. For this activity, Alaska seafood week took place in canteens of 107 different companies. For five days, a different Alaska seafood dish was served as a special offer in the restaurants. To support the promotion and increase visibility of Alaska origin, Nanook bear figure were sent, as well as an ASMI informational flyer to the attending companies. The flyers were packed in an ASMI dispenser holding 50 copies a piece. These can be attached to the bear figures which leads to the impression that Nanook is handing out the flyers. These were placed in the canteens for guests to take home. Dishes during the promotion week included an Alaska salmon burger, cod loins, roasted salmon fillet, fried pollock, and sole fillet.

Results:

- For the five days of promotion, 50,300 Alaska seafood dishes were served to guests. The value of the promotion was calculated at roughly \$150,000. The most popular dish was the fried Alaska pollock with more than 15,500 portions, followed by the cod with roughly 13,000 orders and the salmon burger with roughly 10,000 orders.

HRI Trade Shows:

Cooperation with the North Carolina Sweet Potato Commission at Chefsache 2016: For the exhibition at Chefsache 2016, ASMI cooperated with the North Carolina Sweet Potato Commission (NSCP). Using this synergy, money was saved while implementing a larger and more effective promotion. At the show, ASMI and NSCP shared a booth serving dishes featuring Alaska seafood and sweet potatoes.

Results:

- The team handed out more than 350 portions of smoked salmon with sweet potato hash browns to guests of Chefsache. ASMI made valuable new contacts and distributed more than 500 brochures and recipe cards.

NORTHERN EU (U.K., IRELAND, THE NETHERLANDS, FINLAND, DENMARK, SWEDEN)

Market Update: Despite dire forecasts from economists on the impact of the Brexit vote in June 2016, the financial forecasters have been confounded by resilient growth of GDP in the U.K. It seems likely these figures will be revised upwards as the data is finalized. The economies also appear to be strengthening in The Netherlands, Denmark, Sweden and Finland – though inflationary pressures are building throughout the NEU driven mainly by weaker currencies. At best, unemployment rates in the region are stable - fluctuating at around 4.5 – 6%. The weakness of the pound since the regime shift, caused by the Brexit vote, continues to frustrate growth in seafood in the U.K. The pound is trading about 18% lower against the dollar, affecting not only seafood imports but also energy and other imported goods. Inflationary pressure is very strong but being kept somewhat at bay by an ongoing price war between U.K. supermarkets to maintain market share.

Summary of Activities/Results

Consumer Public Relations and Advertising: A full-scale public relations campaign will be developed to gain positive coverage for Alaska seafood in the U.K. and Northern Europe. The key messages throughout all communications will be sustainable, wild, healthy, great flavor and versatility. At the same time, media with a particular focus on the target audiences of mothers, foodies, and athletes will be a priority.

Social Media: ASMI U.K. has invested in Facebook advertisements to increase the engagement and number of followers on the U.K. Facebook page. The fan base is expected to increase a 20%.

Results:

- Facebook: The Alaska Seafood Facebook page has 5,694 likes and a total reach of 13,931 people during the last quarter.
- Twitter: The Alaska Seafood Twitter account has 1,135 followers, up from 1,113 followers in September 2016.

Salmon Sommelier August 15, 2016: ASMI U.K. is extending its educational activity to educate trade and HRI staff about the differences in different types of salmon. This activity was called 'Salmon Sommelier.' An event on August 15th ran bringing together 50 chefs and trade contacts to taste each different salmon species. They had the opportunity to taste the salmon simply poached and make tasting notes. Chef Dhruv Baker developed a dish using each of the salmon varieties so guests could see and taste how each different salmon had been used. The *Caterer Magazine* was ASMI's media partner for the event and they provided post-event coverage.

Alaska King Salmon leaflet: Alaska king salmon was once again sold during the Christmas period and was available to purchase starting December 16th in 80 Waitrose stores nationwide. To encourage sales and enhance the customer experience, ASMI U.K. produced 100 leaflets to sit alongside the product in the fresh fish counters. The leaflet included nutritional information as well as a recipe suggestion.

Nth Degree Special Edition Launch Party: ASMI U.K. partnered with the Nth Degree – a luxury lifestyle bookazine – to support the launch of their latest issue and special edition copy. The event took place at the Fiona Barrett Interiors Showroom in London. The guest list included The Player, Rolls-Royce, British Hospitality Association, Gordon Ramsey Group, Bentley, Royal Academy of Culinary Arts, Yamaha, Sodexo, The Ritz Club, 45 Park Lane and The Ormer Mayfair to name a few.

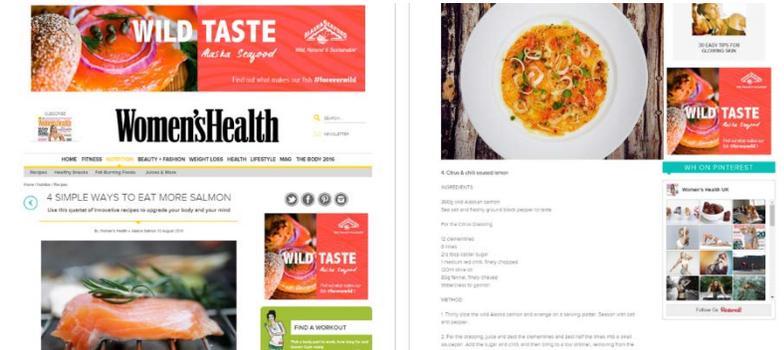
In return for product supply, which included pollock, sockeye and black cod, ASMI U.K. negotiated a logo inclusion on the invitation, branding at the venue with pop-up banners, inclusion in the founder's speech, and coverage in the next issue of the Nth Degree.

Your Fitness Advertisement: *Your Fitness Magazine* is a consumer monthly magazine targeted at women with an interest in health and fitness. The February issue (on sale December 26th) was the, "New Year, New You," issue which was on sale for six weeks.

We Are Wild Online Campaign: Following the success of the, "We Are Wild," consumer marketing activity that ran in June/July 2016, ASMI U.K. organized a second wave of activity to coincide with the January, "healthy eating" period. January is a vital window of opportunity to capture consumers as they actively seek out advice on all things fitness, health, and nutrition as consumers look to form new habits with new products. The activity will target a health conscious and sporty user group. The online activity will be featured in: *Men's Health*, *Women's Health*, and *Runners World*, which are the leading titles in the U.K. market for health and nutrition. The campaign will deliver the following:

- Homepage roadblock delivering one million impressions across *Runner's World*, *Men's Health*, and *Women's Health*.
- Seven editorial mentions within Nutrition, Health, and Fitness editorial. This will also link to the existing Alaska seafood content on these websites.

- First impression on site entry ensuring dominance of Alaska branding throughout the campaign period.



Trade PR:

Trade visit: ASMI U.K. ran a study trip for buyers in July 2016. The trip was for five trade partners to visit Alaska to see the systems and processes of the fishing industry enabling them to inform their companies buying decisions.

Retail Merchandising: Retail merchandising remains of great importance for increasing penetration of Alaska seafood into the NEU market. Consumers are strongly influenced at the point of purchase especially if twinned with a price promotion. ASMI U.K. will work with the top five retailers in partnership with key brands like Youngs, Princes and John West and wholesalers such as New England Seafood to promote Alaska products to the end consumer. Messages will center on sustainability, versatility (especially of canned salmon), and health benefits.

Billingsgate Sustainability Events: Billingsgate Seafood Training School invited ASMI U.K. to be a part of their sustainability event. The event was designed to inform and educate trade, chefs and industry around sustainability issues and assist them in the sourcing of sustainable seafood.

ASMI U.K. representative Rebecca Wilson spoke at the September event and Jon Harman at the October event. The presentations were on Alaska Responsible Fisheries Management (RFM) and enabled us to explain GSSI. Additionally, ASMI provided product for the event so that following the lectures, the attendees were able to try different Alaska products.

Results:

- The event was attended by around 30 guests including Joii Sushi, New England Seafood, John West, Mark Hix restaurants, Oxford & Cambridge College of Chefs and Arctic Traders

Foodservice Promotion:

Food Matters Live Event: Food Matters Live – a trade event with a large focus on “better-for-you” food and drink – invited ASMI U.K. to exhibit at its third tradeshow. ASMI positioned itself as representing the current market of today’s consumers – which encompasses free-from, natural, organic and nutritious products – thus, Food Matters Live has invited ASMI U.K. back next year.

In partnership with Billingsgate Seafood School, ASMI hosted two cooking demonstrations each day, offering samples to visitors.



To further highlight ASMI’s sustainability credentials, Rebecca Wilson presented, “Alaska Seafood: Sustainability through the Decades,” to a crowd of visitors and exhibitors keen to learn more about the product. The presentation provided an overview of Alaska, Alaska’s fisheries, the different species, sustainability, chain of custody and GSSI.

Results:

- The tradeshow welcomed 584 exhibitors and 13,647 visitors – a year over year growth of 34%. As a result of the exhibition, ASMI U.K. has developed a number of leads that will be explored for editorial, advertising, distribution and educational opportunities.
- ASMI was publicized on social media channels including YouTube, Simply Good Food TV, Twitter and Facebook.

SOUTHERN EU (SPAIN, PORTUGAL, ITALY):

Market Update:

Cod: Alaska cod became more expensive than Atlantic cod over the last year. Importers in Portugal and Spain have shifted their imports away from Alaska cod to Atlantic cod, while importers in Italy have continued to increase their imports of Alaska cod.

Alaska pollock: U.S. surimi exports to Spain have continued to grow in 2016. Italy and Portugal continue to be growing markets for APO fillet. Though Alaska only participates directly in the Portuguese market.

Salmon: High priced fresh farmed salmon has dampened demand in the SEU markets. In spite of high salmon prices, demand continues to grow in Spain and Italy for frozen salmon fillets; mostly twice-frozen fillets from China or once-frozen farmed salmon fillets from Chile. Alaska holds the high end of this growing market with Alaska sockeye salmon fillet sales which continue to increase in both Spain and Italy, mostly destined for the HRI market in each country. As with fresh salmon, the price-sensitive Portuguese market has rejected higher prices on frozen salmon fillets. Though demand for high-quality Alaska sockeye, coho, and king salmon have been steadily growing in SEU markets, low Alaska keta salmon harvests have limited growth in imports of H&G frozen Pacific salmon to SEU markets.

Trade Shows:

CONXEMAR, October 4 – 6, 2016: ASMI participated with an Alaska Seafood pavilion in the CONXEMAR 2016 seafood trade show in Vigo, Spain. Seven U.S. exporters and two local distributors of Alaska seafood products exhibited with ASMI with booth space or dedicated company tables.

**Results:**

- In all, the Alaska industry exhibitors and ASMI representatives met with 278 seafood buyers during CONXEMAR 2016. Roughly 50 trade leads were taken.
- SOGDA participated in the Alaska Seafood pavilion for the first time ever. ASMI also introduced Alaska cod sausage made with cod trimmings, a useful product for processors cutting fillets, portions and loins.
- Estimated value of on-site sales of Alaska seafood: \$2,275,000
- Estimated 12-month projected sales generated: \$24,450,000

Trade Advertising: ASMI's Southern Europe office will place Alaska salmon, cod and pollock ads in leading trade journals in Spain, Portugal and Italy, concentrating on the pre-Christmas, pre-Easter and early-summer periods of strongest seafood sales.

ASMI Spain sponsored an article about Chef Byron Hogan of the U.S. Embassy in Madrid in the August edition of *Cocina Futuro HRI* trade journal. ASMI Spain also placed an Alaska salmon advertorial in the September 2016 back-to-school insert in the *La Vanguardia* newspaper, and sponsored a radio program about Alaska salmon on Radio Estel in July.

Results:

- Achieved over 150 impacts per dollar invested on trade journal advertising

Retail Merchandising:

DOC-ROMA Coho Promotion October 20 – 23, 2016 : ASMI Spain supported a small in-store promotion in six supermarkets in the Rome region of Italy featuring fresh Alaska coho salmon. The promotion took place from October 20th – October 23rd in collaboration with the importer Elafood and the retailer DOC.

Results:

- Four days of in-store promotions conducted with six supermarkets in the retail chain DOC-ROMA of the Coop Italia group = 24 store days of promotion. The stores sold three boxes (150 lbs) of fresh Alaska coho salmon which is 200% more than their regular sales of fresh wild salmon.
- 2016 is the first year the DOC-Roma stores have sold fresh Alaska coho salmon.
- During the 2016-17 market year, Elafood has introduced origin-identified fresh wild Alaska salmon in 10 stores of the Coop Italia supermarket group.

Trade Public Relations:

Alaska Salmon on MasterChef: On December 13th, the MasterChef program included Alaska coho salmon as one of the principal ingredients with which contestants had to prepare a main dish for the judges.

Comerjapones.com Website and Facebook and Cooking Classes Sponsorship: As part of ASMI Spain's public relations campaign, ASMI continued its sponsorship of Comerjapones.com website, Facebook and cooking classes, generating regular mentions of Alaska seafood products on the Comerjapones.com website and Facebook posts, and use of wild Alaska salmon in their cooking classes in Madrid, Barcelona, and Valencia.

Second Quarter Results:

- In the 2nd quarter FY2017, 76 articles mentioning Alaska seafood were generated in SEU with an EAV of \$35,036.
- The ad value of the appearance of Wild Alaska's coho salmon on the December 13, 2016 program of MasterChef on channel one Televisión Española in Spain is \$10,000.

HRI Trade Shows: During FY 2016 – 17, ASMI Spain plans to participate in a number of HRI trade shows and chef congresses including:

- 1) San Sebastian Gastronomika in San Sebastian, Spain in October 2016
- 2) Madrid Fusión in Madrid, Spain in January 2017
- 3) Identità Golose in Milan, Italy in February 2017

The generic Alaska Seafood booth will display product and present product information materials to communicate the advantages that Alaska Seafood offers the professional chef: wild Alaska seafood's superior flavor, healthiness and sustainability. Product tastings and chef demonstrations will take place at the booth as budgets allow.

San Sebastian Gastronomika– October 3 – 5, 2016 in San Sebastian, Spain: ASMI Spain shared a 24 m2 double booth and conducted product tastings with Koppert Cress in the 2016 edition of the chef congress/HRI trade show.

Basque Region Christmas Show December 6 – 8, 2016: ASMI Spain lent support to the booth of salt cod processor SOFRESAL in the trade and consumer show Basque Region Christmas Show in Irun, Spain.

Bilbao Degusta December 7 – 11, 2016: ASMI Spain participated with North Alaska (a joint venture between the two salt cod processors and distributors SOFRESAL and Nord King) in another trade and consumer trade show in the Basque region, Bilbao Degusta, held in Bilbao, Spain from December 7 – 11, 2016.

First Quarter Results:

- Total HRI trade contacts generated during 1st quarter: 150
- Salesmen of the distributor Nord King worked with ASMI in the Alaska Seafood booth at San Sebastian Gastronomika for the first time.

Second Quarter Results:

- Actual Output Basque Region Christmas Show: 25 HRI trade contacts generated
- Actual Output Bilbao Degusta: 20 HRI trade contacts generated.
- North Alaska introduced the cod-based blood sausage of Embutidos Cardeña to the market in northern Spain at the Bilbao Degusta show.

Chef/Trade Training Seminar: In FY 2016 – 17, ASMI Spain will organize three to six Alaska Seafood training seminars for professional chefs as well as seafood processors, importers, distributors, and food

journalists. The objective of these seminars is to introduce and educate these end-users about the varieties of Alaska seafood available and their advantages. The seminars will present the range of Alaska seafood species available including Alaska's sustainable harvesting techniques, product formats and quality aspects, as well as product uses and preparation.

ASMI Culinary Retreat July 14 – 17, 2016: The winner of ASMI-Spain's 2016 chef recipe video contest was Josep María Luque of the Restaurant 8 Cadires. The prize was a slot in this year's Alaska Seafood Culinary Retreat at Steamboat Bay Resort on Noyes Island near Ketchikan.

Cocinart Trade Show in Torrelavega, Spain – November 21 – 23, 2016: ASMI SEU assisted salt-cod processor and distributor Nord King in its participation in the HRI trade show Cocinart in late November in Torrelavega in northern Spain. Apart from a booth, Nord King organized a chef demonstration on November 22 featuring chef David Pérez working with Alaska cod.

Collaboration – Demo at Restaurant Mas Folch – Dec. 1, 2016: Koppert Cress did a master class in Mas Folch restaurant, Tarragona to show the products to different suppliers and chefs of the area. Alaska Seafood provided sockeye salmon fillets to Chef Dani Aixala, to do a show cooking Koppert products. ASMI distributed Alaska Seafood brochures and explained the benefits of wild Alaska salmon and the different types of wild salmon that are available.

Attendance: aprox. 25 pax.

First Quarter Results:

- Chef Luque's trip to Alaska and participation in this year's ASMI Culinary Retreat not only helped promote the ASMI Chef Recipe Video Contest and generate press mentions, but has also given Luque the knowledge and understanding of Alaska seafood which will allow him to be an effective Alaska Seafood spokesperson in Spain.

Second Quarter Results:

- ASMI Spain's work with local distributors is generating slow, steady and solid sales growth for Alaska seafood products, especially wild Alaska salmon and Alaska cod.

EASTERN EUROPE (RUSSIA, UKRAINE and CIS):

Market Update:

Russia - Tentative signs that Russia could soon exit its recession continued in the fourth quarter of 2016. According to preliminary GDP data, the economy contracted at the slowest pace in Q3 since the slump began nearly two years ago. Lack of policy support is nevertheless still constraining Russia's path towards recovery. The Central Bank has decided to keep interest rates on hold, at least until the first quarter of 2017, and the government's 2017 draft budget set ambitious consolidation targets for the three upcoming years. The government expects to drastically reduce the fiscal deficit by 1% of the GDP each year on the back of spending cuts and increased revenues. The latter will be achieved through higher taxes on the extraction of minerals and oil dividend payouts from state-owned companies and higher excise taxes.

Ukraine - In the third quarter, Ukraine's economy grew at the fastest pace in nearly three years, as it proceeds on a modest recovery path that followed a deep recession. While there have been improvements in economic data, the country is facing exorbitant challenges and remains reliant on external financing. The IMF visited the country in November, but postponed completion of the third

bailout review stating that further reform efforts are required. Key areas that the government needs to address include tackling corruption, cutting expenses and reforming inefficient state-owned enterprises. However, unpopular measures have eroded the government's popularity and sparked large-scale protests. Public anger has been especially high throughout November after new anti-corruption measures revealed vast stores of wealth held by prominent civil servants.

Romania - The Romanian economy had a soft landing in Q3 following an almost eight-year high pace of growth in Q2. According to the estimate released by the Statistics Institute on November 15, GDP grew 4.4% in Q3 over the same quarter last year, but was down from 6.0% in Q2. The slowdown, which surprised analysts by its extent, is likely a product of slower household consumption growth, as the effects of the wage hikes and VAT cuts introduced earlier this year start to wane. Continued low absorption of EU funds has also been a likely drag on growth this quarter. The slowdown came because of the parliamentary election on December 11, which the Social Democrats won.

Moldova - On November 13, pro-Moscow candidate Igor Dodon won the second round of Moldova's presidential election, beating pro-European candidate Maia Sandu. Following his victory, Dodon reiterated his plan to push for early parliamentary elections in 2017 to force out the current pro-European majority. On the campaign trail, Dodon had also promised to scrap Moldova's recent Association Agreement with the EU, which was seen as a first step towards applying for full membership of the EU. However, Moldova remains highly dependent on EU and IMF funds to jumpstart its economy, which contracted 0.5% in 2015. In fact, the IMF approved a USD \$178.7 million loan to Moldova on November 7, therefore it seems unlikely that Dodon will be quick to turn his back on the West.

Azerbaijan - The economy has continued to contract sharply, with GDP falling 3.7% from the same period last year, making only a slight improvement from September's 3.9% dip. Economic activity was weakened by still plummeting investment levels, which were down almost 30% from the same ten-month period of last year, and by falling industrial production. Retail sales provided the sole bright spot in October's reading with continued growth. In November, the oil minister announced that OPEC's plans to agree output cuts with non-OPEC oil producers include Azerbaijan. A cut in production would further hurt the Azeri economy in the next few months, but it should allow for a stronger recovery beyond that by reducing global supply and pushing up oil prices.

Georgia - Georgia's economy lost steam in Q3, as weak exports dampened momentum. Despite the slowdown, the economy is holding up well in the face of strong headwinds such as Russia's recession and low commodity prices. The economy's resilience was underlined by the International Monetary Fund following a staff visit in November, but it also highlighted the need for structural reforms and infrastructure investment. In the political arena, Prime Minister Giorgi Kvirikashvili presented his new cabinet in November, which is largely unchanged from the previous one, following last month's parliamentary elections when the ruling Georgian Dream party retained its majority.

Kazakhstan - The Kazakhstan economy proved more resilient this year. According to preliminary data, GDP increased 0.4% between January and September from the same period last year. The result was better than expected and resulted from an improvement in agriculture, construction, and services. Agriculture gave its best performance since 2013, while the improvement in construction was supported by strong public investment in infrastructure. Meanwhile, the services sector showed signs of recovery. Additional data suggests that the momentum has carried over into the final quarter as industrial production expanded for a second consecutive month in October and at the fastest pace in 16 months.

Summary of Activities/Results:

Trade servicing/PR:

Trade PR event in Astana, Kazakhstan, October 2016: ASMI hosted a representational in Astana which is the leading business and trade center for Kazakhstan. The event targeted local chefs, importers, distributors, retailers, and press from Kazakhstan. The event was co-organized by the Restaurant Critics of Kazakhstan – a popular networking association with active restaurateur club and over 57,000 followers on their Facebook page. The U.S. Meat Export Federation participated in the event as well and Mr. Jonathan Gressel – Minister-Counselor for Agricultural Affairs and Mrs. Robin Gray – Senior Agricultural Attache of the U.S. Embassy in Moscow attended the event. The event was moderated by ASMI representatives and Moscow Chef Nikolay Chernyshov, who developed and presented the menu for the audience. Eight Alaska seafood species were introduced.

Results:

- Almost 60 Kazakhstan chefs, importers, distributors, retailers, and press attended the event.
- Media coverage of the event continued through winter 2016/17.
- The audience showed interest in the seafood featured at the master class

Representational Event in Romania December 7, 2016: ASMI hosted a representational event in Romania that targeted local chefs, importers, distributors, bloggers, and media. Ms. Monica Dobrescu, FAS Agricultural Specialist, and Ms. Ioana Stoenescu, FAS Marketing Specialist, from the U.S. Embassy in Bucharest attended the event and welcomed the audience. The event was moderated by ASMI representatives and the chef of the evening was local celebrity chef, Patrizia Paglieri. He is an experienced media person and judge of the Romanian TV project Master Chef. Patrizia developed an 11 course menu using five Alaska seafood species. Patrizia actively supported the Alaska Seafood brand during his presentation, communicated with local TV channels and media, and answered questions from the audience. Among the presented species, the event highlighted black cod, keta and pink salmon, Alaska pollock and salmon roe.

Results:

- 71 Romanian chefs, importers, distributors, retailers, media, bloggers and some local celebrities attended the event, which allowed ASMI to reach over 70 local institutions. Guests received ASMI calendars as New Year gifts.
- Nearly 10 different media and bloggers attended the event, including several TV programs. One program, antenastars.ro, live-streamed the event for over three minutes. Several local celebrities attended the event, which added value to media coverage. Further media publications are expected to come out of the event during winter 2016/17.
- The audience showed interest in the seafood presented during the master class and received information on its availability and quality. Trade leads are in process.



BRAZIL

Market Update: The International Monetary Fund changed its projection on Brazil GDP for 2017. Initially estimating a 3.8% decrease for the following year, IMF changed its forecast for a 3.3% decrease, observing growing consumption in the country, making evident a recovering, albeit slow, market. On December 15 of 2016, a public consultation on new technical sanitary requirements was published by the Brazilian Ministry of Agriculture. The Ordinance 136/2015 proposes to change physical-chemical parameters, microbiological criteria and listing the presence of additives in the label. U.S. seafood exports to Brazil observed recovery in 2016. After the sudden drop in 2015, U.S. seafood topped over two thousand tons; valued at \$6.7 million, increasing 29% in volume and 64% in value compared to the previous year. This is mostly due to economic relief from the change of government administration, the growing consumption of seafood products by the Brazilian consumer, and the rise in meat prices, making seafood a substitute product.

Retail Merchandising:

In-Store Promotions with Giga, Mambo, Pao de Acucar, Extra and Atacadao July 1 – August 31, 2016:

ASMI Brazil conducted in-store promotions for nine weeks in outlets of Giga, Mambo (new promotional partners), Pão de Açúcar, Extra, and Atacadão chains in São Paulo to promote Alaska keta and pink salmon. ASMI had five sales professionals positioned at 22 outlets in July and four sales professionals at 20 outlets in August; professionals were properly trained to educate consumers on the Alaska Seafood wild, natural and sustainable aspects; the Alaska Nanook bear was also positioned at the demo spots; samples of Alaska pink and Alaska keta salmon and ASMI recipe flyers were distributed to consumers.

Fish Week Campaign, September 1 – 30, 2016: ASMI Brazil conducted in-store promotions for four weeks in outlets of Pão de Açúcar, Extra, Giga, Mambo, Atacadão, Nordestão, Perini, RM, and G. Barbosa chains in São Paulo, Recife, Natal and Salvador, to promote Alaska seafood species. These promotions were part of the special campaign of “Fish Week,” a federal initiative to promote seafood and boost consumption.

Bacalhau Fishweek Campaign, September 1 – 15, 2016: ASMI Brazil conducted in-store promotions for two weeks in partnership with Brascod/Bom Porto to promote Bacalhau (salted Alaska cod) in 70 outlets of Carrefour, Walmart, Sam’s Club, Sonda, Assaí, Giga, Mambo, Atacadão, Peg Pese and Sacolão chains in the Greater São Paulo and in 74 other outlets in the countryside of the state. These promotions were part of the special campaign of “Fish Week”, federal initiative to promote seafood and boost consumption.

Salmon Christmas Campaign, November 16 – December 31, 2016: ASMI organized in-store promotions in São Paulo, Recife, Salvador, Natal and Brasília, in partnership with Noronha Pescados and Frescatto in order to promote Alaska keta and sockeye salmon as part of a special Christmas campaign.

Cod Christmas Campaign, December 9 – 24, 2016: ASMI Brazil conducted in-store promotions for 14 days in partnership with Brascod/Bom Porto to promote Alaska cod in outlets of Atacadão, Carrefour, Extra, Giga, Mambo, Oba, Sacolão, Sam’s, Sonda and Walmart chains in São Paulo. These promotions were part of the Christmas campaign, developed in outlets of São Paulo, Campinas, Rio de Janeiro and Recife.

First Quarter Results:

- Sales of 6.845 tons of Alaska cod, Alaska keta and pink salmon valued at \$86,692 were reported during promotions.
- Increased consumer awareness about seafood from Alaska and its characteristics.
- Supported Fish Week national campaign to boost seafood consumption.
- Secured a 42 sqm space for exhibiting at APAS supermarket show 2017.

Second Quarter Results:

- Sales of 6,294 tons of Alaska cod, keta and sockeye salmon valued at \$81,692 were reported during the campaign.
- Increased consumer awareness about seafood from Alaska and its characteristics.

Trade Public Relations/Trade Show and Seminars: Trade shows are an effective way to meet potential buyers and network with trade and retail partners, increasing overall awareness of Alaska seafood.

Brazil Seafood Cochran Program, August 9 – 15, 2016: ASMI cooperated with FAS in the organization of the Brazil Seafood Cochran Fellowship Program, which took six Brazilian seafood importers to Alaska as part of a training/educational program. The goal was to educate Brazilian trade about the U.S. fisheries, harvesting, sustainability, processing, logistics and the whole local seafood chain. Scheduled activities included visits to fishing sites, seafood processing facilities and fishing vessels in Cordova, Whittier and Valdez, in Alaska, and also a Roe Workshop highlighting Alaska seafood usage in the Japanese cuisine in conjunction with industry meetings held in Seattle.



Equipotel Show September, 19 – 22, 2016: ASMI co-exhibited with Seafood Brasil magazine in the BaresSP Experience booth at the Equipotel Show 2016. Equipotel is the leading show in Brazil for the hospitality industry. BaresSP Experience 200-sqm-booth offered a “turn-key experience” to hotels, restaurants and buffet owners, chefs, food and beverage distributors with workshops, about 10 co-exhibiting suppliers, distribution of informative materials and product samples. Workshops were focused on hotel/restaurant management tips, how to improve services and also on seafood variety and quality, when ASMI had the opportunity to talk about Alaska fisheries, sustainability and how to add value to menus using Alaska species. Alaska seafood was displayed and featured in the menu created by the catering company responsible for distributing food samples for the booth visitors. Over 150 qualified leads (seafood importers, distributors, hotels, restaurants, catering companies, and gastronomy schools) were generated.

Asia and Japan Food Show, October 9 – 11, 2016: ASMI Brazil participated with an Alaska Seafood-36 sqm-pavilion in the Asian and Japan Food Show 2016. This is the second edition of the show, which will have as its main target Japanese and Asian restaurants and chefs. Suppliers, foodservice and seafood industry entities were among exhibitors at the show. Simultaneously, workshops on best practices and seafood industry trends, as well as culinary classes displaying exhibitors’ products took place during the show. During the event, culinary classes with Alaska seafood product tastings were held in ASMI's booth.

Chef Carla Elage also gave a class on keta salmon at the show Gastronomy Workshop. Chefs Roberto Satoru and Alexandre Ortigoso, as well as Fernando Corsi and Carla Elage, Alaska Seafood Ambassadors in Brazil, were responsible for the cooking demos/classes held at the ASMI booth. Over 200 foodservice and trade leads were generated during the show.

ASMI Annual Event – Trade and Food Service Gathering, December 6, 2016: ASMI Brazil held the fourth annual Alaska Seafood event at the Tarsila restaurant in the Intercontinental Hotel in São Paulo for 220 invitees, including importers, distributors, retailers, chefs, restaurant owners, gastronomy and trade journalists, culinary schools, FAS representatives, and the U.S. Consul General in São Paulo, among other opinion makers and partners in Brazil. ASMI worked with Intercontinental Chef Juan Rojas and with Ambassador Chef Carla Elage on the development of a customized seafood menu featuring Alaska cod, black cod, pollock, halibut, pink, keta and sockeye salmon. ASMI also made a partnership with Wine Experience to have and American wine tasting during the event.

First Quarter Results:

- One inbound mission to Alaska with six Brazilian seafood importers in partnership with the Cochran Fellowship Program/FAS, generating sales of over 200 tons of Alaska seafood valued at about \$1 million.
- Trained one trade partner sales team with 16 people on Alaska seafood.
- Placed one full page Alaska seafood ad, sponsored website, banner newsletter and suppliers guide at Seafood Brasil magazine and website.
- Peixes do Alasca Facebook gained over 50K new likes on its fan page, totaling over 640K likes.
- Bacalhau do Alasca Facebook gained over 22K new likes on its fan page, totaling over 190K likes.
- Six new videos were added to Alaska Seafood Brasil YouTube channel, totaling 25 videos.
- Creation of the Alaska Seafood Brasil Instagram profile, with over 2,000 followers.

Second Quarter Results:

- ASMI participated in the Asia and Japan Food Show 2016 with three Brazilian distribution partners and generated over than 230 foodservice leads.
- ASMI participated in Sirha 2016, generated foodservice leads, interacted with chefs and promoted Alaska seafood species during the show.
- Trained three trade partners with 55 sales agents on Alaska seafood.
- Placed two full page Alaska seafood ads, sponsored website, banner newsletter and suppliers guide in Seafood Brasil Magazine (editions #16 and #17) and on its website.
- Held the 4th Annual ASMI Trade Event for 220 people.
- Peixes do Alasca Facebook gained over 50K new likes on its fan page, totaling over 699K likes.
- Bacalhau do Alasca Facebook gained over 25K new likes on its fan page, totaling over 215K likes.
- Two new videos added to Alaska Seafood Brasil YouTube channel, totaling 25 videos.
- Alaska Seafood Brasil Instagram profile gained over 300 followers, totaling over 2,300 followers.

Foodservice Promotions:

Culinary Retreat August, 2016: From August 17 – 21, the ASMI team coordinated an in-depth Alaska Seafood trip for domestic and foreign chefs and journalists. Two Brazilian chefs, Carla Elage and Guga Rocha, participated in the activity. The group was educated about all species of Alaska seafood, observed commercial fishing, had a hands-on fishing trip focused on groundfish/whitefish and salmon, spoke with fishermen and biologists, tasted and worked with all types of Alaska seafood, learned Cook it Frozen! techniques, visited a fish wheel/sonar station, processing plant and more.



Alaska Seafood Fish Week Festival: A two week promotion with seven restaurants was conducted in the city of São Paulo, to promote Alaska seafood species and boost consumption. ASMI trained the restaurants' chefs and staff on Alaska and the wild, natural and sustainable aspects of Alaska seafood, as well as preparation techniques, and gave a sales' speech to educate consumers about Alaska seafood and increase awareness. Alaska cod, keta and sockeye salmon and black cod were featured. Over 332 kg of Alaska products were sold to the participant restaurants during the promotion; it is estimated that over 1,000 dishes were sold during the campaign.

Alaska Seafood Restaurant Award, December 6, 2016: ASMI Brazil held the fourth annual Alaska Seafood event at the Tarsila restaurant in the Intercontinental Hotel in São Paulo. With a focus in bringing together ASMI partners and in the growing number of restaurants and chefs using Alaska seafood on their courses ASMI honored 19 restaurants with Alaska species on their menus, honoring them for their continued support in bringing visibility and increasing consumption of Alaska seafood in Brazil.

First Quarter Results:

- Partnered with eight new restaurants
- Trained chefs and staff of two restaurants that are sourcing Alaska Seafood and identifying its origin in the menus.
- Organized one tasting event for eight journalists
- Organized a pilot Alaska Seafood Fish Week with seven participating restaurants in São Paulo, which generated sales of 332 kg of Alaska seafood (Alaska cod, Alaska sockeye and Keta salmon and Alaska black cod)

Second Quarter Results:

- Partnered with one restaurant to call out Alaska seafood dishes on their menu.
- Trained chefs and staff of one restaurant and the sales team of two suppliers that are sourcing Alaska seafood and identifying its origin in the menus/portfolio.
- Organized a restaurant award during the fourth edition of the annual Alaska gathering, honoring 19 restaurants with Alaska seafood on their menu.
- Organized four tasting events for HRI, trade, bloggers and journalists.
- Continued working with Chef Carla Elage, who is acting as an Alaska Seafood brand ambassador, promotion of Alaska seafood products available in the market for introduction in local restaurant menus, development of customized recipes outreaching consumers and creating awareness about Alaska seafood sustainability.