



WHEEL WATCH

ASMI'S UPDATE TO THE FLEET

VOLUME 9 | MAY 2024

Welcome to the ninth edition of *Wheel Watch*, ASMI's annual newsletter to the Alaska commercial fishing fleet.

We know that many in our industry are suffering right now. The current supply and demand imbalance for nearly all Alaska species has led to a market collapse for several key species. **This turbulence is being felt strongly by you — the harvesters who brave the Alaska elements to bring in the catch.**

For better or worse, Alaska is reliant on the global market where 80% of our catch, by weight, is destined. This exposes us to the complexities of global markets and challenges beyond any of our control. Market distortions, inflation, a strong U.S. dollar, geopolitical events, and unfair trade competition, notably from Russia and China, have created an economic crisis not seen for decades. It's not clear when these pressures will lift.

Please know that the Alaska Seafood Marketing Institute remains laser focused on our mission of raising the economic value of the Alaska seafood resource. From developing new global markets, to building demand here at home, and connecting with the seafood shoppers of tomorrow the ASMI team works tirelessly to improve the market for Alaska seafood, helping harvesters and processors alike get the best prices possible for their product.

How does ASMI do this? On a global scale, we spend a lot of time and effort to diversify and grow export markets for Alaska seafood products, whether it be Southeast Asia, South America, Latin America, the Near East or beyond. **These efforts require significant investments of time and resources but are bearing fruit.** For example, exports to SE Asia have grown by 43% since ASMI established a marketing program there in 2019.

ASMI also works to encourage government purchases of excess products through the USDA food programs. In 2023 alone, these purchases yielded over \$200 million for Alaska processors. Additionally, with the help of Alaska's federal delegation and President Biden, the U.S. market is now off limits to Russian-origin seafood products, providing more opportunity for Alaska seafood to shine in this large and critical market.

In the U.S., we keep up a steady drumbeat of promotion and awareness to keep Alaska seafood top of mind for seafood shoppers of all ages. **Market research informs us that consumers continue to show an overwhelmingly strong preference for wild, sustainable Alaska seafood.** Our promotions at foodservice and retail establishments increase consumer awareness and demand, and strategically use ASMI resources to increase sales. Consumer public relations efforts yield organic placements in traditional and social media, and partnerships with influencers lead to millions of impressions, largely with key millennial and Gen Z audiences.

The storm at our bow will not last forever. It's an incredibly challenging time for many in our industry, but we believe the industriousness and dedication to quality of our fishermen and processors, the strong appeal of Alaska seafood to consumers, efforts from our state and federal legislative delegations, and ASMI's work in collaboration with our industry partners will lead to long term success for Alaska seafood.

In addition to ASMI's promotional efforts, ASMI offers various resources to help you stay informed on global markets and sell your catch. These resources are highlighted on the following pages. We've also shared how you can learn about, engage in, and follow along with our marketing efforts to address these challenges.

Thanks for all you do to provide the best and highest quality seafood to the world.

Greg Smith
Communications Director



MARKET CONDITIONS UPDATE

A combination of factors, from local to global, contributed to lower prices for many Alaska, U.S., and global seafood species in 2023:

LOWER CONSUMER DEMAND: In 2023, U.S. seafood retail sales volumes fell below pre-pandemic benchmarks, reversing substantial gains during the pandemic; consumers cite the rising cost of food as a main factor in moving away from seafood in favor of lower cost land-based proteins.

STRONG U.S. DOLLAR: The U.S. dollar was strong in 2023 compared to currencies of key Alaska seafood importers (especially Japan), making Alaska seafood prices less competitive.

LINGERING INVENTORY: Large 2022 inventory of products including, but not limited to, sockeye salmon, whitefish, and crab from Russia were being held across the supply chain in 2023. This made wholesale and retailers less motivated to buy 2023 products.

INCREASED SUPPLY: Global harvest, including Alaska harvest and competing harvest from Russia, increased for many key Alaska seafood products such as pollock and pink salmon in 2023.

CURRENT STATUS OF ALASKA SEAFOOD PRICES

Preliminary data show that prices paid to both fishermen and processors were historically low for many key Alaska seafood species, including two that comprise the majority of both volume and value: salmon and Alaska pollock.

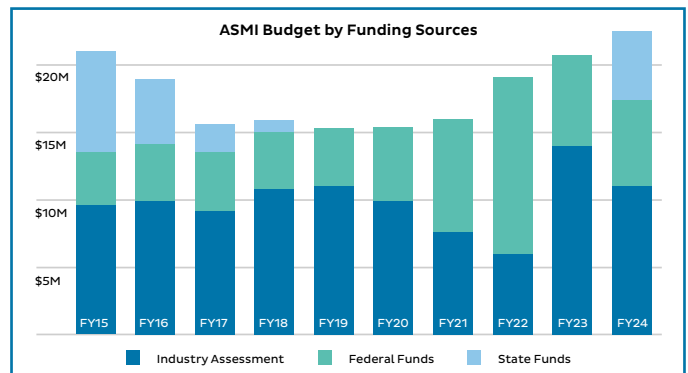
For sockeye salmon, the average 2023 ex-vessel price of \$0.65/pound was not only a 50% drop from 2022, but was the lowest ex-vessel price since 2004 in nominal dollars and among the lowest prices on record when adjusted for inflation.

▶ **SIGN UP FOR OUR MONTHLY MARKETING NEWSLETTER** and see ASMI's tireless efforts to boost demand for Alaska seafood worldwide.

HOW ASMI INCREASES THE VALUE OF YOUR CATCH

As many of you know, ASMI receives a share of its funding from a 0.5% assessment based on the ex-vessel value of most commercially caught Alaska seafood species.

We utilize these funds, along with federal grants and state funds, to fulfill our mission through marketing and promotions in the U.S. and around the world. Here are some examples of recent ASMI promotions and efforts, along with information on how they've driven sales:



WILD ALASKA SEAFOOD MONTH (EU)

ASMI Europe conducted a Wild Alaska Seafood Month promotion across central and western Europe, generating \$3.1 million in Alaska seafood sales, an amount equal to 16x ASMI's investment.



E-COMMERCE PROMOTIONS

ASMI's e-commerce promotion with Walmart and Whole Foods featured all species of wild Alaska salmon. ASMI invested \$175k and the total in campaign sales were \$7.3 million.



COOK WILD CAMPAIGN

The Cook Wild public relations campaign continued in the new year with influencer partnerships, strategic social media content and an in-person New York media event. This phase resulted in more than 2 billion impressions by U.S. consumers.



HOW ASMI WORKS FOR YOU

MARKET RESOURCES FOR YOU

Below is a brief listing of some of the resources we have specifically for fishermen. [Visit us online](#) to see the full collection.

SALMON MARKET BULLETINS

Annual market bulletins are released early in the season and provide the latest outlook of market conditions and news on the performance of Alaska's salmon products. Find out about supply expectations, key factors impacting demand, and more. Posted online.

SALMON HARVEST UPDATES

Weekly updates with a breakout by species and regional harvest rate. Posted online.

ASMI + UFA WEBINARS

Webinars with industry leaders talk about market forces and ASMI's response. Hosted by UFA.

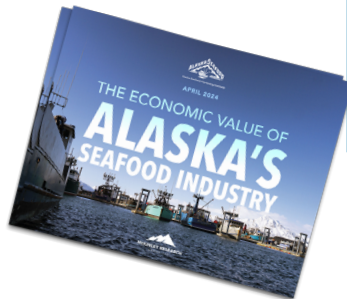


GROUNDFISH HARVEST UPDATE

Monthly harvest update detailing the harvest rate, production mix and regionality of major groundfish species. Email info.request@alaskaseafood.org to sign up.

ECONOMIC VALUE OF ALASKA'S SEAFOOD INDUSTRY

Updated every two years, this report provides a look at how Alaska's seafood industry impacts the local, state and national economies. Newest update recently released in April 2024.



QUALITY + HANDLING

In this challenging market environment, quality is key. Keep your catch shipshape to maximize its value. You can find resources on quality and handling online.

Quality handling posters, how-to guides and videos help ensure quality best practices are followed, which maximizes the value for your catch.



2023 Alaska Pink Salmon Outlook & Summary

Market Commentary

The 2023 global pink salmon forecast calls for a larger pink salmon harvest, even by the large standards of an odd-numbered year. Within Alaska the pink harvest is forecast to be 6% larger than the average of the two previous odd cycles. The forecast is flat in Russia, the world's largest pink salmon producer. Prices have risen for pink salmon roe in recent years. In 2020 and 2021, almost one quarter of Alaska pink salmon wholesale value was derived from roe. Ukraine has historically been an important market for pink salmon roe. Exports to Ukraine have declined since the Russian invasion in February 2022.

Harvest Summary & 2023 Forecast, Million Pounds

	2018	2019	2020	2021	2022	2023F	18-22	5-yr Avg.*	23F vs Avg.
PWS	91	167	83	210	100	213	~	189	-11%
Kodiak	24	105	75	83	50	92	~	94	2%
Southeast	31	78	28	134	68	68	~	106	56%
Alaska Peninsula	3	59	16	50	20	32	~	54	71%
Other	7	7	11	11	2	22	~	9	5%
Alaska Total	156	416	213	488	240	426	~	452	6%
Russia Total	1,117	719	381	936	325	827	~	827	0%
Global Total	1,297	1,151	616	1,431	582	1,268	~	1,291	2%

Sources: ADF&G; North Pacific Anadromous Fish Commission; various trade publications. * Odd years only used for 5-year average. Columns may not sum to totals because of rounding or exclusion of small salmon-producing nations in global break downs.

Historical Ex-Vessel Price & Value

	Avg. Price/Lb.	Tot. Value (\$M)
2013	\$0.42	\$287
2014	\$0.31	\$101
2015	\$0.23	\$146
2016	\$0.37	\$54
2017	\$0.40	\$208
2018	\$0.48	\$74
2019	\$0.38	\$137
2020	\$0.38	\$80
2021	\$0.40	\$195
2022*	\$0.43	\$102



	Pink	Keta	Sockeye	Coho	Chinook
Ex-Vessel \$/lb.	\$0.39	\$0.69	\$1.42	\$1.37	\$5.22
Wholesale Value %	23%	9%	62%	4%	2%

Source: Alaska Department of Fish & Game. *Preliminary

Note: 2020/2021 annual average

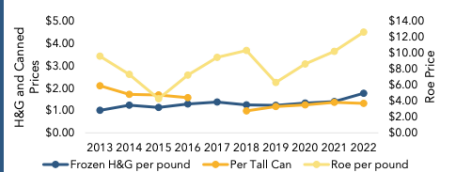
Key Wholesale Products

Frozen H&G
28% by value
Key Markets: China (re-export to US and Europe)

Canned
46% by value
Key Markets: US, UK, Australia

Roe
24% by value
Markets: Japan, Eastern Europe

First Wholesale Prices for Key Products, 2013-2022



Note: Values are 2020/2021 averages.

Source: Alaska Department of Revenue. Missing data withheld to preserve confidentiality.

EVENTS

You can also meet with us at key commercial fishing events like **ComFish Alaska** (in Kodiak, typically in April) and **Pacific Marine Expo** (in Seattle, typically November or December) for seafood market insights. And don't forget to mark your calendars for **ASMI's annual All Hands On Deck conference**—it's a great chance to learn more about what is happening in the market, what ASMI is doing, and to give you perspective and feedback. The event is free to attend and includes meals and multiple industry receptions.

FOR DIRECT MARKETERS

Do you sell your catch directly to consumers? ASMI offers tools and resources specifically for direct marketers including

- a consumer marketplace to host your company's listing on alaskaseafood.org/buy-alaska-seafood
- our photo and video asset library (NetX)
- printed materials you can order from our distribution center (KP)
- a direct marketer toolkit email newsletter to keep you updated on new resources

You can find all these free resources, and more at

alaskaseafood.org/market-your-catch.

MARK YOUR CALENDARS:

ALL HANDS ON DECK ANNUAL CONFERENCE DEC. 3-5, 2024

Don't miss our flagship event! Join us in person or virtually for vital market updates from economists, fisheries managers and processing leadership; insights from global customers and market research experts; and charting the course for the year ahead.



ASMI NEWS & UPDATES FACEBOOK



Follow our
industry-focused
Facebook page

for news, events, new resources, to keep updated on current events like our annual Commercial Fishing Photo Contest, and more.

WE WANT TO HEAR FROM YOU

Have a question or want a product or service that ASMI isn't currently providing? Feel free to email Communications Director Greg Smith at gsmith@alaskaseafood.org.

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ASMI REPORT TO THE FLEET



STAY IN TOUCH



← Scan the QR code for resource links



alaskaseafood.org/fleetlinks



facebook.com/alaskaseafood
facebook.com/asminewsandupdates



instagram.com/alaskaseafood



youtube.com/alaskaseafood

GET READY!

ASMI
PHOTO
CONTEST:
SNAP PICS,
SUBMIT,
& WIN!



2nd Place, Best Catch 2022
Photo by Savannah Yatchmenoff

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