

FY2021

Alaska Seafood Marketing Institute

ANNUAL REPORT



BOARD of DIRECTORS

The governor appointed, seven member Alaska Seafood Marketing Institute Board of Directors is allocated to five processors (four large processors, one small processor) and two commercial harvesters. Through ASMI's system of operational and species committees, the board and staff receive input primarily from industry experts in the harvesting and processing sectors.

BOARD MEMBERS

Allen Kimball, *Chair*
TRIDENT SEAFOODS

Tomi Marsh, *Vice-Chair*
HARVESTER

Michael Erickson
ALASKA GLACIER SEAFOODS

Mark Palmer
OBI SEAFOODS, LLC

Richard Riggs
SILVER BAY SEAFOODS

Jack Schultheis
KWIK'PAK FISHERIES

Duncan Fields
HARVESTER

EX-OFFICIO MEMBERS

Kevin Meyer, *Lt. Governor*
STATE OF ALASKA

Peter Micciche
ALASKA STATE SENATE

Gary Stevens
ALASKA STATE SENATE

Lyman Hoffman
ALASKA STATE SENATE

Chris Tuck
ALASKA STATE HOUSE OF
REPRESENTATIVES

Geran Tarr
ALASKA STATE HOUSE OF
REPRESENTATIVES

Julie Sande
COMMISSIONER OF COMMERCE,
COMMUNITY AND ECONOMIC
DEVELOPMENT

Message from the EXECUTIVE DIRECTOR

Alaska's seafood industry has shown incredible resilience in another year marked with uncertainty. With signs of improvement in some sectors, like foodservice, and new headwinds in others, like shipping and supply chain logistics, out of necessity our industry continues to adapt as much as possible to address these new opportunities and challenges.

As a result of the COVID-19 pandemic, retail sales soared as consumers sought out healthy, reliable and quality products to cook at home, but this could not make up the shortfall in lost sales resulting from the collapse in the foodservice sector in 2020. Globally, tariffs and trade issues continue to inhibit the flow of products into some of our largest markets. On our home shores, harvest declines and/or volatility in several valuable species continue to create challenges beyond the pandemic.

Despite all of this, there are reasons for hope. Seafood led the growth in retail sales in 2020 with a 30% jump, outpacing even deli, bakery, and meat. And our brand delivers an enduring competitive advantage, with the latest research showing 73% of consumers would pay more for seafood displaying the Alaska Seafood logo.

ASMI staff continue to meet these demands head on. We stand by our industry partners to make sure Alaska Seafood is positioned for success in the ever changing global market by listening to our customers, investing in research, increasing our number of e-commerce promotions, producing high quality visuals, developing stronger online tools and a continued focus on telling the positive story of Alaska seafood.

As we focus on the road ahead, this is also a good time to pause and reflect on how far we've come. ASMI turned 40 this year! Established via Alaska state statute in 1981, ASMI has spent the last four decades bringing together expertise across all aspects of Alaska's iconic seafood industry. Together we continue to navigate changes at home and abroad ensuring Alaska's wild seafood resource retains its competitive advantage across the globe. Our future is bright.



Jeremy Woodrow, Executive Director

ALASKA SEAFOOD MARKETING INSTITUTE



**TABLE OF
CONTENTS**

5	HOW ASMI WORKS
6	ALASKA SEAFOOD INDUSTRY SNAPSHOT
7	ALASKA SEAFOOD IN THE GLOBAL MARKETPLACE
8	MAJOR ACCOMPLISHMENTS
14	FINANCIALS
16	CONTACT ASMI

HOW ASMI WORKS

MISSION STATEMENT

The Alaska Seafood Marketing Institute is a marketing organization with the mission to increase the economic value of the Alaska seafood resource through:

1. Increasing positive awareness of the Alaska Seafood brand.
2. Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry.
3. Championing the sustainability of Alaska seafood harvests resulting from existing Alaska fisheries management imperatives (State of Alaska Constitution, Magnuson-Stevens Fishery Management and Conservation Act and The Halibut Act).
4. Proactive marketing planning to address short and long-term goals while remaining flexible and responsive to a changing environment and economy.
5. Quality assurance, technical industry analysis, education, advocacy and research.
6. Prudent, efficient fiscal management.

CORE PRINCIPLES

ASMI exists to serve the entire Alaska seafood industry, harvester and processor alike. It is supported by industry self-assessments and uses available public funds to achieve marketing successes for the common good. ASMI adheres to the following core principles:

- ASMI follows the highest ethical standards in its day-to-day operations and in its business relationships.
- ASMI values its employees and members and insists that all be treated with dignity and respect.
- ASMI conducts business in the open so its actions and decisions are visible.
- ASMI acts with integrity when it conducts promotions or makes claims in the marketplace.
- ASMI conducts marketing activities that provide the largest economic benefit for its industry members.

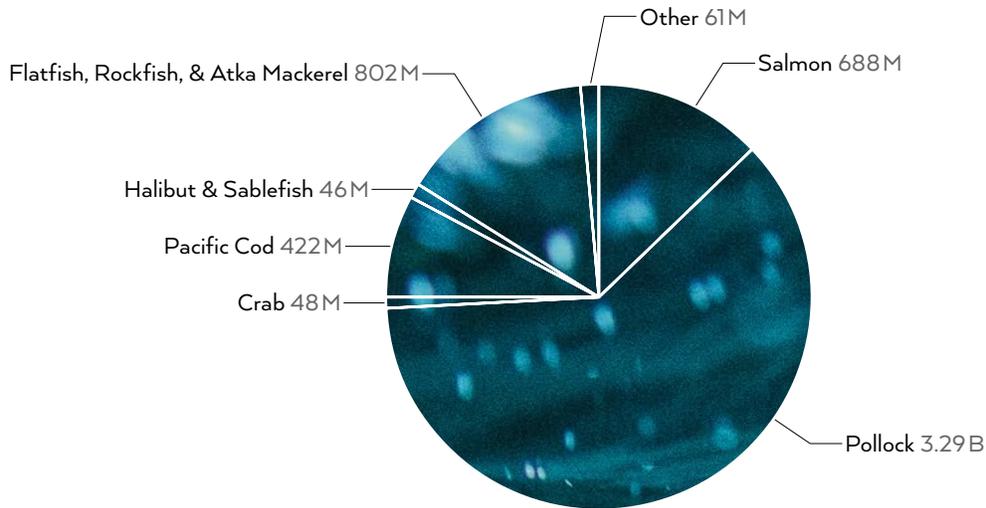
ASMI'S ROLE

ASMI is a public-private partnership between the State of Alaska and the Alaska seafood industry established to foster economic development of a renewable natural resource. ASMI plays a key role in the positioning of Alaska's seafood industry as a competitive, market-driven, food production industry.

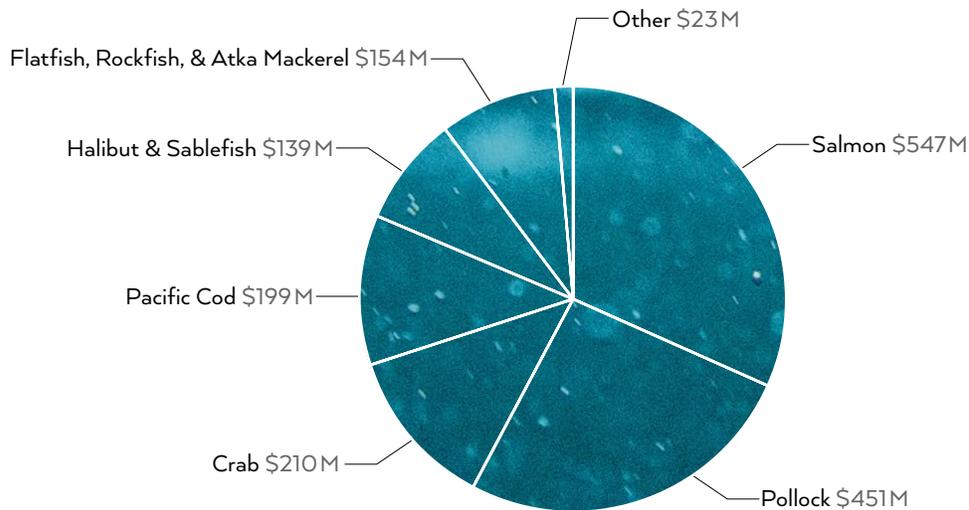
ASMI increases the value of Alaska's seafood resource by building equity for the Alaska Seafood brand in both U.S. and international markets through:

- Consumer campaigns to strengthen demand for wild and natural Alaska seafood, stimulate sales and increase economic value of Alaska seafood;
- Advertising and public relations campaigns to boost usage of all commercial species of Alaska seafood;
- Outreach at expositions and trade shows;
- Engaging broadline foodservice distributors to maximize Alaska Seafood brand penetration on menus domestically and abroad;
- Promotions with retailers and foodservice operators to build on strong brand equity to differentiate Alaska Seafood from the competition;
- Partnering with restaurant chains to increase the number of restaurants that feature Alaska Seafood as a branded menu item;
- Media tours and media outreach to secure positive publicity for Alaska seafood products and the Alaska seafood industry; and
- Managing the Alaska Seafood brand.

ALASKA SEAFOOD INDUSTRY SNAPSHOT



2019/20 Average Harvest Volume (pounds)
TOTAL 5.36 B



2019/20 Average Ex-Vessel Value
TOTAL \$1.72 B

Ex-vessel value refers to the value of payments made to fishermen by processors.

First wholesale value is revenue received by processors when they sell processed seafood outside of their network.

A detailed analysis of the Economic Value of Alaska's Seafood Industry (updated January 2022), prepared for ASMI by McKinley Research Group is available online at alaskaseafood.org.

Source: McKinley Research for ASMI

ALASKA SEAFOOD IN THE GLOBAL MARKETPLACE

2020

ASMI PROGRAM AREAS	Export Volume (million lbs.)	Export Volume (MT)	Export Value (\$M)
China*	567	257,186	\$530
Japan	309	140,002	\$519
Europe	422	191,306	\$686
Canada* †	87	39,484	\$263
Southeast Asia*	66	30,164	\$121
South America	18	8,327	\$20
TOTAL	1.469B	666,469	\$2.14B

NON-ASMI PROGRAM AREAS	Export Volume (million lbs.)	Export Volume (MT)	Export Value (\$M)
South Korea*	328	148,584	\$410
Australia	15	6,813	\$34
Taiwan	22	9,765	\$17
New Zealand	2	938	\$6
Israel	1	414	\$5
Norway	2	801	\$3
United Arab Emirates	1	530	\$1
Dominican Republic	1	463	\$1
Other Countries	8	3,467	\$12
NON-ASMI AREAS TOTAL	379	171,774	\$489

In addition to these vital export markets, about one-third of the value of Alaska's seafood production flows to the domestic market, along with about 15% of the volume.

Note: Values have been rounded. | Source: NMFS and McKinley Research estimates.

* Major re-export country or region.

† Canada is included in the Domestic Marketing Program.

Data reflects direct exports only, product is not necessarily consumed in the country shown.

Total Export Volume and Value of Alaska Seafood, 2008-2020

Export Volume in Metric Tons // Export Value in \$Billions



Source: NMFS and McKinley Research estimates.



MAJOR ACCOMPLISHMENTS

AMID THE CONSIDERABLE CHALLENGES and new opportunities of the past year, ASMI continued to work to raise the value of the Alaska seafood resource all over the world through its various programs. The following are the highlights of ASMI's accomplishments for FY2021.

INTERNATIONAL MARKETING SUCCESSES

Global E-Commerce Growth

As the COVID-19 global pandemic impacted all overseas markets, the ASMI international program successfully shifted to online and e-commerce promotions. These included featuring recipes on shopping apps, advertisement in online and email catalogs, promotional banners on e-commerce sites, sponsorship of dedicated Alaska seafood pages at e-commerce and direct tie-ins with influencers who provided links to online purchase opportunities. **In FY20 ASMI e-commerce promotions in international markets led to roughly \$9.5 million in sales of a wide variety of Alaska seafood products.** China, the well established leader in e-commerce, led the way with more than \$4 million in online sales, with Germany showing a strong shift to online shopping at \$2.3 million in Alaska seafood sales as a result of ASMI promotions.

The import environment in China remains challenging, with more regulations looming, delays at ports due to COVID-19 inspections and the continued presence of tariffs on Alaska seafood. **Potential in the China end market is strong, but tariff and non-tariff trade barriers continue to plague Alaska exporters.** ASMI China continues to work hard to keep awareness of Alaska seafood strong and perception positive to maintain and support sales of Alaska species that still rely on this market, and remain poised to bounce back.

Exports Increase in First Year of Southeast Asia Program

ASMI opened an office in Bangkok in the late spring of 2019 with the strategic objective of diversifying re-processing from China and building an end market in the Thailand, Vietnam, and Singapore domestic markets. From 2019 to 2020, Alaska seafood exports of sockeye salmon to the region rose 34% in value and pink salmon exports into Southeast Asia rose 14% in value, despite low returns in 2020. The region also saw snow crab exports grow by 42% in value and rockfish exports grow by 15%. Some Alaska species faced logistical challenges due to the pandemic or lower harvest values in 2020, but **despite fewer exports to the region in 2020, the value of Alaska seafood exports to Southeast Asia grew by \$6.5 million**, a testament to ASMI Bangkok's marketing efforts.

ASMI Marks 10 Years and Triple-Digit Growth in Brazil

The ASMI international program celebrated 10 years of marketing activities in the Brazil market, with significant growth in direct Alaska seafood exports and removal of regulatory barriers. When ASMI began the program in 2011, Alaska seafood was present in the Brazil market but mainly through third party countries, like China and Portugal. ASMI has aided in the registration of more than 40 company and product labels to help Alaska seafood companies export directly to the country. ASMI also worked with government officials to remove non-tariff trade barriers for frozen U.S. seafood. **Alaska exports have grown from 21 MT worth \$300,000 in 2011 to 2,379 MT worth \$8.1 million in 2019.** Most importantly, Alaska seafood has cemented its reputation as a diverse, high quality, sustainable resource to trade members and consumers in Brazil.

DOMESTIC MARKETING SUCCESSES

Success in Retail and Foodservice

Prior to the global pandemic, the majority of U.S. consumer dollars spent on seafood were spent in a restaurant or foodservice setting. The impacts of the pandemic on the U.S. foodservice industry have been dire as many operators have shuttered their restaurants, or temporarily closed, while others have shifted to take-out and delivery and truncated their menus, which traditionally has not fared well for seafood options. **ASMI executed custom promotions including social media, point of sale materials, product demonstrations, and merchandising in over 35,500 U.S. retail stores and e-commerce platforms, in addition to partnering with over 18,000 foodservice establishments in FY2021.**

ASMI expanded its e-commerce footprint to target top nationwide retailers like Target with online banners, digital advertisements, imagery, influencer posts, blogs, and shoppable recipes. The results with Target were promising as the sales lift was 15.5%, well above the 5.3% benchmark. These tactics are effective in targeting digital native millennial shoppers, which is a key audience for ASMI.

Foodservice Pivot

Many restaurants were quick to pivot to delivery and take-out due to strict safety measures. Fortunately, many ASMI partners are in the fast casual and fast food segment which is already accustomed to these mechanisms to reach their customers. **The majority of planned foodservice promotions were executed as intended** — including successful multimedia campaigns with Rubios Coastal Grill and Long John Silver's — as the lion's share were in the quick service segment which fared relatively better than other segments. It is still important to note that Alaska seafood as a whole at foodservice still struggled despite the successes in this segment.

Historically, many species in the Alaska seafood portfolio are sold primarily in foodservice channels. Pivoting to alternative distribution channels takes significant investment and time in an already competitive landscape. Retail-ready product forms have fared better as consumers filled their pantries and began cooking more at home; however, it is not expected that retail sales increases will overcome the sales lost in the foodservice sector. These trends are not unique to the U.S. and are reflected in ASMI program areas around the world and have resulted in unpredictable sales, cautious buyers and reduced ex-vessel prices for nearly every commercial species harvested in Alaska.



ASMI Research Confirms Strength of the Alaska Seafood Brand

Despite these challenges, **the lure of the Alaska Seafood brand remains strong with consumers.** According to research commissioned by ASMI in 2021 by Datassential, **nearly half of all consumers are choosing seafood more than they did a year ago**, with over a quarter (26%) buying seafood for the first time ever during the pandemic. Further, 35% of consumers are cooking more seafood at home during the pandemic, and most plan to continue after it ends. **Mentioning Alaska Seafood increases consumers' willingness to add seafood to their carts because they trust it is safe, natural and wild**, with 7 out of 10 consumers preferring pollock when "wild" and "Alaska" are called out, and the same number prefer Alaska salmon over Atlantic salmon. Sustainability remains a huge factor too; the number of sustainability-focused seafood shoppers is growing at 41%, up from 29% in 2019. A whopping **72% of consumers are more likely to purchase seafood with the Alaska Seafood logo.**

Public Relations Efforts Keep Alaska Seafood Top of Mind

ASMI conducts press outreach on an ongoing basis to keep Alaska seafood top of mind and relevant among domestic consumers. The strategic public relations program creates media buzz for Alaska seafood, including coverage for all species and stories tied to culinary, wellness and sustainability topics. **These efforts earned 4.6 billion impressions from 185 placements in the past 12 months.**



NEW RESOURCES FOR INDUSTRY

Measuring the Impacts of COVID-19

Beginning in August of 2020, ASMI contracted with McKinley Research Group (MRG) to produce regular COVID-19 impact reports detailing the depth and breadth of the ongoing impacts of the global pandemic to Alaska's seafood industry. An additional two-page briefing paper highlighting these impacts was also published in February 2021 and distributed to the Alaska legislature. ASMI also commissioned MRG to examine the impacts of the pandemic on Alaska's harvesting and processing sectors. Each report details the impacts of the global pandemic in terms of additional operating and COVID-19 mitigation costs, relief payments, employment and production impacts on both harvesters and processors. **The estimated cost of COVID-19 mitigation for the Alaska seafood processing industry alone was approximately \$70 million in 2020.**

Photo & Video Assets Tell the Alaska Seafood Story

The communications program continues to lead a multi-year photo and video asset development project which began in the winter of 2020. Executed in partnership with all ASMI marketing programs and with input and guidance from key industry members, **key deliverables include a series of 20+ videos highlighting the Alaska Seafood brand, sustainability and product portfolio with corresponding high resolution photography.** To date, the communications program has produced video and photo shoots in Kodiak, Juneau, Haines and Sand Point to gather photos and videos and has completed videos highlighting Alaska pollock, multiple crab species, sockeye salmon, pink salmon and halibut. Additional species videos are forthcoming.

These assets are available to all Alaska seafood industry members and partners for the promotion and sale of Alaska seafood.

New Website at alaskaseafood.org

The communications program successfully developed and launched a new website in August 2021. **ASMI worked across all programs to redesign and develop ASMI's two domestic websites into one comprehensive website to meet the changing technological needs of ASMI's audiences and stakeholders.** This critical work continually improves functionality, performance, effectiveness and user experience in support of the Alaska Seafood brand and delivers maximum value to the Alaska seafood industry.



OTHER MAJOR ACCOMPLISHMENTS

Seafood Technical Research

The seafood technical program submitted a successful application to the NOAA Saltonstall-Kennedy Grant Program to develop a comprehensive, current, and defensible nutrient and contaminant dataset for Alaska seafood and disseminate the results through an extensive outreach strategy over a two year period. **Completion of this database will improve global public relations, satisfy trade requests for information, and encourage collaboration between the state of Alaska and federal agencies to share data on Alaska seafood safety and nutrition information.** The technical program also collaborated with the University of Connecticut to expand on the study gathering key information regarding dietary fish consumption patterns in breast cancer survivors experiencing symptoms of persistent pain and fatigue. In the next study, at no additional cost to ASMI, ASMI will be a primary contributor on investigations into the impacts of fish consumption on the gut microbiome in this same group of survivors.

Sustainability & RFM Certification Growth

On July 1, 2020, the Certified Seafood Collaborative (CSC) became the owner of the Responsible Fisheries Management (RFM) Certification program. **ASMI officially handed over ownership after a six-month period of transition following over 10 years of dedication to developing the robust and independent certification for the industry.** ASMI continues to support CSC during this transition period with some administrative funding, with ASMI fully stepping away by FY23. The CSC board has identified three key areas of focus as they take over management of the RFM certification program: decreasing assessment costs over the five-year fishery assessment cycle; expanding use of the program through increasing participation in chain of custody and use of the new RFM logo; and certifying other high-performing fisheries outside of Alaska. A versatile and modern new RFM logo recently launched with the program remaining committed to not charging logo license fees; a major difference between RFM and other certification programs.

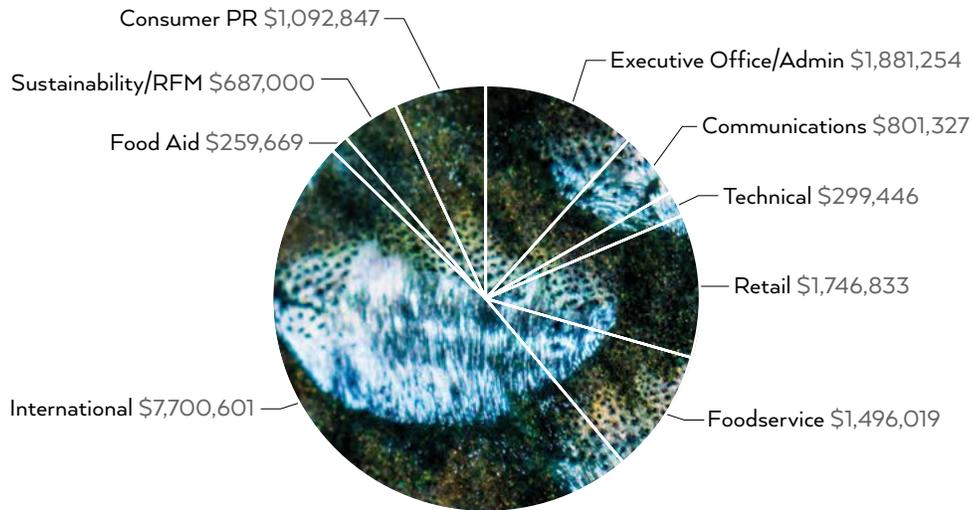
Expanded U.S. Government Procurements

ASMI global food aid program marketing activities provided much needed support to Alaska seafood suppliers by facilitating sales to U.S. government supported nutrition and safety net programs. **The USDA has developed into a very significant customer for wild Alaska seafood, with eight procurements this fiscal year to date, totaling \$82 million.** Additional large purchases of Alaska pollock products and wild Alaska canned salmon are also anticipated. The global food aid program most recently facilitated the expansion of canned sockeye salmon, as a new consumer-ready and shelf stable seafood protein into a new USDA program as part of the government response to the pandemic this year.

Dietary Guidelines For Americans

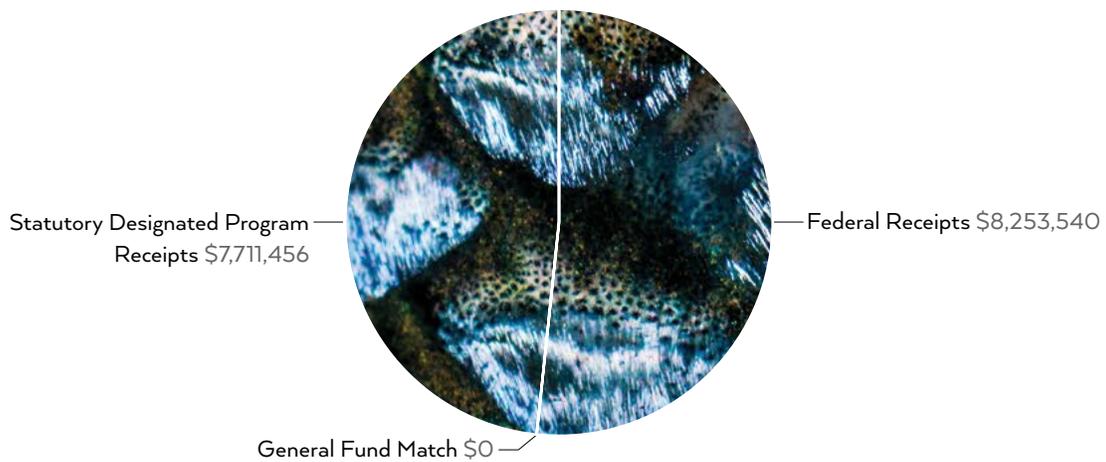
ASMI also helped inform seafood recommendations in the new Dietary Guidelines for Americans (2020-2025). The call for **consuming at least two servings of seafood starting at six months of age and during pregnancy and breastfeeding is becoming a cornerstone of nutrition policy,** thus reinforcing wild Alaska seafood's role in the large variety of U.S. government supported programs.

ASMI EXPENDITURES AND REVENUES



FY2021 Total Expenditures \$15,964,996

Full Time Employees: 20



FY2021 Total Revenues \$15,964,996

FINANCIAL INFORMATION

FY2021 reflects the third consecutive fiscal year in which ASMI received zero State of Alaska General Funds. This requires that ASMI match federal grants using Statutory Designated Program Receipts (SDPR). The reduction in state matching funds may affect ASMI's ability to secure competitive federal grants. ASMI's budget is now wholly composed of SDPR and federal funds. In FY2021, in addition to federal Market Access Program funding, ASMI received \$2,580,500 in federal CARES Act funding as authorized by Governor Dunleavy.

While the value of Alaska seafood trended up prior to the pandemic, market conditions in 2020-2021 reduced ex-vessel prices and processing capacity. As a result, the voluntary industry assessment (SDPR) was down approximately \$5 million combined between FY2020 and FY2021. Additionally, harvest of numerous key species have been volatile in recent years, which may impact overall value moving forward. Like the industry we represent, ASMI will continue to show resilience and fiscal responsibility amid both forecasted and unanticipated challenges to best fulfill the mission of increasing the value of Alaska's seafood resource.



CONTACT

ASMI OFFICE

311 N. Franklin Street, Suite 200
Juneau, Alaska 99801

Phone: 1(907) 465-5560

or 1(800) 478-2903

info.request@alaskaseafood.org

alaskaseafood.org

[FACEBOOK.COM/alaskaseafood](https://www.facebook.com/alaskaseafood)

[FACEBOOK.COM/ASMInewsandupdates](https://www.facebook.com/ASMInewsandupdates)

[TWITTER.COM/alaska_seafood](https://twitter.com/alaska_seafood)

[INSTAGRAM.COM/alaskaseafood](https://www.instagram.com/alaskaseafood)

[PINTEREST.COM/alaskaseafood](https://www.pinterest.com/alaskaseafood)

[YOUTUBE.COM/alaskaseafood](https://www.youtube.com/alaskaseafood)

