

FY 2022

Alaska Seafood Marketing Institute

ANNUAL REPORT



Wild, Natural & Sustainable®

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

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COMMUNITY AND ECONOMIC
DEVELOPMENT

Photo credit: Tom Rollman,
ASMI Commercial Fishing
Photo Contest 2022.



Message from the EXECUTIVE DIRECTOR

The landscape of marketing wild Alaska seafood is ever changing. On a global scale, our industry welcomed a return to pre-pandemic norms. ASMI resumed domestic and international travel and joined new and familiar colleagues at trade shows and industry events to network and build stronger relationships. Making up for lost time, ASMI conducted numerous international and domestic trade missions. Additionally, our retail and foodservice promotions continue to evolve and respond to the post-pandemic norm.

Countercurrents, unfortunately, continue to impact progress. Inflation rates hit a 40-year high and, consequently, seafood sales both at foodservice and retail begin to suffer as consumers tighten their wallets. Global shipping remains costly and the U.S. dollar's comparative strength impedes export sales to major markets. The import environment in China remains hindered by the looming prospect of increased regulations, port delays and the continued presence of 30%+ tariffs on Alaska seafood. The U.S. embargoed direct seafood imports from Russia, however, the country remains a strong global competitor as the EU, Japan and China have not restricted Russian seafood imports.

Amidst these challenges and drastic fluctuations in harvest levels of key Alaska species, ASMI remains steady at the helm to navigate with our industry partners into calmer seas. Alaska's seafood exports continue to diversify and grow in developing markets. We have increased our presence in the online marketplace, where digital coupons help offset higher prices and turn first-time buyers into repeat customers. New research affirms that younger generations are driving a paradigm shift in the way people prioritize their health and the health of the planet with their food choices; a north star for ASMI to continue to tell the incredible story of Alaska's wild, sustainable seafood.

Here in Alaska, ASMI continues to celebrate how connected all Alaskans are to the seafood industry. Fishermen and processors aren't alone in their reliance on and connection to the commercial seafood sector, and Alaskans feel pride when seeing the Alaska Seafood brand on menus and in the marketplace, knowing that it represents high quality, hard work, and the place we love to call home.

As we face the economic and global headwinds ahead, we remember this pride in the Alaska Seafood brand and our mission to share it with the world.



Jeremy Woodrow, Executive Director
ALASKA SEAFOOD MARKETING INSTITUTE



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Photo credit: Larissa Aaberg, ASMI Commercial Fishing Photo Contest 2022. "Ekuk Beach. Family member Renn Aaberg (3 years old) enjoying her first tide and first trip to fish camp with the family!"

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.

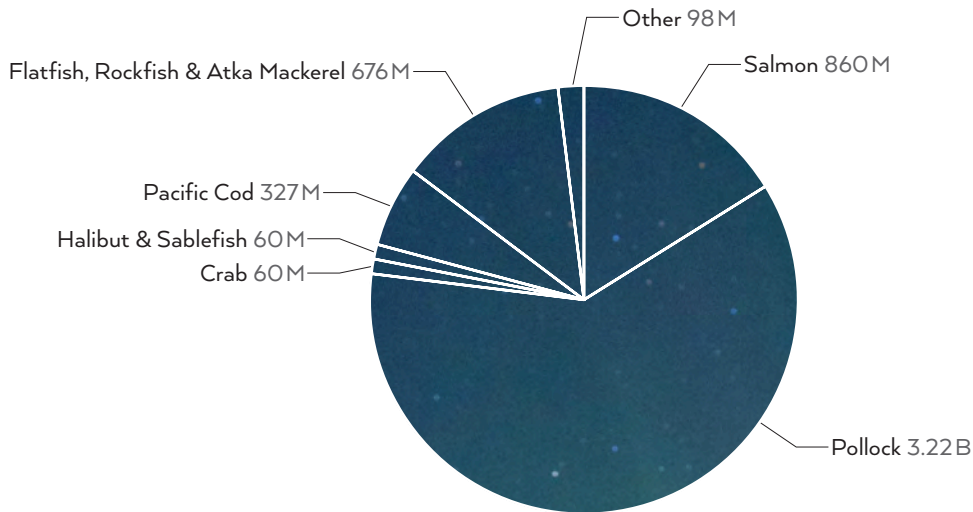
ASMI'S ROLE

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.

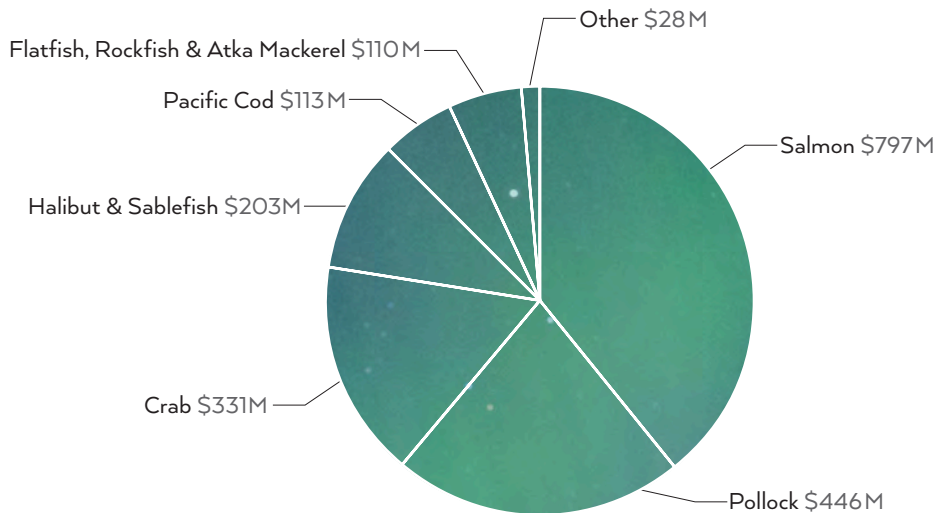
ASMI increases the value of Alaska's seafood resource by building equity for the Alaska Seafood brand in both U.S. and international markets through:

- 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



2021* Average Harvest Volume (pounds)
TOTAL 5.31B



2021* Average Ex-Vessel Value
TOTAL \$2.03B

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.

** While volume and value are typically viewed as average of the previous two years to account for fluctuating pink salmon harvests, this table only shows 2021 data as 2020 was an anomalous year that does not accurately reflect the health of the fishing industry.*

Source: McKinley Research for ASMI

ALASKA SEAFOOD IN THE GLOBAL MARKETPLACE

2021

ASMI PROGRAM AREAS	Export Volume (million lbs.)	Export Volume (MT)	Export Value (\$M)
China*	548	248,754	\$567
Japan	355	161,101	\$639
Europe	380	172,372	\$703
Canada* †	136	61,874	\$363
Southeast Asia*	82	37,172	\$132
South America	21	9,322	\$29
TOTAL	1.523B	690,596	\$2.43B

NON-ASMI PROGRAM AREAS	Export Volume (million lbs.)	Export Volume (MT)	Export Value (\$M)
South Korea*	305	138,467	\$373
Australia	10	4,572	\$23
Taiwan	12	5,223	\$10
India	4	1,927	\$4
New Zealand	1	585	\$4
Israel	1	383	\$4
Norway	<1	182	\$1
United Arab Emirates	<1	199	\$1
Other Countries	7	3,297	\$13
NON-ASMI AREAS TOTAL	341	154,834	\$432

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 20% of the volume.

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

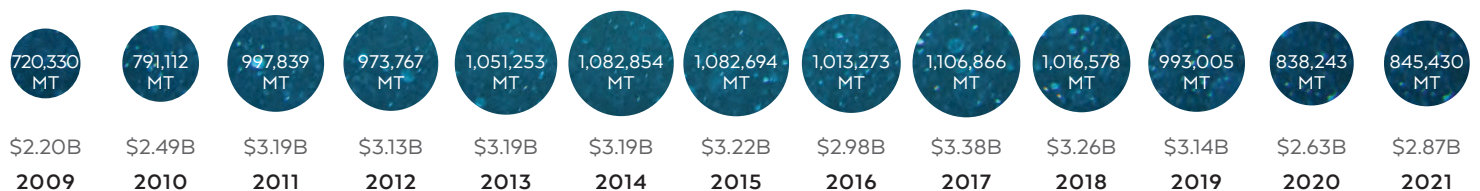
* Major re-export country or region.

† 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, 2009–2021

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



Source: NMFS and McKinley Research estimates.

MAJOR ACCOMPLISHMENTS

Amid the challenges and opportunities of the past year, ASMI continued its 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 FY 2022.

INTERNATIONAL MARKETING SUCCESSES

Inbound Trade Missions Result in Millions In Sales

After several years without the ability to welcome trade members to Alaska, **ASMI's international program conducted three in-bound missions to Alaska in summer 2022**, including a buyers mission from Latin America with eight buyers, a mission from Germany with eight guests and a group from Indonesia. **Expected sales as a result from the missions are in the millions.**

Return of Largest Global Seafood Trade Show

April 2022 saw the re-opening of the Seafood Expo Global trade show in Barcelona, Spain. SEG is the largest seafood show in the world and a flagship event for the ASMI international program. In 2022, 19 Alaska seafood companies traveled to Barcelona and took booths or tables in the Alaska pavilion. ASMI also conducted an Alaska Seafood Restaurant week to coincide with the show and create publicity for Alaska seafood. The chef for Nobu Barcelona visited the trade show to purchase Alaska salmon after trying it on his menu. **In total, the Alaska seafood industry reported \$54 million in onsite sales at the show and \$1.4 billion in 12-month projected sales as a result of the show.**

DOMESTIC MARKETING SUCCESSES

Alaska Seafood at Foodservice and Retail

In the domestic U.S. market, 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 FY 2022 to include Alaska Seafood.**

Digital Coupons Help Combat Inflation and Drive Alaska Seafood Sales

Many consumers turned to couponing to help ease inflationary pressure in FY 2022. Nearly one-third of shoppers increased their coupon usage in 2021, with 72% of shoppers reporting they used digital coupons in-store. Brands reacted swiftly to the increased shopper demand and increased digital coupon distribution by 28% in 2021. In light of this, **ASMI partnered with a digital coupon company, Ibotta, to launch a national campaign with major retailers like Publix and Albertsons. Results included over 18 million impressions, and an overall redemption event unlock rate of 23.6% which is well above the 13% benchmark.** The most remarkable metrics, however, were that **50% of these consumers made a purchase after the campaign concluded which was unincentivized and organic, and over 25% had not purchased Alaska seafood prior to the campaign.**

Expanded E-Commerce Resonates With Digital Native Millennial Shoppers

ASMI's domestic marketing program further expanded its e-commerce footprint to target top nationwide retailers like Trader Joe's and Whole Foods Market with online banners, digital advertisements, imagery, influencer posts, blogs, and shoppable recipes. The results from Whole Foods Market were promising with **\$21 million dollars in campaign sales and a 1.6% overall sales lift.** The campaign yielded a 7.7X return on advertising (ROA) spend, proving that the targeting, strategies and design creative resonated with consumers. **These tactics have proven effective with the target audience of millennial shoppers.** Promoting private label brands for these respective retailers allowed ASMI to further cultivate strong relationships with key national partners.

Collaboration with Cruise Lines Increases Visibility Among Visitor Sector

Through several new partnerships with various prominent cruise lines, sustainable Alaska Seafood received prominent visibility on Alaska sailings in 2022. This included new video content onboard and online with celebrity chefs and hosts, interviews with Alaska seafood industry members to share Alaska's responsible fisheries management practices and the importance of sustainably sourced Alaska seafood. Partnerships also included new menu items featuring Alaska seafood along with a series of educational resources to be shared onboard. ASMI also worked with Holland America Line in their commitment to become the first cruise line to be awarded RFM certification by serving certified sustainable and traceable wild Alaska seafood on all six cruise ships that sail to Alaska.

Public Relations Efforts Keep Alaska Seafood Top of Mind

The number of global consumers reached through ASMI's consumer public relations efforts increased by over 63% in FY 2022 from the previous year. In FY 2022, one-time ARPA funding allowed ASMI to make additional investments in digital consumer PR and marketing activities to connect with target audiences as they emerged after the pandemic. Thanks to the additional investment in the U.S. market, **consumer PR and digital campaigns reached more than 7.3 billion impressions (+178%)**. One of ASMI's most successful consumer online campaigns was the #AlaskaSeafoodHacks campaign, which encouraged consumer and industry participation to drive the conversation about how easy it is to cook Alaska seafood at home.



NEW RESOURCES FOR INDUSTRY

Alaska Seafood U Targets Critical Training Need Among Industry and Trade

In FY 2022 ASMI launched the new Alaska Seafood University online training tool at AlaskaSeafoodU.org. This updated resource was designed to replace the previous version created in 2008, and includes new dynamic educational videos covering topics of harvesting, species, nutrition, product quality and sustainability.

New Technical Resources Provide Industry and Customer Education

ASMI's seafood technical program worked with key industry partners and Alaska agencies to identify needed resources and to create new outreach materials for a variety of audiences. These included materials demonstrating the value offered to consumers by Alaska's commitment to high-quality frozen seafood, the health benefits of the numerous nutrients present in Alaska seafood, and examples how the industry utilizes as much of every fish harvested as possible. Additionally, updates were made to materials showing the seasonality and geography of the various harvests of wild Alaska seafood.

Alaska Seafood Nutrient and Contaminant Database

Collaborating with the Alaska Department of Environmental Conservation, ASMI's seafood technical program continued its work to **develop a comprehensive, current, and defensible nutrient and contaminant dataset for Alaska seafood**. The effort was funded through a \$298,450 grant awarded through the NOAA Saltonstall-Kennedy grant program, which funds projects that offer direct benefits to the U.S. fishing/aquaculture industries and applications. Completion of this project 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. Additionally, the project will generate marketing and outreach opportunities that can position the Alaska seafood industry to better compete in global markets and to both positively differentiate and improve confidence in Alaska seafood products.

Product Development for Underutilized Alaska Marine Products

ASMI's seafood technical program forged a new partnership with the University of Maine to conduct research on new, commercially successful products from underutilized marine resources. **Projects to be completed include a chef sensory analysis of frozen Alaska seafood, exploratory product development utilizing underused Pacific herring roe and arrowtooth flounder, and bait-source exploration using Alaska-native species.**

OTHER MAJOR ACCOMPLISHMENTS

USDA Expands Seafood in Food & Nutrition Programs, Including Pacific Rockfish from Alaska

ASMI's global food aid program continued its marketing activities to expand purchases of Alaska seafood products in the U.S. government's food, nutrition and safety net programs. These programs contribute to the nutrition security of millions of schoolchildren, mothers and infants, as well as food insecure families nationwide and abroad. These programs introduce wild Alaska salmon (Alaska sockeye fillets, canned Alaska pink and sockeye salmon) and wild Alaska pollock (wholegrain breaded fish sticks, nuggets and fillet portions) and wild Pacific rockfish to program participants, often for the first time.

USDA continued expanding purchases of Alaska seafood in FY 2022. Combined procurements of wild Alaska pollock, salmon (pink and sockeye) and Pacific rockfish reached \$160 million from October 2021 through September 2022.

ASMI Informs Nutrition Recommendations for Infancy, Pregnancy and Breastfeeding

The first update in over a decade to the USDA Special Supplemental Program for Women, Infants and Children (WIC) added canned fish (salmon, sardines, mackerel and light tuna) to all WIC food packages for women (pregnant, breastfeeding and non-breastfeeding). It also added canned salmon and other low methylmercury fish to food packages for children 2-5 years of age. The update aligns with the 2020-2025 Dietary Guidelines for Americans (DGA), in addition to more recent FDA recommendations regarding the safety of low methylmercury fish for pregnant and breastfeeding women.

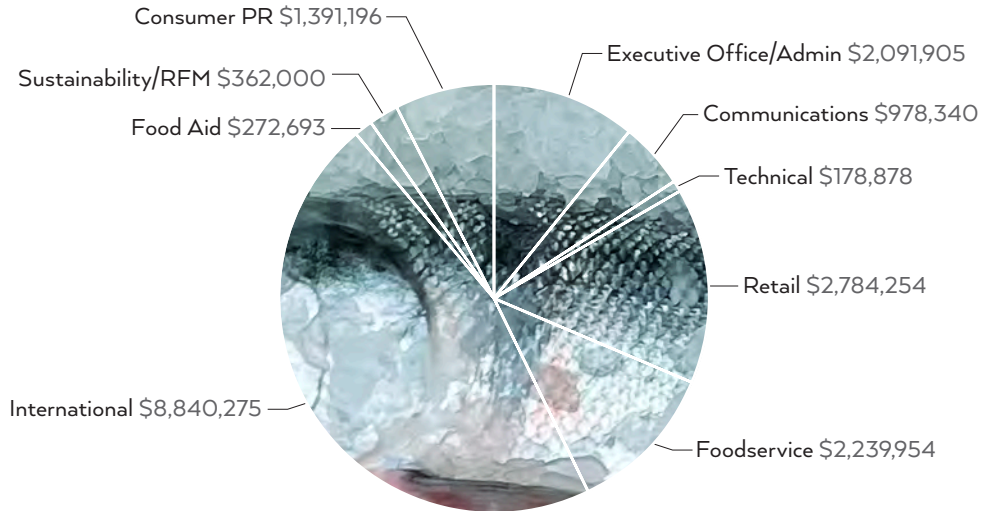
ASMI was instrumental in supporting the latest DGA recommendation which calls for consuming at least two servings of seafood each week starting at 6 months of age, during pregnancy and while breastfeeding. This is becoming a cornerstone of nutrition policy, thus reinforcing the role of Alaska seafood in the wide range of U.S. government supported programs. ASMI has worked consistently with the Alaska Delegation to expand the availability of seafood as reflected in the WIC update proposed rule, and further recommends adding low methylmercury seafood to the WIC food package for children 6-23 months.

Humanitarian Relief from the People of Alaska to the People of Ukraine

The Alaska State Legislature and Governor Dunleavy allocated \$300,000 capital expense in the FY 2023 budget to purchase and distribute cans of wild Alaska pink salmon to Ukraine to support those displaced by Russia's invasion. ASMI's global food aid program tapped into its network of food and nutrition organizations and partnered with World Central Kitchen (WCK), one of the few organizations cooking meals and distributing food in the war zones in Ukraine and able to accept such a donation. ASMI coordinated the purchase, labeling and shipment of nearly 9,600 cases (24 cans/case). After months of logistical maneuvering and coordination with our partners, the 450,000 servings of wholesome Alaska pink salmon were delivered in February 2023, providing much needed nourishment and relief for the duration of the winter.

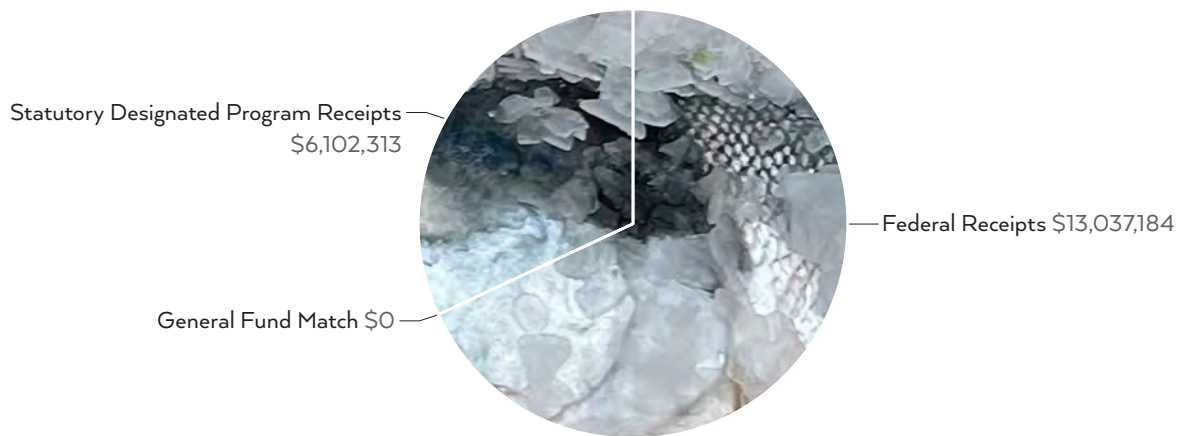


ASMI EXPENDITURES AND REVENUES



FY 2022 Total Expenditures \$19,139,497

Full Time Employees: 20



FY 2022 Total Revenues \$19,139,497

FINANCIAL INFORMATION

FY 2022 reflects the fourth 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 FY 2022, in addition to federal Market Access Program funding, Governor Dunleavy authorized \$7,000,000 in federal American Rescue Plan Act (ARPA) funding for ASMI to execute timely domestic and international marketing efforts needed to build up Alaska Seafood brand and industry in the wake of the pandemic. The entirety of the ARPA funding was spent in FY 2022 to meet these immediate needs in the market.

Awarded in 2019, ASMI has invested USDA Agricultural Trade Promotion program funding in strategic marketing activities designed to enhance and expand marketing and trade opportunities in both longstanding and emerging markets. Results from these activities show increased sales, partner promotions and brand awareness in relevant markets. This one-time multiyear award ends fall 2024.

The economic impact of the closure of Alaska's iconic Bristol Bay red king crab and Bering Sea opilio snow crab fisheries affects coastal communities, harvesters, state landing taxes and ASMI's SDPR. Additionally, harvest of numerous other key fisheries 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.





Wild, Natural & Sustainable®

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Commercial Fishing Photo Contest 2022.