

ASMI Board of Directors Meeting
Anchorage-October 28-30, 2013
Fiscal/Budget Update



FY13 Updates
(ended June 30, 2013)





FY13 Close Out

in millions

<i>Programs</i>	<i>FY13 Actual Expenditure Recorded</i>
Admin & Consolidated Services Costs	2206
Global Food Aid	312
Seafood Technical	521
Communications	929
Foodservice-Domestic	2006
Retail-Domestic	1948
(Consumer AD/PR) Domestic	2800
International Program	8299
RFM Certification	833
total	19854

Intent to expense	22500
Balance	2646
<i>MAP Grant bal</i>	
	218
<i>MAP Match bal</i>	
	413
<i>Sustainability related bal</i>	
	450
<i>Residual Reserve bal</i>	
	1565
<i>Total</i>	2646

Alaska Seafood Harvest *FINAL* CY2012



ASMI Seafood Revenues FY2013

<u>CY 2012</u> <u>Harvest Year</u>	Species	% of assessment
\$ 22,234,953	Herring	1%
\$ 121,828,297	Black cod (IFQs)	6%
\$ 310,431,966	All other Groundfish	16%
\$ 492,674,135	Pollock	25%
\$ 325,900,820	Shellfish	16%
\$ 140,883,664	Halibut(IFQs)	7%
\$ 587,161,013	Salmon	29%
\$ 88,777,751	<i>non landed</i>	
\$ 2,001,114,848	<u>\$ 10,005,574</u>	
<u>confirmed with DOR oct 2013</u>		

Actual total Value is \$ 2,089,892,599
Total Lbs Is 5,489,442,591



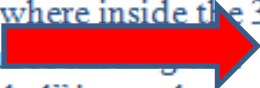
As reported and recorded by Dept. of Revenue 2012
Total lbs harvested ALL species 5,064,481,968

A **Fisheries Business Tax** is levied on persons who process or export fisheries resources from Alaska. The tax is based on the price paid to commercial fishers or fair market value when there is not an arms length transaction. Fisheries business tax is collected primarily from licensed processors and persons who export fish from Alaska. AS. 43.75

A **Fishery Resource Landing Tax** is levied on fishery resources processed outside the 3-mile limit and first landed in Alaska or any processed fishery resource subject to sec. 210(f) of the [American Fisheries Act](#). The tax is based on the unprocessed value of the resource, which is determined by multiplying a statewide average price (determined by the Alaska Department of Fish and Game data) by the unprocessed weight. The Fishery Resource Landing Tax is collected primarily from factory trawlers and floating processors which process fishery resources outside of the state's 3-mile limit and bring their products into Alaska for transshipment. AS. 43.77

A **Seafood Marketing Assessment** is levied at a rate of 0.5% of the value of seafood products processed first landed in, or exported from Alaska.



Harvesting and first processing in federal waters - General rule: fishery resources harvested and processed in federal waters that are first “landed” (offloaded or transferred) in the state (anywhere inside the 3-mile limit) for further shipment or sale are subject to the 3% fishery resource tax.  Fishery resources harvested and processed in federal waters that are first “landed” in another state or country are not subject to state tax.

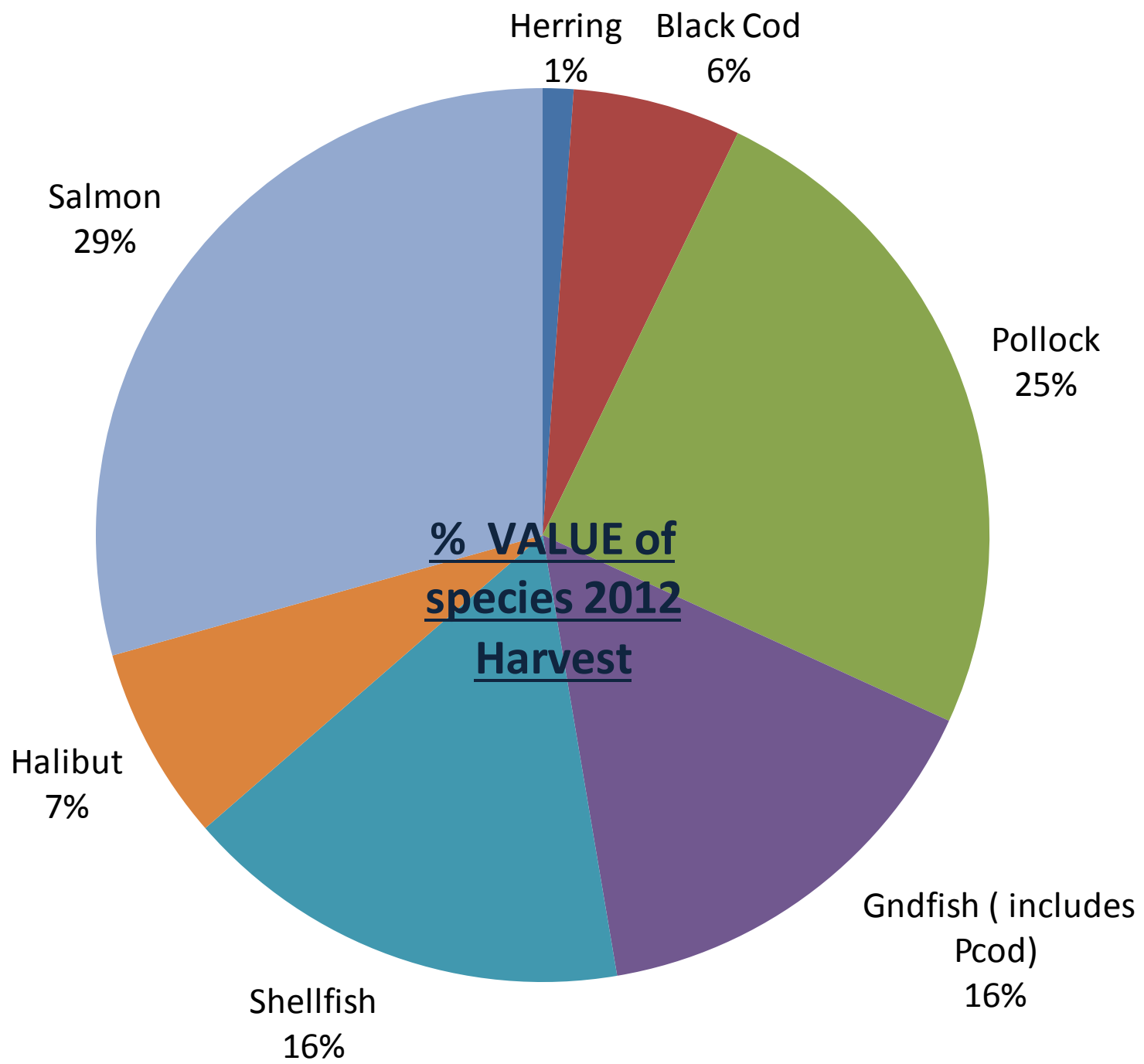
Exception: Pursuant to the American Fisheries Act (P.L. 105-277), fishery cooperative members must pay the fishery resource landing tax on pollock even if it is not landed in Alaska.

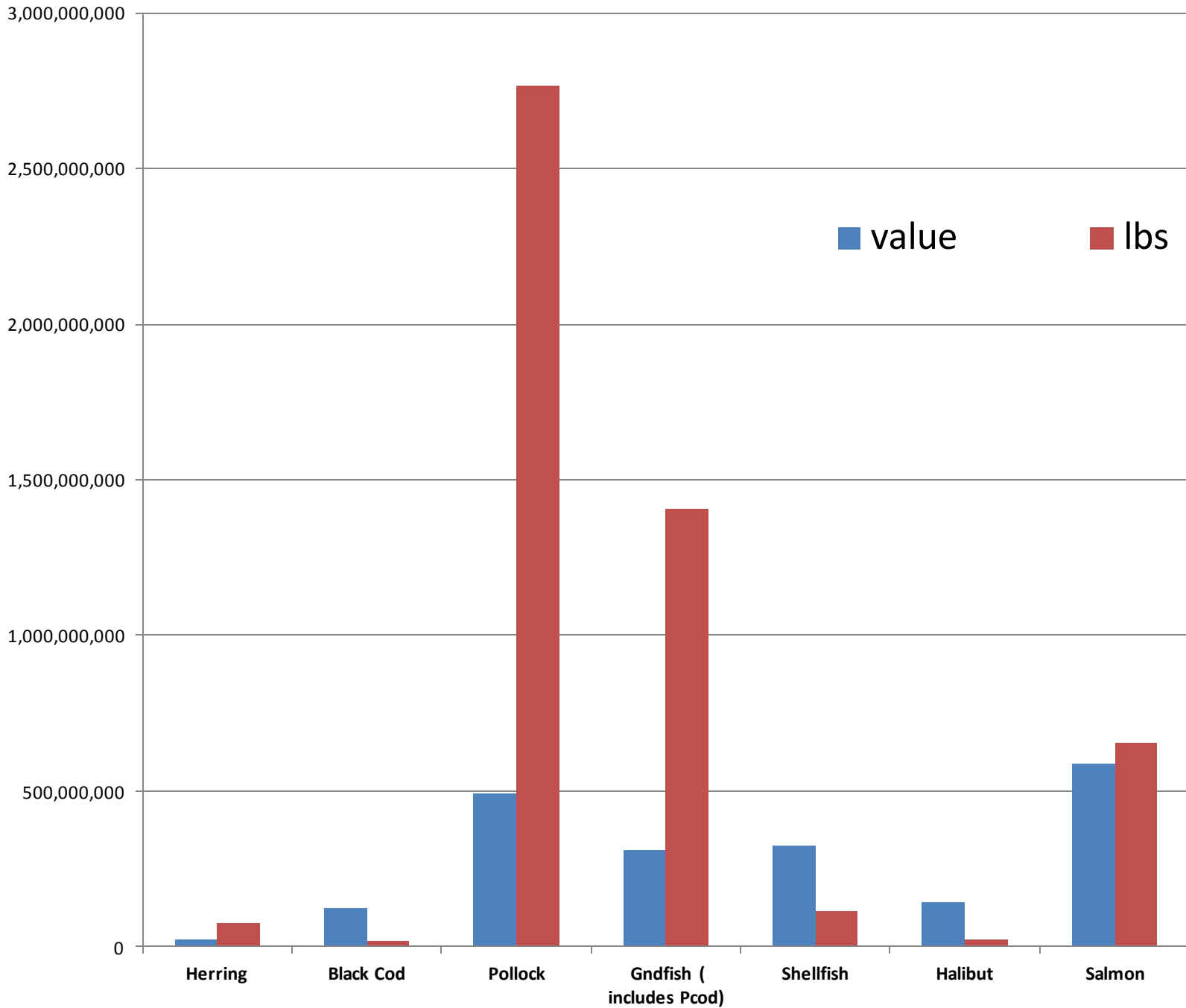
Harvesting in federal waters and first processing in the state: fishery resources harvested in federal waters, transported inside the 3-mile limit and then processed are subject to the fisheries business tax. If the processing is performed on a vessel, the tax is 5%. If the processing is performed on land, the tax is 3%. Salmon that is canned is subject to a 4.5% tax.

Harvesting in federal waters, brought into the state and then exported unprocessed: fishery resources harvested in federal waters, transported inside the 3-mile limit and then transported (exported) back out of the state without being processed are subject to the fisheries business tax. If the ultimate processing is performed on a vessel, the tax is 5%. If the ultimate processing is performed on land, the tax is 3%. Salmon that is ultimately canned is subject to a 4.5% tax.

Harvesting in state waters: fishery resources harvested inside the 3-mile limit that are either processed in or exported unprocessed from the state are subject to the fisheries business tax. If the ultimate processing is performed on a vessel, the tax is 5%. If the ultimate processing is performed on land, the tax is 3%. Salmon that is ultimately canned is subject to a 4.5% tax.

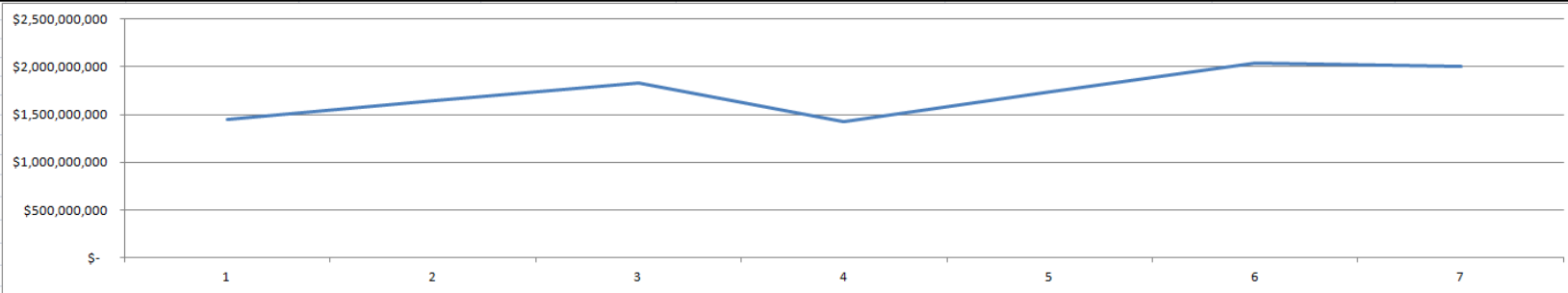
The fisheries business tax is commonly referred to as the raw fish tax. They are one in the same.





Overall comparison between 2006-2012 harvests

	2006	2007	2008	2009	2010	2011	2012	VALUE variance (2011 vs 2012)
Herring	\$ 9,883,229	\$ 16,495,342	\$ 25,320,902	\$ 23,798,966	\$ 21,808,241	\$ 10,543,294	\$ 22,234,953	110.89%
Black Cod	84,712,163	89,530,392	91,480,663	86,048,861	98,103,685	138,708,985	\$ 121,828,297	-12.17%
Ground Fish	676,574,585	691,347,282	788,337,842	555,427,746	588,317,169	705,195,266	803,106,101	13.88%
Pollock	480,859,595	423,552,929	463,506,265	350,758,276	362,797,458	451,988,315	492,674,135	9.00%
Other Groundfish (includes Pcod)	195,714,990	267,794,353	324,831,577	204,669,470	225,519,711	253,206,951	310,431,966	22.60%
Shellfish	142,688,854	199,559,103	270,086,321	204,511,367	236,953,137	309,769,857	325,900,820	5.21%
Halibut	191,802,681	215,069,281	207,208,053	133,924,055	194,519,214	202,730,319	140,883,664	-30.51%
Salmon	348,892,031	430,797,393	453,346,409	419,537,277	602,310,846	670,970,465	587,161,013	-12.49%
Total	\$ 1,454,553,544	\$ 1,642,798,793	\$ 1,835,780,190	\$ 1,423,248,272	\$ 1,742,012,292	\$ 2,037,918,186	\$ 2,001,114,848	-1.81%



Harvest Value 38% higher- from 2006 to 2012

Numbers based on actual DOR records



FY14 Updates

(July 1, 2013-June 30, 2014)



(h) The following amounts are appropriated from the specified sources to the Alaska Seafood Marketing Institute for seafood marketing activities for the fiscal year ending June 30, 2014:

(1) the unexpended and unobligated balance, estimated to be \$15,549,300, of the program receipts from the seafood marketing assessment ([AS 16.51.120](#)) and other program receipts of the Alaska Seafood Marketing Institute on June 30, 2013; **(FY13/CY12)BT+CrFD**

(2) the sum of \$1,700,000 from the program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2014, which is approximately equal to 20 percent of the program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2014; **(FY14/CY13)LT**

(3) the sum of \$7,772,200 from the general fund, for the purpose of matching industry contributions collected by the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2012; **(FY12/CY11)**

(4) the sum of \$4,500,000 from federal receipts.

(i) It is the intent of the legislature

(1) that the Alaska Seafood Marketing Institute limit expenditure of the appropriation in (h)(1) of this section to 80 percent of the program receipts collected for the fiscal year ending June 30, 2013; **(FY13/CY12)BT**

(2) to limit the amount appropriated from the general fund to the Alaska Seafood Marketing Institute for the purpose of matching industry contributions for seafood marketing activities to not more than \$9,000,000 in a fiscal year, regardless of the amount of industry contributions; and

(3) that the Alaska Seafood Marketing Institute evaluate and consider in-state advertising firms to provide advertising services before using an out-of-state advertising firm.

Alaska Seafood Marketing Institute	86,400	86,400
Alaska Seafood Marketing Institute	86,400	Institute



FY14 ASMI BUDGET

FY 14 Legislative Appropriation

GFPR	\$	17,335,700
GF	\$	7,772,200
MAP	\$	4,500,000
TOTAL	\$	29,607,900

Intent Language Restricting Expense for FY14

GFPR	\$	14,225,840
GF	\$	7,772,200
MAP	\$	4,500,000
TOTAL	\$	26,498,040

Present Internal Spend Plan for FY14

GFPR	\$	10,227,800
GF	\$	7,772,200
MAP	\$	4,500,000
TOTAL	\$	22,500,000



FY 14 Appropriation (Capital Budget)

- GF \$ 300,000

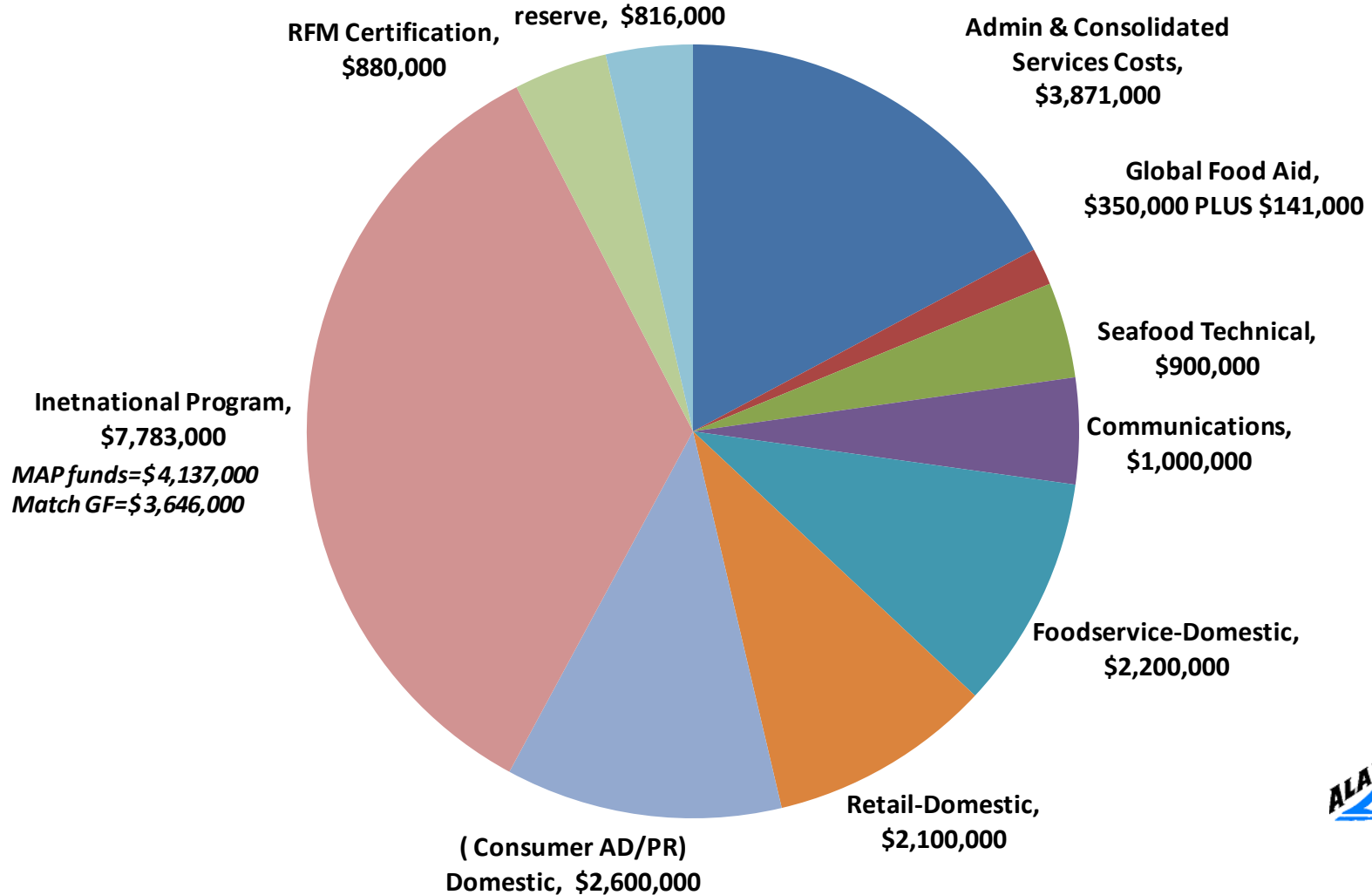
The Capital Budget appropriated funds are a new category for ASMI earmarked specifically for the Canned Salmon, Herring and Protein Powder projects being undertaken by the ASMI Global Food Aid program



FY14 ASMI Overall Budget

Operating Budget spend planned= \$ 22,500,000.00

Capital Budget spend planned = \$ 141,000.00



2013 Harvest Preliminary Projections



Alaska Seafood Harvest CY2013

Very, Very Preliminary numbers !

Herring	20,000,000
Black Cod	73,000,000
Ground Fish	799,000,000
<i>Pollock</i>	<i>503,000,000</i>
<i>Gndfish (includes Pcod)</i>	<i>296,000,000</i>
Shellfish	275,000,000
Halibut	100,000,000
Salmon	741,000,000
Total	2,008,000,000



End