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WHEEL WATCH

Welcome to the sixth edition of the Wheel Watch, ASMI's annual fleet newsletter. At the time of our last Wheel Watch in early 2020, Alaska's seafood industry was closing out one of the most valuable years on record. A few months later, it was unclear if many of Alaska's fisheries would even take place due to the COVID-19 global pandemic.

Fishermen showed incredible resilience, despite many challenges. According to a 2021 ASMI survey of Alaska fishermen, two-thirds of harvesters reported that COVID-19 impacted their operation expenses in 2020 to the average tune of \$9,350 in additional expenses. Surveyed Alaska processors spent a combined estimate of \$70 million in COVID mitigation expenses in 2020 and expect to spend over \$100 million on COVID mitigation in 2021.

We know sectors of our industry are struggling, especially those who rely on hard-hit white tablecloth and other restaurant customers to bring their catch to market, often at premium prices. A majority (79%) of harvesters reported that COVID-19 had a major negative impact on the ex-vessel price they received. 2020 ex-vessel prices and labor

income for fishermen were down as much as 20-25% due to the loss of key foodservice markets and increased costs incurred throughout the seafood supply chain. Ongoing global trade disputes and volatile harvests of key species continue to greatly impact Alaska's fishermen.

There have been some bright spots. Fishermen who made changes to their fishing operations as a result of the pandemic tended to make investments rather than divesting from the industry. Seventeen percent reported that they responded to the pandemic by upgrading boats, and 10% invested in other fishing assets. While they don't completely make up for lost restaurant sales, retail purchases for frozen seafood surged at grocery stores, and in direct-to-consumer online sales.

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According to the 2021 Food Marketing Institute Power of Seafood Report, the seafood department was a leader in the growth of grocery sales with an overall increase of nearly 30% in the past year, outpacing growth in meat (18%), produce (11%) and deli (0.3%).

Customers worldwide have also shown a renewed interest in healthy, delicious protein from trusted producers. According to recent Datassential research commissioned by ASMI, over a quarter of general consumers bought seafood to cook at home for the first time during the pandemic. The research also shows the preeminence of the Alaska Seafood brand remains strong: a whopping 77% of affluent consumers are more likely to purchase seafood when they see the Alaska Seafood logo.

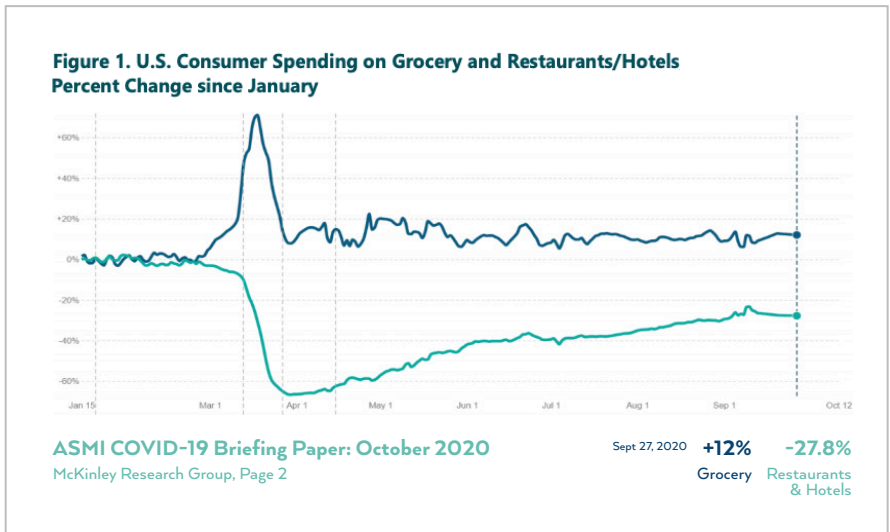
In the following pages we will focus on the significant impacts brought upon by this historic moment in time, and ASMI's response to them. The world is still battling a global pandemic. We celebrate the success brought by the fortitude and resilience of the Alaska seafood industry, while continuing to identify and pursue new opportunities that will help the Alaska Seafood sector rebound and rebuild itself into 2021 and beyond.

Sincerely,

ASHLEY HEIMBIGNER
ASMI Communications Director

COVID-19 Impact Reports & Survey

ASMI has commissioned a series of regular monthly updates from McKinley Research Group detailing impacts to Alaska's seafood industry. ASMI also published a survey of fishermen and processors to study in detail the effects the pandemic has had on various sectors of our industry. These reports can be found online at alaskaseafood.org/covid19.



Source: Opportunity Insights, trackthecoverage.org



Retail & E-Commerce

In the U.S., ASMI executed custom promotions including social media, point of sale materials, product demonstrations, and merchandising in over 35,500 retail stores and e-commerce platforms, in addition to partnering with over 18,000 foodservice establishments in FY2020.

ASMI expanded digital shopping promotions by partnering with third party delivery apps (Instacart, etc.), direct from retailer programs, and platforms like Chicory in the U.S., a digital shopper marketing platform utilizing shoppable recipes featuring wild Alaska seafood. In Western Europe, ASMI partnered with the Bring! shopping app resulting in nearly 45,000 customers placing Alaska seafood in their online carts.

ASMI also partnered with Fulton Fish Market, one of the oldest fish markets in the U.S. to launch a wild Alaska Seafood campaign featuring popular online influencers showcasing their Alaska seafood recipes.



Alaska seafood featured on the TODAY Show, April 2021

Consumer Outreach

When traditional in-person consumer marketing activities were upended in 2020 due to COVID-19, ASMI quickly pivoted to connect virtually with consumers (many of whom were cooking seafood at home for the first time), and media through expanded, targeted social media, and earned and paid media relations activities. The goal of this outreach was to help these new customers successfully learn to cook seafood at home (a well documented hurdle to seafood sales), and to convert these first-timers to lifelong Alaska seafood customers.

In the U.S., these public relations efforts resulted in nearly 1.89 billion impressions (+99%), and extensive social media posts reached 17.4 million impressions (+178%) for a total of nearly 1.91 billion impressions.

Expanding Global Markets

With additional funding from the USDA Agricultural Trade Promotion program, ASMI opened a Southeast Asia marketing office in 2019 to promote Alaska seafood in Indonesia, Malaysia, the Philippines, Vietnam and Thailand. ASMI expanded the existing marketing program in Brazil to include additional countries in South America. Alaska seafood exports to both Southeast Asia and South America increased in the first year of these expanded programs.

Foodservice Pivot

A recent Datassential survey of U.S. consumers listed seafood as the second most missed restaurant menu item. Foodservice establishments found creative ways to safely offer meals to consumers outside of dine-in service and ASMI created resources and menu tools to help foodservice partners highlight more seafood offerings on their takeout menus.

RANKING

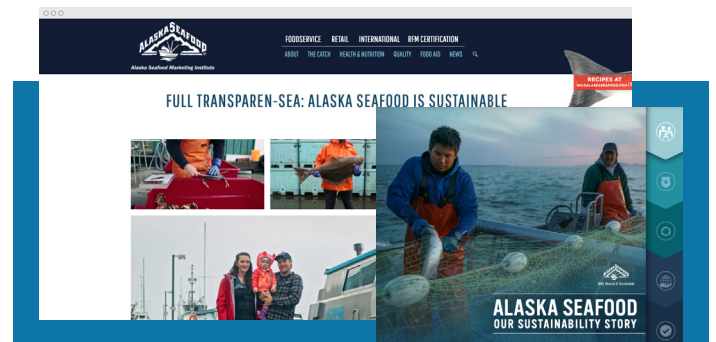
In 2020, Alaska Seafood maintained the No. 1 ranking as the most commonly named protein brand called out on restaurant menus, surpassing Angus Beef, for the fifth consecutive year.



Virtually Global

Due to the pandemic, larger events, including global trade shows, have been cancelled, postponed or converted to virtual experiences. ASMI hosted “virtual booths” and seminars at online events around the world, including the trade and hotel/restaurant industry-focused Internorga trade show in Germany in March 2021. ASMI’s virtual booth received 184 visitors and 168 visitors to the online showroom.

Collaborating with the food delivery company Grutto, ASMI’s Northern Europe team produced Fish Tales seafood boxes containing Alaska salmon which were distributed to customers in the Netherlands. Each box contained hot smoked Yukon keta salmon, cold smoked sockeye salmon and a fresh (frozen) plain fillet of keta salmon, and also included a leaflet about Alaska seafood, a recipe card with information on how to use the products, and a QR code to a video relating to the Alaska fishing community.



Sustainability is Evergreen

Sustainability messaging remains a core focus for ASMI, and a critical story that must be told in new and relatable ways. ASMI launched a new sustainability white paper, brochure, and consumer-focused web page highlighting Alaska’s five pillars of sustainability: fisheries management, families and communities, certification, resource utilization and social responsibility. ASMI remains committed to dispelling misinformation and telling the story of Alaska’s gold standard in responsible fisheries management.

Direct Marketers

In response to the shifting focus on direct to consumer sales, ASMI has launched a new series of direct marketer content to help fishermen and Community Supported Fisheries market their catch. Direct marketers can visit bit.ly/market-your-catch, sign up for the quarterly direct marketer toolkit newsletter, and tap into various ASMI social media campaigns, online resources, high-res photography, recipe cards and more. Check back for more updates!



Did you know you can access hundreds of new high quality harvesting, scenic and recipe photos, videos and more?

Don't forget to sign up for the Alaska Seafood Media Library at netx.alaskaseafood.org



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