

**To: ASMI Board of Directors**

**Date: May 10, 2018**

**From: Hannah Lindoff, International Program Director**

**RE: Proposed FY 2019 International Program Budget**

The following is a summary of the proposed International program budget for FY19.

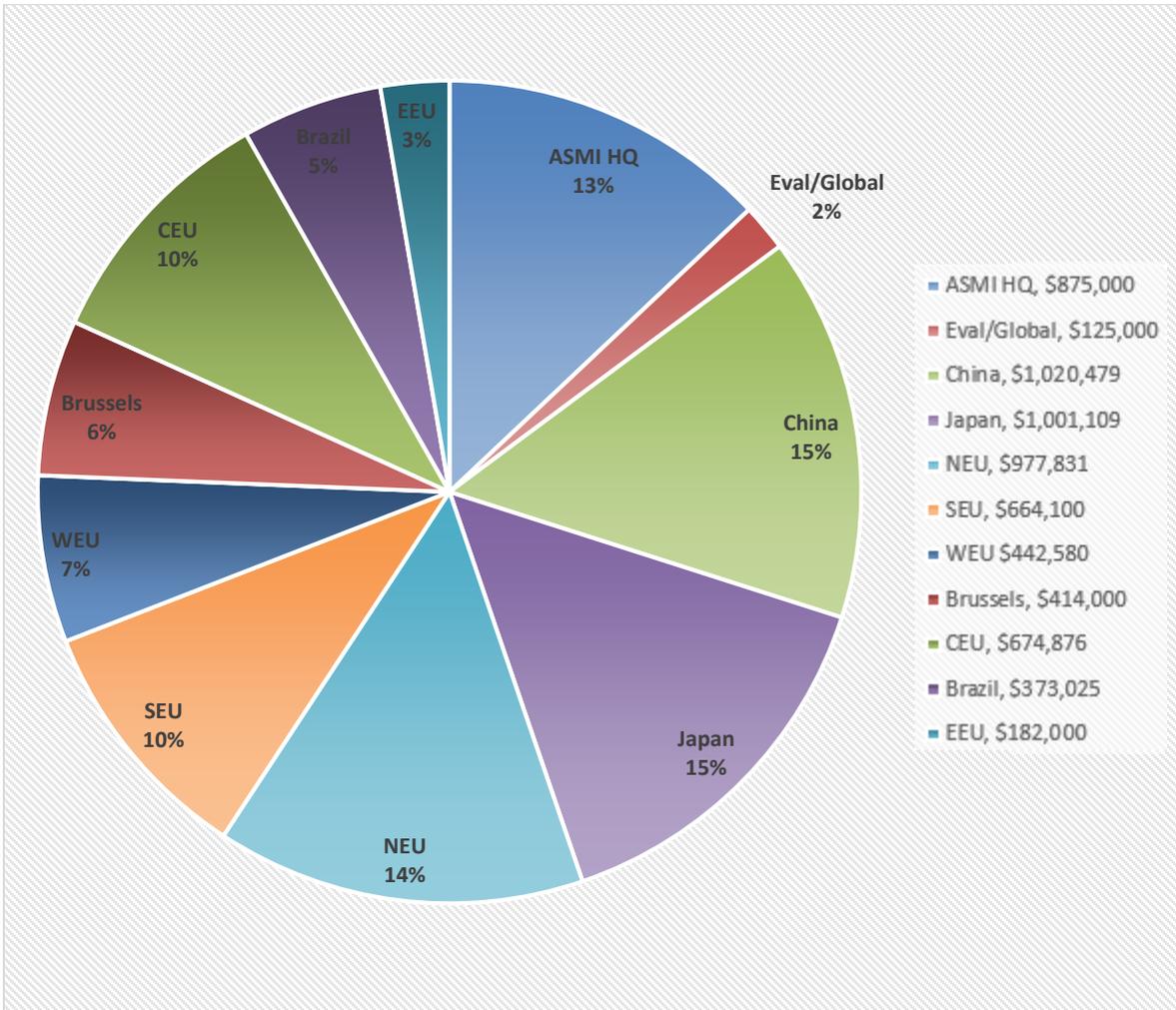
**Key FY 19 Budget Changes**

- MAP funds were reduced by -\$3,391 to \$4,212,420
- Match funds were reduced by -\$93,544 to \$2,537,580
- **Total reduction of -\$96,935**
- **Total budget: \$6,750,000**
- Personal services covers one accounting position and four full time program staff. This is ½ an additional staff member from last year.
- Flat “Global” line compensated by GBI & other partnerships
- Japan reduced in favor of other markets where the IMC feels we can make more impact
- Brazil reduced due to difficulty in the market
- Increases to China, SEU and EEU
- WEU and CEU consumer advertising eliminated

**Comparison of FY 17, FY 18, FY 19 International Program Budgets**

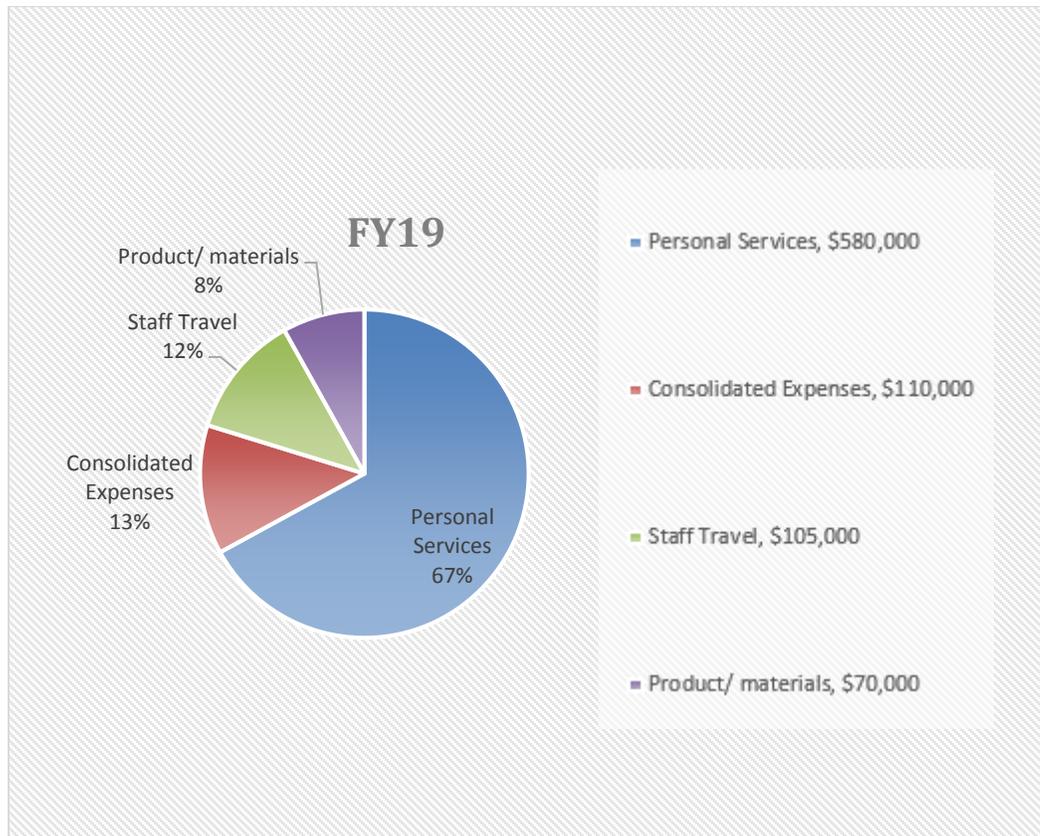
<b>Program</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19 Proposed</b>
<b>Program Operations</b>	\$1,172,000	\$840,000	\$875,000
<b>Japan</b>	\$1,178,754	\$1,201,500	\$1,001,109
<b>China</b>	\$885,000	\$923,479	\$1,020,479
<b>NEU</b>	\$942,831	\$982,831	\$977,831
<b>WEU</b>	\$943,000	\$1,000,000	\$856,580
<b>CEU</b>	\$529,500	\$559,000	\$674,876
<b>SEU</b>	\$585,500	\$621,100	\$664,100
<b>Brazil</b>	\$403,125	\$429,025	\$373,025
<b>EEU</b>	\$145,000	\$160,000	\$182,000
<b>Evaluation</b>	\$100,000	\$105,000	\$100,000
<b>Global</b>	\$70,000	\$25,000	\$25,000
<b>Totals</b>	\$6,954,710	\$6,846,935	\$6,750,000

### International Program FY 19 Budget Overview:



**International Program Operations:**

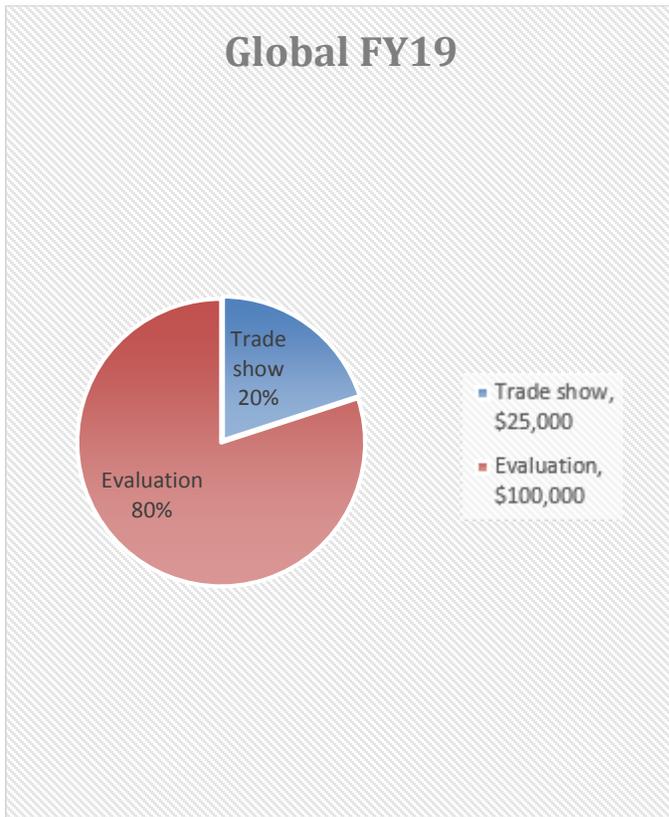
**Total Budget = \$875,000, 13% of total budget (+4% from FY18)**



- This budget is up from FY 18, due to an additional staff member salary hitting the personal services line.
- The personal services line now represents one accountant and four full-time International staff salaries and benefits. This line has been increased +8%.
- Consolidated expenses includes office expenses, subscriptions, trademarks, participation in the Boston show, and other activities that do not fit into a specific regional program budget. This line has been reduced -4%.
- Staff travel includes International Program staff and IMC travel. This line has been reduced -5%.
- Product/materials includes display product purchase and shipment to shows around the world.
- This pie chart does not show the \$10,000 set aside for our international trademark fees.

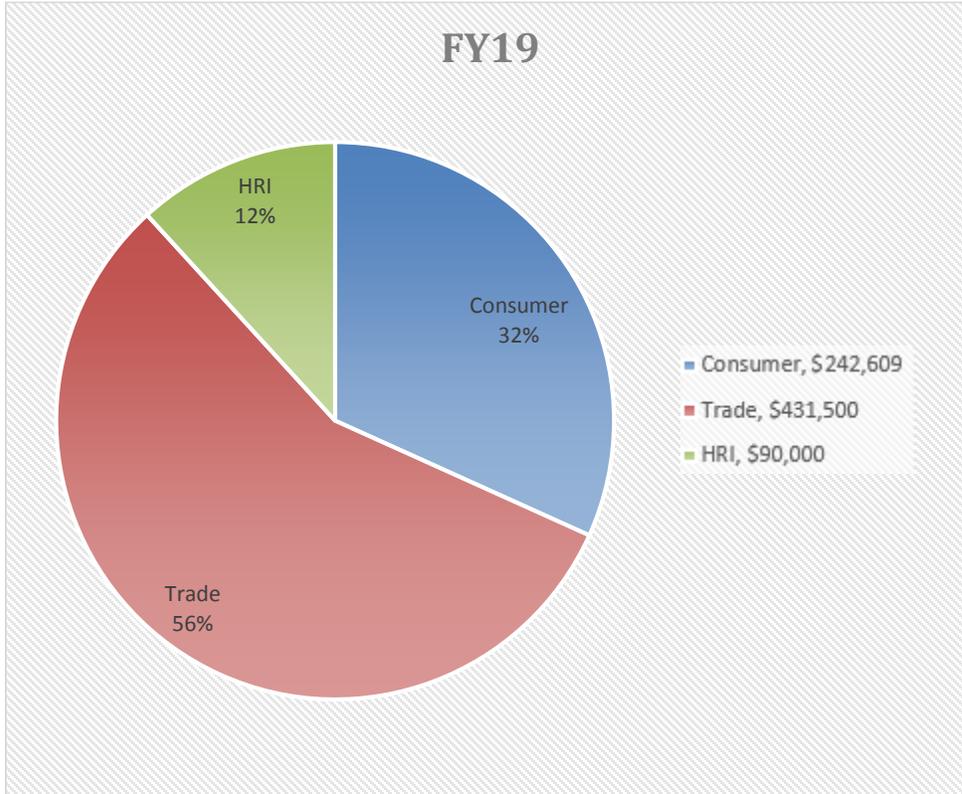
**Global and Evaluation Budget:**

**Total Budget = \$125,000, 2% of total budget (-4% from FY 18)**



- The evaluation budget includes third party research of consumer/trade and HRI overseas programs, as required by the MAP grant.
- The Global Trade Show budget is allocated for the industry to attend a trade show or trade mission outside of ASMI's regional programs, in a country chosen by the IMC.
- In FY 19 ASMI will participate in a GBI mission to Vietnam in September 2018.

**Japan Budget: \$1,001,109, 15% of total budget (-17% from FY 18)**



**• FY19 Breakdown:**

- Consumer PR: \$197,609 (-14%)
  - Consumer promo: \$45,000 (-18%)
  - Contractor travel: \$9,000 (-25%)
  - Trade PR/Ad: \$45,000 (-10%)
  - Retail Merch: \$320,000 (-18%)
  - Trade Shows: \$51,500 (-16%)
  - Website: \$15,000
  - FS promo: \$90,000 (-25%)
  - Retainer: \$228,000 (-16%) (*approximate, to be negotiated*)
  - **Total savings: \$200,391**
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- The Japan program budget is down -17% from FY 18.
  - ASMI has a full time trade rep in Japan. Some trade activities in the Korea market are managed by the Japan OMR.
  - This budget chart does not include the contractor retainer, which will be negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**China Budget: \$1,020,479, 15% of total budget (+11% from FY 18)**

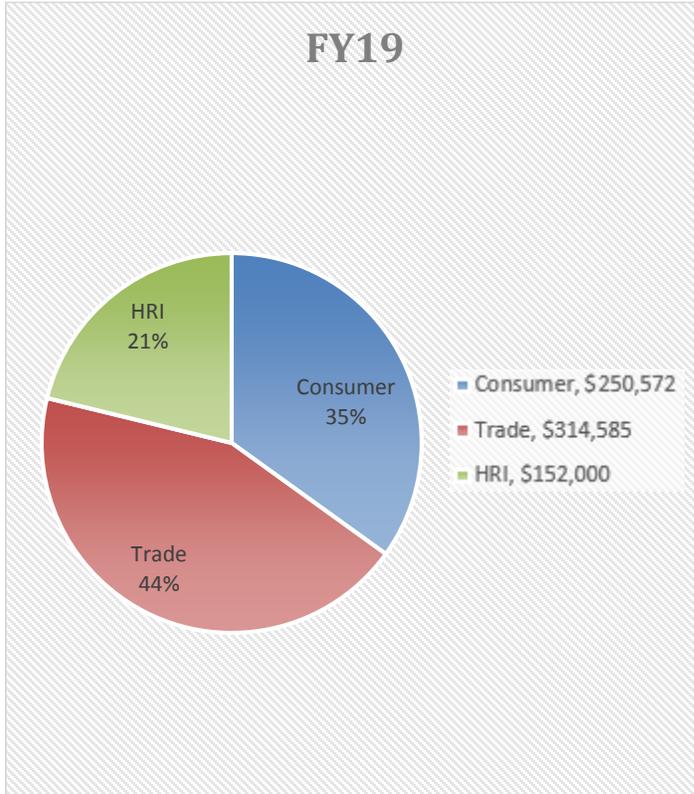


- **FY19 Breakdown:**

- Consumer PR: \$108,479 (+5%)
- Retail Merch: \$200,000 (+8%)
- Trade shows: \$110,000
- Trade PR/ads: \$106,000 (-10%)
- Web promotions: \$140,000 (+56%)
- Contractor travel: \$12,000
- FS Promo: \$103,000
- Chef Seminars: \$54,000 (+38%)
- Training school: \$35,000 (+6%)
- Chef competition: \$50,000
- Retainer: \$102,000 (*approximate, to be negotiated*)
- **Total increase: \$97,000**

- The China program budget is up 11% from FY 18.
- The website/e-commerce line is up 56% over FY 18.
- The Global Based Initiative to promote US Seafood in SE Asia will attend the Seafood Expo Asia in Hong Kong in September as a jumping off point for a SE Asia trade mission.
- This budget chart does not include the contractor retainer, which will be negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Northern Europe Budget: \$977,831, 14% of total budget (-1% from FY 18)**

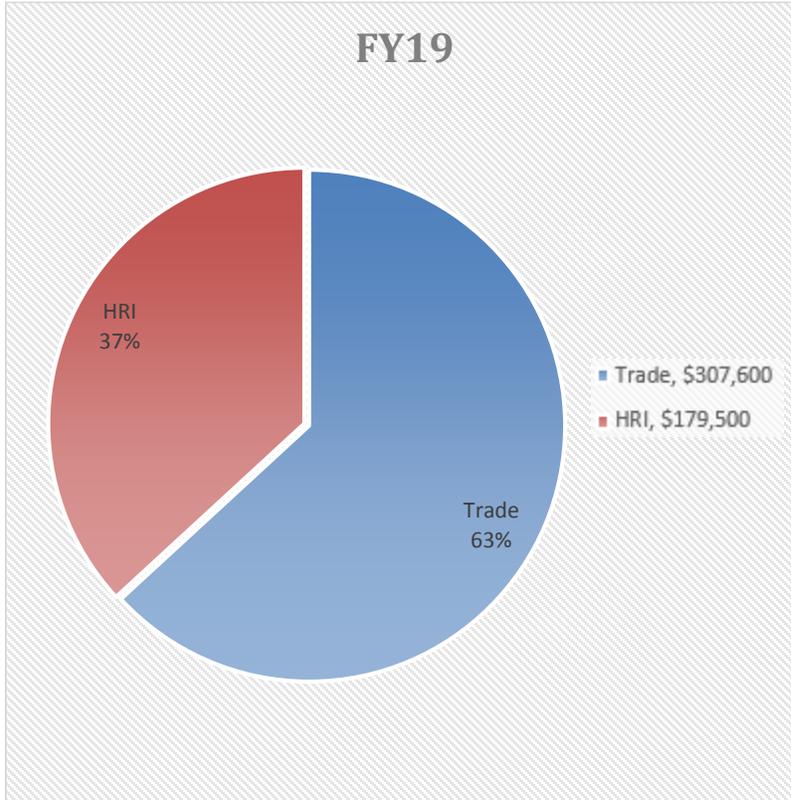


- **FY19 Breakdown:**

- Consumer PR \$181,000 (-2%)
- Consumer Ads \$94,572
- Trade PR/ads: \$40,167
- Retail Merch.: \$268,418
- Website: \$6,000
- FS Promo: \$102,000
- FS PR/Ads: \$50,000
- Travel: \$8,500 (-11%)
- Retainer: \$227,174 (*approximate, to be negotiated*)
- **Total savings: \$5,000**

- The Northern Europe (NEU) program is 85% concentrated on the UK, with about 5-10% in the Netherlands and the ability to conduct activities in Ireland, Finland, Sweden and Denmark if opportunities arise.
- The NEU budget is down -1% from FY 18. Consumer/Trade/HRI allocations remain roughly the same.
- This budget chart does not include the contractor retainer, which will be negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

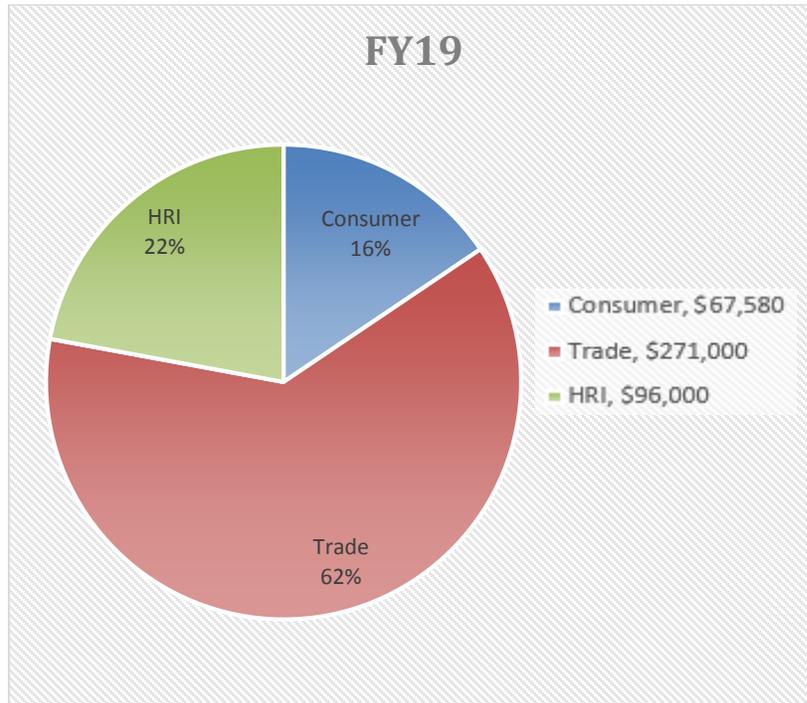
**Southern Europe Budget: \$664,100, 10% of total budget (+7% from FY 18)**



• **FY19 Breakdown:**

- Trade shows: \$109,600 (+10%)
  - Trade ads: \$31,000
  - Retail Merch.: \$107,000
  - Trade PR: \$79,000 (+10%)
  - Website: \$6,000
  - Contractor travel: \$7,000 (-22%)
  - HRI trade shows: \$114,000 (+15%)
  - FS promo: \$30,000 (+50%)
  - Chef seminars: \$60,500
  - Retainer: \$120,000 (*approximate, to be negotiated*)
  - **Total increase: \$43,000**
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- The Southern Europe (SEU) program covers Spain, Portugal and Italy.
  - The SEU program does not have specific consumer activities.
  - The SEU budget is up 7% from FY 18.
  - Co-exhibitor contributions to CONXEMAR help fund the trade show line, amount TBD.
  - The budget chart does not include the contractor retainer, which will be negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Western Europe Budget (including Seafood Expo Global): \$856,580, 13% of total budget (-2% from FY 18)**

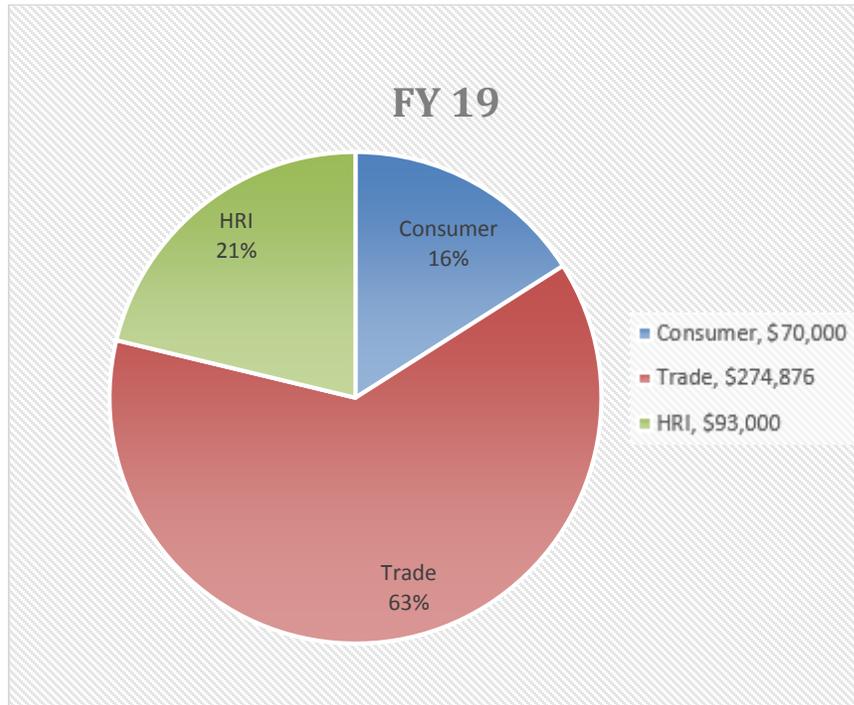


- **FY19 Breakdown:**

- Consumer ads: \$0.0 (-100%)
- Consumer PR: \$67,580 (+4%)
- Contractor travel: \$8,000
- Trade PR/Ads: \$72,000
- Retail Merch.: \$185,000 (+10%)
- Website: \$14,000 (+250%)
- FS Promo: \$66,000
- HRI tradeshow: \$15,000
- Chef seminars: \$15,000
- Trade Shows (SEG): \$414,000
- **Total savings: \$19,420**

- The Western Europe (WEU) program covers France and Belgium.
- The WEU budget is down 2% from FY 18. Consumer advertising has been eliminated.
- The SEG show in Brussels is \$414,000 that is allocated into the WEU budget for the MAP grant purposes. This line is not included in the pie chart. The SEG budget is also dependent on co-exhibitor contributions.
- This budget does not include a contractor retainer, because WEU and CEU have been combined under one OMR for savings. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Central Europe Budget: \$674,876, 10% of total budget (-1% from FY 18)**

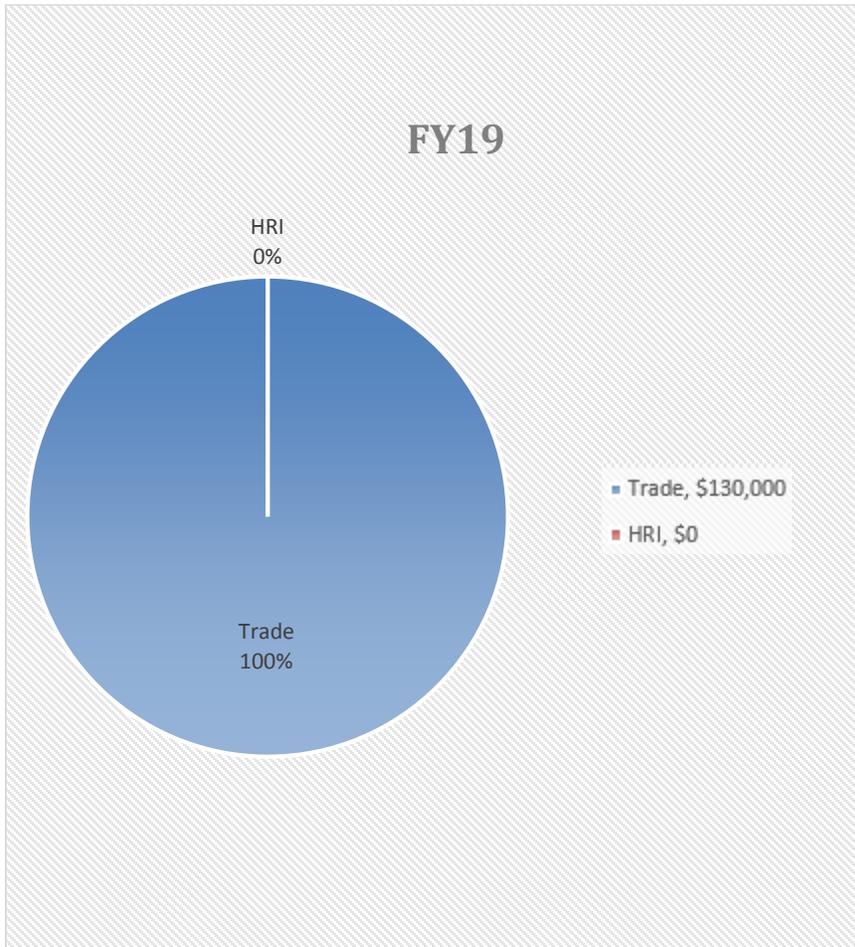


- **FY19 Breakdown:**

- Consumer ads: \$0.0 (-100%)
- Consumer PR: \$70,000 (-4%)
- Trade PR: \$75,000 (+3%)
- Trade shows \$30,000
- Retail Merch. \$153,000 (+17%)
- Website: \$16,876 (+181%)
- Contractor travel: \$9,000 (-25%)
- FS Promo: \$60,000 (+9%)
- HRI Trade show: \$18,000 (+20%)
- Chef seminar: \$15,000 (+50%)
- Retainer: \$228,000 (*approximate, to be negotiated*)
- **Total savings: \$8,124**

- The Central Europe (CEU) program covers Germany, Austria, Switzerland, the Czech Republic and Poland, with an emphasis on Germany and growing program in Poland.
- The CEU budget is down 1% from FY18. Consumer advertising has been eliminated.
- The WEU and CEU OMR were combined in FY 18 for cost savings and added synergy.
- This budget pie chart does not include the contractor retainer, which will be negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.

**Eastern Europe Budget: \$182,000, 3% of total budget (+14% from FY 18)**



**FY19 Breakdown:**

Trade PR/Ads: \$40,000 (+5%)

Trade shows: \$20,000 (+33%)

Retail Merch: \$70,000 (+27%)

Foodservice Promos: \$0

Contractor Travel: \$12,000

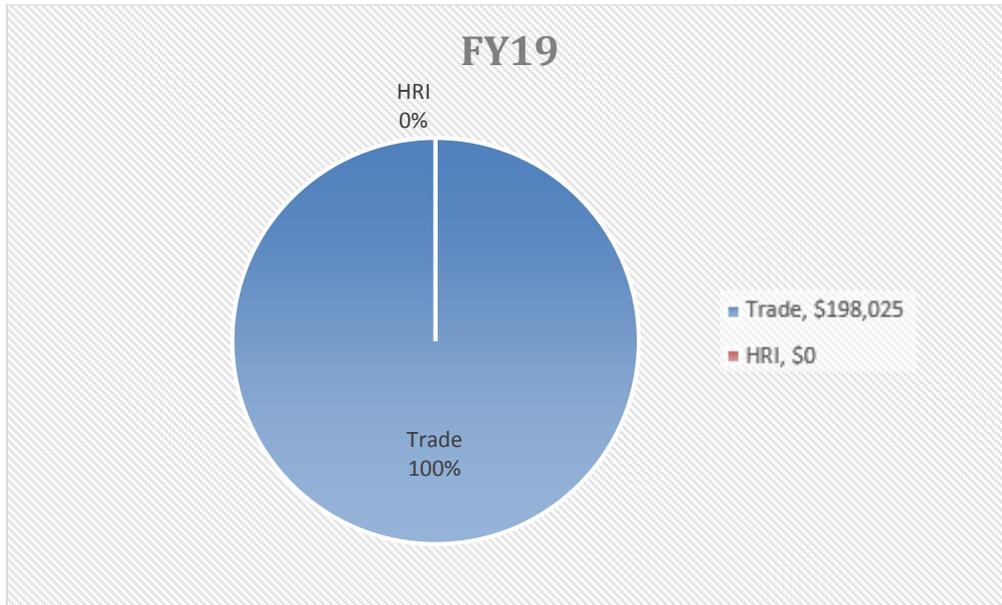
Retainer: \$40,000 (*approximate, to be negotiated*)

**Total increase: \$22,000**

- The Eastern Europe (EEU) program covers Russia, Ukraine, Romania, Moldova, Georgia, Kazakhstan, Azerbaijan, Latvia, Lithuania, and Estonia with emphasis on promotions in Ukraine and Romania and trade servicing throughout the region.
- The EEU program no longer has HRI activities and is solely trade focused.
- The EEU program budget is up 14% from FY 18.

- This budget pie chart does not include the contractor retainer, which will be negotiated. Contractor travel is also not included in the pie chart but the budget amount is listed.
- This budget will be boosted by Cochran mission funds in FY 19.

**Brazil Budget: \$373,025, 5% of total budget (-13% from FY 18)**



**FY19 Breakdown:**

- Retail Merch: \$131,025 (-13%)
  - Trade PR/Ads: \$57,000
  - Website: \$10,000
  - Foodservice Promo: \$0 (-100%)
  - Contractor travel: \$10,000 (-38%)
  - Trade Mission: \$0
  - Retainer: \$165,000 (*approximate, to be negotiated*)
  - **Total savings: \$6,000**
- 
- The Brazil program, for grant purposes, only covers Brazil, but the program also serves as a hub for all of South America.
  - Trade shows and other events in Brazil have a broader South American reach and ASMI's OMRs gather trade leads when at shows throughout the region.
  - The Brazil program budget is down 13% from FY 18.
  - This budget pie chart does not include the contractor retainer, which will be negotiated and will likely be revised downward this year. Contractor travel is also not included in the pie chart but the budget amount is listed.