

**DATE:** October 28, 2018  
**TO:** ASMI Board of Directors  
**FROM:** Hannah Lindoff, International Marketing Program Director  
**RE:** International Program Report

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This report covers activities occurring in the fourth quarter of FY 18, summer 2018, and provides a general update of International program progress.

In May ASMI International underwent a seven day federal audit. With over \$6 million dollars of invoices examined, and over \$17 million at stake, only \$232 was flagged by the auditors for payback.

Recent escalation of the trade conflict with China has dominated headlines and International program staff time. ASMI efforts included providing industry updates online and at meetings such as the UFA September board meeting and NFI Political Conference, as well as submitting public comment on the September 18 tariffs, prior to their publication. ASMI information services also included numerous Alaska, regional, national and international press interviews.

ASMI International has been invited to apply for the Agricultural Trade Promotion program, ATP, a temporary surge in overseas marketing dollars for US cooperator groups who demonstrate adverse impacts from the ongoing trade conflict with China. ATP is funded at \$200 million, the same amount of funding the Market Access Program (MAP) received this year.

ATP requires a 10% match and applications are due Nov. 2nd. Due to the timing of the All Hands Meeting, ASMI international staff plan to submit their application by Oct. 26th.

ATP is, for the most part, analogous to MAP, although there are nuanced differences, such as different travel policies and the ability to pay for product used in a technical way.

ATP is a onetime surge of funds but groups can apply for multi-year projects lasting up to three years. ASMI plans to apply up to \$9 million for a three-year period. We do not expect to receive this amount in full but also have very little information about what kind of award to expect. Funding awards will be made available sometime in the new year and the program will begin July 1, 2019.

ASMI hosted two in-bound missions in July, a buyers' mission from China and a buyers' mission from Ukraine which was funded through the FAS Cochran program. The success of the Cochran mission led FAS to propose an in-bound mission from Georgia next summer. ASMI also participated in an outbound mission to Vietnam and an outbound mission to Poland following Seafood Expo Global 2019 is in the works.

#### **TRADE SHOWS/TRADE MISSIONS:**

##### **Seafood Expo Global Brussels, Belgium April 24-26, 2018**

Approximately 120 trade leads were collected at the show from 40 countries.  
Onsite Sales for ASMI Pavilion Exhibitors (booth and table): \$52,829,500  
Projected Sales for ASMI Pavilion Exhibitors (booth and table): \$639,000,000

##### **SIAL China, Shanghai May 16-18, 2018**

As the largest food and beverage exhibition in Asia, the 19th edition of SIAL China took place in Shanghai on May 16-18, 2018. Major market players from retail, catering, hotel/restaurant/catering (HoReCa), food services, the import/export trade and manufacturing attended the show. ASMI China booked two standard booths under the USA Pavilion.

### **Culinary Retreat, Tutka Bay, Alaska**

**July 10-13, 2018**

ASMI International sponsored five chefs to participate in a joint Domestic-International Culinary Retreat in Tutka Bay.

### **China in-bound mission, Seattle, Anchorage, Kodiak**

**July 8-13, 2018**

Several delegates are in negotiations or have already placed orders with Alaska seafood producers since departing Alaska. The representatives from Tencent Media will produce several pieces of coverage highlighting the health benefits, sustainable practices and pristine environment of Alaska seafood. \$900,000 in sales have been reported as a result of the mission, despite of the ongoing trade issues in China.

### **Ukraine in-bound mission, Seattle, SE Alaska, Dutch Harbor**

**July 21 – August 3, 2018**

Several delegates are in negotiations or have already placed orders with Alaska seafood producers since departing Alaska. Post -mission value of current season imports of Alaska seafood from COCHRAN mission participants: **\$32.55 million.**

### **USA Seafood Trade Mission, Vietnam**

**Sept. 10-14, 2018**

The fourteen participating suppliers reported actual export sales of US\$1.69 million and project US\$4.25 million in future sales as a result of this mission. Additionally, U.S. supplier participants report making 132 new foreign buyer contacts and establishing 39 distributor relationships with eight suppliers reporting their first-time export sale to a new market.

### **CHINA:**

#### **MARKET UPDATE**

At the end of May, talks between China and the US seemed to indicate a potential trade war but that the conflict, which began in March with Trump announcing tariffs on aluminum and steel from China, could be averted. However, the US quickly finalized tariffs on \$50 billion worth of Chinese goods on June 15. The same day, China announced it would impose an additional, punitive 25 percent tariff on a range of American products from autos to agricultural products and seafood. China's response targeted a range of seafood products, including, salmon, lobster, shrimp, cod, tuna, pollock, oysters, scallops, Dungeness crab, snow crab, black cod, geoduck and more. Until now, these items faced a 5 – 15 percent tariff and will now contend with the additional tariff.

The 25 percent U.S. seafood tariffs apply to all products consumed within the nation. For now, products, including much of the Alaska salmon, pollock and crab that goes into China for additional processing and re-export to other nations, will be exempt from the new tariffs. Details about the how the tariff will be specifically applied have yet to be determined. From talking with China Customs contacts, we can confirm that customs procedures thus far, have not changed: the tariff would not be applied to processing products for re-export purpose and the tariff would only be applied when products are consumed within China.

While businesses involved with Alaska seafood will have to consider their bottom line, seafood exports from other countries will now appear more attractive for businesses. Norwegian salmon, Canadian snow crab and halibut, and Icelandic sea cucumber, for example, suddenly become more enticing options. Their products are somewhat similar in quality and considerably cheaper, making Alaska seafood less competitive.

Recently, a Norwegian government spokesperson said in a press release, the Norwegian seafood exporters may have to pay 70 million Norwegian kroner (US \$ 8.58 million) less each year, as per China's July 1 tariff reduction plan. According

to the press release, more than 250 Norwegian seafood products will have a tariff reduction. As the trade dispute with America continues to unfold, China is already showing signs it is beginning to look elsewhere to satisfy its immense appetite for seafood.

## ACTIVITY UPDATE

### Retail Merchandising

Retail promotions are perhaps the most effective way to stimulate sales for Alaska seafood. With an increasing number of products available now in China, ASMI China emphasizes the variety of Alaska seafood options, an excellent selling point. ASMI not only promotes high profile Alaska seafood like sockeye salmon, black cod, and king crab, but also covers more moderately priced products such as Pacific cod, rock sole, and yellowfin sole. Products gaining popularity, like sea cucumber, are also featured during retail promotions. To maximize in-store exposure, POS materials, including signs featuring the ASMI logo and slogan "Product of USA" will be featured in store setups. The stores will also provide sampling, which traditionally, has been a great way to attract consumers and allow them to learn about the tastes and flavors of Alaska firsthand. The following retail promotions took place during the first half of 2018:

- Sam's Club Nationwide Promotion (19 outlets; cod, yellowfin sole, black cod, king crab), January 12 – February 11, 2018
- Metro Promotion in Shanghai, Wux and Qingdao (6 outlets; cod, pollock, black cod), January 12 – February 9, 2018
- Aeon Promotion in Guangdong (5 outlets; pollock, cod, snow crab), January 30 – February 28, 2018
- Grand Buy Promotion in Guangzhou (5 outlets; pollock, pink salmon, cod ), February 5 – March 5, 2018
- 199 Go Promotion in Guangdong (5 outlets; pollock, pink salmon, cod) March 1 – March 31, 2018
- Parkshop Promotion (6 outlets; pollock, cod), March 1 – March 31, 2018
- Ocean Three Retail Promotion, Hong Kong (8 outlets; salmon, black cod, cod), April 25 – May 25, 2018

### Results:

- Six promotions were held in Mainland China achieving 1,399 promotional days.
- One promotion was held in Hong Kong/Macau achieving 248 promotional days.
- Distributed 27,000 seafood samples.
- Sold 136,160kgs of Alaska seafood for a total value of \$1,271,890.
- Established one new retail chain relationship.
- All the retail promotional partners continued to carry Alaska seafood on a consistent, long-term basis.

### Trade Shows

SIAL 2018 May 16 – 18, 2018: ASMI China set up a booth at SIAL China 2018, the largest food and beverage exhibition in Asia. The food and beverage exhibition ran from May 16-18, 2018, attracting major market players from retail, catering, hotel/restaurant/catering (HoReCa), food services, importers/exporters and manufacturing. The ASMI booth was decorated with an eye-catching backboard, smaller POS materials, as well as two freezers, displaying salmon, king crab,



black cod and more. Promotional materials including buyer's guides and product information were distributed. Samples featuring pollock roe, crab and salmon were handed out to attendees. By participating in the event, ASMI China helped establish a positive presence for Alaska seafood and enhanced relationships with local businesses and seafood traders.

Results:

- Over 70 trade leads were collected, among which around 20% has actual sales requests.
- Encouraged two traders to import Alaska seafood on a long-term basis after the show
- Two foodservice promotions to result from contacts made during the show

**Trade Public Relations**

Trade Gathering in Dalian and Shenzhen, January 11-12, 2018: Following the trade gathering held in Guangzhou in September 2017, ASMI China held similar events in Dalian and Shenzhen, January 11 and 12, 2018 respectively. More than 20 local key seafood accounts were invited, including importers, wholesalers and retailers for each event. ASMI aims to gain a clearer idea about the seafood market in both cities and surrounding areas through these events and better understand trader's requests to provide better assistance. A presentation was given at both events, detailing Alaska seafood and marketing activities, while attendees were served dishes featuring Alaska snow crab, yellowfin sole, pollock, halibut, pollock roe and herring roe.

Trade Gathering in Hong Kong, January 24, 2018: ASMI China continued to hold its annual trade gathering in Hong Kong, this year on January 24, 2018. As always, it was a great chance for ASMI China to expand the market for Alaska seafood and develop new clients, as well as maintain relationships with existing seafood traders. Over 60 local seafood traders were invited, which included importers, wholesalers, retailers and those from the HRI sector. At the gathering, ASMI China presented the latest information on Alaska seafood and updated everyone about its marketing activities. The Alaska seafood served during the dinner reception event included Alaska halibut, sockeye salmon, king crab, salmon roe, and pollock.

Trade Seminar for Governor Walker's Trade Mission in Chengdu, May 22, 2018: On May 22, 2018, ASMI sponsored a trade gathering as part of Governor Bill Walker's trade mission to China at the InterContinental Century City Chengdu. Attendance for the event was over 85 people, comprised of traders, suppliers, chefs, hotels, as well as 20 media platforms. Alaska seafood companies included, Bambino's Baby Food, Copper River Seafoods, Golden Harvest Alaska Seafood, Icicle Seafoods and Trident Seafoods. Ten KT boards, an LED background, Nanook Bear, plus smaller signage for check-in tables decorated the venue and education materials were provided. After opening remarks by Jane Yao from ASMI and ATO Chengdu Director Yvonne McDowell, the Alaska seafood companies introduced themselves. Afterward, the executive chef of the hotel prepared a demonstration that featured king crab, pollock and black cod. Attendees sampled the dishes and had an opportunity to develop new business relationships.

Showcase Dinner in Shanghai for Governor Walker's Trade Mission, May 29, 2018: As part of the Alaska Governor's Trade Mission, ASMI hosted a showcase dinner on May 29, at the W Shanghai – The Bund. The trade gathering attracted 180 attendees, with representation from many area retailers, five-star hotels, chain stores, traders, China Daily and other media. Eight background boards decorated the event with information about the state and seafood. A large background board for the sign-in table and smaller Alaska seafood signage were used. Buyer's guides, menus, and specific product information were also provided. A media event was held in conjunction, attended by Governor Walker, four seafood companies, one baby food company and 32 media platforms. After opening remarks by Governor Bill Walker and ATO Shanghai Director Ryan Scott, the Alaska seafood companies introduced their backgrounds. The evening concluded with attendees enjoying the buffet featuring Alaska seafood including king crab, snow crab, salmon, pollock, cod, black cod, yellowfin sole, pollock and herring roe, and sea cucumber, plus the opportunity to network with key industry players.

Results:

- Over 335 traders attended the events
- Encouraged seven traders to carry Alaska seafood for local consumption
- Six retail promotions are being negotiated as a result of the events

## Online Sales

JD .com ---Online Promotion February 15 – 25, 2018: After successfully cooperating with JD.com the past few years, ASMI launched a one-week online promotion with the leading retailer for February 15-25, 2018. Alaska seafood including yellowfin sole, cod, pollock, perch, rock sole, flathead sole, plaice, black cod and pink salmon were featured.

Sfbest.com---Online Promotion on March 13 – 19, 2018: SFbest.com is one of the largest e-commerce platforms and has worked with ASMI China on promotions for many years. ASMI China and SFbest.com teamed up once again to launch a promotion March 13 - 19, 2018, to expand the influence and stimulate sales of Alaska seafood. Alaska cod, black cod, yellowfin sole, and pollock were featured during the promotion. Because of the promotion, 38,800kgs of Alaska seafood were sold out.

Chunbo Online Promotion May 10 – 20, 2018: ASMI partnered with Chunbo.com, a major online retailer of perishable seafood products for an online promotion on the Chunbo app from May 10 - 20, 2018, the second round promotion in FY17/18. In addition to popular Alaska seafood products like black cod, Pacific cod, pollock and sea cucumber, new products such as Alaska salmon burgers and bites were featured for the promotion.

Tmall Online Promotion, June 20 – 30, 2018: Due to several successful promotions with Tmall in the past, ASMI again partnered with them to launch an online Alaska seafood promotion June 20 - 30, 2018. ASMI worked with three online stores at Tmall.com for the promotion. Alaska seafood including pink salmon, pollock, yellowfin sole, black cod, Pacific cod and sea cucumber were highlighted.

Fresh Fresh Online Promotion June 22 – 30, 2018: Fresh Fresh is a new online retail platform for fresh food products. It sources product from around the world that includes vegetables, dairy, meats, seafood, grains and more. In addition to direct purchases through its website, customers can also utilize its app. ASMI China joined Fresh Fresh to launch an Alaska seafood promotion via its app, featuring Alaska sockeye salmon, salmon burgers and bites, Pacific cod, black cod, yellowfin sole and pollock from June 22 – 30, 2018.

### Results:

- 300,000kgs of Alaska seafood sold during online promotions for a total value of \$6.12 million

## Foodservice Promotions

Marco Polo Wuhan Menu Promotion March 13 – 31, 2018: From March 13 through the end of the month, ASMI China and Marco Polo Wuhan held an Alaska seafood promotion at the hotel's buffet restaurant to attract guests to enjoy Alaska seafood. Alaska yellowfin sole, cod and pollock were featured.

Dragon-I Group Restaurant Menu Promotion June 1 – July 31, 2018: Dragon-I group restaurants worked with ASMI China to launch a menu promotion at its two restaurants (Cassio & Dragon-I Concept), from June 1 - July 31, 2018 for a two-month period. During the promotion, Alaska seafood including sockeye salmon, king crab and black cod were promoted.

### Results:

- Approximately 12,100 kgs of Alaska seafood were consumed as a result of the two promotions
- Over 4,500 consumers were reached
- Alaska seafood will continue to be used after the promotion

## Chef Seminars

Japanese cooking seminars in Shanghai and Beijing March 12 – 13, 2018: ASMI China hosted a chef seminar in Shanghai



and Beijing March 12 and 13, 2018 respectively. Over 80 chefs and purchasing staff from high-end hotels and restaurants were invited to each event. Guest chef Naoyuki Yanagihara from Japan provided a cooking demonstration and show the high quality of Alaska seafood. Alaska seafood including sockeye salmon, cod, pollock, rockfish, yellowfin sole, snow crab, herring roe, and pollock roe were featured at both seminars. Eight recipes were developed in advance and served to participants. Special recipe booklets were produced as handouts.

*Agriculture Trade Office Chef Seminars in Xiamen and Jinan April 27, 2018:* ASMI China joined the chef seminars in Xiamen and Jinan, held by ATO Beijing and Guangzhou respectively. The seminar in Xiamen was held at the Conrad Hotel and 60 chefs and purchasing staff from local hotels and restaurants were invited. Pollock, pollock roe and snow crab were featured. The Jinan seminar was held at the Jinan Sofitel where 40 participants from local hotels and restaurants were invited. Pollock and snow crab were featured in this seminar. The activities were significant efforts to increase exposure of Alaska seafood in the cities of Xiamen and Jinan.

Results:

- Over 200 chefs attended the seminars
- Seven hotels/restaurants started carrying Alaska Seafood following the seminars
- Three foodservice promotions are being negotiated

### **Chef Competition:**

*Chef Competition in Hangzhou on May 12, 2018:* ASMI China hosted a chef competition in Hangzhou in collaboration with the Zhejiang International Catering Industry Alliance Committee. Forty chefs from local high-end hotels were invited to participate in the event with a task of creating two dishes from three Alaska seafood ingredients, pollock, yellowfin sole and pollock roe. A panel of five master chefs was organized to judge the competition. To help amplify the message for Alaska seafood, some KOLs were invited to write about the event, posting to their Weibo and WeChat accounts prior to the competition. Another influential KOL was also invited to the venue to provide live coverage of the event.

Results:

- Generated 80 menu/recipes; two menu promotions are being negotiated
- Three hotels agreed to carry Alaska Seafood after the event
- Fifteen pieces of press coverage have been generated with a value of \$45,000 targeting three million consumers

### **JAPAN:**

#### **MARKET UPDATE**

According to a survey by Japan's Ministry of Internal Affairs and Communications (MIAC), total expenditure on seafood per Japanese household in April 2018 was JPY 5,736 (US\$52.15), down 8% down from the previous year in April. In May, it was JPY 5,825 (US\$52.95), down 7% year-on-year. This marked the largest decline in 14 months. On the other hand, expenditures on fresh meat rose 3% from the previous April (JPY 5,898 = US\$53.61), and 2% from May 2017 (JPY 6,055 = US\$55.04).

The average CIF of imported Alaska surimi price per kg in March was JPY 319/kg (US\$2.90/kg), up 35%, compared with the same month last year. In April, JPY 328/kg (US\$2.98/kg), up 21%. Because of the price increase of "A-season surimi," almost all surimi producers must increase the end prices at an average 10% from end of August 2018. The imported quantity of surimi from the USA in April dropped dramatically for the first time since 1990, which may trigger competition for surimi products with current high demand from the EU, China, Korean, and Thai markets. Meanwhile, Japanese surimi producers have developed new surimi items such as, "Salad Fish," as a chicken substitute, popular among female consumers as well as "Imitation eel meat" and other surimi products to add to lunchboxes triggering "Insta-genic" Instagram photos on Japanese social media.

A seafood importer in Japan imported frozen king and sockeye salmon roe by air shipment and produced sujiko in Hokkaido as a first trial. The first wholesale price of the new sujiko in May 2018 was JPY 4,500/kg (US\$40.90/kg). Meanwhile, two other importers in Japan imported young sujiko (non-frozen) produced in Alaska with a wholesale price

of JPY 6,200/kg (US\$56.36/kg), up 30% compared with the same month in the last year.

The wholesale price of 4/5 lb. dressed sablefish which saw a decline in 2017 has increased in value up to JPY 2,700/kg (US\$24.54/kg) in recent months. However, the wholesale price for old inventory sablefish dropped dramatically in April and May 2018 because of the previous comparatively higher price; it decreased to JPY 1,750/kg (US\$15.90/kg). Some Japanese seafood companies who have not sold their old stock just started to sell their old stock below market value (minus JPY 900 – JPY 800/kg = US\$8.18 – US\$7.27/kg).

## ACTIVITY UPDATE

### Consumer PR

#### Alaska Finger Food Booklet and Advertorial in Bi-Premium Magazine: ASMI

Japan produced an Alaska Seafood Finger Food Recipe Book and an advertorial with Bi-Premium Magazine. The recipe book featured collaborative material with the Japan Finger Food Association, an organization with the aim of promoting finger food throughout Japan. Executive Director Yoshie Maruyama developed eight recipes using Alaska pollock surimi (surimi crab leg), Alaska pollock roe, sockeye salmon and herring roe (two recipes per fish variety). The eight-page booklet includes general Alaska Seafood information and eight finger food recipes using Alaska Seafood.



Results:

- Finger food booklet featured in the April 2018 edition of Bi-Premium Magazine, circulation 80,000

### Consumer Promotions

Keita's Cooking Classes: ASMI Japan conducted four cooking classes taught by cooking specialist Keita Inoue, who is very familiar with Alaska seafood. Keita has developed many Alaska seafood recipes, including Alaska seafood burgers. The classes took place in Osaka, the first two lessons on November 18, and the next two on February 3, 2018. ASMI Japan asked for Keita to develop "easy-to-prepare" recipes using Alaska sockeye salmon, Pacific cod, Alaska pollock roe, and herring roe. Approximately 20 people attended each seminar. ASMI Japan supported this opportunity by providing Alaska seafood samples, as well as brochures/leaflets about Alaska seafood for the students to take home and read. Keita developed original recipes and educated the students about the natural, sustainable, high quality and delicious aspects of Alaska seafood.

Alaska Seafood Experience at Junnu, Sogo Chiba: Junnu is the name of a section of Sogo Seibu Chiba department store, which was rebranded on September 15, 2017, as a section for women's fashion and lifestyle shops. On December 8, 2017, the department store held a launch event for Junnu, and invited 2,000 young female customers to attend. ASMI Japan provided high-quality finger food for attendees by sending cooking specialist Keita Inoue to prepare approximately 500 servings of mainly Pacific cod and pollock roe dishes designed to complement wine and champagne. ASMI Japan supported the event by covering the cost of the seafood, and Keita's cooking demonstration and recipe development fees

Collaboration with US Commercial Service Targeting Japanese Travel Industry: ASMI Japan cooperated with hosting partner US Commercial Service to support the 2018 delegation from Alaska that included Visit Anchorage and Visit Fairbanks. The purpose of ASMI's support was to promote and educate the Japanese travel industry (as consumers) and media about Alaska seafood and present them with opportunities to taste real Alaska seafood. ASMI Japan provided various kinds of Alaska seafood for a lunch buffet for attending guests from the travel industry including herring roe and Alaska pollock roe, and asked each chef to develop and prepare their own original recipes. The chefs attended the seminars to educate participants about the delicious taste, quality, safety and sustainability of natural Alaska seafood while guests dined.

Results:

- 80 people attended Keita's Cooking Classes and "Meets" magazine (circulation 150,000) featured the event in their culture column
- Roughly 500 people tasted Alaska seafood at the Alaska Seafood Experience

- 200 members of the Japanese travel industry attended the seminars with the US Commercial Service

## Retail Merchandising

Herring Roe Promotion with Ito-Yokado for New Year's: ASMI Japan supported a herring roe promotion at Ito-Yokado stores to boost demand during the New Year period. Ito-Yokado is the hypermarket brand of Seven & I retail group, and as of August 2017, there were 170 Ito-Yokado stores operating in Japan. The sales promotion took place on December 28, 2017, which is a peak time for selling osechi (traditional Japanese New Year cuisine). ASMI Japan sent demonstrators (one demonstrator per store, eight hours per day) to the participating 40 Ito-Yokado stores, and sent POS materials showcasing the featured product to all stores.

Sujiko and Herring Roe Promotions at Aeon Stores: ASMI Japan supported a sujiko salmon roe promotion at 24 stores on October 28, 2017 in the Kansai region (Kyoto, Osaka and Hyogo prefectures), with one demonstration staff person per store. Traditionally, it has been said in the Japanese seafood industry that sujiko consumption in west Japan is low, so ASMI Japan sent demonstration staff to 26 Aeon stores to increase awareness of sujiko, and sent POS materials presenting the featured product to all stores. ASMI Japan also supported a herring roe promotion at Aeon stores on December 29 & 30, 2017 to boost demand for herring roe during the New Year period. ASMI Japan sent demonstration staff to 50 Aeon stores in the Tokyo, Nagoya and Hiroshima metropolitan areas and surrounding prefectures (one demonstration staff person per store), and sent POS materials presenting the featured product to all stores.

Promotion with Mail Order Retailer Daichi wo Mamorukai: Daichi wo Mamorukai is the second largest mail order-based food retailer specializing in high quality foods (mainly organic foods). Founded in 1975, the retailer has approximately 100,000 members nationwide in Japan. ASMI Japan worked with Daichi wo Mamorukai to promote Alaska seafood to their members (consumers) through their network. ASMI Japan supported the development of special flyers, which included Alaska seafood information and Alaska seafood recipes to deliver to members. This time, Daichi wo Mamorukai focused on sockeye salmon and Pacific cod. Daichi wo Mamorukai purchased 350kg of Pacific cod and 450 kg of sockeye salmon this season. The mail-order based food retailer aims to sell 2,100 packs of Pacific cod, and 2,600 packs of sockeye salmon.

Herring Roe Day in Hokkaido: ASMI Japan supported several events to promote herring roe through "Herring Roe Day" (May 5th) in Hokkaido. The main event was held at Sapporo New Chitose Airport on May 5th during the middle of Japan's Golden Week national holidays (May 3rd - 6th, 2018). ASMI Japan conducted a cooking demo which included samples of Alaska herring roe, and produced and supplied herring roe recipe cards and POS (banner, recipe card) for additional events held on the same day. The cooking demo was held at Sapporo New Chitose Airport. At the same time, sampling opportunities were held at Coop Sapporo stores, and the recipe demonstration was held at a cooking school for families on April 21st at Sapporo Central Wholesale market. This event was announced in Coop Sapporo's free monthly magazine Cho-co-tto as a tie-up advertorial.



### Results:

- Herring Roe Promotion with Ito-Yokado for New Year Period total sales value: JPY 8,177,729 (US\$76,427)
- Sujiko & Herring Roe Promotion at Aeon stores total sales value: JPY 2,630,000,000 (US\$24,579,439), total sales value (herring roe, Oct. – Dec. 2017, 3 months) = JPY 662,000,000 (US\$6,186,915)
- Promo with Food Retailer Daichi wo Mamorukai total estimated sale value (for all stock) = JPY 3,199,200 (US\$29,083)

## Trade Shows

Tokai Denpun Food Festival Collaboration with GAPP: Tokai Denpun Co., Ltd. is a food industry trading company (operates various businesses including importing/exporting, processing, wholesaling, and seafood business). Tokai Denpun also runs various seafood businesses all over the world, and its surimi business is one of its "signature" businesses. Every two years,

Tokai Denpun holds a "Food Festival" trade show for its customers, clients and food industry, which has become one of the most influential surimi trade shows in Japan. ASMI Japan collaborated with GAPP to operate one booth (free of charge) at the Food Festival to promote Alaska pollock surimi to the trade show attendees (approximately 2,000 people, 50-60% from the surimi industry). ASMI Japan distributed Alaska pollock surimi brochures and showed visitors short movies about the Alaska pollock surimi process (one from GAPP and one from ASMI).

Results:

- Approximately 2,000 people visited the show, with 50-60% from the surimi industry

### New Media Promotions

Instagram Surimi Recipe Contest: As consumption of surimi products decreases in Japan, ASMI Japan sought to reverse the trend by conducting a surimi product promotion on Instagram. The promotion consisted of a "Surimi arranging recipe contest with surimi products" with "Instagramers Japan," the biggest Instagram user group in Japan with 120,000 followers.



Results:

- 71 posts submitted for Alaska surimi recipes with the hashtags #alaskaseafood
- Total reach: 324,041
- Number of likes: 19,358

### Foodservice Promotions

Herring Roe Promotion at Sushi Tsune for Children's Day: ASMI Japan collaborated with Sushi Tsune, a Japanese sushi restaurant chain, conducting an "Alaska Herring Roe Fair" at their 20 outlets in the Greater Tokyo Metropolitan area on May 3-5, 2018, in conjunction with Japanese Herring Roe Day on May 5th.

Results:

- 274 kgs of herring roe was sold during three days at 24 Sushi Tsune restaurants.

### WESTERN EU (FRANCE, BELGIUM)

#### MARKET UPDATE

France is the second largest economy in the Eurozone and one of the founding countries of the European Union and the Eurozone. Its economy has benefited from the establishment of the European common market, however, in 2015 France slid backwards, becoming the sixth's largest industrialized economy, behind the United States, China, Japan, Germany and now the United Kingdom.

Intervention of the State in the economy has traditionally been important in France. The level of public expenditure and taxation is among the highest in the world. However, because of the election of President Macron in 2017, investors' trust is returning and the French economy has been recovering, with a 2017 GDP growth of 2% (same growth expected in 2018).

French retailers have been late in embracing e-commerce. The best example has been the #1 European retail chain Carrefour. Carrefour's new CEO Alexandre Bompard has proposed a drastic restructuring plan for the company to adapt to the French customers' new requirements in terms of e-shopping (including the disappearance of the former hard-discount store Dia).

Retailers and processors are dealing with constant food industry bashing in the media. The salmon industry has not recovered from the 2013 exposé on Norwegian salmon and sales are still affected. A TV program which branded Norwegian salmon "the most toxic food in the world" surfaced several times during the year.

Due to a challenging global market with consequent demand exceeding salmon production, the price of salmon has increased steadily during past years.

Suppliers and distributors have to create new products. Due to multiple food scandals in Europe, French consumers are looking for more natural and less processed products such as ready meals.

Natural food and sustainability remain two major topics for seafood buyers, whether they are in charge of purchasing in the foodservice sector or in the retail sector. It is very difficult to get an idea of the overall awareness of sustainability among consumers and knowledge in the consumer press remains very poor. Several foodservice companies have decided to introduce wild Alaska salmon in their product portfolio, such as Sodexo (worldwide catering leader; the company is present in 80 countries and has 420,000 employees in the world), and Metro France (major cash & carry company). They both have introduced frozen Alaska keta fillets in their product ranges. The reason for this change was the desire to have a more sustainable product in their catalog for consumer reassurance.

Origin promotion is prevalent, whether it is on the packaging, retail catalogs, or POS material in retail stores. Pavilion France still invests a lot in advertising and promotional programs to promote French species.

Norge (Norwegian Seafood Export Council) promotes both sustainable fisheries and seafood origin. Since November 2013, Norge has been battling to promote the good practices of fish farming. Throughout the year, Norge invites chefs, opinion leaders, and consumers to visit salmon farms. In 2017 Norge launched a video campaign entitled "Norway: tough for people, ideal for salmon" (French TV, social networks). Norge continues to promote messages around farming to reassure consumers about the quality of farmed products.

## **Consumer Advertising/Public Relations**

*French Blogger Competition:* A blogger cooking competition took place at the world famous cooking school L'Ecole du Ritz at the Le Ritz Paris. Chef Jean-Baptiste Thivaud guided a workshop for ten food bloggers from France. The challenge was to develop and cook dishes with Alaska salmon, salmon roe and Pacific cod. In 90 minutes, five teams of two created an appetizer, a starter and a main course highlighting Alaska seafood.

*FAS Events "Taste of America" and Independence Day:* ASMI supported the FAS office in Paris for two of their main public events of the year. The summer "Taste of America" celebration as well as the Independence Day reception. Working with the US embassy is always beneficial as their invitations attract key opinion leaders and influential trade representatives. Alaska seafood was highlighted as a premium American food product. ASMI supported the FAS with samples of raw and smoked wild salmon as well as decorations and promotional materials.

*Doctors Office Promotions:* Waiting rooms of general practitioners, sport medicine specialists and nutritionists were equipped with ASMI information brochures. These materials focus on the nutritional content of Alaska species, Alaska

pollock in particular, provide recipe ideas for light and healthy dishes and gave recommendations where to find Alaska products. The promotion targeted consumers of all ages and covered wild salmon, Alaska pollock and Pacific cod.

#### Results:

- Ten French bloggers attended the competition, with a combined social media reach of 398,000 potential customers. In the week after the workshop over 40 Instagram stories were shared, with more to come.
- ASMI reached close to 250 press, trade and HRI contacts through the FAS events in France.
- 125,000 Alaska information flyers were distributed to 2,500 doctor's waiting rooms throughout France. An estimated 500,000 patients and potential consumers will be reached.

### Trade Shows

SEG Brussels Seafood Show: The main activity for the WEU region was the exhibition at SEG Brussels 2018. ASMI attended the show on a combined floor space with 21 Alaska companies. In addition to the Pavilion, ASMI Germany brought an Alaska Seafood Truck to the show, which served as a highlight for many attendees. Alaska seafood samples were served out of the truck, which showcased the versatility of Alaska seafood in a myriad of ways. Alaska salmon, scallops, pollock, and crab were featured and served by notable chef, Christian Binder. Feedback for the food truck was fantastic, including attendees asking to lease the truck, media attention, and a consistent line of people waiting for samples. The Alaska food truck also catered during the USA reception, in cooperation with Food Export, serving more than 3,000 plates of Alaska seafood dishes.



#### Results:

- Approximately 120 trade leads were collected from 40 countries
- Onsite Sales for ASMI pavilion exhibitors: \$52,829,500
- Projected Sales for ASMI pavilion exhibitors: \$639,000,000



### Retail Merchandising

Salmon and Cod Ready Made Meal Promotions: In cooperation with Delpierre, ASMI pushed several pre-packed chilled ready meals made of Alaska cod or Alaska salmon ("Brandade de Morue," "light salted cod," cod loin with almonds/pistachio, and salted keta fillets). 80 stores (mainly Carrefour, Leclerc, and Intermarché) participated in the promotion.

#### Results:

- Leclerc, H&G pink salmon (frozen). Achieved sales: 35,259 kg (25,000 kg expected) = € 156,903 (USD 194,559). Product introduced in November 2017.
- Leclerc, keta salmon steaks (frozen). Achieved sales: 3,720 kg (3,000 kg expected) = € 46,909 (USD 58,167).

### Foodservice Promotions

Pudlo Food Celebration, Paris: ASMI was a sponsor of the Pudlo food celebration in Paris. The event takes place annually and features top food trends and ingredients for the gastronomy and consumer market. ASMI highlighted wild keta salmon as a high quality, versatile product for modern cuisine. The goal was to push the popularity of an unknown salmon species among WEU chefs and consumers.

#### Results:

- ASMI Reached 200 Representatives of the gastronomy scene and food press through participation at the Guide Pudlo event

## **CENTRAL EU (GERMANY, AUSTRIA, SWITZERLAND, CZECH REPUBLIC and POLAND)**

### **MARKET UPDATE**

The EU continues to be a stable and reliable trading market. Northern, Western and Central European countries represent a strong economic power within the Union, with Germany and France as leading countries in both a political and economic sense.

The European retail sector makes up 11% of the overall GDP. Almost 15% (33 million) of all European employees work in this segment. The market is strongly affected by international operating trading groups. Leading retail cooperatives are the Schwarz Group (Germany), Tesco (UK), Auchan (France), Carrefour (France), and Metro Group (Germany). Over the past years, discounters have significantly improved their position in the market. Especially the German based Aldi and Lidl have strengthened their influence all over Europe.

The food sector is generally developing positively with the inflation rate in CEU markets increasing by between 1 and 2 %. As a global comparison, food prices in CEU markets are still rather low. The rising inflation works in favor of imported goods, especially in the higher priced product range.

In the past year, the currency exchange rate Euro to US Dollar has shifted in favor of the Euro. This makes imported US products more affordable and thereby competitive within CEU markets. For American suppliers this means a big advantage compared to previous years.

Consumer spending is improving in all markets with a general change in customer behavior, especially when it comes to food. Attributes such as sustainability, organic, natural, free-from, etc. have become significant sales arguments leading to an overall acceptance of higher food prices to ensure quality. This also reflects in current food trends in CEU markets. The main drivers of the sector are:

- Convenience for foodies. Consumers are looking for high quality products while also demanding quick and convenient preparation and consumption.
- Snacks / Supplements as meal replacement. This goes along with the convenience trends. Due to lack of time or dietary reasons, people replace meals with snacks or supplements. Popular are smoothies, healthy fruit snacks, energy bars or pocket meals (breakfast biscuits etc.). For packaged goods, consumers look for added ingredients such as vitamins, probiotics, antioxidants, etc.
- Good For You Foods: Healthy eating is still heavily dominating the market. Key attributes are good fats, low carb, protein, free-from allergens or additives, and organic. Frozen foods were able to gain popularity as locked-in freshness products.
- Private Labels and home brands continue their growth. The number of products and market share is increasing constantly.
- Texture has always been important in upscale gastronomy and now also reached the market for end-consumer products.

Most of these developments can be considered opportunities for Alaska seafood suppliers. The strong Euro helps to make products more competitive, especially against inner-European origins such as Norway. The above mentioned food trends reflect consumer demands suitable for Alaska products. The ASMI strategy responds to these new expectations and will continue to address the new strong consumer force driving the CEU food market.

### **ACTIVITY UPDATE**

#### **Consumer Public Relations**

Doctors Office Promotions: March 1 was the start for the Doctor's Office promotion in Poland and Germany. In these two markets, ASMI displayed brochures and posters in the waiting rooms of general practitioners, sports medics, and nutritionists. Materials informed about the nutritional benefits of Alaska species with a focus on Alaska pollock to

introduce the fish as a healthy, high-quality source of valuable nutrients. Besides general information about the origin of Alaska and its sustainable fishery, flyers also contained information about availability in CEU retail and how to prepare Alaska seafood at home.

Results:

- Over 75,000 informational flyers were delivered to 3,700 doctor's waiting rooms in Poland and Germany.
- The registered reach of the campaign was 7.2 million potential customers.

### Trade Advertising/Public Relations

*Effilee Reception for Trade Representatives, Journalists and Bloggers:* A larger cooperation took place with the well-known food magazine Effilee. Using their network and popularity, ASMI organized an Alaska reception inviting trade representatives, journalists and bloggers. A chef from Effilee prepared dishes highlighting products from Alaska while journalists had the chance to talk to the industry to learn more about Alaska seafood. After the event, a large feature was published in the magazine.

*In-Store Easter Promotions with German Department store Karstadt:* In cooperation with Gottfried Friedrichs, ASMI ran an in-store promotion around the Easter holidays for their smoked wild salmon fillet cut. The promotion was planned and realized with the German department store chain Karstadt and their fine food departments. In 24 key affiliates, ASMI placed tasting counters, handed out information flyers and provide on-site information about the product, the origin Alaska and the unique attributes of wild salmon. In total, 48 days of promotion took place between March and April.

Results:

- Worked with twelve bloggers and journalists through the Effilee cooperation. Publications resulting from the event reached a readership of over 90,000 and had a value of USD 45,000. ASMI was heavily featured in 10,000 copies of the Transgourmet assortment catalog as well as 6,000 printed editions of the annual special edition Seafood Star of Fischmagazin.
- The wild salmon POS promotion led to the best Easter sales of the cooperating Karstadt stores in the past 20 years. All stores combined, the retailer recorded an increased turnover of 21% with a total sales value of a bit more than USD 100,000 for close to 1.8MT smoked wild salmon.

### Trade Shows

*Bremen Seafood Show:* In February, ASMI exhibited at Fish International Bremen. The largest seafood show in Germany attracted most industry representatives and trade partners and was the ideal platform to push awareness of Alaska. This year's edition set a new record of 12,000 trade visitors. ASMI cooperated with Transgourmet to save budget. As part of their booth, ASMI had space for an information counter as well as additional space for the food truck. Alaska was also part of the press table attending nine pre-scheduled meetings with key journalists of trade and HRI press.

Results:

- ASMI conducted more than 30 trade meetings during Fish International. These led to four direct trade requests for products from Alaska as well as agreements for new cooperation in the next marketing year.
- The food truck served over 400 plates of Alaska poké and smoked salmon tartar.
- Throughout the show, over 15,000 pieces of ASMI information material were handed out to visitors.



## Retail Merchandising

Alaska Seafood on QVC: ASMI supported a sales campaign of Alaska seafood through the largest teleshopping channel QVC. This has been a channel through which ASMI has not promoted products in Central Europe before. During the show, the hosts focused on the high quality of Alaska seafood and the sustainable fishery.

Bart van Olphen Product and Recipe Launch: ASMI supported the Dutch chef and cookbook author Bart van Olphen and his Fish Tales brand for the launch of their new wild salmon retail products and seafood recipe collection. Bart is a big supporter of the sustainable Alaska fishing principles and worked with the colleagues in the UK for some of his projects. The main topic was sustainability and how modern fisheries can be profitable while protecting the maritime environment at the same time. The new retail product range highlights the fisherwomen and fishermen behind the product and the origin of the fish on the packaging.

Results:

- The QVC teleshopping promotion reached an audience of over 150,000 viewers and an estimated sales value of USD 25,000.
- Supported the launch of two new Alaska wild salmon retail products with highly visible Alaska origin labelling.

## Foodservice Promotions/Product Showcases

Youkon Wholesale Promotions: The Austrian seafood trader Youkon completed the wholesale promotions for Alaska seafood. The promotion focused on wild salmon and cod and ran at Metro, Pfeiffer or Handelshof. In the past three years, the company has been able to constantly enlarge their Alaska portfolio.

Pickenpack Product Launch: ASMI supported Pickenpack with the development and launch of a new Alaska pollock product line for the HRI and foodservice sector. These fit perfectly in the campaign to improve the image and perception of Alaska pollock in CEU markets. The cooperation included the development of new product images and promotion material as well as the adaption for the booth at SEG Brussels to officially launch the new assortment.

Results:

- The Youkon promotions recorded sales of close to 22,000kg with a value of around USD 720,000. ASMI supported it with materials as well as funding for booth space and promotion staff.
- Launch of six new Alaska products for the CEU HRI sector.

## Chef Education

GastroVision 2018: In March, ASMI collaborated with Die Räucherei to exhibit at GastroVision 2018. As one of the leading meeting points for the German gastronomy, the event attracts chefs, decision makers of the HRI sector as well as suppliers and producers of high value and innovative products. ASMI presented its wild seafood species and the sustainable origin at the booth of Die Räucherei. GastroVision is known as the trend-setting platform for the modern restaurant scene making it a perfect event for Alaska seafood.

HRI Chef Seminar with Transgourmet: In cooperation with Transgourmet, ASMI organized an education seminar for their key clients from the HRI sector. Invited were chefs, caterers, gastronomists, foodservice companies and journalists. In total, 52 representatives took part in the workshop (including guests like the category manager and head buyers of Nordsee, the leading integrated fish restaurant chain in Germany, as well as chefs of popular restaurants like the Bullerei in Hamburg). The key topic was sustainability and ASMI gave a 40-minute presentation on the Alaska fishery, its species and the sustainable efforts to protect the environment. Following this, the ASMI gastronomy spokesperson Heiko Antoniewicz held a cooking workshop showcasing Alaska pollock and wild salmon as ingredients for an innovative but still affordable foodservice



cuisine. In the evening, a cooking presentation for 120 guests (including consumers) was organized featuring pollock, cod and salmon. The seminar was featured in several key magazines of the HRI sector.

Result:

- Reached over 200 chefs and HRI representatives during GastroVision 2018. Served close to 500 sample dishes highlighting Alaska species.
- Reached 52 HRI key contacts and 120 consumers during the evening show-cooking event with Transgourmet and informed them about Alaska seafood and the diversity of Alaska species.

## **NORTHERN EU (U.K., IRELAND, THE NETHERLANDS, FINLAND, DENMARK, SWEDEN)**

### **MARKET UPDATE**

Seafish released data to May 19, 2018 which shows that the total seafood market in the UK retail sector continues to grow in value (+3.5%) and contract in volume (-3.1%) due to above food inflation prices increases. Total seafood increased in price per kilo by 6.8% with ambient seafood prices continuing to rise most significantly (+12.5% versus year ago).

Chilled seafood value has increased +6.6% (£130m) since 2016 with frozen increasing +6.9% (£47m). The ambient category has however contracted over this period reducing in value by 2%, equating to £8m.

In volume terms, all categories have declined since 2016 with the chilled sector currently back to pre-2016 levels declining by a marginal tonnage (350MT). Frozen seafood is also currently sitting at pre-2016 levels and is tracking a 1.7% decline in volume of 1,800tons. The ambient sector is however where this volume contraction is most significant. Since 2016, the sub category has declined by 15% or close to 11,000MT. Per unit pricing for this category is up close to 10% in a market where food price inflation is currently at 3%.

Although the total seafood category continues to show marginal volume gains due to increased households purchasing, the average frequency of purchase has now declined for ten periods. Whilst statistically this only accounts for a reduction in half a visit per year, this would suggest for some consumers, prices have reached a ceiling which makes the category less appealing than it was a year ago.

Increases in the price for the main species in retail are associated with volume declines across most species with the exceptions of haddock and pollock. For haddock, most sales are natural or added value in the chilled supply chain where the species is now only 3,000 tons behind cod. Most pollock, however, is sold in a frozen form. Here the species is showing a 10% increase in value sales with a 4.5% in volume sales. Frozen pollock is now ahead of its 2016 position. Pollock is showing a strong performance across all consumer diagnostics with frequency, penetration and trip volume all contributing to the value increases seen. On average, households are shopping four times per year for pollock and spending a little over £9 per annum - an increase of 10% in the last year. Pollock is a popular product for families and cash strapped households who still want to eat seafood regularly and this is evident in the retailers where we have seen increased share of trade. Iceland and Farmfoods are two smaller retailers that specialize in frozen product and it is clear that pollock has a strong appeal. There currently remains little or no pollock presence in Aldi where yellowfin sole and bass appear to be hitting the low-tiered price point.

The impact of the Sainsbury's / Asda merger as discussed above will be mixed with the chilled seafood market likely to see the most impact as the new group will have a 1.5pp share lead. Tesco remains the largest retailer for frozen fish. This is exemplified in the pollock situation where the new group will have 27.1% share almost 4pp ahead of Tesco.

Early summer often sees contract changes for the retailers and this year is no different. Young's Seafood, based in Grimsby, has lost the contract for whitefish and shrimp in a c£30m contract. The whitefish contract has been taken up by Albert Darnell in Grimsby which is owned by Surrey based New England Seafood. Whitefish contracts also expected to change hands at Waitrose.

## ACTIVITY UPDATE

### Public Relations

**Chef Ambassadors Dale Pinnock and Adam Reid:** ASMI has filled the consumer ambassador role with Dale Pinnock, a British food writer, chef and TV personality who specializes in the medicinal properties of food. He has a degree in human nutrition and postgraduate in nutritional medicine. He has published a number of successful cookbooks and recently co-opened a healthy eating delicatessen in London called SANO. Dale is also a fish and seafood advocate. He regularly promotes the consumption of fish and seafood within the diet and as such has agreed to collaborate with ASMI to raise the profile of Alaska Seafood's health and nutritional benefits on a B2C basis. Chef Patron of The French, Adam Reid agreed to become ASMI NEU's foodservice ambassador for FY18. The partnership has been designed to raise the profile of Alaska seafood within the food service sector and encourage a greater uptake of Alaskan produce amongst chefs, restaurants and hotels.

**Women's Health "Fit Fish" Campaign:** In support of 'fit fish' month (April), ASMI NEU rolled out a creative advertising campaign with Women's Health online promoting John West canned salmon. The ASMI branded interactive superhero banner featured three different canned products with supporting recipes and a link back to the ASMI website.



**Pollock "Be Different" Pollock Campaign:** ASMI NEU conducted multiple activities in support of the "Be Different" campaign for Alaska pollock. First, five social media influencers were recruited who embodied the ethos of the campaign were tasked with creating engaging content to distribute across their social channels, including inspired pollock recipes. Funding covered the cost of the media partnerships as well as product. Second, ASMI partnered with Foodism - a London based foodie title with a circulation of 109,119. The collaboration included video content showcasing a mix of creative dishes with Alaska pollock, social media promotion as well as print and online recipes. ASMI NEU selected three chefs to work with, ranging from street food vendors to budding chefs slowing bursting onto the restaurant scene. They were interviewed in their own environment for authenticity and filmed cooking simple yet sexy dishes that can be easily replicated in the home.

**London Marathon Expo:** As part of ASMI's fitness campaign, NEU exhibited at the London Marathon Expo. The event hosted 80,000 runners over a four-day period as they collected their number and pre-race kit bag. The ASMI stand featured a photo booth allowing customers to take pictures of themselves in Alaska. ASMI negotiated support from John West, providing 2,000 free cans of red and pink salmon for tastings. The chefs also served Alaska pollock from Billingsgate Seafood School, branded running merchandise was given away and we ran a competition to win a culinary consultancy dinner with The Medicinal Chef, Dale Pinnock.

### Results:

- Dale Pinnock created three recipe videos for ASMI, participated in an interview on SixtyPlusSurfers and posted four blogs posts that discussed the health benefits of Alaska Seafood.
- Adam Reid participated in two interviews and published six blog posts about Alaska Seafood
- Women's Health guaranteed 299,999 impression for the duration of the "Fit Fish" campaign.
- For the Alaska pollock "Be Different" campaign, five bloggers posted creative pollock recipes on their blogs as well as across social media. The recipes included pollock ceviche, pollock tartar with lemon and pollock fritters.

- The Alaska pollock “Be Different” campaign reached 109,119 readers through its placement on the homepage of Foodism; the three recipes received a total of 39,294 views.
- At the London Marathon, the ASMI booth handed out 2,000 cans of red and pink salmon

## **Trade Advertising/Public Relations**

Women in Seafood Industry Events: The women in seafood campaign centered around two industry events focusing on the success of women working in the seafood industry. The first was the Parabere Forum in Malmo March 4-5. Sponsorship included the provision of a Seafood Bar at the conference center, attended by 300 industry experts. ASMI received branding and exposure on stage as well as online at the Parabere website, in the e-newsletter, conference catalogue, program, press kit and in the auditorium. The second was the Intrafish Women in Seafood Leadership Summit on March 8. The event discussed the challenge of how to attract more women into the seafood industry. ASMI secured the Silver Sponsorship package, which included branding on the event invitation, website and event signage; recognition in follow up to attendees as well as editorial coverage; advertorial with IntraFish.

### **Results:**

- The Parabere forum was attended by 300 industry experts

## **Retail Merchandising**

Waitrose Sockeye Salmon Campaign: Waitrose has 40% share of wild salmon sales in the UK and as NES introduces new products, they were keen to promote sockeye salmon to drive incremental sales. NEU agreed the following package: Sockeye recipe card to be available in all stores, sockeye recipe video of above across Waitrose social / digital platforms, my Waitrose mailing to top 700K My WR customers. Content - story of wild Alaska and coupon (coupon redemptions NES funded).

Prince's Sainsbury's Canned Salmon Promotion: ASMI and Princes ran a co-branded campaign to promote red canned salmon in Sainsbury's in store and online. The three-week campaign took place during Easter and included a full page advert in the March 2018 issue of Sainsbury's Magazine (circ. 189,578), trolley media in 41 key selling stores and online activity on sainburys.com including cross-sell, search sponsorship and food cupboard zone banners. The campaign also featured the key health and sustainability benefits of wild Alaska salmon.

Young's/Costco Retail Promotions: ASMI NEU conducted two retail merchandising events with Young's Seafood: in-store sampling at Costco plus sales incentive promotions with 20 retail depot teams for Bidvest. A sampling day for Young's Seafood pollock products took place Costco Warehouses nationwide on May 5, 2018, with the aim of raising awareness of the health benefits of Alaska seafood. This was a tactical sampling event as Costco listed Bird's Eye cod fish fingers for the first time. Wholesaler "ra-ra days." ASMI co-sponsored a series of promotion days with Bidvest across 20 depots. The days included sales incentives for the teams plus co-branded merchandise, targeting deep cut products. ASMI funded 50% of the total cost.

### **Results:**

- During the promotional period, Waitrose sold 139,306 units of sockeye salmon for a total value of \$924,425, an incremental increase of over 69,000 units and \$428,280
- The Prince's in-store and online promotions resulted in \$186,009 in incremental sales for Prince's Wild Pacific Red Salmon, a return on investment of 4.06
- During the Young's promotions throughout May, 16,800 customers sampled Alaska seafood, an increase of 6,560 members from last year. 2,075 total sales with an average conversion rate of +11%

## **Foodservice Promotions**

Horecava Food and Hospitality Exhibition: Horecava is the largest food and hospitality exhibition in Holland that welcomes more than 65,000 catering professionals from approximately 40,000 different companies interested in food news, trends and services. The fair took place between Monday Jan. 8 - Thursday Jan. 11, 2018 at RAI Amsterdam. ASMI

NEU partnered with Roots Fish Smokery to co-brand a stand (6x1.75m) in the dedicated Food Market to promote smoked salmon and black cod. ASMI's investment covered 50% of the exhibition space and branded materials.

*Chef Magazine:* ASMI NEU allocated funds to Chef Magazine in order to raise the profile of Alaska Seafood within the foodservice sector. Chef Magazine is published monthly and has a circulation of 4,800. The proposal ran between March and July and included four editorial features as well as social media support (15.7k followers on Twitter).



Results:

- The total number of visitors at Horecava 2018 was 66,444 across the four days
- As a result of the show, Dutch wholesaler 'de Kweker' to start selling Alaska smoked sockeye
- *Chef Magazine* has a circulation of 4,800 and 15.7k followers on twitter

### **Foodservice Advertising/Public Relations**

*Big Hospitality:* ASMI NEU conducted a six month campaign with Restaurant Magazine (15,238 circulation) and their online portal Big Hospitality (131,000 monthly unique users) to promote the use of Alaska seafood in high-end foodservice establishments. The campaign included 'Dish Deconstructed' - a series of short videos that reveals the cooking method behind some of the top chef's signature dishes. Adam Reid filmed two videos; one pollock and one salmon. In a bid to "premium-ise" pollock – the video was hosted online at Big Hospitality and promoted across the title's social media channels (Twitter: 45,000, Facebook: 7,536). The salmon video will be promoted across Adam Reid's social channels in July to support the summer salmon campaign. The campaign also included a filmed Twitter Q&A at the Restaurant Congress as well as a live cooking demonstration with Adam Reid.

Results:

- Adam Reid's "Dish Deconstructed" video was hosted online at Big Hospitality (131,000 monthly unique users), and across its social channels (Twitter: 45,000, Facebook: 7,536)

### **SOUTHERN EU (SPAIN, PORTUGAL, ITALY):**

#### **MARKET UPDATE**

The 2016-17 marketing year was marked by an improving economy and employment situation in Spain and Portugal and to a lesser extent Italy. Food retailers, from the discount chains Lidl and Aldi to frozen food specialists La Sirena and Picard Surgelé and even such high-end food retailers such as El Corte Inglés are all looking less at price and more at strategies to add value to shoppers' experience in their stores. Product lines are expanding and new sections of natural, organic and locally-produced foods are growing. The offerings of prepared meal solutions continue to grow, including in-store sushi kitchens.

One of the most interesting discussion panels at the Seafood Summit in Rimini, Italy in November 2017 included representatives of retail giants Coop-Italia, Conad and Auchan. Speaking to the audience of seafood trade members, all three retailers agreed:

- The fresh seafood department is one of a supermarket's most defining sections
- "Seafood salespeople must be chefs" said Davide Marcomin of Auchan Retail Italia, "in order to explain to clients how to prepare different fish."
- "Seafood is seen by customers as difficult to prepare," he continued. Training fresh seafood sales staff is a top priority at Auchan and many other store chains. Seafood salespeople give stores one of their best opportunities to offer service and add value to the customer.

- The retailers also emphasized that their stores need to respond to increasing consumer demand for more information on seafood product origin and sustainability.
- Quality, convenience and ease of preparation are the other characteristics consumers demand and that retailers are looking for in seafood products. All three retailers reported growing sales of fresh seafood in MAP and skin-pack formats.

Spain, Portugal and Italy all enjoyed record-breaking tourist seasons in 2016 and 2017 fueled by an improving European economy and a growing demand among vacationers for a safe holiday environment. This influx of tourist spending has strengthened the economic health of restaurants and hotels across Southern Europe and has brought a new wave of investment into the sector. Restaurants are opening and renovating at a quickening pace, and they are competing less on price and more on quality and on offering a unique dining experience.

SEU market conditions clearly favored Alaska seafood this last year. In addition to these economic tailwinds, farmed salmon prices were high during the entire year, narrowing the price gap between farmed and wild salmon and spurring demand for wild salmon from Alaska. At the same time, the US dollar weakened against the euro, which helped buffer price increases in Alaska seafood.

## ACTIVITY UPDATE

### Retail Merchandising

Alaska Cod Promotion with Pambuffetti in Italy on January - March 2018: ASMI and Italian distributor Pambuffetti conducted a promotion of Alaska cod with 260 seafood stores and itinerant food retailers in Italy during the January-March pre-Easter months of 2018.

In-Store Promotions of Alaska Salmon in El Corte Ingles and Hipercor Supermarkets: ASMI SEU conducted 12 days of sockeye and coho tastings at 12 El Corte Ingles - Hipercor locations in Barcelona, Madrid, Marbella and Valencia.

#### Results:

- During the Alaska Cod Promotion with Pambuffetti 23,400 store days of promotion generated 17.7% (\$38,200) in sales growth over the same period last year
- During the promotions with El Cortes Ingles, sales of sockeye and coho salmon rose by 100%.

### Trade Public Relations

Alaska Seafood Reception at the US Consulate in Barcelona, Spain: On June 12, 2018, ASMI hosted a reception at the US consulate in Barcelona to celebrate the start of the wild salmon season. Guests included distributors, chefs and representatives of the gastronomic press in Barcelona. ASMI hired a professional photographer for the event and employed a professional sushi chef to make fresh sushi for the guests. Attendees were encouraged to post on social media using Alaska seafood hashtags.

#### Results:

- 200 professionals attended the seafood reception at the US consulate. The event resulted in 57 Instagram posts 60 new followers to the ASMI SEU Instagram account.



### HRI Trade Shows

Madrid Fusión HRI Trade Show: January 22-24, 2018 in Madrid, Spain: Madrid Fusion is one of the best and most prestigious Chef Congress' in Spain. Every year international chefs are invited to come and give talks alongside famous

Spanish chefs. The show attracts HRI professionals from all over the country and this year, ASMI shared a 27m2 stand with Koppert Cress & the International Pulse Association. The ASMI booth handed out creative Alaska seafood samples, including Alaska wild salmon meatballs, Thai Alaska cod fritters and Alaska cod with Iberian bacon and aioli.

*Salón H&T Málaga on February 5-7, 2018 in Málaga, Spain:* H&T Málaga is a chef congress / HRI trade show. Visitors are comprised of chefs and foodservice professionals, as well as international and national press. The Alaska Seafood stand had a full range of Alaska seafood products on display as well as various ASMI Spanish-language brochures (buyer's guides, product fact sheets) to hand out to interested visitors and Renowned Chef Sergio Garrido (ambassador of Alaska Seafood in Spain) prepared an array of different tastings throughout the show. Additionally, Chef Sergio Garrido gave a presentation in the main auditorium about wild Alaska salmon, explaining his experience as part of the 2017 Alaska Seafood School in Seward, Alaska as winner of the last edition of the Alaska Seafood Cortos Salvajes chef video contest.

*Gustoko Trade Show on March 2-4, 2018 in Bilbao, Spain:* ASMI SEU provided materials and financial support to the Bilbao-based food and beverage distributor Gutierrez Angulo, one of the main Spanish distributors of Alaska cod.

*Identità Golose Chef Congress & Trade Show: March 3-5, 2018 in Milan, Italy:* ASMI participated with an Alaska Seafood booth in Italy's premier HRI congress/trade show Identità Golose 2018. Identità Golose features a series of chef demonstrations and workshops conducted by many of Italy's and the world's top chefs. These workshops attract thousands of chefs and HRI professionals to the show, making it one of the best venues in Southern Europe for presenting Alaska seafood products to this sector.

*Alimentaria Trade Show - April 16 to 19, 2018 in Barcelona, Spain:* Alaska Seafood supported both the booths of Wild Alaska Salmon and Cominport at Spain's largest food trade show, Alimentaria 2018. Wild Alaska Salmon is a Spanish importer/wholesaler that is specialized in Alaska seafood and offers perhaps the widest range and highest quality of Alaska seafood products of any distributor in Europe. Wild Alaska Salmon had a large 40 m2 booth in the restaurant section of Alimentaria 2018 featuring chef demonstrations. Cominport is the largest importer/wholesaler of Japanese and oriental food products in Spain and is now part of the international Foodex distribution group. ASMI also sponsored the Wild Alaska Food Truck which was located in the food truck court outside of the Alimentaria trade show pavilions.

*Sponsorship of the EuroToques Chef Association Conference in Huelva, Spain on the 22nd and 23rd of April 2018:* Alaska Seafood was asked to collaborate at the Eurotoques Asamblea de Cocineros in Huelva, Spain. More than 250 of the most prestigious chefs in Spain met in Huelva to celebrate the Assembly of the Euro-Toques Association. Among the top chefs that participated were the likes of Juan Mari Arzak, Pedro Subijana, Andoni Aduriz, Susi Díaz and Paco Torreblanca. It was important for Alaska Seafood to collaborate in this meeting as they share the same fundamental values of the Euro-Toques Association, who promote the craft of cookery and ingredients. It is understood that whoever subscribes to this Association values the work of the fishermen and the quality of their product.

*Salón de Gourmets Trade Show on May 7-10, 2018 in Madrid, Spain:* Alaska Seafood supported both the Wild Alaska Salmon booth and the Wild Alaska Food Truck at the Salón de Gourmets 2018 trade show.

#### Results:

- Madrid Fusión: 40 HRI trade contacts generated
- Identità Golose: 30 HRI trade contacts generated
- At Identità Golose, McClellan and the L.V. agency team were able to meet with Pam Panorama seafood buyer Orfeo Zambon to plan this summer's wild Alaska salmon promotion and discuss the introduction year-round of Alaska sockeye salmon fillets in the seafood departments of Pam Panorama supermarkets.
- H&T Málaga: 20 HRI trade contacts generated
- Gustoko: 20 HRI trade contacts generated
- Alimentaria: 80 HRI trade contacts generated
- At Alimentaria, ASMI supported the importer Wild Alaska Salmon in the introduction of a locally-produced wild Alaska salmon burger
- Eurotoques Congress: 20 HRI trade contacts generated

- Salón de Gourmets: 30 HRI trade contacts generated

## **Chef/Trade Training Seminars**

*Alaska Seafood Masterclass at the Joviat Culinary Institute in Barcelona, Spain:* Chef Gerard Ninot hosted a masterclass on Alaska Seafood for students from a graduate course aimed at people with previous higher education in hospitality and kitchen experience. Topics covered included:

- Explain the main difference between wild and farmed salmon.
- Explain the difference between the five different salmon species (shape, size, color of flesh and skin, etc.).
- How to cook salmon: Ninot demonstrated how to properly fillet in order to show students how to make use of all parts of the fish and show them which parts are best suited for certain dishes and cooking techniques.
- After the lecture, Gerard asked the students to join him in preparing various dishes with king and sockeye salmon.

*Second Edition of the Das Origens para o à Terra at the Azor Hotel, Ponta Delgada – Azore Islands:* The chef Luís Barradas, chef ambassador of Alaska Seafood Portugal, joined the host chef, Cláudio Pontes, and the chef Rodrigo Castelo to prepare a dinner for 60 people. As an appetizer, Luís Barradas, prepared sushi (dragon roll, sashimi and nigiris) with Alaska wild salmon. There were two television stations present (TVI & RTP Açores), in addition to bloggers. The event was promoted on social networks, with videos and photos.

*Alaska Seafood Portugal product presentation for professionals in Lisbon Area - with Frustock:* Chef Luis Barradas, Ambassador for Alaska Seafood in Portugal, participated in a product presentation for professionals in the Lisbon area, organized by Frustock (Bidfood Portugal) who is interested in distributing wild salmon.

*Alaska Seafood Masterclass at the W Hotel in Barcelona, Spain:*

Chef Joaquín Felipe gave an Alaska Seafood masterclass to 20 chefs from the W Hotel Barcelona. Felipe went over the differences between the salmon species and how to prepare and cook salmon and black cod. The group prepared black cod with a Thai curry sauce, Alaska sockeye salmon tartar, and Alaska coho salmon Madrid-style. All attendees received an information kit containing materials on Alaska seafood seasonality, quality, and recipes.



*Sponsorship of the 13th Young Chefs and Waiters of Catalonia Competition at the Culinary School Sant Ignasi in Barcelona:* Sixteen Catalan culinary schools disputed the first prize of a competition that raises a lot of excitement each year. This year, in addition, there was an international presence, since the Polish school had been invited. The jury was composed of 16 culinary experts. Alaska Seafood contributed 14 wild smoked salmon filets as prizes for winners.

*Masterclass at Peixos Puignau in Girona, Spain:* Alaska Seafood organized a class for the sales staff for the company Peixos Puignau, one of the main seafood distributors in the Girona and Costa Brava area. 15 salespeople attended the event. Puignau has sold wild Alaska sockeye salmon over the past year, but small quantities. They are seafood specialists selling in northeastern Spain and southeastern France where restaurants and retailers sell large volumes of seafood. Puignau's salesforce is very capable of selling more Alaska seafood but needed to understand its unique characteristics of quality, sustainability, wild vs. farmed, and nutrition/health

### **Results:**

- Over 200 chefs and trade professionals learned about Alaska Seafood through trainings and seminars
- Two television stations featured interviews with Chef Luis Barradas about Alaska Seafood because of the Das Origens para o à Terra event.
- ASMI SEU's chef demonstration work with local distributors, restaurants and culinary institutes is generating slow, steady and solid sales growth for Alaska seafood products, especially wild Alaska salmon and Alaska cod

## EASTERN EUROPE (RUSSIA, UKRAINE and CIS):

### MARKET UPDATE

**RUSSIA:** A second estimate of GDP confirmed that the Russian economy regained some steam in the first quarter, although growth was still moderate overall. Turnarounds in the manufacturing and mining sectors boosted activity amid firmer commodity prices and solid demand. The recovery is expected to have broadly kept pace in the second quarter, supported by a healthy labor market and solid exports, while sanctions-related uncertainty is likely to have impacted investment. The unemployment rate inched down to a multi-year low in May, and the Ural oil price rose to the highest level since October 2014 in June. On June 22, Russia and OPEC members agreed to raise oil production, a move that should bode well for Russia's oil revenues going forward. Despite higher production, oil prices are expected to remain firm due to falling production in Venezuela and negative spillovers from the U.S. sanctions on Iran. Meanwhile, on 14 June, the government announced an upcoming increase in the VAT and a gradual raise in the retirement age, to keep government finances on a sustainable path.

**UKRAINE:** Comprehensive first-quarter data confirmed the economy's strong start to the year. Robust domestic demand was the main engine of growth in Q1, as improving labor market conditions, easing inflationary pressures and improved private sector lending bolstered consumer spending. In addition, fixed investment growth carried over from the previous quarter as the country's investment climate continued to improve. In contrast, data from the external sector was less upbeat. Exports slipped into negative territory in Q1, although the deterioration of imports was far more pronounced. Political fighting continued to plague reform efforts in the country, as the IMF-backed reformer Oleksandr Danylyuk was dismissed from the finance minister's post in early June. Meanwhile, the IMF issued a statement in mid-June warning lawmakers that the law establishing an anti-corruption court must be amended before the next loan tranche can be unlocked. Earlier in June, the law was passed by the Rada, however, the key requirement for the anti-corruption court to adjudicate all cases under its jurisdiction was stripped out.

**ROMANIA:** Economic activity slowed sharply in the first quarter but likely regained some speed in the second quarter. Soaring inflation and rising interest rates dragged heavily on private consumption in Q1, leading to a marked slowdown in GDP growth. However, strengthening retail sales and industrial production in April and the low unemployment rate in both April and May suggest activity accelerated in Q2. On the other hand, surging inflation and widening fiscal and current account deficits are clear signs of overheating. In early June, the IMF warned the government to tighten its fiscal policy and moderate wage increases to guarantee more sustainable and balanced growth. Meanwhile, the political scene remains tense. On June 27, parliament rejected a no-confidence motion against the government. The motion was presented by the opposition after the powerful leader of the ruling Social Democratic Party, Liviu Dragnea, was sentenced to over three years in jail for abuse of office. Due to political volatility, the 10-year bonds yields reached an over four-year high in late June, and investor sentiment could be further hit going forward.

**MOLDOVA:** The economy lost traction in the first quarter, with annual GDP growth slowing to 3.7% from 6.4% in the previous quarter. Growth in Q1 was underpinned primarily by a surge in household consumption, thanks to a strong upturn in average real incomes and easing credit conditions amid subdued inflation. Fixed investment also rose at a strong pace. Moreover, exports continued to climb more rapidly than imports. Meanwhile, data for the outset of Q2 was upbeat and suggests that the economy picked up speed: Industrial production and retail sales surged in April, while exports grew at twice the pace of imports in the month.

**AZERBAIJAN:** The economy continued advancing at a lackluster pace in the January–May period: Annual GDP growth came in at 1.1%, marginally below the 1.2% recorded in the first four months of the year, owing to a sluggish oil sector. In this period, the non-oil sector continued to outperform the oil sector. On June 12, President Ilham Aliyev and Turkish President Recep Tayyip Erdogan inaugurated the long-awaited Trans-Anatolian Natural Gas Pipeline. The project marks an important strategic milestone for the country as it will carry gas from Azerbaijan's Shah Deniz II field to Europe for the first time and is expected to be a huge boon for the oil sector and the wider economy.

GEORGIA: Georgia's economy began the year at a robust pace, with preliminary results showing annual GDP growth of 5.3% in the first quarter, just a notch below the previous quarter's three-and-a-half-year high. Strong growth in Q1 was underpinned by healthy consumer spending bolstered by easing inflationary pressures, as well as a robust external sector amid surging demand from Georgia's key trading partners—particularly Turkey and Azerbaijan. The economic momentum appears to have carried over into the second quarter. Household consumption likely continued to benefit from lower inflation through May and nominal exports jumped 50.2% annually in the month against the backdrop of the ongoing pro-trade policy push by the country's government.

KAZAKHSTAN: Kazakhstan's economic recovery remains on course, thanks to buoyant external conditions. A surge in oil prices and higher oil exports have boosted revenues, leading to positive fiscal metrics and an improved current account. Most of the oil revenues have been channeled into the country's National Fund; in the January–May period, the Fund's assets rose by USD 0.9 billion. The Ministry of National Economy recently reported that the economy grew 3.9% in the first five months of the year, with economic growth losing pace in Q2 largely owing to a winding down of investment at the Kashagan oil field. The latest data shows, however, that economic activity accelerated in May from April but remained below the average pace of expansion in Q1. While industrial production grew at the strongest rate in eight months in May, retail sales lost some speed in the month. That said, sales still rose at a solid stride amid low levels of unemployment and inflation, and moderate wage growth.

ESTONIA: The economy lost steam in the first quarter, kicking the year off on a soft note as annual growth slid to the lowest rate since Q4 2016. Growth was weighed down by a weaker external sector, amid evaporating momentum in export-oriented merchandise industries. The slowdown was also affected by a contraction in investment activity in Q1, which swung from healthy growth Q4, against the backdrop of moderating business confidence. Nevertheless, domestic demand was in the driver's seat in Q1: Household consumption growth ticked up from the previous quarter, as lower inflation boosted retail sales against sustained tightness in the labor market. Meanwhile, S&P Global Ratings confirmed its AA- rating with a stable outlook for Estonia, citing the lowest debt burden in the Eurozone and the government's strong commitment to maintaining the fiscal discipline.

LATVIA: Economic momentum held up at the start of 2018: The economy expanded robustly in the first quarter, nearly matching the previous quarter's result. Strong domestic dynamics led the expansion in Q1, propelled by another double-digit expansion in fixed investment, which has benefited from an influx of EU funding. In addition, household consumption growth remained elevated, likely supported by the sustained tightening of labor market conditions; it was complimented by a robust increase in government spending. Meanwhile, sluggish export growth undermined the external sector's performance in the quarter, with exports plummeting to the lowest level since Q4 2015, amid the broader trade slowdown across the EU. On the political front, on June 18, Latvia's anticorruption body asked prosecutors to press charges against Central Bank Governor Ilmars Rimsevics, who has been suspended since February amid bribery allegations.

LITHUANIA: The economy got off to a healthy start this year according to recently released data, with growth led by sustained strength in the external sector and robust fixed investment growth in the face of a favorable monetary policy environment. Exports rose on an annual basis by double digits in Q1, comfortably outpacing growth in imports despite easing demand from some of Lithuania's key trading partners, including its Baltic neighbors and Poland. On the domestic front, stronger wage growth and a sustained moderation in inflationary pressures supported household consumption. Meanwhile, available data for the second quarter points to continued growth dynamics; the economic sentiment indicator surged to an over one-decade high in May. Industrial production ticked up in the same month on the manufacturing sector's strength, whereas private consumption was likely supported by easing inflationary pressures.

## **Trade Servicing, Public Relations**

*Social Media Collaboration with Ukrainian Importers of Fish and Seafood Association, Ukraine:* UIFSA carries out marketing activities and organizes b2b events for the professional audience of the Ukrainian fisheries industry. The section "Advice from Alaska Seafood" was created at UIFSA's website, [www.uifsa.ua/en](http://www.uifsa.ua/en). During Q3, six articles were published, both in English and in Russian and within Q4, two articles were published. The average number of unique users of the website is 1,000 per month. The UIFSA Facebook page ([www.facebook.com/uifsa.ua](http://www.facebook.com/uifsa.ua)) has 1,780 followers.

During Q3, five ASMI posts were published on this page and during Q4, four posts were published. The average reach of each post was 10,000 Facebook users, achieved via target advertisements and reposts. ASMI articles cover such topics as Alaska pollock, Alaska salmon and salmon roe, ASMI news and updates.

Fontegro Chef Congress Kiev, Ukraine: ASMI sponsored the 2018 Fontegro Chef Congress. CJ Jackson, CEO of Billingsgate Seafood School, ASMI culinary retreat graduate from the UK, presented a master class to the Fontegro audience. The focus was made on Alaska salmon and miscellaneous pollock products. Fontegro, Ukraine is a platform that unites the leading chefs of Ukraine and fosters the development of modern Ukrainian gastronomy. The organization coordinates several events throughout the year that allow local and international professionals to meet in Kiev, exchange ideas and inspirations, and learn from each other. In 2018, the Congress focused on “The power of the product.” Twelve leading international chefs from Singapore, Spain, Sweden, Denmark, Mexico, Georgia, Portugal, Ukraine and Russia (two of them with 2\* Michelin and one with 1\*) talked about their experience in innovations in their kitchens. The event offered suppliers of foodstuffs an opportunity to feature their assortment during the master classes, expo, and catering.

Results:

- UIFSA published eight articles about Alaska seafood to their 1,000 unique users and posted nine times on Facebook, with an average reach of 10,000 users.
- At the Fontegro Congress over 400 Ukrainian chefs received information about Alaska seafood available in the Ukraine.
- Additionally, ASMI coordinated a press conference around the event that resulted in more than 30 publications in professional and lifestyle media.

## **Retail Merchandising**

Gelios cod, pollock roe tasting, Ukraine: Gelios is one of the leading fish importers in Ukraine that specializes in roe products, including salmon, cod and pollock roes. Gelios imports over 30% of total salmon roe to Ukraine. The official importer's names are first Ikornaya Caviar Company and Merezha IDK. The company has had Alaska seafood in their assortment for many seasons. The main product imported by Gelios from Alaska is salmon roe, purchased in processed and green roe forms. Due to an economic recession in Ukraine, the company increased cod and pollock roe shares in their portfolio. ASMI supported cod and pollock roe sales during Maslenitsa time and Easter Fast. Maslenitsa (Mardi Gras) is a one week holiday when orthodox people say farewell to winter and welcome spring by eating pancakes with different fillings, including cold-smoked fish and caviar. The ASMI/Gelios promotion took place in 37 stores of six chains in Kiev and across Ukraine, for 144 working days.

GoodWine KyivWie Event, Ukraine: Currently, Good Wine is the biggest wine store in Europe. GoodWine is the meeting point for a wealthy audience and celebrities, a place to shop and hang out in Kiev. KyivWine event was organized by GoodWine for June 2-3. The goal of the event was to feature top assortment of foodstuffs and drinks to the Kiev audience. In 2018, ASMI participated in the event for the first time. ASMI presented wild Alaska salmon, which was featured in two slots of the festival. Restaurant Lucky Counter offered burgers with Alaska salmon. The grill master class menu included Alaska sockeye. Swedish chef Alex Nietosvuori, who has worked at a number of popular Scandinavian restaurants such as Bror (Copenhagen), Frantzén (Stockholm), and most recently Maaemo (Oslo), presented Alaska sockeye to Ukrainians during the masterclass.

Viciunai pollock promotion, Lithuania: Viciunai Group is one of the largest processors of “crab” sticks, surimi products and fish, globally. The group trades in more than 57 countries around the world. Viciunai Group consists of 80 companies in 17 countries, more than 8,000 employees work on 13 processing sites. The group’s product range includes 3,000 SKUs sold under brands: Vici, ESVA, Columbus and other. The group’s total annual production is 158,000 MT. Annual imports from Alaska to Vici exceed 5,000 mt. In May 2018, ASMI conducted the first joint promotion with Viciunai Group in Lithuania. Product under promotion: ESVA breaded portions that include 65% Alaska pollock fillets.



Tastings of ESVA breaded fish took place in 13 Maxima supermarkets across Lithuania. During 90 working hours, more than 5,000 consumers were reached and 500 packs sold. Sales of Alaska pollock fillets were also supported by the digital campaign on [www.delfi.lt](http://www.delfi.lt), the campaign lasted for one month including the days of in-store promotion in Maxima. Delfi website is the leading Lithuanian web site that covers multiple topics from politics to lifestyle. The website has more than 1,300,000 monthly unique readers and 50,000,000 visits per month. The health benefits of Alaska pollock were explained to final consumers along with an advertisement of the ESVA product line on Delfi’s page dedicated to lifestyle.

Selida Lux Food Truck Design, Moldova: ASMI partnered with Selida Lux in 2016-17, branding Selida's store with Alaska Seafood pictures and logo, developing leaflets and magnets as gift for purchase. This year, ASMI continued to partner with the company and branded Selida's food truck with ASMI images and logo. The food truck sells products in different parts of Moldova and will work as a moving advertisement for ASMI across cities.

Alfredo Seafood / Romfood in-store promotions, Romania: Promotion with a leading frozen fish importer in Romania – Alfredo Seafood. The in-store promotion was dated for the Easter holidays in Romanian retail. Promoted product - Alaska wild salmon. Alfredo Seafood placed the ASMI logo on fish packages. The promotion took place in 10 Cora supermarkets (four in Bucharest, six in other cities) and included shelf stoppers, an ad in the store catalog, online elements and price promotion. The main goal of the promo was to highlight Alaska origin to final consumers in Romania and to increase brand recognition.

**Results:**

- More than 7,500 guests visited the GoodWine event and 400 Alaska salmon burgers were served.
- In 90 working hours, the collaboration with Viciunai reached 5,000 consumers at 13 maxima supermarkets across Lithuania and sold 500 packs of Alaska branded pollock fillets. The accompanying digital campaign resulted in 3,800,000 impressions.
- The Romgood in-store promotion boosted Alaska seafood sales by 11%

**BRAZIL:**

**MARKET UPDATE**

U.S. seafood exports to Brazil topped over 1600 tons valued at \$5.4 million in FY18. Both volume and value decreased 22% and 33%, respectively, compared to FY17. It should be noted that global imports decreased at a similar rate.

On June 29th of 2018, Decree No. 280/2018 published by the National Institute of Metrology, Quality and Tecnology (INMETRO) opened a public consultation regarding methodologies for metrological control of fish, mollusks and glazed crustaceans. The proposed text will be valid for all Mercosur members and will be open to suggestions for 30 days.

ASMI Brazil OMR continued working alongside the USDA/FAS office to inquire with the Brazilian Ministry of Agriculture about the rigorous inspections that are taking place in the country concerning the parasites found in wild seafood.

**ACTIVITY UPDATE**

## Retail Merchandising

Easter/Holy Week in-store promotions: ASMI Brazil conducted in-store promotions during Easter/Holy Week season to promote Alaska cod, Alaska pollock, Alaska keta and sockeye salmon in outlets of 19 retail chains São Paulo/SP, Recife/PE, Salvador/BA, Rio de Janeiro/RJ, Brasília/DF, Belo Horizonte/MG and Porto Alegre/RS.

Brascod/Bom Porto Easter cod promotion: ASMI Brazil conducted in-store promotions in partnership with Brascod/Bom Porto to promote Alaska cod in outlets of Atacadão, Carrefour, DIA, Extra, Giga, Hiper Bom Preço, Mambo, Oba Hortifruti, Sam's Club, Sacolão, Sonda, St. Marche and Verdemar chains in São Paulo-SP, Ribeirão Preto-SP, Campinas-SP, Sorocaba-SP, Cuiaba-SP, Amparo-SP, Rio de Janeiro-RJ, Belo Horizonte-MG and Recife-PE. These promotions were part of the Easter/Holy Week Campaign. ASMI and Brascod/Bom Porto had 85 sales professionals working for 12 days, positioned at a total of 140 outlets. Professionals were properly trained to educate consumers on Alaska Seafood's wild, natural and sustainable aspects and boost sales of Alaska Gadus macrocephalus. ASMI recipe flyers were distributed to consumers and "Bacalhau do Alasca" stickers were used on the products.

Launch of JBS' Do Chef Friboi - New Line of Seafood Products: In May JBS launched a new line of premium seafood, bovine and sheep meat, and vegetable products. The seafood category will have six types of fish, including the wild Alaska keta salmon. Noronha Pescados is producing the private label for this new line, and so far reached sales of 31 tons valued at about R\$ 1 million (\$ 270k). The new line will be sold to large retail chains such as Pão de Açúcar, Carrefour and Walmart, it's expected to hit shelves in the upcoming weeks.

### Results:

- During the Easter week promotions, 77.28 tons of Alaska seafood were sold for a total value of \$992,227.
- Launch of one new brand carrying wild Alaska keta salmon, with clearly identified origin

## Trade Public Relations

APAS Trade Show: ASMI participated with an Alaska Seafood booth in the APAS 2018 supermarket business show on May 7-10, 2018 in São Paulo. ASMI secured a 42-sqm booth in the Blue Pavilion, changing locations to be inside the American Pavilion endorsed by the USDA. APAS is renowned as Latin America's leading supermarket and retail trade show. The Alaska Seafood booth focused on messages of wild Alaska seafood's superior flavor, healthiness and sustainability through videos, printed materials, banners, posters, display, pamphlets and chef demonstrations. ASMI coordinated with Alaska seafood exporting companies and local traders of products to participate and promote Alaska products released by partners in Brazil in the past six years. ASMI worked with the USDA to promote a reception on the second day, featuring both organizations and greatly attracting trade contacts. Furthermore, ASMI partnered with beer supplier Prime Bier, developing a fully-paired menu of various Alaska seafood dishes with beer. The Alaska Nanook bear actor also provided services during two days of the event, including during the reception.



ASMI Brazil Social Media: ASMI Brazil continued using social media, mainly two Facebook pages (fb.com/peixesdoalasca and fb.com/bacalhaudoalasca), one Instagram profile (@peixesdoalascabrazil) and one YouTube channel (Alaska Seafood Brasil) to promote the Alaska Seafood industry, species, and Bacalhau do Alasca. Both Facebook pages count on a custom

targeted audience such as, restaurant owners, foodservice, HRI, chefs, housewives, traders, culinary schools, processors, restaurant goers, Japanese restaurants, fish, seafood processors, recipes, among others. ASMI Brazil's own channel campaign targets people who are most likely to respond to our ads and engage in ASMI business. Ads, videos and stories were placed on Facebook using "Facebook Ads," which are paid. ASMI Brazil created several ads and targeted people based on location, demographics and interests to increase the number of fans and interactions. Peixes do Alasca's Facebook has more than 856 thousand likes. ASMI Brazil created several posts and the Instagram profile already has 4,915 followers. The same content was also posted on both ASMI Facebook pages

#### Results:

- 140 qualified trade leads were generated at the APAS show
- Peixes do Alasca Facebook gained over 97K new likes on its fan page, totaling over 856K likes
- Bacalhau do Alasca Facebook gained over 22K new likes on its fan page, totaling over 251K likes
- Alaska Seafood Brasil Instagram profile gained 2,265 followers, totaling 4,915 followers

#### Foodservice Promotions

#USFoodExperience Culinary Class: ASMI collaborated with the USDA/FAS/ATO post on an official executive dinner, held as a culinary class, which took place at the renowned Taste House restaurant on February 21st. As part of the #USFoodExperience event, the dinner had approximately 60 guests, with Chefs João Leme and drinks specialist Paulo Brammer leading the event with Alaska seafood dishes paired with U.S. wine and bourbon. Chef Leme prepared two wild Alaska sockeye salmon and two Alaska cod dishes. The USDA/FAS/ATO produced a custom menu signed by Chef Leme, including the four Alaska courses, one dessert and three options of U.S. wine and bourbon for pairing. Chef João Leme and the ASMI Brazil OMR had the opportunity to speak about Alaska, the seafood industry, the species, the wild, natural and sustainable attributes and respond to questions from the audience, composed by journalists, restaurant owners, chefs and other opinion makers.

Sirha São Paulo 2018: ASMI participated with an Alaska Seafood 12-sqm booth at Sirha São Paulo 2018, which took place in São Paulo from March 14 to 16, 2018. Previously being held in Rio de Janeiro, this was the first edition of the show in São Paulo, which had as its main target restaurant owners, hotels, chefs and HRI distributors. A renowned international show, Sirha São Paulo also hosted the Bocuse d'Or contest, the largest gastronomic contest in the world. In this edition, four candidates competed in the national selection with two protein-based dishes, pork, and seafood, with the latter being based on wild Alaska sockeye salmon. Chef Celso Lacerda was hired to prepare Alaska seafood dishes for tasting in the VIP lounge. During the show, ASMI educated visitors about the wild, natural and sustainable aspects of Alaska products and distributed branded material.

Daiji-Ni Gastronomic Festival – Second Edition: The Daiji-Ni ("Made with care") Festival is a gastronomic gathering organized by Seafood Chef Marc Maeda and Patisserie Chef Bruno Lambert. With the success of its first edition, the event was open for the public, reaching nearly 350 visitors including the Japanese community of the Liberdade neighborhood (known Japanese neighborhood in the city) and Japanese culinary/patisserie enthusiasts in São Paulo. Since his first experience with Alaska species in October 2017, Chef Maeda chose to give a larger focus to Alaska sockeye salmon dishes, taking into account the rising preference for this species over its farmed variety in the last edition. As such, he partnered with ASMI to showcase the brand along with his own (Nakamá), with ASMI providing marketing materials while Chef Maeda covered all costs related to product for the dishes.

Aguzzo Restaurant Special Alaska Easter/Holy Week Menu: ASMI developed with the Aguzzo restaurant a special Easter/Holy Week seafood menu with three Alaska dishes based on Alaska keta salmon, Alaska cod and Alaska pollock being served during the holidays. Based in São Paulo, the restaurant offered this special menu to further capitalize on the initial success of the Alaska Festival in December, investing in the Alaska origin and its wild, natural and sustainable aspects.

#### Results:

- The #USFoodExperience Dinner hosted 60 guests
- 100 new qualified foodservice trade leads were generated during Sirha São Paulo 201

- 350 people attended the Daiji-Ni Gastronomic Festival, where the chef/organizer gave a large focus to Alaska sockeye salmon