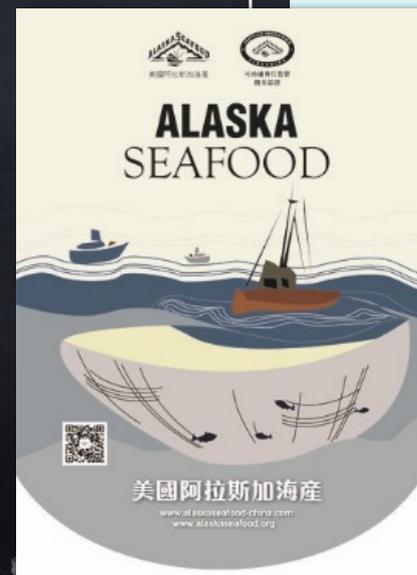




Natural, Pure, Delicious

天然 潔淨 美味

CHINA



Imports

	2016		2017		% Change	
<i>Salmon</i>						
Chinook (Frozen H&G)	2,163	\$ 6,388	2,400	\$ 8,611	11%	35%
Chum (Frozen H&G)	19,204	\$ 47,982	30,646	\$ 93,473	60%	95%
Coho (Frozen H&G)	213	\$ 757	325	\$ 1,205	52%	59%
Pink (Frozen H&G)	23,395	\$ 64,474	60,370	\$ 171,347	158%	166%
Sockeye (Frozen H&G)	5,262	\$ 21,528	4,020	\$ 23,583	-24%	10%
Other/NSPF (Frozen H&G)	109	\$ 562	68	\$ 409	-38%	-27%
Canned Chum	0	\$ -	0	\$ -	-	-
Canned Pink	1	\$ 7	1	\$ 7	0%	2%
Canned Sockeye	0	\$ -	0	\$ -	-	-
Other/NSPF (Canned)	0	\$ -	106	\$ 672	-	-
Other/NSPF (Roe)	610	\$ 9,646	852	\$ 18,298	40%	90%
All Fresh H&G	124	\$ 260	22	\$ 27	-82%	-90%
All Fresh Fillets	0	\$ -	1	\$ 19	-	-
All Frozen Fillets	44	\$ 304	241	\$ 1,287	442%	323%
All Smoked	34	\$ 520	1	\$ 18	-98%	-96%
All Other Products	0	\$ -	0	\$ -	-	-
<i>Total Salmon</i>	51,160	\$ 152,427	99,053	\$ 318,954	94%	109%
<i>Herring</i>						
Herring (Roe)	35	\$ 60	146	\$ 265	317%	342%
Herring (Frozen)	5,517	\$ 7,832	10,119	\$ 11,246	83%	44%
Herring (All Other)	5	\$ 26	1	\$ 6	-75%	-78%
<i>Total Herring</i>	5,558	\$ 7,917	10,266	\$ 11,516	85%	45%

Imports

	2016		2017		% Change	
<i>Groundfish</i>						
<i>Pollock (Frozen Fillet)</i>	9,022	\$ 19,392	18,474	\$ 38,558	105%	99%
Pollock (Frozen H&G)	28,998	\$ 60,000	34,893	\$ 72,555	20%	21%
Pollock (Roe)	211	\$ 1,584	148	\$ 956	-30%	-40%
Pollock (Surimi)	2,196	\$ 5,275	3,280	\$ 7,666	49%	45%
Pollock (Mince)	509	\$ 2,071	342	\$ 2,226	-33%	7%
Pacific Cod (Frozen H&G)	55,676	\$ 154,295	46,602	\$ 140,372	-16%	-9%
Pacific Cod (Frozen Fillet)	977	\$ 2,657	1,511	\$ 4,690	55%	77%
Pacific Cod (Dried/Salted)	593	\$ 1,653	1	\$ 3	-100%	-100%
Pacific Cod (Mince)	0	\$ -	113	\$ 185	-	-
Sablefish	931	\$ 16,658	896	\$ 15,489	-4%	-7%
Rockfish	17,164	\$ 56,966	12,697	\$ 41,940	-26%	-26%
LingCod	0	\$ -	0	\$ -	-	-
Atka Mackerel	5,046	\$ 13,991	6,547	\$ 18,169	30%	30%
Other/NSPF (Mince)	12	\$ 35	152	\$ 376	1149%	965%
All Other Products	17	\$ 80	0	\$ -	-100%	-100%
<i>Total Groundfish</i>	121,353	\$ 334,656	125,657	\$ 343,190	4%	3%

Imports

	2016		2017		% Change	
	MT	Val. (000)	MT	Val. (000)	Volume	Value
<i>Other Shellfish & Miscellaneous</i>						
Clam	0	\$ -	3	\$ 10	-	-
Geoduck	219	\$ 3,753	203	\$ 4,076	-7%	9%
Octopus	0	\$ -	0	\$ -	-	-
Oysters	0	\$ -	0	\$ -	-	-
Scallops	3	\$ 53	0	\$ -	-100%	-100%
Sea Cucumber	139	\$ 3,961	95	\$ 2,627	-31%	-34%
Sea Urchin	0	\$ -	0	\$ -	-	-
Shrimp	1	\$ 9	0	\$ 4	-44%	-59%
Squid	184	\$ 440	0	\$ -	-100%	-100%
Seaweed	47	\$ 342	0	\$ -	-100%	-100%
<i>Subtotal</i>	592	\$ 8,558	302	\$ 6,717	-49%	-22%
<i>Crab</i>						
King Crab (Frozen)	68	\$ 2,208	85	\$ 2,733	24%	24%
King Crab (Other/Live)	5	\$ 181	63	\$ 422	1064%	132%
Snow Crab (Frozen)	2,879	\$ 35,211	1,978	\$ 29,291	-31%	-17%
Snow Crab (Other/Live)	102	\$ 1,170	56	\$ 756	-45%	-35%
Dungeness Crab	0	\$ -	2	\$ 36	-	-
Other/NSPF Crab	8	\$ 144	34	\$ 909	348%	529%
<i>Total Crab</i>	3,063	\$ 38,915	2,218	\$ 34,147	-28%	-12%

Imports

	2016		2017		% Change	
<i>Flatfish</i>						
Halibut	21	\$ 85	70	\$ 584	232%	590%
Greenland Turbot	986	\$ 3,656	1,126	\$ 3,965	14%	8%
Sole	77,083	\$ 114,079	69,874	\$ 101,601	-9%	-11%
Plaice	4,473	\$ 5,363	5,059	\$ 6,151	13%	15%
Skates	104	\$ 291	143	\$ 519	38%	78%
Other/NSPF Flatfish	10,655	\$ 19,596	16,690	\$ 33,280	57%	70%
Total Flatfish	93,322	\$ 143,069	92,961	\$ 146,101	0%	2%
<i>NSPF and By-Products</i>						
Composites (Sticks)	67	\$ 331	26	\$ 203	-61%	-39%
NSPF (Frozen H&G)	17,822	\$ 41,530	21,243	\$ 52,244	19%	26%
NSPF (Livers/Roe)	458	\$ 1,217	0	\$ -	-100%	-100%
Fish Meal	44,575	\$ 59,260	53,627	\$ 69,327	20%	17%
Fish Oil	16	\$ 665	252	\$ 3,013	1480%	353%
All Other NSPF & By-products	27	\$ 68.9	823	\$ 3,224.2	2987%	4582%
Total NSPF & By-Products	62,964	\$ 103,071	75,972	\$ 128,012	21%	24%
Total Exports	338,011	\$ 788,613	406,429	\$ 988,638	20%	25%

Demographics



China's Aging Population - Median age: 37.4

By 2047, there will be 8 million fewer Chinese consumers aged 30 than there are now.

Children are precious.

60% of Chinese millennial parents spent more than \$471 per month on luxury goods for their children.



Demographics



Income Growth...

- Affluent households made up around 20% of the overall population in 2017.
- Per capita income of China's from 2010 will double by 2020.
- Half of the 50 million new households expected to enter the upper and middle classes in the next 3 years will be outside of China's top 100 cities.

Millennial Consumption in the Rise...

- Chinese millennials have emerged as a key consumer group for Alaska seafood, great appetite for luxury and premium goods, less price sensitive.
- Millennial consumption grew by 11% in 2017, compared to 5%
- More often purchase the best and most expensive product
- More open to brand loyalty and status



Trends



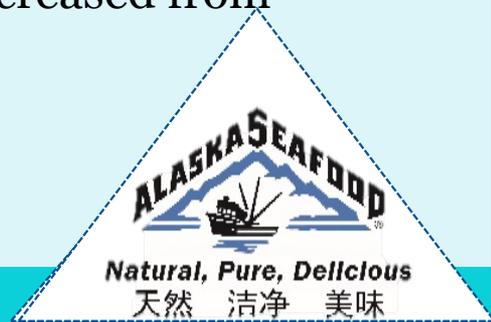
With rising disposable incomes consumers in China are increasingly...

Health Conscious: Looking for healthy and high quality food that are safe to consume. Willing to pay a premium for high quality ingredients. (MSG down; fitness spending up)

Protein Conscious: Urban Chinese are spending more on protein-rich foods, substituting seafood for meat citing numerous health benefits.

Seafood is the fastest growing meat import segment.

Environmentally Conscious: Consumers are looking for greener solutions, willing to pay up to 33% more for ethical and sustainable brands. The number of consumers that purchased “green” products increased from 3.4% in 2015 to 16.2% in 2016



Trends



Snacking:

Consumer shift toward snacks and snacking. Focus on protein, trendy flavors.

Suspicious:

Ever-present counterfeit scandals reinforce doubt among consumers. Blockchain traceability technology on the rise. Proof of origin/authenticity an opportunity.

Online: Online sales in China surpassed US\$1.132 trillion in 2017, accounting for nearly half of all global retail e-commerce sales. More than 90% of purchases in China involve at least one digital touch point.

New Retail: Participation/convenience-focused, smart phone-centered online/offline shopping. Virtual shelves, ship-to-home...



Consumer Strategy



Target E-Commerce in 2nd and 3rd Tier Cities

ASMI is watching the rising second and third tier cities in China, where disposable incomes of consumers have surpassed first tier cities in terms of online shopper base, purchasing power and total spending.

- ***E-Commerce: Online shopping sales are expected to increase from 23.1% in 2017 to 40.8% in 2021.***

ASMI is increasing promotional collaborations with e-commerce giants and expanding its presence on social media networks in order to better reach out to these valuable consumer groups in second and third tier cities.



Consumer Strategy



- **Online to Offline:** ASMI will work with **KOLs** to increase consumer confidence in Alaska seafood and increase exposure for ASMI activities and events.
- **New Media:** Interact with consumers through new social media/digital media, utilize “soft news” channels to distribute commentary articles to gain exposure ASMI messaging.
- **Video:** ASMI will film micro and cooking videos to introduce Alaska seafood and provide directions on how to handle and integrate into different cuisines.
- **Product Diversity:** Attract middle class consumers by offering both high-end and price-point products.



Hangzhou KOL Media Tasting



HRI Strategy



- Target younger, **new-to-market chefs; cooking schools**
- Work with **chefs in different regions** of China to customize Alaska seafood to local taste preferences.



Chef Seminars are an effective way to promote Alaska seafood, as chefs and purchasing managers of hotels and restaurants represent key users of Alaska seafood.



Trade Strategy



- Encourage traders to focus on **domestic market sales** and show support for those currently focused internationally;
- Highlight the **diverse varieties of Alaska seafood**, Alaska seafood can satisfy different consumer groups with wide range of products;
- Connect with trade in **second and third tier cities** via trade gatherings and trade shows;
- Build on success of retail merchandising programs;
- Contact trade members regularly for updated market information; **maintain loyalty of existing buyers and establish connections** with new and potential buyers.



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China/Japan Chef Seminar Collaboration

Shanghai & Beijing



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FY18 E-commerce Promotions



ASMI China partnered with five shopping platforms in FY 18 featuring many Alaska seafood products:

- JD.com (Tencent), February 15-25
- SF Express (SFBest.com), March 13 – 19
- Chunbo.com, May 10 – 20
- Tmall.com (Alibaba), June 10 -20
- Fresh Fresh, June 22 – 30

Total Volume:

300,000kgs Alaska seafood sold

Total Value:

RMB41 million (US\$6.12 million)



Sam's Club Nationwide



Products Featured: Alaska cod, yellowfin sole, black cod and king crab

Activity: January 12 – February 11

- **19 Outlets**

Flyer and giveaway for purchases. Tasting kick-off event with consumers in Shenzhen (Dec 22). Two KOLs provided \$45,000 value.

- **Results: RMB3,884,670 (US\$564,263); 31,100kgs sold**



Discussion



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