



MEMORANDUM

DATE: September 2, 2020
TO: ASMI Board of Directors
FROM: Hannah Lindoff, Sr. Director of Global Marketing & Strategy
SUBJECT: **International Program Budget Supplement**

The following revision to the FY 21 international budget was passed unanimously by the International Marketing Committee on Sept. 1, 2020. The budget revision capitalizes on new opportunities in the global marketplace as well as responds to new challenges and continuing threats.

In the trade sector, we will take advantage of increased purchase of frozen, fillets, and canned items and focus on consumer enjoyment to achieve **repeat purchase**. We will work closely with the trade to convey information about consumer preference for the Alaska origin, health, sustainability, and wild, so that we can position more information and photography at the point of sale: online, at brick and mortar, and preferably, on-pack. Furthering on-pack messaging, including recipe ideas, gives Alaska seafood items a permanent boost. Further, ASMI will push recipes in store catalogs, online and through new options like revised origin stickers in Japan with a QR code that takes the consumer directly to the ASMI recipe page for that species. Smokers are also a major target as their packaging gives us wide consumer reach.

ASMI will partner with **innovative shopping platforms**, including an app in France and Germany that features Alaska seafood recipes. When the consumer finds a recipe she or he likes, the entire ingredient list moves into his or her shopping cart at their preferred online shopping location.

For species that have greatly suffered from the loss of the foodservice market, ASMI will seek to boost consumption at retail, for example, marketing black cod to smokers in Europe and to marinating companies and retailers in Japan. Beer pairings for Atka mackerel in Japan will help move sales from the struggling izakaya sector into retail. As new foodservice trends emerge, ASMI will work with new partners who show promise for **long-term presence** like those who blur the line between foodservice and retail, such as rice ball makers in Asia, an easy to go item. Pushing this category to go high-end and supporting it in SE Asia and China will help us increase opportunities for mentaiko, ikura, and salmon flake.

ASMI International is funded by three separate sources all of which had unspent funds in FY 20:

Market Access Program (MAP) grant funds **\$781,588**

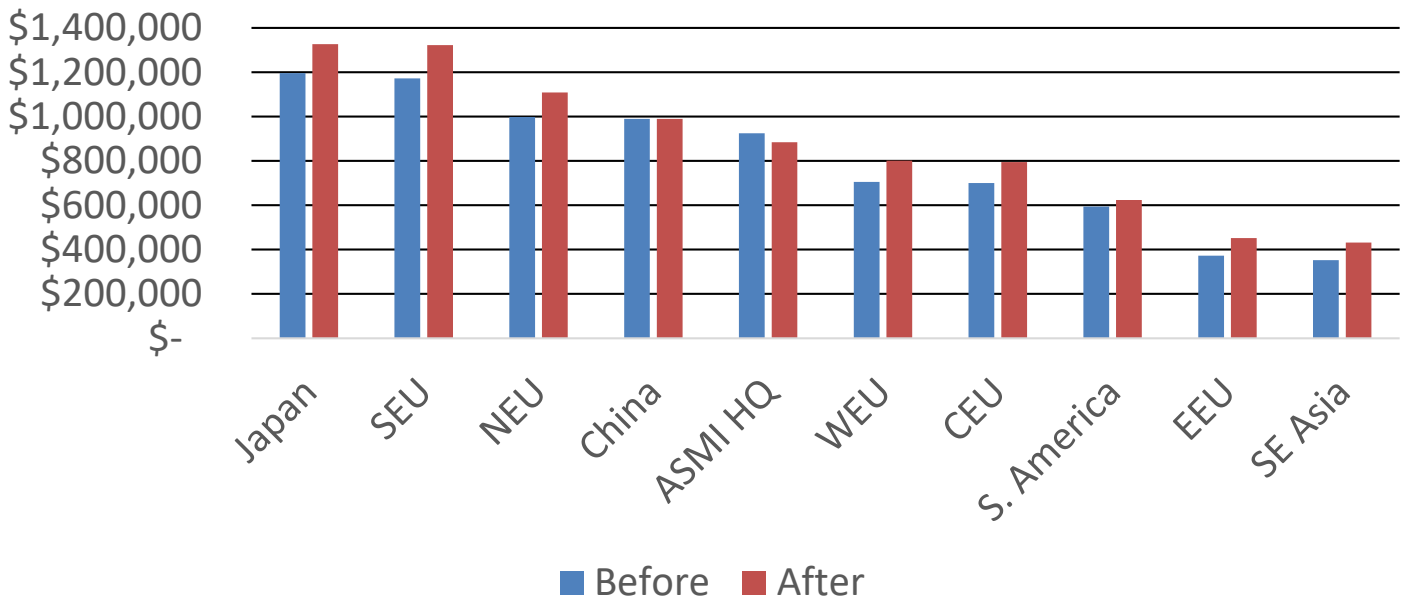
Agricultural Trade Promotion Program (ATP) grant funds **\$630,000**

Match (industry assessment) funds. (MAP requires a 55% match. ATP requires a 10% match) **\$764,266**

- **This budget adds 100% of MAP carry over funds, \$781,588, to the budget; they must be spent by June 30, 2021.**
- **This budget adds \$110,000 in ATP to the budget and moves the remaining \$520,000 forward to future years to help mitigate projected declining budgets.**
- **This budget moves 100% of match carryover, \$764,266, forward to future years to help mitigate ASMI's declining budgets.** ASMI is able to capture costs outside of the international budget, such as co-exhibitor contributions to trade shows, IT support, office rent, and support program activities, as a cash match, and therefore, can "afford" to appear to short our matching funds this year. **With projected declining budgets across all marketing programs and probable decreases in SDPR which will cause even deeper cuts, this is strategically necessary in order for ASMI to have a multi-year marketing response to current opportunities and challenges.**

- **The IMC did not yet allocate \$100,000 in MAP to reserve for future unforeseen opportunities.** A proposal for this money, to potentially include some of the international match carry forward, will be reviewed by the IMC in the New Year.
- The cancelation of trade shows and travel within the current fiscal year have necessitated shifts within current budgets.
- The China program will not receive any additional funding, due to increased uncertainty in this market. However, ASMI will continue work in China with the original budget, taking a long-term approach to this market.
- The “Global” trade show line will be used to take advantage of opportunities in Korea.
- **Total new budget: \$9,380,240**

ASMI 2021 Budget with Rollover Funds



Specific Program changes:

- **ASMI HQ 2021 proposed total budget: \$884,500**
- -\$40,000 from staff travel to fund AK Seafood week in Barcelona
- **ASMI China 2021 budget: \$989,461**
- **No additions**
- China fisheries cancelled and budget will be reallocated to trade PR. No travel to AK for All hands-small match reallocation
- **Japan 2021 proposed total budget: \$1,196,260**
- +\$70k retail merchandising for sockeye flake, marinated products & Atka mackerel and POP at retail
- +\$20k Trade Outreach- New POS materials
- +\$40k Consumer PR media tie in targeting women, take advantage of sustainability growing popularity
- **Southeast Asia 2021 proposed total budget: \$431,917**

- No MAP funding, not a MAP funded program. ATP addition:
- +\$25k trade servicing to continue building relationships with new trade members
- +\$40k in retail promotions to build on those relationships
- +\$15k in HRI promotions for delivery promotions to help break into this growing market

- **NEU 2021 proposed total budget: \$1,108,730**
- +\$80,000 Retail merchandising +\$80,000 to take advantage of new products and increased messaging
- +\$30,588 Trade PR to reach trade with new research about consumer preference for Alaska

- **WEU 2021 proposed total budget: \$801,202**
- +\$30k Consumer PR for recipes/influencer campaigns
- +\$40k Retail merchandising for shopping app Christmas promotion and other opportunities
- + \$26k Foodservice promotions (cash & carry campaign)

- **CEU 2021 proposed total budget: \$794,876**
- +\$55k consumer PR for influencers recipes and university student promotions
- +\$40k in retail promotions for shopping app and other opportunities

- **EEU 2021 proposed total budget: \$452,000**
- +\$80k Trade PR Outreach (upgraded online assets)

- **South America proposed total budget: \$623,824**
- **+MAP**
- \$25k to retail promotions for three additional campaigns in Brazil
- +\$35k MAP for website line includes online event with 50 Best restaurants and nutritionist events
- **+ATP \$30k** for Peru and other follow up opportunities

- **Southern Europe proposed total budget: \$1,322,270**
- -\$60k from trade shows (CONXEMAR) into trade PR & +\$40k MAP to trade PR
- +\$40k into retail merchandising for online promos
- +\$40k Match from staff travel to foodservice promos
- +\$30k MAP to foodservice promotions (to fund Alaska seafood week in Barcelona)
- **+\$110 MAP**

- **Total proposed international program FY 21 budget: \$9,380,240**